

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
July 18, 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 Monday, July 18, 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	A.B. Nusbaum
S.G. de Mik	Vacant
J. D. Hopkins	Vacant
F.V. Martin	Vacant
N. Johnson	

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 June 20, 2005, were approved as printed.

Mr. James Thorsen with SSgA and Mr. Pat Donohoe with State Street gave a presentation to the Board. Mr. Thorsen's presentation covered the following topics:

- Account Summary
- SSgA Update
- Global Structured Products Group Update
- Norfolk Employees' Retirement System's Index Strategies
- Portfolio Review for Passive Fixed Income

Mr. Donohoe's presentation covered the following topics:

- State Street Overview
- Public Fund Focus
- Client Servicing
- Online Services

Committee Reports:

Administration and Planning:

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

Asset Allocation, Investment Management Review & Manager Search & Selection Committees:

Mr. Martin reported that the joint meeting of the Asset Allocation, Investment Management Review, and Manager Search & Selection Committees would begin at 12:00 noon on Monday, July 25. All Board members were welcomed and invited to attend this meeting. Lunch would be provided.

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.

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 concluded by asking to attend the PIMCO client education seminars on September 29-30, 2005 and October 3-7, 2005 in Newport Beach, CA. Mr. Martin made a motion to allow Mr. Khanna to attend the PIMCO seminars on September 29-30 and October 3-7, 2005. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Mr. Ives thanked Mr. Khanna, on behalf of the Board, for his CIO reports and for disseminating them prior to the Board meetings. Mr. Ives stated that the reports are very informative.

New Business

A. Applications for normal service retirement:

Inez S. Parker, Active No. 18019, August 1, 2005, with no refund due

Lindberg E. Staton, Active No. 19961, August 1, 2005, with no refund due.

Sarah J. Bates, Active No. 28239, August 1, 2005, with no refund due.

Charles E. Cassaro, Active No. 28309, August 1, 2005, with no refund due.

Carolyn A. Parker, Active No. 29831, August 1, 2005, with no refund due.

G. Gray Puryear, Active No. 16867, September 1, 2005, with refund of \$337.86.

Aaron G. Davis, Active No. 24570, September 1, 2005, with no refund due.

B. Death of retired members:

Powell H. Taylor, Ret. No. 01953, death occurred June 28, 2004, with no refund due. Spouse elected lump sum payment of \$10,667.44.

William T. Powell, Ret. No. 02401R, death occurred July 2, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

Ethel E. Walker, Ret. No. 02433R, death occurred July 7, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

C. Death of spouse:

William Jesse Kay, Jr., Spouse No. 0441N, death occurred June 20, 2005. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
James J. Rice	29439
William B. Lee	29716
Christopher J. Gray	30090
Donna M. Valdez	30301
Frederick A. Nicholas	30336
Richard Lee Cooper	30393
Deforrest W. Sanders	30477
Ronald E. Hollis	30484
Eric G. Bertram	30595
Freda H. Bryant	30636
Suzanne M. Degner	30704
Vincent M. Mani	30707
Joseph M. Branch	30765
Total Members - 13	

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

Baker's Crust	(1)	\$
22.29		
FedEx	(2)	
63.10		
Buck Consultants	(3)	
351.00		
Buck Consultants	(4)	
419.00		
Mary Lou Nexsen	(5)	
300.00		
Mary Lou Nexsen	(6)	
1,350.47		
Employees' Retirement System (Payroll) (7)		
2,991.88		
State Street	(8)	
7,269.39		
Employees' Retirement System (Payroll) (9)		
9,853.09		
City of Norfolk	(10)	
398,548.33		
Lotus Financial Consulting	(11)	
15,000.00		
Retirement Payroll (est. July 05)		
<u>4,000,000.00</u>		
Total		\$
<u>4,436,168.55</u>		

- (1) Sweetie tray for Board Meeting on 6-20-05
- (2) Information sent to GFOA and State Street Bank & Trust
- (3) Optional forms of payment calculations
- (4) Normal cost and annual required contribution
- (5) Cash advance for NAPPA Conference

- (6) Reimbursement for expenses to attend NAPPA Conference:

Hotel	\$ 1,315.80
Meals	88.97
Taxis	190.70
Tips	20.00
Airport Parking	<u>35.00</u>
	\$ 1,650.47

Less cash advance < 300.00 >
\$ 1,350.47

- (7) Transfer funds to the payroll account for contributions paid to Patricia Palmer
- (8) Custodial service for May, 2005
- (9) To reimburse payroll account for service fees paid for the year July 04 through May 05

- (10) Reimbursement to City of Norfolk for administrative expenses incurred for July 1, 2005 through June 20, 2005 as per ordinance #36847
- (11) Consulting services for the period July 1, 2005 through July 31, 2005

There being no further business, the meeting was adjourned at 2:55 p.m.

Chairperson

Executive Director