

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
November 13, 2013

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, November 13, 2013 with Christopher R. Neikirk presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Absent</u>
C.R. Neikirk	S.A. Calliott
Y.T. Allmond	L.A. Bernert III
A.M. Kelly	K.W. Crowder
N.E. Nelson	
E.G. Tucker	
S. Joy-Hogg	

Sheryl Potter-Griggs, Acting Executive Director, and Mary L.G. Nexsen, Deputy City Attorney also attended the meeting.

The minutes for the regular meetings held September 11, 2013 and October 9, 2013 were approved as printed.

A. Recommendation to rescind retirement application:

Burna K Ellis, Active No. 28182, December 1, 2013, with no refund due.
[City Clerk]

The Board, upon concurrence with the respective department heads, approved Item A – Recommendation to rescind retirement application.

B. Applications for vested service retirement:

Jaime E. Torres, Active No. 28061, May 1, 2007, with no refund due.
[Police]

Charleen J. Hoyt, Active No. 25563, October 1, 2008, with no refund due.
[Executive]

Deborah A. Warr, Active No. 27190, June 1, 2013, with no refund due.
[Executive]

C. Applications for early service retirement:

Terry R. London, Active No. 25598, December 1, 2013, with no refund due.
[Executive]

Lillie Katherine Anderson, Active No. 28205, January 1, 2014, with no refund due.
[Fire Rescue Service]

D. Applications for normal service retirement:

Jodi Lynne Kowalski, Active No. 25595, December 1, 2013, with no refund due.
[Police]

Clifford F. Poplin, Active No. 25580, December 1, 2013, with no refund due.
[Fire Rescue Services]

The Board approved Item B – Applications for a vested service retirement; Item C – Applications for an early service retirement; and Item D – Applications for a normal service retirement.

E. Applications for normal service retirement effective December 1, 2013 (VRIP):

EMPLOYEE NAME	DEPARTMENT NAME	ACTIVE NO
Adams, Thomas E.	Human Services	28648
Alford, Thurmond	Public Works	30041
Askew, Mary J.	Executive	22203
Bastian, Betty S.	Police	29117
Belen, Tolentino M.	Civic Facilities	31325
Bishop, Linda D.	Human Services	32078
Blythe, Barbara	General Services	31587
Brevard, Theodore	Recreation, Parks and Open Space	23473
Burke, Melanie V.	Recreation, Parks and Open Space	23257
Carpenter, Tyrone A.	Utilities	29331
Chisholm, Vernetta R.	Human Services	28378
Clark, Robert W.	Public Works	24253
Clark, Robert W.	Public Works	20747
Clemmer, Janie	Information Technology	31013
Cuffee-Ferguson, Barnetta	Human Services	23880
Daniels, Linda R.	Human Services	25532
Davenport, Doris L.**	City Assessor	15908
Davis, Evelyn R.	Human Services	18185
Davis, Maurice T.	Public Works	21416
Deuel, John W.	Public Works	23900
Dickens, James B.	Public Works	26774
Doudera, J. Joseph	General Services	27954
Edwards, Emmalynn R.	General Services	25673
Ellis, Burna K.	City Clerk	28182
Ellis, Nancie M.	General Services	28687
Faber, Alice L.	General Services	32003
Felton, Ronnie L.	Public Works	28604
Fleming, Gerald M. Sr.	Utilities	27308
Fleming, Danny P.	Utilities	20111
Flowers, Doris C.	Human Services	26517
Forbes, Artis E.	Utilities	23964
Gieselman, George F.	Recreation, Parks and Open Space	26143

