

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
July 19, 2004

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 2:08 p.m. on Monday, July 19, 2004, with Chairperson, Michael S. Ives presiding. The following was the result of the roll call:

Attending the Meeting

M.S. Ives
J.D. Hopkins
N. Johnson
R.J. Keogh

Not Attending the Meeting

W.O. Carrow
F.V. Martin
A.B. Nusbaum
R. Stephenson
Vacant

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

Committee Reports:

Administration and Planning:

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

Asset Allocation:

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

Investment Management Review Committee:

Mr. Keogh reported that the Committee did not have a meeting. Mr. Keogh informed the Board that he, along with Fred Martin, Kamal Khanna, Ted Wilder and Eric Ralph, visited Burgundy Asset Management in Toronto, Canada on July 8-9, 2004. We met with Tony Arrell on Thursday evening for dinner. Tony is 40% owner, Chairman and Chief Executive Officer of the firm. Also at dinner were Lloyd Barbara, Franca DeBartolo and Jonathan Bloomberg. On Friday, we met several other members of the firm including the president and Allan MacDonald, portfolio manager for Burgundy's small cap program. Allan reiterated to us that their profile of small cap businesses is 35 to 40 businesses, people that they have interviewed, and they like to take a 2% position in companies. Mr. Keogh further stated that Burgundy seemed to be the company that they represented themselves to be during their presentation to us here in Norfolk. They seemed to have the expertise and a real passion for the service they perform.

Training and Education:

Mr. Wilder 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:

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

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

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

Baker's Crust	(1)	\$	176.73
FedEx	(2)		16.91
Lotus Financial Consulting, LLC	(3)		12,500.00
State Street Corporation	(4)		10,078.40
Theodore O. Wilder, Jr.	(5)		17.38
Bayview Physician Services	(6)		224.00
C.I. Travel	(7)		2,531.28
Summit Strategies Group	(8)		37,500.00
Mellon Consultants, Inc.	(9)		9,647.00
Government Finance Officers Assoc.	(10)		28.00
City of Norfolk	(11)		353,591.68
Retirement Payroll (est. July 04)			<u>3,500,000.00</u>
Total		\$	3,926,311.38

- (1) Lunch for the asset allocation study on June 21, 2004
- (2) Information sent to State Street
- (3) Consulting services for the period 07-01-04 through 07-31-04
- (4) Custodial services for the month of April 2004
- (5) Reimbursement for Dasani water and sodas for June 21, 2004 Board Meeting and office key made for Rhonda Lundy
- (6) Medical exam for Morgan Puyear
- (7) Difference from round-trip airfare tickets for Robert Keogh, Fred Martin, Ted Wilder and Kamal Khanna to

- visit Burgundy Asset Management in Toronto, Canada on July 8-9, 2004
- (8) Investment consulting services for the period April 1, 2004 through June 30, 2004
- (9) Services rendered through January 31, 2004; February 29, 2004 and March 31, 2004
- (10) Guidelines for preparation of a Public Employee Retirement System
- (11) Reimbursement to City of Norfolk for administrative expenses incurred for July 1, 2003 through June 21, 2004 as per ordinance 36847

There being no further business, the meeting was adjourned at 2:50 p.m.

Chairperson

Executive Director