

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
September 12, 2012

The regular monthly meeting of the Board of Trustees of the Employees' Retirement System of the City of Norfolk was held in the City Hall sixth floor conference room in the City of Norfolk, Virginia. The meeting began at 12:00 pm on Wednesday, September 12, 2012 with Chairperson, Stephanie A. Calliott presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Absent</u>
S.A. Calliott	L.A. Bernert
C.R. Neikirk	K.W. Crowder
Y.T. Allmond	N.E. Nelson
S. Felton	
M.D. Jones	
E.G. Tucker	

Sheryl Potter-Griggs, Acting Executive Director, Darrell Hill, Assistant City Manager, Mary L.G. Nexsen, Deputy City Attorney, Theodore Wilder, Business Analyst, Thomas Grissom, Retiree, Michael Phillips, Police Officer, and Michelle Burton, Interning with the City Attorney's Office, also attended the meeting.

The minutes for the monthly meeting held August 08, 2012 were approved.

Mrs. Cheryl Xystros, Engagement Partner, and Mrs. Karen Bjune, Engagement Manager, of KPMG met with the Board to review the upcoming June 30, 2012 audit. Amanda Switzer who has joined the client service team will be the engagement lead for this audit. She reviewed the following areas with the Board:

- KPMG Client Service Team
- Required Communications
- Risk Assessment
- Fraud Risk
- Audit Calendar
- Reports to be Issued

Mrs. Xystros stated that last year they reviewed the controls in place for the employee contributions. This year they will test some of the transactions to make sure they are handled properly. She concluded by saying that the meeting today allowed the Board the opportunity to address any issues or concerns with the auditors prior to the start of the engagement.

New Business

A. Applications for vested service retirement:

Dorothy A. Corbin, Active No. 17269, March 1, 2011 with no refund due.
[Lake Taylor City Hospital]

Charles Earl Kittrell, Active No. 20436, June 1, 2012 with no refund due.
[Lake Taylor City Hospital]

Fred R. Brusso, Jr., Active No. 22195, November 1, 2012 with no refund due.
[City Planning and Codes Administration]

Cynthia E. Gilliam, Active No. 21925, November 1, 2012 with no refund due.
[Lake Taylor City Hospital]

James W. Hayes, Active No. 26092, November 1, 2012 with no refund due.
[Utilities]

B. Application for early service retirement:

James Carcich, Active No. 29193, October 1, 2012 with no refund due.
[Public Works]

Teresa F. Stephens, Active No. 25597, October 1, 2012 with no refund due.
[Emergency Preparedness and Response]

Jamie R. Wilks, Active No. 26602, October 1, 2012 with no refund due.
[Fire Rescue Services]

Paula R. King, Active No. 24481, November 1, 2012 with no refund due.
[Human Services]

C. Applications for normal service retirement:

Roger L. Berrier, Active No. 23934, October 1, 2012 with no refund due.
[Recreation, Parks and Open Space]

Sharon L. Chamberlin, Active No. 19207, October 1, 2012 with no refund due.
[Police]

Acquanetta Ellis, Active No. 29704, October 1, 2012 with no refund due.
[Transition Assistance]

John M. Tolson, Sr., Active No. 24098, October 1, 2012 with no refund due.
[Police]

Walter B. Tindell, Active No. 25556, November 1, 2012 with no refund due.
[Police]

D. Recommendations by the Medical Board that the following be retired:

Michael L. Phillips, Active No. 25862, October 1, 2012 with no refund due. This member requested accidental disability retirement. [Police]

The Board denied Michael L. Phillips request for accidental disability retirement on the basis of not being eligible.

Ken C. Kates, Active No. 26354, October 1, 2012 with no refund due. This member requested accidental disability retirement. [\[Utilities\]](#)

The Board denied Ken C. Kates request for accidental disability retirement on the basis of not being eligible. Trustee Eric Tucker abstained from voting.

Eric G. Dodd, Active No. 29305, October 1, 2012 with no refund due. This member requested ordinary disability retirement. [\[Public Works\]](#)

The Board denied Eric G. Dodd request for ordinary disability retirement on the basis of not being eligible.

Cindy D. Worlds, Active No. 31638, October 1, 2012 with no refund due. This member requested ordinary disability retirement. [\[Recreation, Parks and Open Space\]](#)

The Board denied Cindy D. Worlds request for ordinary disability retirement on the basis of not being eligible.