Gray, Roy E.	General Services	31350
Grimsley, Johnny R. Jr.	Utilities	22132
Grubbs, James L. Jr.	Civic Facilities	23852
Habermehl, Tina Hall	Recreation, Parks and Open Space	23326
Henry, Joyce C.	Recreation, Parks and Open Space	18909
Holmes, Samuel Thomas	Public Works	32512
Jackson, Ellen B.	Human Services	19219
James, Judy A.	Emergency Preparedness and Response	22949
James, Sharon M.	Utilities	22788
Johnson, Hazel F.	Human Services	23774
Johnson, Maggie E.	Utilities	18297
Jones, Meringue	General Services	32195
Jones, Vanessa D.	Human Services	23746
Julian, Gerald L. Jr.	Utilities	21553
Justis, Preston S.	Utilities	22568
Knight, Jacqueline G.	Commissioner of the Revenue	32312
Lake, Helen	Recreation, Parks and Open Space	26875
Lee, Sandra L.	Community Services Board	33664
Macek, Frank	Community Services Board	33672
Martin, Elretta Nelson	Utilities	21436
Martin, Gail D.	Human Services	30269
Megia, Conrad C.	Utilities	30510
Monola, Williams M.	Utilities	19754
Moore, Charles Jr.	Utilities	21633
Paselio, Mike P.	Utilities	28100
Poertner, Robert V.	Public Works	31589
Ross, Malcolm L.	General Services	25070
Russell, Carol Jane	Information Technology	28010
Ryan, Charles E.	Executive	23846
Sanderson, Raleigh L., Sr.	Utilities	23064
Skinner, Daniel G.	Public Works	21976
Smith, Connie J.	Human Services	24694
Stevens, Thomas G.	Recreation, Parks and Open Space	28579
Stokes, Mildred C.	Community Services Board	33911
Suphin, Verlie L.	General Services	25711
Thomas, Anna L.	Human Services	24484
Thomas, Janice C.	General Services	27476
Underwood, Charlene M.	Utilities	22279
Ward, Johnette	Public Health	31942
Wesley, Cheyenne	Community Services Board	33775
White, Stephen T.	Public Works	25003
Whittington, Betty C.	Police	21903
Williams, Aaron T.	Public Works	23996
Williams, Denise L.	Public Works	24447
Williams, Patricia H.	Human Resources	24608
Williams, Shirley L.**	Human Services	16794
Wilson, Jesse L.	General Services	27402
Wright, Barbara T.	Human Services	17312
Wrynn, Barry J.	Civic Facilities	29450

**Voluntary contributions due

The Board approved Item E – Applications for a normal service retirement effective December 1, 2013 under the Voluntary Retirement Incentive Program (VRIP).

F. Recommendation by the City Manager that the following December 1, 2013 (VRIP) retirements be extended:

Conrad C. Megia, Active No. 30510, January 1, 2014
Melanie V. Burke, Active No. 23257, February 1, 2014
Helen Lake, Active No. 26875, February 1, 2014
Connie J. Smith, Active No. 24694, February 1, 2014
Linda R. Daniels, Active No. 25532, March 1, 2014
John W. Deuel, Active No. 23900, March 1, 2014
Gerald L. Julian, Jr., Active 21553, March 1, 2014
William M. Monola, Active No. 19754, February 1, 2014
Stephen T. White, Active No. 25003, March 1, 2014
Patricia H. Williams, Active No. 24608, March 1, 2014
Danny P. Flemming, Active No. 20111, April 1, 2014
Doris C. Flowers, Active No. 26517, April 1, 2014
Anna L. Thomas, Active No. 24484, April 1, 2014
Sandra L. Lee, Active No. 33664, June 1, 2014

The Board approved Item F – Recommendation by the City Manager above approved December 1, 2013 retirements (VRIP) be extended.

G. Medical Board review of application for disability retirement:

Derick Shirley, Active No. 25215, December 1, 2013 with no refund due. This member requested ordinary disability retirement. [\[Public Works\]](#)

The Board approved Item G – Application for ordinary disability retirement with no subsequent medical review.

H. Death of retired members:

Georgetta G. Tyson, Ret. No. 3320, death occurred September 5, 2013. No benefit payable due to no surviving spouse or dependent children.

Samuel Henry Howard, Ret. No. 4624, death occurred September 19, 2013. No benefit payable due to no surviving spouse or dependent children.

Nina H. Brothers, Ret. No. 2536, death occurred October 20, 2013. No benefit payable due to no surviving spouse or dependent children.

Selma G. Rees, Ret. No. 2835, death occurred July 23, 2013. Spouse elected lump sum payment of \$11,081.91.

I. Death of spouses:

Betty J. Cherry, Spouse. No. 890, death occurred September 27, 2013. No benefit payable.

