

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
April 2, 2014

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, April 2, 2014 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	K.W. Crowder
C.R. Neikirk	N.E. Nelson
Y.T. Allmond	E.G. Tucker
L.A. Bernert	
A.M. Kelly	
S. Joy-Hogg	

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

New Business

A. Applications for vested service retirement:

William L. Bruffy, Active No. 26948, January 1, 2011, with no refund due.
[Planning and Codes]

Levon Gatling, Active No. 27082, February 1, 2013, with no refund due.
[Public Works]

B. Applications for early service retirement:

Donna M. Vogel, Active No. 25424, May 1, 2014, with no refund due.
[Human Resources]

Garcia V. Ortiz, Active No. 26075, June 1, 2014, with no refund due.
[Finance]

C. Applications for normal service retirement:

Julie A. Brown, Active No. 25500, May 1, 2014, with no refund due.
[Police]

Ricky E. Cooper, Active No. 24944, May 1, 2014, with no refund due.
[Fire Rescue Services]

Jonathan A. Guffey, Active No. 26853, May 1, 2014, with no refund due.
[Fire Rescue Services]

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

D. Death of retired members:

Joseph W. Dubois, Ret. No. 4617, death occurred August 12, 2012. Spouse elected monthly benefit of \$1,539.23.

Dean L. Cowell, Ret. No. 6060, death occurred February 7, 2014. No benefit payable due to no surviving spouse or dependent children.

Glenna L. Warlikowski, Ret. No. 2561, death occurred February 21, 2014. No benefit payable due to no surviving spouse or dependent children.

Theodore A. Munden, Ret. No. 4819, death occurred February 23, 2014. No benefit payable due to no surviving spouse or dependent children.

Doris P. Baldwin, Ret. No. 4871, death occurred March 1, 2014. Spouse elected monthly benefit of \$1,867.93.

Carol A. Henley, Ret. No. 4871, death occurred March 4, 2014. No benefit payable due to no surviving spouse or dependent children.

Earl E. Smith, Ret. No. 3807, death occurred March 6, 2014. Spouse elected lump sum payment of \$22,512.88.

Thelma S. Nichols, Ret. No. 2881, death occurred March 8, 2014. No benefit payable due to no surviving spouse or dependent children.

Ellar Outerbridge, Ret. No. 3452, death occurred March 13, 2014. No benefit payable due to no surviving spouse or dependent children.

Charles D. Grant, Ret. No. 2794, death occurred March 14, 2014. No benefit payable due to no surviving spouse or dependent children.

John R. Arrington, Ret. No. 3645, death occurred February 4, 2014. Spouse elected monthly benefit of \$814.41.

George D. Powell, Ret. No. 1049, death occurred March 19, 2014. No benefit payable due to no surviving spouse or dependent children.

Blanche E. Brazzi, Ret. No. 3624, death occurred March 22, 2014. No benefit payable due to no surviving spouse or dependent children.

E. Death of spouses:

Glenna L. Warlikowski, Spouse No. 671, death occurred February 21, 2014. No benefit payable.

Arlen Jensen, Spouse No. 1081, death occurred March 6, 2014. No benefit payable.

Phyllis C. Miller, Spouse No. 873, death occurred March 8, 2014. No benefit payable.

The Board approved benefit payments for Item D – Death of retired members; and removal from the payroll for Item E – Death of spouses.

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

<u>Name of Members</u>	<u>Active Number</u>
Susan B. Girois	33605
Jessica M. Powers	33719
Rebecca Young	33781
Chad R. Morris	32670
Total Members – 4	

The Board approved withdrawal of the following contributing members:

<u>Name of Member</u>	<u>Active Number</u>
Deon Rheubottom	33121
Bryant J. Thomas	33156
Janis Perry	33311
Andre Couther	33380
Deborah Mason	33516
Michael D. Ahiagbede	34029
Jeffery Bryan Spivey	34145
Daniel Patrick Scanlon	34216
Walter K. Johnson	34239
Bruce Antonio Wise	34314
Darlene Boone	34334
Joan A. Smith	34388
Kassandra D. Clarke-Reid	34398
Shanelle C. Little	34414
Angela D. Martin	34489
Miranda Wilkerson	34560

