

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
September 19, 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 2:30 p.m. on Monday, September 19, 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	
N. Johnson	

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 August 15, 2005 were approved with the following corrections:

Administration and Planning (last sentence of second paragraph)

Original: A copy of page five is attached as part of the official minutes.

Revised: A copy of page five **of the Cash Flow Recommendation presentation** is attached as part of the official minutes.

Asset Allocation, Investment Management Review & Manager Search & Selection Committees (last three sentences)

Original: Based on the above observations and analysis, the recommended allocations of 8/15/2005 (shown in the attachment) were developed and endorsed by the Committee.

Mr. Nusbaum made a motion to adopt the above-mentioned recommendations regarding strategic allocation as noted on page seven of the booklet, Implementing a Strategic Allocation, August 2005. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Revised: Based on the above observations and analysis, the recommended allocations **are shown in the attachment as** of 8/15/2005.

Mr. Nusbaum made a motion to adopt the above-mentioned recommendations regarding strategic allocation as noted **in** the booklet, Implementing a Strategic Allocation, August 2005. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Mr. Saumil Parikh and Mr. Eric Mogelof of PIMCO were on hand for their yearly presentation. Their presentation covered the following topics:

- Performance & Market Review
- Economic 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 the joint committees did have a meeting to hear presentations for the selection of managers for international equities. Mr. Martin stated that they have tentatively planned on-site due diligence visits to three international managers based in London (New Star, Sanderson and Fidelity) from October 15-19. Also, we need to schedule an on-site due diligence visit to LSV in Chicago before the end of the year to finalize the selection of managers for international equities. Mr. Martin made a motion that the Committee plan due diligence trips to New Star, Sanderson, Fidelity, and LSV. This motion was seconded by Dr. Hopkins and approved unanimously by the Board.

Mr. Martin also reported that Kamal Khanna and he attended the J. P. Morgan seminar in Canada on September 13-16, 2005. Mr. Martin said that the conference was very informative.

Training and Education:

Mr. de Mik reported that the Committee should have a draft of the training manual available for the Board's review and comments.

Benefit Claims:

Dr. Hopkins reported that the Board should revisit the issue of having all disability retirees reexamined. Ms. Johnson made a motion to have Mr. Wilder draft a policy to present at our next Board meeting to have our disability retirees reexamined. This motion was seconded by Dr. Hopkins 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. Khanna informed the Board of the Association of Municipal Retirement Systems (AMRS-VA) fall 2005 meeting scheduled for November 13-15, 2005 in Williamsburg, VA. Trustees are invited to the fiduciary educational sessions starting on Sunday afternoon (2:45

pm) through noon on Monday. Considering the convenient location, all trustees are encouraged to participate in this meeting.

Mr. Wilder presented an application for Ordinary Disability Retirement for Ms. Denise H. Smith. Dr. Hopkins made a motion that Ms. Denise H. Smith be retired on Ordinary Disability Retirement and that she be reexamined in one year. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

New Business

A. Applications for vested service retirement:

Dennis K. Taflambas, Active No. 17738, November 1, 2005, with no refund due.

B. Applications for early service retirement:

Teresita E. Bautista, Active No. 22705, October 1, 2005, with no refund due.

Luther T. Stanford, Active No. 23864, October 1, 2005, with no refund due.

Brenda E. Roberts, Active No. 23301, November 1, 2005, with no refund due.

Jamell Dailey, Active No. 23562, November 1, 2005, with no refund due.

C. Applications for normal service retirement:

Brenda E. Simons, Active No. 18827, October 1, 2005, with no refund due.

Robert J. Douros, Active No. 22508, October 1, 2005, with no refund due.

William A. Giddins, Active No. 23464, October 1, 2005, with no refund due.

Gloria A. Duignan, Active No. 25173, October 1, 2005, with no refund due.

Daniel W. Campbell, Active No. 27356, October 1, 2005, with no refund due.

Harry W. Scott, Active No. 13479, November 1, 2005, with refund of \$6,699.43.

Elizabeth A. Daos, Active No. 22476, November 1, 2005, with no refund due.

Charles R. Wharton, Active No. 23509, November 1, 2005, with no refund due.

Mary E. Burton, Active No. 24981, November 1, 2005, with no refund due.

Carolyn S. Stevens, Active No. 23915, December 1, 2005, with no refund due.

D. Death of retired members:

Rufus G. Stone, Ret. No. 03053, death occurred April 18, 2005. No benefit payable due to no surviving spouse or dependent children.