Mamie L. Hall, Spouse. No. 755, death occurred October 29, 2013. No benefit payable.

The Board approved Item H – Death of retired members; and Item I – Death of spouses.

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

<u>Name of Members</u>	<u>Active Number</u>
Brian Strode	33522
Arnella M. Edwards	33585
Lisa M. Ellis	33588
Traver T. Stewart	33753

Total Members – 4

The Board approved withdrawal of the following contributing members:

<u>Name of Member</u>	<u>Active Number</u>
Penny Delosh	33521
Henry L. Sanjuan	34252
Scott L. Cravey	34400
Nathan Scott Simms	33392
David J. Duck	33895
Alyson R. Lawson	33925
Mimi C. Moody	34257
Sarah E. Sterzing	33240
Lucas B. Pavlik	33253
Jeffrey S. Johnson	33325

Total Members – 10

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

Federal Express (1)	\$	68.74
Baker's Crust (2)		83.63
Sheila R. Williams (3)		88.59
Pension & Investments (4)		325.00
Cheiron, Inc. (5)		5,917.01
State Street Corporation (6)		14,009.16
Summit Strategies, Inc. (7)		47,136.00
Retirement Payroll (Payroll est. for November, 2013)		<u>6,300,000.00</u>
 Total		<u>\$ 6,367,628.13</u>

- (1) Information sent to actuary for Audit 2013.
- (2) Lunch served for Board Meeting - October 9, 2013
- (3) Reimbursement - Fees/Supplies for COA Notary Registration
- (4) Subscription renewal
- (5) Retainer Services - July 2013
- (6) Custodial Services - September 2013
- (7) Investment Consulting Services - July, August and September

Committee Reports

Administration and Planning:

Ms. Kelly reported that the Committee did not have a meeting.

Investment Management:

Capital Market Review and Flash for October 31, 2013

Jessica Portis provided an economic and capital market update highlighting the continued macroeconomic challenges being faced around the globe. In the United States (US), economic indicators have started to point to a slower rate of growth and economic improvement.

The market value of the Fund rose from \$948 million to \$972 million by October 31, 2013. The System had an overweight to US Equity +2.2% and International Equity +0.9% and an underweight to Fixed Income of (3.8%).

The portfolio returned 2.8% for the month of October outperforming the Policy Index by 4 basis points and calendar year to date, the portfolio returned 13.1% outperforming the index by 112 basis points. For the trailing year, the portfolio returned 15.7% outperforming the Policy Index by 140 basis points.

Performance for the month was driven by strong equity market performance, as well as MLP performance. For the first 10 months of the year, performance was most positively influenced by US Equity. Fixed Income has produced a negative absolute return as a result of yields rising and the portfolio having exposure to TIPS (the longer duration hurt).

On the active manager side, PIMCO continues to do well as a result of their shorter duration and exposure to credit instruments. Both MLP managers have gotten off to a solid start outperforming their benchmark and producing a solid absolute return.

Third Quarter Portfolio Review

The portfolio returned 5.0% for quarter outperforming the Policy Index by 4 basis points and ranking in the 48th percentile of Public Funds. For calendar year to date, the portfolio returned 10.2% outperforming the index by 115 basis points, ranking in the 59th percentile of Public Funds. For the trailing year, the portfolio returned 12.2 % outperforming the Policy Index by 147 basis points and ranking in the 57th percentile.

The Total Fund Composite ranks above median of Public Pension Plans, 65% of the last 20 rolling three year periods.

Market and Portfolio Review

The discussion was deferred to the December Investment Committee meeting, but Jessica Portis summarized the materials included in the presentation. The presentation highlighted the strong performance of equity markets, in particular the US equity marketplace. Given the potential for US interest rates to rise, consideration should be given to adjusting the fixed income portfolio structure.

Mrs. Potter-Griggs reported to the Board that the VRIP 2013 went smoothly with excellent work of the Retirement Office staff and the assistance of the Department of Human Resources.

The next Retirement Board meeting is scheduled for December 11, 2013 at 12:00 noon. There will be an Investment Committee meeting at 11:30 a.m.

There being no further business, the meeting adjourned at 12:28 p.m.

Chairperson

Executive Director