

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
June 20, 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, June 20, 2005, with Acting Chairperson, Frederick V. Martin presiding. The following was the result of the roll call:

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

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 May 16, 2005, were approved as printed.

Committee Reports:

Administration and Planning:

Mr. de Mik reported that the Committee met on May 23, 2005 to receive presentations from the four finalists' firms selected from the eight firms who had responded to our RFP for Actuarial and Consulting Services. The Committee received the presentations from:

- Gabriel, Roeder, Smith & Company
- Cheiron
- Palmer & Cay
- Mellon HR & Investor Solutions

Mr. de Mik further stated that the Committee discussed the strengths and weaknesses of each firm and the team proposed for the Norfolk retirement account. Based on these discussions, the Committee unanimously concluded that Cheiron's presentation and proposal was significantly superior to others, and voted to recommend them to the Board. Mr. de Mik made a motion that the Board contract with Cheiron for actuarial services. This motion was seconded by Dr. Hopkins and approved unanimously by the Board.

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

Mr. Martin reported that the Committees had a joint meeting on June 13, 2005 to discuss the implementation strategies for international equities allocation. The Committee discussed

international investing in the context of: active versus passive, separate account versus commingled funds, U.S. - based versus non-U.S. based managers, and hedged versus un-hedged foreign currencies exposure, etc. The Committee requested that Summit put together a list of potential candidates for international value and international growth managers for its consideration.

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 informed the Board that the JP Morgan 2005 Institutional Investment Conference would be held in Niagara-on-the-Lake, Ontario, Canada from September 14-16, 2005. The conference agenda is attached. If any Board member is interested in attending, please RSVP to JP Morgan directly or let Myrella Aaron know and she can coordinate the registration process. The cost of attending this seminar is travel and hotel expenses.

Mr. Wilder informed the Board that today's docket includes those individuals that elected to retire during the Retirement Enhancement Program. Mr. Wilder further stated that some of the individuals presented for retirement, at the June meeting, may return to the Board to have their retirements extended in order to ensure that community public safety services are provided.

New Business

A. Applications for vested service retirement:

Arnold N. Manella, Active No. 28395, June 1, 2005, with no refund due.

Betty J. Walters, Active No. 15877, July 1, 2005, with refund of \$1,286.91.

Jo K. Watts, Active No. 21449, July 1, 2005, with no refund due.

Keith N. Lindgren, Active No. 25025, July 1, 2005, with no refund due.

Gayle F. Donovan, Active No. 27562, July 1, 2005, with no refund due.

B. Applications for early service retirement:

Thomas E. Robertson, Active No. 24015, July 1, 2005, with no refund due.

Rickie L. Mercer, Active No. 22328, September 1, 2005, with no refund due.

C. Applications for normal service retirement:

Estelle O. Rodgers, Active No. 18620, June 1, 2005, with no refund due.

Jesse J. Wray, Active No. 13437, July 1, 2005, with refund of \$6,248.86.

Elvin B. Young, Jr., Active No. 15677, July 1, 2005, with refund of \$1,506.83.

Richard P. Morris, Active No. 17511, July 1, 2005, with no refund due.

John S. Franczek, Active No. 19037, July 1, 2005, with no refund due.

George Martin, Active No. 19058, July 1, 2005, with no refund due.

Ronald F. Ashley, Active No. 19813, July 1, 2005, with no refund due.

C.M. Forbes, Jr., Active No. 20327, July 1, 2005, with no refund due.

John K. Helms, Active No. 22695, July 1, 2005, with no refund due.

Richard S. Orletsky, Active No. 13549, August 1, 2005, with refund of \$6,086.30.

Richard L. Jackson, Active No. 15350, August 1, 2005, with no refund due.

Maurice H. Parker, Active No. 15772, August 1, 2005, with refund of \$546.72.

Robert L. Cowan, Active No. 17172, August 1, 2005, with no refund due.

Michael W. Blankenship, Active No. 17239, August 1, 2005, with no refund due.

Mark A. Pierce, Active No. 18447, August 1, 2005, with no refund due.

