

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
November 21, 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 2:14 p.m. on Monday, November 21, 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
N. Johnson	Vacant
F.V. Martin	

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

The minutes of the monthly meeting held October 24, 2005 were approved as printed.

Mr. Thomas B. Burton, of Evergreen Investments Tattersall Advisory Group, gave a presentation to the Board. His review of the Fixed Income portfolio covered the following topics:

- Performance & Market Review
- Outlook & Strategy
- Organizational Update

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 Steven de Mik, Kamal Khanna, Eric Ralph, and he were in Chicago on November 9, 2005 for their due diligence visit with LSV. Mr. Martin stated that the due diligence visits to all four international managers selected to manage portfolios is complete - two growth managers (Fidelity & New Star) and two value managers (Sanderson & LSV). Mr. Martin made a motion that the Board hire Fidelity, New Star, Sanderson, and LSV as our international managers subject to the trust agreements being completed. This motion was seconded by Ms.

Johnson and approved unanimously by the Board. Mr. Martin concluded by saying that while in Chicago they made a due diligence visit to Oberweis.

Training and Education:

Mr. de Mik distributed to the Board a draft Trustee Manual. Mr. de Mik asked that each Board member review the manual and submit their comments to Mrs. Aaron. Mr. Ives asked Mr. Wilder to add the Trustee Manual to the December 2005 docket for discussion.

Benefit Claims:

Dr. Hopkins reported that he has reviewed the disability policy that Mr. Wilder presented to the Board on October 24, 2005 and is in agreement with the policy. Dr. Hopkins made a motion that the Board adopt the disability policy presented by Mr. Wilder on October 24, 2005. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

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. Ralph distributed and reviewed with the Board the investment performance review for the quarter ended September 30, 2005.

Mr. Wilder presented an application for Ordinary Disability Retirement requested by Kenneth Richardson. Dr. Hopkins made a motion that Mr. Richardson be approved for Ordinary Disability Retirement. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

Mr. Wilder presented an application for Accidental Disability Retirement requested by John K. Lockwood. Dr. Hopkins made a motion to refer Mr. Lockwood to HealthSouth for a second opinion. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

Mr. Wilder distributed to the Board The Sixty-Third Actuarial Valuation as of June 30, 2005 for review and comments. Mr. Wilder informed the Board that the

valuation was performed by Cheiron and they will present the valuation to the Board at the January 19, 2006 Board Meeting. Lunch will be served at 12:00 noon with the presentation to start at 12:30 p.m.

Mr. Wilder presented the proposed meeting schedule for calendar year 2006. The Board will meet on the third (3rd) Monday of each month with the exception of January and February. Since January 16, 2006 and February 20, 2006 are official holidays, the recommendation is that the Board consider rescheduling these two meetings to January 19, 2006 and February 16, 2006. Mr. de Mik made a motion that the Board would meet on the third (3rd) Monday of each month with the exception of January and February. Those two months will be rescheduled to January 19 and February 16, 2006. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

New Business:

A. Applications for early service retirement:

LeAnn D. McPhatter, Active No. 24417, January 1, 2006, with no refund due.

Vivian F. Wheeler, Active No. 21499, January 1, 2006, with no refund due.

B. Applications for normal service retirement:

Arthur L. Morris, Active No. 19189, December 1, 2005, with no refund due.

Fred J. Kerekes, Active No. 26462, December 1, 2005, with no refund due.

Ann H. Shank, Active No. 19569, January 1, 2006, with no refund due.

Evelyn E. Butts, Active No. 20641, January 1, 2006, with no refund due.

Anthony J. Hool, Active No. 28327, February 1, 2006, with no refund due.

C. Death of retired members:

Oscar F. Knowles, Ret. No. 02928R, death occurred October 10, 2005. Spouse elected monthly benefit of \$131.30.

Elmira E. Alston, Ret. No. 02701R, death occurred October 11, 2005. No benefit payable due to no surviving spouse or dependent children.

Charlie A. Luman, Ret. No. 03176R, death occurred October 12, 2005. Spouse elected lump sum payment of \$9,457.04.

Ronald W. Massie, Ret. No. 03884R, death occurred October 18, 2005. Spouse elected monthly benefit of \$1,725.71.

Ella M. Jones, Ret. No. 04033R, death occurred October 18, 2005. No benefit payable due to no surviving spouse or dependent children.

Betty A. Sadler, Ret. No. 04647R, death occurred October 23, 2005. Spouse elected lump sum payment of \$10,108.80.

Voight Whitehurst, Ret. No. 02616R, death occurred October 26, 2005. No benefit payable due to no surviving spouse or dependent children.

Gladiola Lalite, Ret. No. 02259R, death occurred November 2, 2005. Spouse elected monthly benefit of \$274.92.

Josephine Gillikin, Ret. No. 02530R, death occurred November 3, 2005. No benefit payable due to no surviving spouse or dependent children.

Corene Griffin, Ret. No. 03308R, death occurred November 12, 2005. No benefit payable due to no surviving spouse or dependent children.

D. Death of spouses:

Myrtle Barrett, Spouse No. 0276N, death occurred October 18, 2005. No benefit payable.

Vera C. Jordan, Spouse No. 0432N, death occurred October 30, 2005. No benefit payable.

Christine Justus, Spouse No. 0237N, death occurred November 7, 2005. No benefit payable.

William S. McGee, Spouse No. 0573N, death occurred November 8, 2005. No benefit payable.

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

<u>Name of Member</u>	<u>Active Number</u>
Brock C. Jones	29267
Christopher N. Boone	29366
Stephanie J. Small	29959
Paul Long Mai	30042
David P. Ryniec	30050
Maria Oropallo	30130
Marnie C. Girard	30633
Kara Kennette Klinger	30690
David G. Daniel	30713
Kelly M. Higgins	30843
Dexter M. Jennette	30890
Anthony Aviles	30920
Anthony Hampson	30992
Andrew M. Williams	31012
Alicia N. Washington	30763
Anupama B. Keats	31058
Total Members - 16	

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

Chesapeake Bagel	(1)	\$ 47.64
FedEx	(2)	135.62
C.I. Travel	(3)	584.79
Marie Torrans	(4)	647.81
National Financial Services	(5)	4,911.60
State Street	(6)	1,607.77
Pension Benefit Information	(7)	1,754.00
Buck Consultants	(8)	3,048.00
ICMA	(9)	4,203.26
Cheiron	(10)	6,480.83
Lotus Financial Consulting	(11)	15,000.00
Retirement Payroll (est. Nov. 05)		4,
<u>300,000.00</u>		
Total		<u>\$ 4,338,421.32</u>

(1) Refreshments for Board Meeting held on 10-24-05
(2) Information sent to: Cheiron; McGladrey & Pullen;
Summit Strategies; Kamal Khanna; State Street

- (3) Airfare for Fred Martin and Steve de Mik to meet with LSV in Chicago on Nov. 8-9, 2005
- (4) Refund of contributions due to retirement
- (5) Transfer of funds for a direct rollover for Marie Torrans
- (6) Custodial service for 8-1-05
- (7) Processing Retirement payroll file to Social Security Administration file to identify those retirees that are deceased
- (8) Transition of information to Cheiron
- (9) Refund to ICMA for a trustee-to-trustee purchase of service for Marietta Cowart
- (10) Retainer of October 2005 plus additional CAFR Information and audit request
- (11) Consulting services for the period November 1, 2005 through November 30, 2005

There being no further business, the meeting was adjourned at 3:48 p.m.

Chairperson

Executive Director