

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
May 15, 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, May 15, 2006, with Chairperson, Michael S. Ives presiding. The following was the result of the roll call:

Attending the Meeting

M. S. Ives
S.G. de Mik
J. D. Hopkins
F.V. Martin
N. Johnson

Not Attending the Meeting

A. B. Nusbaum
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 April 17, 2006 were approved with the following correction: In the paragraph denying Ms. Kiracofe's request for Ordinary Disability Retirement, the word subsistence was changed to substantive.

Committee Reports:

Administration and Planning:

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

Asset Allocation & Investment Management Review:

Mr. Martin reported that he and Dr. Hopkins, along with Messrs. Wilder, Khanna and Ralph visited our Boston based vendors for our biennial due diligence trip on April 25th. These vendors included Wellington Management, SSgA, State Street, Boston Company and Fidelity. Mr. Martin stated that no recommendations are required.

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.

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. Khanna presented the Investment Performance Review for the quarter ended March 31, 2006, prepared by Summit Strategies Group.

Mr. Wilder informed the Board that he attended the Association of Municipal Retirement Systems of Virginia (AMRS) Spring Meeting on May 8-9, 2006 in Newport News, VA. Mr. Wilder stated that he was elected Vice-President of the Association. Mr. Wilder further stated that, going forward, VRS will no longer provide the comparability test as required by code section 51.1-800. Our actuary, Cheiron, during their yearly valuation will test to see that the System is in compliance with Code section 51.1-800. Mr. Wilder concluded by stating that the City of Norfolk is proposing a 2.5% COLA effective July 1, 2006 for retirees retired as of June 1, 2005.

New Business:

A. Application for vested service retirement:

George A. Brooks, Jr., Active No. 18836, May 1, 2006, with no refund due.

B. Applications for early service retirement:

Bernard R. Boomer, Active No. 20568, June 1, 2006, with no refund due.

Carlton E. Baker, Active No. 20677, June 1, 2006, with no refund due.

Claudia M. Boozer, Active No. 20737, June 1, 2006, with no refund due.

Roger A. Clark, Active No. 26614, June 1, 2006, with no refund due.

Edward L. West, Active No. 21726, July 1, 2006, with no refund due.

Randy E. Million, Active No. 23739, July 1, 2006, with no refund due.

Donnell S. Fitzgerald, Active No. 26657, August 1, 2006, with no refund due.

C. Applications for normal service retirement:

James A. Waller, Jr., Active No. 17696, June 1, 2006, with no refund due.

Betty A. Davis, Active No. 20991, June 1, 2006, with no refund due.

Louis Schachtner, Active No. 21190, June 1, 2006, with no refund due.

Georgia Dawson, Active No. 21534, June 1, 2006, with no refund due.

Carl D. Worrell, Active No. 26239, June 1, 2006, with no refund due.

Sharon D. Hart, Active No. 15293, July 1, 2006, with refund of \$1,679.40.

Richard W. Quartucci, Active No. 18750, July 1, 2006, with no refund due.

Joyce N. Rodwell, Active No. 25497, August 1, 2006, with no refund due.

D. Ordinary death:

Larry R. Washington, Active No. 28230, death occurred March 24, 2006. Spouse elected monthly benefit of \$167.98.

E. Death of retired members:

Mildred V. Dawson, Ret. No. 02422, death occurred February 11, 2006. No benefit payable due to no surviving spouse or dependent children.

Shirley A. Johnson, Ret. No. 03329, death occurred April 1, 2006. No benefit payable due to no surviving spouse or dependent children.

June L. Stinson, Ret. No. 03643, death occurred April 9, 2006. No benefit payable due to no surviving spouse or dependent children.

Rosemary G. Jordan, Ret. No. 02840, death occurred April 12, 2006. No benefit payable due to no surviving spouse or dependent children.

William E. Reckling, Ret. No. 02232, death occurred April 14, 2006. No benefit payable due to no surviving spouse or dependent children.

Kelly O'Neal, Ret. No. 03294, death occurred April 18, 2006. Spouse elected monthly benefit of \$712.04.

Hazel E. Zangs, Ret. No. 02898, death occurred April 20, 2006. No benefit payable due to no surviving spouse or dependent children.

James Duval, Jr., Ret. No. 04192, death occurred April 27, 2006. No benefit payable due to no surviving spouse or dependent children.

Nancy D. Upshur, Ret. No. 02234, death occurred May 5, 2005. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouses:

Carolyn P. Kirkby, Spouse No. 00823N, death occurred March 31, 2006. No benefit payable.

Janie M. Hackney, Spouse No. 00359N, death occurred April 7, 2006. No benefit payable.

Rosemary Jordan, Spouse No. 00114N, death occurred April 12, 2006. No benefit payable.

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

FedEx	(1)	40.96
FedEx	(2)	94.29
Theodore Wilder	(3)	131.38
Baker's Crust	(4)	140.63
Frederick Martin	(5)	552.12
Director of Finance	(6)	607.29
NAPPA	(7)	745.00
Theodore Wilder	(8)	1,438.13
Reed Smith LLP	(9)	1,684.80
Lotus Financial Consulting	(10)	15,000.00
Employees' Retirement System		<u>4.</u>
<u>400,000.00</u>		

Total

\$ 4,420,434.60

- (1) Information sent to New Star Institutional Managers
- (2) Information sent to Institutional Investors Services, Summit Strategies Group and Kamal Khanna
- (3) Reimbursement for expenses to attend AMRS-VA Conference
- (4) Lunch for Joint Committee Meeting held on 4-17-06
- (5) Reimbursement for expenses incurred for due diligence trip to Boston
- (6) Airfare for Steven de Mik to attend PIMCO Client Conference
- (7) Registration for Mary Lou Nexsen to attend NAPPA'S Education Conference
- (8) Reimbursement for expenses incurred on due diligence trip to Boston on April 25-27, 2006 for Ted Wilder, John Hopkins and Kamal Khanna
- (9) Professional services for contract work on international agreements
- (10) Consulting services for the period May 1, 2006 through May 31, 2006

There being no further business, the meeting was adjourned at 3:17 p.m.

Chairperson

Executive Director