Thomas N. Slade, Active No. 19542, August 1, 2005, with no refund due.

Jerry D. Carr, Active No. 20648, August 1, 2005, with no refund due.

Richard G. Fentress, Active No. 20874, August 1, 2005, with no refund due.

Arlie R. Liverman, Jr., Active No. 20890, August 1, 2005, with no refund due.

David R. Francisco, Active No. 21228, August 1, 2005, with no refund due.

Trudy L. Richardson, Active No. 21262, August 1, 2005, with no refund due.

Donna E. Moore, Active No. 21689, August 1, 2005, with no refund due.

Arthur W. Kay, Active No. 21863, August 1, 2005, with no refund due.

Norman D. Harris, Active No. 22084, August 1, 2005, with no refund due.

Carlos L. Burns, Active No. 23682, August 1, 2005, with no refund due.

Bert J. McInnerney, Jr., Active No. 12015, September 1, 2005, with refund of \$3,618.92.

Glenn A. Jones, Active No. 13681, September 1, 2005, with refund of \$5,518.90.

Elton L. Hudgins, Active No. 13737, September 1, 2005, with refund of \$5,414.61.

David B. Barrett, Active No. 14081, September 1, 2005, with refund of \$4,519.46.

William W. Dailey, Jr., Active No. 14217, September 1, 2005, with refund of \$4,293.88.

Dean L. Eddy, Active No. 14591, September 1, 2005, with a refund of \$3,217.87.

William L. Ross, III, Active No. 14609, September 1, 2005, with a refund of \$3,145.56.

William L. Garrison, Active No. 15321, September 1, 2005, with refund of \$1,231.54.

Benjamin Rogerson, Active No. 15366, September 1, 2005, with refund of \$1,090.61.

Mark D. Jennings, Active No. 15523, September 1, 2005, with refund of \$1,293.77.

D.F. Chamberlin, III, Active No. 15768, September 1, 2005, with no refund due

Bobby G. Crowder, Active No. 16136, September 1, 2005, with no refund due.

Mark Barrineau, Active No. 16242, September 1, 2005, with no refund due.

Paul D. Moore, Jr., Active No. 16292, September 1, 2005, with refund of \$641.34.

Richard L. Burnette, Jr., Active No. 16358, September 1, 2005, with no refund due.

Franklin T. Meekins, Active No. 16491, September 1, 2005, with no refund due.

Robert R. Brunner, Jr., Active No. 16779, September 1, 2005, with no refund due.

Richard R. Johnson, Jr., Active No. 17020, September 1, 2005, with no refund due.

Wayne C. Boone, Active No. 17047, September 1, 2005, with no refund due.

Dwight L. Minyard, Active No. 17075, September 1, 2005, with no refund due.

Robert E. Cherry, Active No. 17264, September 1, 2005, with no refund due.

James M. Fentress, Jr., Active 17326, September 1, 2005, with no refund due.

James T. Blount, Active No. 17492, September 1, 2005, with no refund due.

Daniel W. Everton, Active No. 17580, September 1, 2005, with no refund due.

Robert J. McElhiney, Jr., Active No. 17767, September 1, 2005, with no refund due.

James S. Sheppard, Active No. 17775, September 1, 2005, with no refund due.

Joseph A. Boone, Active No. 18089, September 1, 2005, with no refund due.

Michael J. Johansen, Active No. 18090, September 1, 2005, with no refund due.

Terrence P. Connolly, Active No. 18156, September 1, 2005, with no refund due.

Stephan A. Bennis, Active No. 18326, September 1, 2005, with no refund due.

Bruce A. Keefer, Sr., Active No. 18331, September 1, 2005, with no refund due.

Jan R. Snedecor, Active No. 18362, September 1, 2005, with no refund due.

James D. Elliott, Active No. 18468, September 1, 2005, with no refund due.

M.J. Andrewlavage, Active No. 18593, September 1, 2005, with no refund due.

James R. Barker, Active No. 18888, September 1, 2005, with no refund due.

William R. Carman, Active No. 18890, September 1, 2005, with no refund due.

