

Minutes of the Regular Monthly Meeting  
Board of Trustees  
Employees' Retirement System of the City of Norfolk  
April 21, 2003

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 2:05 p.m. on Monday, April 21, 2003, with Chairperson, Michael S. Ives presiding. The following was the result of the roll call:

Attending the Meeting  
Meeting

M.S. Ives  
W.O. Carrow  
S.G. de Mik  
J.D. Hopkins  
R.J. Keogh

Not Attending the

F.V. Martin  
A.B. Nusbaum  
R.V.K. Williams  
Vacant

Mrs. Mary L.G. Nexsen, Deputy City Attorney, Mr. Kamal Khanna, Chief Investment Officer, and Mr. Wilcox Bailey of PaineWebber also attended the meeting.

The minutes of the monthly meeting held March 17, 2003 and the minutes of the Special Call meeting held March 24, 2003 were approved as printed.

Mr. Timothy Devlin and Mr. Cris Posada of J.P. Morgan Fleming Asset Management gave a presentation to the Board. Their presentation covered the following topics:

- Preview
- Philosophy and Process
- Performance and Portfolio Review
- Outlook and Strategy

Committee Reports:

Administration and Planning:

Mr. Khanna reported that Mike Ives, Steve de Mik, Will Bailey and himself would visit the two finalist consulting firms - Summit Strategies in Saint Louis and New England Pension Consultants in Cambridge on April 30<sup>th</sup> and May 1<sup>st</sup> respectively. Mr. Ives reported that a meeting of the Administration & Planning Committee is scheduled for May 30<sup>th</sup> to compare observations and develop recommendations for the Board concerning the selection of the consulting firm. All board members are invited to attend the committee meeting.

Asset Allocation:

Mr. Keogh reported that the Committee did not have a meeting.

Investment Management Review Committee:

Mr. Khanna reported that the Committee did not have a meeting.

Training and Education:

Mr. de Mik reported that the Committee did not have a meeting.

Benefit Claims:

Dr. Hopkins reported that the Committee did not have a meeting.

Manager Search & Selection:

Captain Carrow reported that the Committee did not have a meeting.

Mr. Khanna distributed for the Board's information a report summarizing the Fund's performance and commentary on the economy and the markets. This report is attached as part of the official minutes.

Mr. Bailey distributed the following materials for the Board's information:

- Article from Goldman Sachs titled "Quantitative Insights".
- Article from Kanawha Capital Management, LLC titled "From Guns to Butter".

Mr. de Mik informed the Board that his staff as well as the retirement staff was involved in a major upgrade of the payroll system, which includes the retirement payroll as well.

Mrs. Nexsen informed the Board that staff needs to bring recommendations to the Board regarding procedures on how to have our disability retirees undergo a medical examination to determine if they are still disabled. Mr. Ives asked that staff make a report at the July Board meeting.

New Business

A. Applications for vested service retirement:

Nora S. Paredes, Active No. 15959, June 1, 2003, with refund of \$1,683.26.

Robert L. Wilson, Active No. 23814, August 1, 2003, with no refund due.

B. Applications for early service retirement:

Gwendolyn E. McCoy, Active No. 21203, July 1, 2003, with no refund due.

Janet Vaughan, Active No. 22002, May 1, 2003, with no refund due.

William R. Pollok, Active No. 23476, May 1, 2003, with no refund due.

C. Applications for normal service retirement:

Sampson C. Boone, III, Active No. 18726, May 1, 2003, with no refund due.

Albert D. Vasile, Active No. 19545, May 1, 2003, with no refund due.

John T. Greenia, Active No. 20608, May 1, 2003, with no refund due.

Robert C. Boyd, III, Active No. 14105, June 1, 2003, with refund of \$3,015.57

Thomas Kidd, Active No. 18460, June 1, 2003, with no refund due.

Donald R. Norrell, Active No. 20921, June 1, 2003, with no refund due.

Charles R. Sisson, Active No. 22933, June 1, 2003, with no refund due.

James A. Henderson, Active No. 23507, June 1, 2003, with no refund due.

Mochesh Lutrell, Active No. 23514, June 1, 2003, with no refund due.

Raymond S. Litchfield, Active No. 18758, July 1, 2003, with no refund due.

Carol J. Evans, Active No. 21134, July 1, 2003, with no refund due.

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

Gilbert R. Matthews, Active No. 14821, May 1, 2003, with refund of \$1,622.78.

This member requested ordinary disability retirement.

E. Death of vested member:

Jacqueline H. Vincent, Active No. 23215, death occurred March 11, 2003. No benefit payable due to not having reached normal eligibility age.

F. Ordinary death:

Antoinette R. Finegan, Active No. 25630, death occurred March 2, 2003. Spouse elected monthly benefit of \$582.42.

