

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
July 17, 2006

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 2:03 p.m. on Monday, July 17, 2006, with Chairperson, Michael S. Ives presiding. The following was the result of the roll call:

Attending the Meeting

M. S. Ives
J. D. Hopkins
N. Johnson
F.V. Martin
A. B. Nusbaum

Not Attending the Meeting

S.G. De Mik
Vacant
Vacant
Vacant

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 15, 2006 were approved as printed.

Committee Reports:

Administration and Planning:

Mr. Ives reported that the Committee met to discuss Kamal Khanna's contract. Mr. de Mik will make the report for the Committee at the August Board Meeting.

Asset Allocation & Investment Management Review:

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

Training and Education:

Mr. Wilder 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. Martin 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. Ives presented a resolution to the Board. The purpose of the resolution, is to affirm to PIMCO, that in the Total Return Fund, PIMCO has full investment authority and discretion to trade in futures and options as stipulated in the Investment Management Agreement Guidelines. Mr. Martin made a motion to adopt the resolution. This motion was seconded by Dr. Hopkins and approved unanimously by the Board.

Mr. Wilder presented a letter from our Actuary stating that the Employees' Retirement System of the City of Norfolk satisfies the requirements of the Code of Virginia §51.1-800. The Code requires that the benefits provided to a retiree at age 65 from a local retirement system equal or exceed two-thirds of the allowance to which the employee would be entitled under the provisions of the Virginia Retirement System.

Mr. Wilder informed the Board that the System received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005. Mr. Ives, along with the rest of the Board, congratulated Mr. Wilder and the Retirement staff on their accomplishment in receiving the Certificate of Achievement for Excellence in Financial Reporting.

Mr. Wilder presented an application for ordinary disability retirement for James E. Spraggins, Active No. 20468, August 1, 2006, with no refund due. This member requested ordinary disability retirement. Dr. Hopkins made a motion to approve ordinary disability retirement for Mr. Spraggins. This motion was seconded by Mr. Martin and approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement for Wilhelmena S. Hayes, Active No. 23207, August 1, 2006, with no refund due. This member requested ordinary disability retirement. Dr. Hopkins made a motion to approve Ms. Hayes for ordinary disability retirement. This motion was seconded by Mr. Nusbaum and approved unanimously by the Board.

Mr. Wilder presented an application for accidental disability retirement for Frank E. Reece, Active No. 26429, August 1, 2006, with no refund due. This member requested accidental disability retirement. Dr. Hopkins made a motion to approve accidental disability retirement for Mr. Reece. This motion was seconded by Ms. Johnson and approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement for Barbara D. Sparks, Active No. 27125, August 1, 2006, with no refund due. This member requested ordinary disability retirement. Dr. Hopkins requested that this application be deferred until the August 2006 Board meeting. This request was approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement for Horace Thomas, Active No. 18466, August 1, 2006, with no refund due. This member

requested ordinary disability retirement. Ms. Johnson requested that this application be deferred until the August 2006 Board meeting. This request was approved unanimously by the Board.

New Business:

June 19, 2006

- A. Recommendation by the City Manager that the following July 1, 2006 retirement be extended:
- B. Bobby G. Crowder Active No. 16136 December 1, 2006
Vested service retirement:
- John B. Creekmore, Active No. 15787, November 1, 2005, with no refund due.
- C. Applications for early service retirement:
- Ronald L. Chupik, Active No. 24995, July 1, 2006, with no refund due.
- David W. Thacker, Active No. 26885, July 1, 2006, with no refund due.
- Ann B. Leech, Active No. 28703, July 1, 2006, with no refund due.
- D. Applications for normal service retirement:
- Madeline B. Dawson., Active No. 18962, July 1, 2006, with no refund due.
- William E. Smith, Jr., Active No. 19485, July 1, 2006, with no refund due.
- Gloria H. Emanuel, Active No. 20184, July 1, 2006, with no refund due.
- Patricia C. Bacon, Active No. 14950, August 1, 2006, with no refund due.
- Thomas M. Atkinson, Active No. 22865, September 1, 2006, with no refund due.
- Benita F. Diggs, Active No. 22866, September 1, 2006, with no refund due.

Denice D. Harris, Active No. 24557, September 1, 2006, with no refund due.

Jessie H. Bailey, Active No. 27410, September 1, 2006, with no refund due.

Katy C. Williams, Active No. 28272, September 1, 2006, with no refund due.

E. Death of retired members:

Paul F. Bade, Ret. No. 04304, death occurred May 4, 2006. Spouse elected monthly benefit of \$181.39.

Martha F. Willis, Ret. No. 02625, death occurred May 12, 2006. No benefit payable due to no surviving spouse or dependent children.