Stanley F. Flavin, Active No. 18893, September 1, 2005, with no refund due.

Kenneth L. Reynolds, Active No. 18894, September 1, 2005, with no refund due.

Mark T. McAloose, Active No. 18996, September 1, 2005, with no refund due.

Gary W. Rafter, Active No. 19659, September 1, 2005, with no refund due.

Henry R. Scott, Active No. 19693, September 1, 2005, with no refund due.

James C. Flowers, Jr., Active No. 19822, September 1, 2005, with no refund due.

Robert L. Arrington, Active No. 19874, September 1, 2005, with no refund due.

Bruce R. Hierstein, Active No. 19880, September 1, 2005, with no refund due.

Edward L. Martin, Jr., Active No. 19909, September 1, 2005, with no refund due.

Michael E. Young, Active No. 20010, September 1, 2005, with no refund due.

Ronald Jernigan, Active No. 20020, September 1, 2005, with no refund due.

David E. Shipley, Active No. 20035, September 1, 2005, with no refund due.

Steven J. Hodges, Active No. 20045, September 1, 2005, with no refund due.

William H. Hawkins, Active No. 20208, September 1, 2005, with no refund due.

John D. Flick, Active No. 20278, September 1, 2005, with no refund due.

Joel D. Howard, Active No. 20609, September 1, 2005, with no refund due.

George L. Savopoulos, Active No. 20669, September 1, 2005, with no refund due.

John R. Preddy, Active No. 20783, September 1, 2005, with no refund due.

Robert L. Inks, Active No. 20885, September 1, 2005, with no refund due.

Earl M. Vaughan, Jr., Active No. 20907, September 1, 2005, with no refund due.

Charles R. Neyer, Active No. 21053, September 1, 2005, with no refund due.

Charlie L. Holmes, Jr., Active No. 21167, September 1, 2005, with no refund due.

Sadie J. Taylor, Active No. 21265, September 1, 2005, with no refund due.

Gary W. Morse, Active No. 21329, September 1, 2005, with no refund due.

Roger S. Pederson, Active No. 21330, September 1, 2005, with no refund due.

Frederick G. Wilson, Active No. 21333, September 1, 2005, with no refund due.

Bruce A. Duesenberry, Active No. 21600, September 1, 2005, with no refund due.

Thomas W. Adler, Active No. 21606, September 1, 2005, with no refund due.

Rhody B. Hall, III, Active No. 21769, September 1, 2005, with no refund due.

Paul L. Liverman, Active No. 22070, September 1, 2005, with no refund due.

Michael B. Carden, Active No. 22091, September 1, 2005, with no refund due.

Patricia A. Burns, Active No. 22099, September 1, 2005, with no refund due.

James D. Stanek, Active No. 22103, September 1, 2005, with no refund due.

Russell P. Grimes, Active No. 22179, September 1, 2005, with no refund due.

Susan G. Collins, Active No. 22180, September 1, 2005, with no refund due.

Rita B. Boyce, Active No. 22266, September 1, 2005, with no refund due.

Sherman B. Norman, Jr., Active No. 22331, September 1, 2005, with no refund due.

Charles S. Paxton, Active No. 22460, September 1, 2005, with no refund due.

John A. Donahoo, Active No. 22817, September 1, 2005, with no refund due.

Lori A. Ragland, Active No. 23227, September 1, 2005, with no refund due.

Lucille M. Ring, Active No. 23234, September 1, 2005, with no refund due.

Kenneth B. Harris, Active No. 23417, September 1, 2005, with no refund due.

Charles J. Claxton, Active No. 25966, September 1, 2005, with no refund due.

D. Death of retired members:

Henry A. Dennison, Ret. No. 01863, death occurred April 27, 2005, with no refund due. Spouse elected monthly benefit of \$404.46.

Anne M. Evans, Ret. No. 02330, death occurred May 4, 2005, with no refund due.

Spouse elected monthly benefit of \$122.77.

Guillermo E. Espejo, Ret. No. 03503, death occurred May 8, 2005, with no refund due.

