

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
March 15, 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 March 15, 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
R.J. Keogh
F.V. Martin
K.R. Stephenson
R.V.K. Williams

Not Attending the Meeting

W.O. Carrow
A.B. Nusbaum
Vacant

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

The minutes of the monthly meeting held February 19, 2004 were approved as printed.

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.

Committee Reports:

Administration and Planning:

Mr. Wilder reported that the Committee did not have a meeting. Mr. Wilder stated that the Committee would be meeting on Wednesday, March 31, 2004, at 10:00 a.m. in room 309 City Hall. All Board members are encouraged to attend.

Asset Allocation:

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

Investment Management Review Committee:

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

Training and Education:

Mrs. Stephenson reported that the Committee did not have a meeting.

Benefit Claims:

Dr. Hopkins reported that he had begun discussions with Mrs. Nancy Olivo, Director of Human Resources, regarding policy changes for retiring disability applicants. They plan to have a meeting during the month of April 2004.

Manager Search & Selection:

Dr. Hopkins reported that a delegation consisting of himself, Captain Carrow, Kamal Khanna and Eric Ralph completed their due diligence trip to Chicago on March 11, 2004 to visit Oberweis Asset Management, Inc. for the small cap growth mandate. Mr. Jim Oberweis and two of his assistants greeted them and gave them a tour of their offices. They observed how they reviewed their potential investments and revisited the history of their company and their performance over the past several years. They were asked several questions regarding their ethical attention towards their company and discussed key man issues as well as other questions. Based on their visit with Oberweis, it is felt that they are capable to fill the small cap growth mandate for our Fund.

Mr. Martin made a motion for Mr. Khanna to attend the JP Morgan Conference in New York and for Mr. Ives and Mr. Khanna to attend the Institutional Investor Institute's 2004 Public Funds Roundtable in New Orleans. This motion was seconded by Mrs. Stephenson and unanimously approved by the Board.

Mr. Cris Posada and Mr. David Winterle of JP Morgan were on hand for their presentation. Their presentation covered the following topics:

- People
- Process
- Performance
- Market Outlook

New Business

A. Application for vested service retirement:

Norman E. Davis, Active No. 25885, June 1, 2004, with no refund due.

B. Applications for early service retirement:

Vivian B. Knight, Active No. 19151, April 1, 2004, with no refund due.

Barbara L. Monaghan, Active No. 19863, April 1, 2004, with no refund due.

Jane H. Jackson, Active No. 21009, April 1, 2004, with no refund due.

Norman E. Hughey, Active No. 21688, April 1, 2004, with no refund due.

Lyndell A. Beary, Active No. 23262, April 1, 2004, with no refund due.

Sherman E. Perry, Active No. 24804, April 1, 2004, with no refund due.

Samuel E. Knockett, Active No. 21758, June 1, 2004, with no refund due.

C. Applications for normal service retirement:

Robert E. Griffin, Active No. 20339, April 1, 2004, with no refund due.

Keith Partain, Active No. 21207, April 1, 2004, with no refund due.

Jane E. Ballance, Active No. 15001, May 1, 2004 with refund of \$1,864.24.

David B. Palmer, Active No. 21035, May 1, 2004, with no refund due.

Delores M. Monaco, Active No. 28401, May 1, 2004, with no refund due.

Robert E. Pittenger, Sr., Active No. 29570, May 1, 2004, with no refund due.

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

This David J. Flitton, Active No. 21609, April 1, 2004, with no refund due.
member requested accidental disability retirement.

E. Ordinary death:

Yancy T. Greer, Active No. 30224, February 9, 2004. No benefit payable due to not having the required five years of service time.

F. Death of retired members:

Ethel M. Sharpe, Ret. No. 2344, death occurred December 16, 2003. No benefit payable due to no surviving spouse or dependent children.

Madeline A. Williams, Ret. No. 2590, death occurred January 19, 2004. No benefit payable due to no surviving spouse or dependent children.

William M. Wood, Ret. No. 3658, death occurred January 22, 2004. Spouse elected monthly benefit of \$1,014.64.

Mannie S. Bryant, Ret. No. 2725, death occurred January 31, 2004. No benefit payable due to no surviving spouse or dependent children.

Anthony S. Kerrin, Ret. No. 4466, death occurred February 3, 2004. Spouse elected monthly benefit of \$534.17.

G. Death of spouses:

Helen D. Canady, Spouse No. 204, death occurred January 26, 2004. No benefit payable.

Delories L. Williams, Spouse No. 437, death occurred February 2, 2004. No benefit payable.

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

<u>Name of Member</u>	<u>Active No.</u>
Steven G. de Mik	29124
Stevey D. Drake	29367
Kimberly Fox	29565
Shaneya S. Chisley	29607
Bobby Lee Morris, Jr.	29640
Tirrell A. King	29782
Pavankumar Sura	29808
Anthony Joseph D'ambrosio	29878
Stephanie Cooper	30145
Franklin W. Dalmida	30153
Christina M. Eayrs	30189
Total - 11	

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

FedEx	(1)	\$	40.52
Baker's Crust	(2)		200.75

Theodore Wilder	(3)	32.20
Lotus Financial Consulting, LLC	(4)	12,500.00
C.I. Travel	(5)	1,241.70
C.I. Travel	(6)	3,725.10
Retirement Payroll (est. Jan. 04)		<u>\$ 3,500,000.00</u>
Total		\$ 3,517,740.27

Money manager invoices submitted to custodian for payment:

Wellington (12/31/03)	(7)	\$ 58,030.08
Putnam (US Growth) (12/31/03)	(7)	82,958.35
Putnam (OTC) (12/31/03)	(7)	<u>108,303.62</u>
		\$ 249,292.05

- (1) Information sent to State Street.
- (2) Lunch for Manager Search & Selection and Investment Management Review Committees held on 2/19/04.
- (3) Keys made for Myrella Aaron and Rhonda Lundy and for water and sodas for Board Meeting.
- (4) Consulting services for the period March 1, 2004 through March 31, 2004.
- (5) Round-trip airfare for Rhonda Lundy to attend PeopleSoft training on March 22, 2004 through March 26, 2004 in Chicago.
- (6) Round-trip airfare tickets for Dr. John Hopkins, Capt. William Carrow and Kamal Khanna to visit Oberweis on March 11-12, 2004 in Chicago.
- (7) Investment management fee for quarter ended 12/31/03.

There being no further business, the meeting was adjourned at 3:23 p.m.

Chairperson

Executive Director