Total Members – 16

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

Baker's Crust (1)	\$ 97.13
The Virginian-Pilot (2)	189.80
Cheiron (3)	4,539.26
State Street Corporation (4)	17,938.17
Summit Strategies Group (5)	47,448.00
Retirement Payroll (Payroll est. for April, 2014)	<u>6,600,000.00</u>
 Total	 <u>\$ 6,670,212.36</u>

- (1) Lunch served for Board Meeting - March 5, 2014
- (2) Subscription Renewal - 03/26/14 - 03/24/15
- (3) Retainer Services - February 2014
- (4) Custodial Services - January & February 2014
- (5) Investment Consulting Services - January, February & March 2014

Committee Reports

Administration and Planning:

Ms. Kelly reported that the Committee met on Friday, March 7, 2014 to receive the nine (9) proposals submitted for actuarial services, and instruction for the evaluation process. The cancellation letter cancelling the agreement with current actuary, Cheiron, Inc., was sent, and a recommendation from the Committee for the actuarial services contractor will be made to the Board at its May meeting. Upon approval by the Board, the contract will be forwarded for City Manager approval with an effective date of July 1, 2014.

Investment Management:

Mr. Neikirk reported that the Investment Committee met at 11:00 a.m. The Committee continued discussion on alternatives for TIPS allocation and recommended to allocate the entire current TIPS allocation of \$42 million to the Barclays Capital Aggregate strategy. The Board approved the Committee's recommendation.

The Committee also discussed electronic trading issues as a result the story that aired on CBS' 60 Minutes news program. Jessica Portis of Summit Strategies is having discussions with the fund managers regarding impact. The Plan's equity holdings are passively managed and therefore generally insulated from the impacts versus active strategies. The Committee will continue to cover this topic as the theories evolve.

The Committee will continue discussion on the rewriting the Investment Policy Statement's rebalancing section at its May 7, 2014 meeting to begin at 11:30 a.m. The

funded status of the Plan is 86% versus the 07/01/13 liability and just shy of \$1 billion in assets.

Other Topics

Mrs. Potter-Griggs distributed the results of the survey of the independent retirement systems in the State and VRS about the accrued interest that is paid on employee contributions. The Board discussed the reasonableness of the current accrued rate of 4% on NERS member contributions. The Board requested City Administration to address this topic with City Council and to share with the Board the results.

Mrs. Potter-Griggs reported the status of the disability beneficiaries re-examinations and stated that there were five (5) cases where the Medical Board determined that a re-examination was not necessary. The Board directed Mrs. Potter-Griggs to have the Medical Board provide the Board with written justification for this determination for review. Ms. Calliott directed Mrs. Potter-Griggs to add status of re-examinations to the regular monthly meeting agenda of the Board.

Mrs. Potter-Griggs requested approval from the Board for Mary Lou Nexsen to attend the NAPPA Conference, June 2014 in Nashville, TN. Estimated cost is \$2,300.00. The Board approved payment for the travel expenses for Ms. Nexsen to attend the conference.

Mrs. Potter-Griggs requested the Board to consider the timing of the termination of the current actuary's services and the hiring of a new actuary and its impact on the upcoming audit. The Board discussed the audit schedule and advised, depending timing of the evaluation and recommendation, that the selected vendor start January 1, 2015 instead of a July 1, 2014, and that an agreement be made with Cheiron, Inc. through December 31, 2014 should they not be the selected vendor.

Mr. Neikirk announced to the Board that the CEO of State Street Global Advisors will be meeting with the Board on Wednesday, May 21, 2014 and encouraged all who could attend to attend.

The next Retirement Board meeting is scheduled for May 7, 2014 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 12:45 p.m.

Chairperson

Executive Director