

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
February 25, 2005

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 2:00 p.m. on Friday, February 25, 2005, with Chairperson, Michael S. Ives presiding. The following was the result of the roll call:

<u>Attending the Meeting</u>	<u>Not Attending the Meeting</u>
M.S. Ives	Vacant
S.G. de Mik	Vacant
J.D. Hopkins	Vacant
N. Johnson	
F.V. Martin	
A.B. Nusbaum	

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

The minutes of the monthly meeting held January 20, 2005 were approved as printed.

Committee Reports:

Administration and Planning:

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

Asset Allocation:

Mr. Ives 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:

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:

Mr. Ives 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. Khanna informed the Board that he would like to schedule Small Cap Value Equity Manager presentations with Byram Capital Management and Wellington Management Company

for Monday, March 21, 2005. Mr. Martin made a motion to schedule Small Cap Value Equity Manager presentations with Byram Capital Management and Wellington Management Company for Monday, March 21, 2005. This motion was seconded by Dr. Hopkins and approved unanimously by the Board.

Mr. Ralph distributed and discussed with the Board the Investment Performance Review for the quarter ended December 31, 2004.

Mr. Wilder informed the Board that the letter from Mr. Wilkinson, outlining precise chronological order that led to the changing of actuarial assumptions and methods, would be presented to the Board at the March 2005 meeting.

Dr. Hopkins requested that Ms. Linda Dagner's application for ordinary disability retirement and Mr. George Harper's application for accidental disability retirement be deferred until the March 2005 meeting. The Board approved Dr. Hopkins' request.

New Business

A. Applications for early service retirement:

Celestine P. McCall, Active No. 21189, March 1, 2005, with no refund due.

Michael A. Hudgins, Active No. 21447, March 1, 2005, with no refund due.

Robert E. Garrett, Active No. 21575, May 1, 2005, with no refund due.

Beverly A. Freeman, Active No. 22645, April 1, 2005, with no refund due.

Cheryl L. Robertson, Active No. 22299, May 1, 2005, with no refund due.

B. Applications for normal service retirement:

Karen D. Wilson, Active No. 15259, March 1, 2005, with no refund due.

Kevin J. Moran, Active No. 15512, March 1, 2005, with no refund due.

Guy G. Servais, Active No. 19786, March 1, 2005, with no refund due.

Eugene H. Eskey, III, Active No. 20168, March 1, 2005, with no refund due.

Debbie L. Varnell, Active No. 22074, April 1 2005, with no refund due.

Mary G. Pratt, Active No. 28873, April 1, 2005, with no refund due.

William A. Jones, Active No. 24392, May 1, 2005, with no refund due.

C. Request that retirement be rescinded:

Demissew Gedamu, Active No. 10095, March 1, 2005, with no refund due.

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

Roy W. Watson, Active No. 16337, March 1, 2005, with no refund due.

This member requested accidental disability retirement.

John L. Johnson, Active No. 24578, March 1, 2005, with no refund due.

This member requested ordinary disability retirement.

E. Death of retired members:

Leander Clark, Ret. No. 02861, death occurred December 19, 2004, with no refund due. Spouse elected lump sum benefit of \$7,573.02.

Daniel Sammons, Ret. No. 04169, death occurred December 30, 2004, with no refund due. No benefit payable due to no surviving spouse or dependent children.

James T. Reid, Jr., Ret. No. 04913, death occurred February 1, 2005, with no refund due. Spouse elected lump sum benefit of \$12,858.29.

Madie L. Spangler, Ret. No. 02697, death occurred February 2, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

George W. Johnson, Ret. No. 01189, death occurred February 3, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

Timothy I. McCullough, Ret. No. 05247, death occurred February 4, 2005, with no refund due. Spouse named as beneficiary to receive Option A type of benefit in the monthly amount of \$429.01. In addition, spouse to receive one-time lump sum payment of \$11,033.28, less 20% tax.

F. Death of spouse:

Louvenia Harvey, Spouse No. 0264N, death occurred December 21, 2004. No benefit payable.

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

<u>Name of Member</u>	<u>Active No.</u>
Jacquelyn Ann Stratton	28919
Nancy R. Bussler	29032
Odean J. Vanthul	29190
Jarilynn Bergland	29492
Sharon Clestine Harris	29497
Andrew L. Campbell	29499
Taris T. Harmon	29792
Rebecca A. Frye	29914
Russell M. Terry	30200
Andrew Michael Labella	30216
Remona Lisa Freeland	30638
Robert C. English	30650
Britt E. Nelson	30660
Antonio L. Boone	30662
Lance Toussant	30267
Horace J. Allen	30698
Martin D. Webb	30705
Linette C. Williams	30714
James Errigo	30715
Bobby B. Wahrenburg	30741
Total Members - 20	

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

Baker's Crust, Inc.	(1)	\$	164.87
Myrella Aaron	(2)		
5.98			
FedEx	(3)		35.10
Dow Jones & Company	(4)		610.96
Bayview Physician Services	(5)		224.00
FedEx	(6)		22.53
Bayview Physician Services	(7)		160.00
State Street Corporation	(8)		
28,469.93			
Mellon Consultants, LLC	(9)		
33,268.00			
Lotus Financial Consulting	(10)		14,583.00
Theodore Wilder	(11)		16.75
Retirement Payroll (est. Feb. 05)			
<u>3,644,000.00</u>			
Total		\$	<u>3,721,561.12</u>

Money manager invoices submitted to custodian for payment:

Mellon Capital Management	(12)	\$
2,557.59		
Oberweis	(12)	13,125.00
PIMCO	(12)	
66,321.00		
Wellington Management Company	(12)	
<u>62,137.41</u>		
Total		\$ <u>144,141.00</u>

- (1) Lunch served for meeting with Retirement Board and Mellon Human Resources
- (2) Reimbursement for table covers for lunch served for Board Meeting
- (3) Information sent to State Street and Mellon Human Resources
- (4) Ad placed in Wall Street Journal for RFP 2191-Actuary Services
- (5) Medical exam for Harold Watkins
- (6) Information sent to State
- (7) Medical exam for John Johnson
- (8) Custodial services for the following months:
 - November 04 \$14,177.64
 - December 04 14,292.29
 - \$28,469.93
- (9) Work on 6-30-04 Valuation; Comprehensive Annual Financial Report; Work for Auditors for 6-30-04; Asset Smoothing Method and Retirement Options
- (10) Consulting services for the period February 1, 2005 through February 28, 2005
- (11) Reimbursement for water, sodas, napkins, forks and cups

(12) Investment management fees for quarter ended 12-31-04

There being no further business, the meeting was adjourned at 2:27 p.m.

Chairperson

Executive Director