Spouse elected monthly benefit of \$408.48.

Roger L. Williams, Ret. No. 03043, death occurred May 12, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

Ernest E. Wood, Ret. No. 01684, death occurred May 15, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

Winston Bissette, Ret. No. 01984, death occurred May 19, 2005, with no refund due. No benefit payable due to no surviving spouse or dependent children.

Isaac Shaw, Ret. No. 01995, death occurred June 4, 2005, with no refund due.

No benefit payable due to no surviving spouse or dependent children.

Lacie Waters, Ret. No. 03837, death occurred May 29, 2005, with no refund due.

Spouse elected monthly benefit of \$503.89.

E. Death of spouses:

Evelyn A. Fisher, Spouse No. 2528R, death occurred May 13, 2005. No benefit payable.

Rhoda D. James, Spouse No. 0396N, death occurred May 15, 2005. No benefit payable.

Catherine Johnakin, Spouse No. 045N, death occurred June 30, 2005. No benefit payable.

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

<u>Name of Member</u>	<u>Active No.</u>
Eyvone McCloud	29414
Sybil L. Moorer	29480
Ronald L. Mayo	29534
Yolanda J. Moore	29543
Bijay Kumar Singh	29708
Linda A. Kleiber	29789
Hilary J. Mastio	29895
Tori Sears	29926
Peter R. Batt	30052
Elizabeth C. Alberts	30081
Larissa M. Montalvo	30207
Janet R. Sykes	30293
Leonadrus C. Dixon	30344
Alvin R. Corbett	30394
Stanley C. Williams	30399
DeShawn A. Keller	30473
Stephanie Yvonne Kirby	30583
James C. Allen	30590
Kathryne B. Hubbard	30651
James S. Privott	30655
Kevin A. Heinsman	30801
Thelma W. Hall	30819
Total members - 22	

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

Myrella Aaron	(1)	\$
18.89		
Myrella Aaron	(1)	
22.30		
Theodore Wilder	(2)	
38.52		
Baker's Crust	(3)	
102.46		
Baker's Crust	(4)	
152.54		

Baker's Crust	(5)
158.17	
CHJ	(6)
257.20	
Bayview Physician	(7)
896.00	
Kamal Khanna	(8)
1,772.36	
Mary Lou Nexsen	(9)
441.30	
City of Norfolk	(10)
3,280.02	
State Street Bank & Trust	(11)
32,570.49	
Summit Strategies	(12)
38,475.00	
Virginia Retirement System	(13)
94,775.99	
Lotus Financial Consulting	(14)
14,583.00	
Retirement Payroll (est. June 05)	
<u>3,800,000.00</u>	
Total	
<u>\$3,987,544.24</u>	

- (1) Reimbursement for ice bucket and tablecloth for Board Meetings
- (2) Reimbursement for breakfast refreshments for Administration and Planning Committee for actuarial and consulting services presentations on May 23, 2005
- (3) Lunch served for joint meeting of the Asset Allocation & Investment Management Review Committees on June 13, 2005
- (4) Lunch for Benefits Claim Committee Meeting on 5-16-05
- (5) Lunch for Administration & Planning Committee for actuarial and consulting presentations on 5-23-05
- (6) 20 Comprehensive Annual Financial Reports - folded, stitched and trimmed
- (7) Medical exams for John Judd, Richard Gainforth, Estelle Rodgers & Lori Ragland
- (8) Reimbursement for expenses to attend the 2005 CFA Institute Conference

- (9) Reimbursement for plane ticket to attend NAPPA Conference
- (10) Reimbursement to Workers' Comp for overpayment to Steven Hallenbeck
- (11) Custodial services for January 2005 through April 2005
- (12) Investment consulting services for April 1, 2005 through June 30, 2005
- (13) To transfer City of Norfolk Retirement Assets to the VRS for Mary Mayer Hennelly
- (14) Consulting services for the period June 1, 2005 through June 30, 2005

There being no further business, the meeting was adjourned at 2:30 p.m.

Chairperson

Executive Director