E. Death of retired members:

Donald E. Lee, Sr., Ret. No. 3258, death occurred July 11, 2012. No benefit payable due to no surviving spouse or dependent children.

Isabel M. Mitchell, Ret. No. 3598, death occurred July 11, 2012. No benefit payable due to no surviving spouse or dependent children.

Frances C. Mack, Ret. No. 3696, death occurred July 14, 2012. No benefit payable due to no surviving spouse or dependent children.

Allen C. Hooper, Ret. No. 2925, death occurred July 16, 2012. No benefit payable due to no surviving spouse or dependent children.

Thomas E. Neary, Ret. No. 3462, death occurred July 25, 2012. No benefit payable due to no surviving spouse or dependent children.

Fred Robinson, Ret. No. 3006, death occurred August 7, 2012. Spouse elected monthly benefit of \$1,578.15

Michael J. McCarthy, Ret. No. 2882, death occurred August 8, 2012. No benefit payable due to no surviving spouse or dependent children.

Bernice E. McConn, Ret. No. 3073, death occurred August 12, 2012. No benefit payable due to no surviving spouse or dependent children.

Mildred M. Saunders, Ret. No. 3145, death occurred August 16, 2012. No benefit payable due to no surviving spouse or dependent children.

Charles R. Neyer, Ret. No. 5532, death occurred August 17, 2012. No benefit payable due to no surviving spouse or dependent children.

Zenobia H. Boger, Ret. No. 3250, death occurred August 29, 2012. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouse:

Erma C. Murray, Spouse. No. 674, death occurred June 26, 2012. No benefit payable.

Margaret C. Artman, Spouse. No. 223, death occurred July 21, 2012. No benefit payable.

Molly C. Naismith, Spouse. No. 800, death occurred July 22, 2012. No benefit payable.

Letty J. O'Brien, Spouse. No. 674, death occurred July 30, 2012. No benefit payable.

The Board approved withdrawal of the following non-contributing members:

<u>Name of Member</u>	<u>Active Number</u>
Breon K. Young	33389
Stanley M. Ingram	33498
Suzanne R. Davis	33578
Christina Patac	33709
Regina M. Zarrelli	32016
Rashida Asterilla	32531
Michelle Boone	32532
Adrienne Manley	32889
Earnest Wilson III	33189
Donald A. Coons	33270

Total Members – 10

The following report of payments from the Trust Fund received and filed:

Christopher S. Davis (1)	\$ 17.82
Federal Express (2)	35.95
Baker's Crust (3)	137.53
Cheiron (4)	4,407.05
State Street Bank and Trust (5)	17,789.74
Retirement Payroll (Payroll est. for September, 2012)	<u>6,100,000.00</u>
 Total	 <u>\$ 6,122,388.09</u>
(1)	Refund overpayment for purchase of service
(2)	Information sent to Cheiron, Inc.
(3)	Lunch served for Board Meeting - August 8, 2012
(4)	Retainer Services – July 2012
(5)	Custodial Services - June and July 2012

Committee Reports

Administration and Planning:

Ms. Felton reported that she had spoken with Fiona Liston, of Cheiron, and they will be at the October 10, 2012 Board meeting to present the results of the experience study.

Investment Management:

The Investment Committee met prior to the Board Meeting. Mr. Neikirk reported that we reviewed our Capital Markets Update and the Flash report. The pension fund assets as of August 31, 2012 were \$854 million. This would bring the funded status to approximately 80% based on liabilities as of July 1, 2011. The allocations were generally in line with the policy. We resumed our education discussion on Master Limited Partnerships (MLPs) as a potential asset class for the Fund. Mr. Neikirk asked Mrs. Potter-Griggs or Mr. Wilder to send the presentations on MLPs to the Board for their review and to think of any questions that you would like answered prior to either recommending or rejecting the inclusion of MLPs as a possible asset class for the Fund. Mr. Neikirk requested that all questions be sent to him by Friday, September 21, and he will consolidate them and forward them to Mrs. Portis for our next Investment Committee Meeting on October 10, at 11:00 am. We also received a brief overview of our equity allocation as it relates to domestic versus international and we will continue that discussion later. Overall, Summit is generally comfortable with the level of international equity investments in our Fund.

The next Retirement Board meeting is scheduled for October 10, 2012 at 12:00 noon. There will be an Investment Committee meeting at 11:00 am.

There being no further business, the meeting adjourned at 1:25 p.m.

Chairperson

Executive Director