Doris F. Smith, Ret. No. 02612, death occurred July 7, 2005. Spouse elected lump sum payment of \$4,319.40

David Donnellan, Ret. No. 04592, death occurred July 31, 2005. Spouse elected monthly benefit of \$404.41.

Sara J. Bates, Ret. No. 05440, death occurred August 7, 2005. No benefit payable due to no surviving spouse or dependent children.

Douglas Alexander, Sr., Ret. No. 03341, death occurred September 1, 2005. Spouse elected monthly benefit of \$1,143.79.

E. Death of spouses:

Mae B. Christopher, Spouse No. 0838N, death occurred August 29, 2005. No benefit payable.

Hattie M. Britt, Spouse No. 0817N, death occurred September 5, 2005. No benefit payable.

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

<u>Name of Member</u>	<u>Active No.</u>
Patrice L. Smith	29395
Felicia O. Wells	29646

Norma Jean Siebenschuh	29749
Noah Lee Faulk	30556
Mellone F. Long	30768
Michael Dobbins	30929
Frankie D. Clements	29293
Kathryn Clemons Hastings	30872
Calvin D. Ruffin, Sr.	29132
Anthony Westray	29418
Loralie N. Gambert	29334
Carrie Lee	30524
Anthony E. Ziegert	29184
William Earl Meiggs, III	30943
Nicholas Valos	30962
Peter A. Reid	30644
Walter Lynn, III	30099
Calden Moye	30327
Michele R. Pruden	30950
Nikia K. Burrus-Eady	30712
Kevin A. Lokey	30067
Barbara F. Weedman	29246
Devona C. Squire-Coleman	30869
Dwayne S. Gray	29435

Total Members - 24

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

Myrella Aaron	(1)	\$
9.52		
FedEx	(2)	
18.79		
Theodore Wilder	(3)	
22.88		
Chesapeake Bagel	(4)	
44.20		
Baker's Crust	(5)	
174.88		
Baker's Crust	(6)	
310.26		
The Wall Street Journal	(7)	
350.00		
Cheiron	(8)	
7,166.66		
State Street	(9)	
7,390.05		
State Street	(10)	
10,184.40		

City of Norfolk	(11)	
18,378.15		
Lotus Financial Consulting	(12)	
15,000.00		
Retirement Payroll (est. Sept. 05)		4
<u>100,000.00</u>		
Total		\$ 4
<u>159,049.79</u>		

Money Manager invoices submitted to custodian for payment:

PIMCO	6-30-05 (13)	\$
60,237.00		
JP Morgan	6-30-05 (13)	
40,898.79		
SSgA S&P 500 Flagship	6-30-05 (13)	
11,017.18		
SSgA Russell 2000 Value	6-30-05 (13)	
106.67		
SSgA Bond Market Index	6-30-05 (13)	
2,399.78		
Wellington Management Co.	6-30-05 (13)	
63,674.17		
Mellon Capital Management	6-30-05 (13)	
2,621.38		
Tattersall	6-30-05 (13)	
49,002.00		
Oberweis Asset Management	6-30-05 (13)	
<u>13,256.00</u>		
Total		\$
<u>243,212.97</u>		

- (1) Reimbursement for muffins for International Manager interviews on Wednesday, 8-31-05
- (2) Information sent to State Street Bank
- (3) Reimbursement for sodas and plates for Board meetings
- (4) Juice, muffins and bagels for International Manager presentations on Wednesday, 8-31-05
- (5) Lunch served for Joint Committee Meeting on August 15, 2005
- (6) Lunch served for International Manager interviews held on Tuesday and Wednesday, August 30-31, 2005
- (7) Two-year subscription
- (8) Retainer for Actuary for July & August 2005

Mr. Wilder requested that the October 17, 2005 Board meeting be changed to October 24, 2005 due to the due diligence trip being planned for October 15-17, 2005. Mr. Martin made a motion to change the October 17, 2005 Board meeting

to October 24, 2005 at 9:00 am. This motion was seconded by Dr. Hopkins and approved unanimously by the Board.

Mr. Martin made a motion that Ted Wilder and Kamal Khanna attend the Association of Municipal Retirement Systems (AMRS-VA) fall 2005 meeting in Williamsburg, Virginia on November 13-15, 2005. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

There being no further business, the meeting was adjourned at 3:35 p.m.

Chairperson

Executive Director