William Carpenter, Ret. No. 05162, death occurred May 13, 2006. No benefit payable due to no surviving spouse or dependent children.

William Buffaloe, Ret. No. 02428, death occurred May 20, 2006. No benefit payable due to no surviving spouse or dependent children.

Gurtha Rambeau, Ret. No. 00799, death occurred June 10, 2006. No benefit payable due to no surviving spouse or dependent children.

Claude R. Moore, Ret. No. 03987, death occurred July 7, 2006. No benefit payable due to no surviving spouse or dependent children.

Willis R. Peters, Ret. No. 03430, death occurred July 8, 2006. No benefit payable due to no surviving spouse or dependent children.

Irvin Riddick, Ret. No. 03072, death occurred July 11, 2006. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouse:

Esther Daughtry, Ret. No. 01278, death occurred April 18, 2006. No benefit payable.

July 17, 2006

A. Applications for vested service retirement:

Paul D. Harris, III, Active No. 25623, August 1, 2003, with no refund due.

Donald T. Ricks, Active No. 14234, February 1, 2004, with a refund of \$1,753.70.

Edward Q. Hernholm, Jr., Active No. 16448, July 1, 2006, with no refund due.

Ronald C. Wilson, Active No. 23426, August 1, 2006, with no refund due.

Daniel B. Bunch, Active No. 17505, September 1, 2006, with no refund due.

Brandon D. Cross, Active No. 19852, September 1, 2006, with no refund due.

B. Applications for early service retirement:

Shirley A. Cary, Active No. 23510, August 1, 2006, with no refund due.

John H. McLaughlin, Active No. 29581, August 1, 2006, with no refund due.

C. Applications for normal service retirement:

Milton E. Thomas, Active No. 18074, August 1, 2006, with no refund due.

Gwendolyn Hawkins, Active No. 20639, August 1, 2006, with no refund due.

Sylvia E. Craft, Active No. 22237, August 1, 2006, with no refund due.

Dolly H. Thornton, Active No. 23211, August 1, 2006, with no refund due.

Alex Jones, Active No. 29244, August 1, 2006, with no refund due.

Jean E. Saunders, Active No. 20739, September 1, 2006, with no refund due.

Levi P. Fillmore, Active No. 22905, September 1, 2006, with no refund due.

Russell N. Samson, Active No. 26609, September 1, 2006, with no refund due.

John R. Saunders, III, Active No. 24800, October 1, 2006, with no refund due.

D. Death of retired members:

James DuVal, Jr., Ret. No. 04192, death occurred April 27, 2006, Spouse elected monthly benefit of \$1,333.16.

Lorenzo W. Smith, Ret. No. 04356, death occurred May 18, 2006. Spouse elected monthly benefit of \$333.81.

Marvin A. Proctor, Ret. No. 03249, death occurred May 20, 2006. Spouse elected monthly benefit of \$595.76.

Rosa L. Haskins, Ret. No. 03511, death occurred June 4, 2006. No benefit payable due to no surviving spouse or dependent children.

Wendell Haynes, Ret. No. 03671, death occurred June 8, 2006. No benefit payable due to no surviving spouse or dependent children.

Henry Daniels, Ret. No. 02176, death occurred June 12, 2006. No benefit payable due to no surviving spouse or dependent children.

Rebecca A. Weaver, Ret. No. 05193, death occurred June 14, 2006. No benefit payable due to no surviving spouse or dependent children.

Ernest C. Stallings, Jr., Ret. No. 04066, death occurred June 27, 2006. Spouse elected monthly benefit of \$1,346.74.

Elizabeth Davis, Ret. No. 03664, death occurred June 28, 2006. Spouse elected monthly benefit of \$374.63.

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

<u>Name of Member</u>	<u>Active No.</u>
Jason E. Ruffin	29020
Phyllis C. Meincke	29576

Andrea L. Prentice	29807	
Timothy D. Dubois	29994	
Matthew C. Ludy	30139	
Beverly Owens		30151
Jamie Richardson	30156	
Patricia Ellen Coward		30187
Deborah B. Jones	30335	
Euron M. Wright		30387
Sara J. Fentress	30441	
Daryle Anderson	30447	
Travis D. McLean	30451	
Terry Freeman		30498
Susan R. Leonard	30568	
Lucie R. Bammel	30570	
Christopher I. Kennedy		30666
Katherine A. Rickett	30687	
Robin Arthur Loomis		30730
Gail J. Crawford		30782
Ronald Allen Riddick, Jr.		30810
Quiana Shante Bradley		30836
George G. Bright	30855	
Victoria E. Linares	30864	
Justin H. Moss		30969
David A. Caldero	31071	
Sean D. Lacy	31084	
Sharon Patterson	31156	
David J. Micheli		31186
Bronwyn A. Owen	31190	
Bayani F. Bioc		31201
Brenda J. Caris		31209
George F. Hotchkin, Jr.		31234
Mathew Hutchison	31235	
Christopher J. Johnson		31236
Leland J. Seymore	31239	
Matthew S. Dauer	31243	
Kimberly Adkins		31252
Fatih Isicelik	31261	
Anton C. Ashburn	31273	
Travis L. Ringer		31312
Cortney L. Davis	29735	
Jeremy Edward Bottoms		29743
Jeremy M. Hockman		30048
Pamela C. Pinder	30131	
Jack E. Shick, Jr.	30639	
Allen Jerome Tripp	30664	
Rose S. Duke		30685
Darnell D. Davis		30693