G. Death of retired members:

Thad Brinkley, Ret. No. 3247, death occurred February 24, 2003. Spouse elected monthly benefit of \$487.07.

Queen L. Scelzi, Ret. No. 823, death occurred March 6, 2003. No benefit payable due to no surviving spouse or dependent children.

Frances R. Jacobs, Ret. No. 1698, death occurred March 13, 2003. No benefit payable due to no surviving spouse or dependent children.

E. Lillian Starke, Ret. No. 3957, death occurred March 22, 2003. No benefit payable due to no surviving spouse or dependent children.

William R. White, Ret. No. 3642, death occurred March 29, 2003. Spouse elected lump sum payment of \$10,801.62.

Mary L. Cuffee, Ret. No. 2875, death occurred April 5, 2003. No benefit payable due to no surviving spouse or dependent children.

Lois B. Kiah, Ret. No. 4484, death occurred April 7, 2003. No benefit payable due to no surviving spouse or dependent children.

H. Death of spouses:

Virginia B. Holt, Spouse No. 111, death occurred January 10, 2003.  
No benefit payable.

Edna L. Caulder, Spouse No. 210, death occurred January 16, 2003. No benefit payable.

William A. Ayers, Sr., Spouse No. 682, death occurred March 5, 2003. No benefit payable.

Cora E. Davis, Spouse No. 143, death occurred March 11, 2003.  
No benefit payable.

Erma L. Shelly, Spouse No. 89, death occurred March 18, 2003.  
No benefit payable.

Virginia E. Lillard, Spouse No. 189, death occurred April 2, 2003.  
No benefit payable.

Dorothy E. Robinson, Spouse No. 242, death occurred April 9, 2003. No benefit payable.

Ms. Stevens presented to the Board the applications for accidental disability retirement for Jean E. Held, Active No. 23181, and Mr. Stevey D. Drake, Active No. 29367, and the application for ordinary disability retirement for Carolyn P. Harrell-Heyward, Active No. 23176. Dr. Hopkins made a motion that based on the medical reports the requests for accidental disability retirements for Jean E. Held and Stevey Drake be denied and that Carolyn P. Harrell-Heyward's request for ordinary disability retirement be denied. This motion was seconded by Mr. Keogh and Captain Carrow and approved unanimously by the Board.

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

<u>Name of Member</u>	<u>Active No.</u>
Felix Denson	28626
John Fisher, III	29030
James C. Holmes	29083
Nicholas E. Nelson	29089
Larry R. Jones	29259
Brandt Patrick Graybill	29280

Tracey Monique Garrett	29284
Michael T. Gaines	29306
Gayle Dames	29545
Jeremy A. Grimm	29647
Ingrid Marie Bornia	29835
Angela G. Mello	29843
Regina J. Blair	29851
Tiffany Bello	29907
Debbie S. McCoy	29922
Shauna Skinner	29927
Cassius T. Neal	29935
Nelson Acevedo	30021
Total - 18	

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

Virginia Retirement System	(1)	\$ 12,176.00
FedEx	(2)	16.54
The Wall Street Journal	(3)	319.00
Aquatic Therapy of Virginia	(4)	585.00
Buck Consultants, Inc.	(5)	3,606.00
Lotus Financial Consulting, LLC	(6)	12,500.00
Lotus Financial Consulting, LLC	(7)	15,000.00
Baker's Crust, Inc.	(8)	147.40
Sentara Medical Group	(9)	224.00
Buck Consultants, Inc.	(10)	5,599.00
State Street Corporation	(11)	12,174.27
Ladina Stevens	(12)	75.82
CI Travel	(13)	4,327.50
Retirement Payroll (est. April 03)		<u>\$ 3,100,000.00</u>
Total		<u>\$ 3,166,750.53</u>

- (1) City of Norfolk assets transferred to VRS for John R. Burns
- (2) Information sent to State Street
- (3) 2-year subscription beginning December 3, 2002
- (4) Functional capacity evaluation - Carolyn Harrell-Heyward
- (5) Services rendered January 2003
- (6) Consulting services for March 2003
- (7) Supplement as approved by the Board February 20, 2003

- (8) Lunch for March 24, 2003 Board Meeting
- (9) Medical exam for Roger D. Vercruysse
- (10) Services rendered February 2003
- (11) Custodial services February 1, 2003 through February 28, 2003
- (12) Reimbursement for get-well gift sent to Ted Wilder as approved at special call meeting held March 24, 2003
- (13) Airfare for Michael Ives, Steven de Mik, and Kamal Khanna to travel to St. Louis and Boston for due diligence responsibilities on April 30 - May 1, 2003.

There being no further business, the meeting was adjourned at 4:07 p.m.

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Chairperson

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Executive Director