Diane L. Young	31029
Linda M. West	31033
Gina L. Workman	31122
Sharon N. Goodwyn	31150
Geraldine McInnis	31210
Almeta D. Brown	31226
Carl V. Bell, II	31294
Susan F. Bradshaw	31295
Hillary B. Jones	31305
William K. Morris	31309
Steven L. Miller	31321
Odell Glenn, Jr.	31363
Total Members - 61	

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

Theodore Wilder	(1)	22.29
FedEx	(2)	61.20
Michael Ives	(3)	292.79
Lotus Financial Consulting	(4)	3,567.25
Bayview Physician SVCS	(5)	896.00
Cheiron	(6)	3,583.33
FedEx	(7)	55.08
Director of Finance	(8)	1,241.41
Summit Strategies	(9)	39,617.50
Reed Smith, LLP	(10)	166.40
Bayview Physician SVCS	(11)	224.00
Kamal Khanna	(12)	251.79
Lotus Financial Consulting	(13)	2,416.04
State Street Corporation	(14)	12,443.61
Lotus Financial Consulting	(15)	15,000.00
Employees' Retirement System (payroll est. June, 06)		
4,400,000.00		
Mary Lou Nexsen	(16)	300.00
FedEx	(17)	138.00
Baker's Crust	(18)	139.22
Mary Lou Nexsen	(19)	664.03
Cheiron	(20)	4,515.83
State Street	(21)	9,338.60
Virginia Retirement System	(22)	29,265.25
City of Norfolk	(23)	410,141.30
Lotus Financial Consulting	(24)	15,000.00
Employees' Retirement System (payroll est. July, 06)		
<u>4,510,000.00</u>		
Total		<u>\$ 9,459,340.92</u>

- (1) Reimbursement for dessert for Retirement Board Meeting on 05-15-06
- (2) Information sent to Fidelity Management Trust Co., JP Morgan Investment Management and Myrella Aaron
- (3) Reimbursement for expenses incurred on April 9, 2006 for educational trip on alternative Investing
- (4) Reimbursement for Kamal Khanna to attend the following conferences:
 - Institutional Investor Public Funds Conference
 - Alternative Education Trip with Trustees
 - Due diligence trip to Boston
 - 2006 State Street Bank Client Conference
- (5) Medical exams for the following:
 - Jimmy Cooper; Lee Ann Kiracofe; Barbara Sparks; Horace Thomas
- (6) Retainer, May 2006
- (7) Information sent to NewStar Institution Managers
- (8) Reimbursement for expenses incurred by Steve de Mik for meetings on alternative assets and to attend PIMCO Conference
- (9) Investment consulting services for April 1, 2006 through June 30, 2006
- (10) Professional services rendered through May 31, 2006
- (11) Medical exam for Frank Reece
- (12) Reimburse Kamal for Steve de Mik's hotel room on Alternative Education trip
- (13) Reimbursement for Kamal to attend the 2006 CFA Institute Conference
- (14) Custodial service for March 1-31, 2006
- (15) Consulting services for the period June 1, 2006 through June 30 2006
- (16) Cash advance to attend NAPPA's Legal Education Conference on June 27-30, 2006 in New York
- (17) Information sent to Sanderson Asset Manager; Summit Strategies Group; State Street Global and LSV Asset Management
- (18) Lunch ordered for Retirement Board Meeting 6-19-06
- (19) Reimbursement for expenses incurred to attend NAPPA Conference. \$964.03 less cash advance of \$300.00
- (20) Retainer for June 2006 and portability and option calculations
- (21) Custodial service for April 1-30, 2006
- (22) Transfer City of Norfolk Retirement assets to VRS for Robert A. Morris
- (23) Reimbursement to City of Norfolk for administrative expenses incurred for July 1, 2005 through June 21, 2006 as per ordinance #36847
- (24) Consulting services for the period July 1, 2006 through July 31, 2006

There being no further business, the meeting was adjourned at 3:03 p.m.

Chairperson

Executive Director