

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
February 15, 2007

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 Thursday, February 15, 2007, with Acting Chairperson, John D. Hopkins presiding. The following was the result of the roll call:

| <u>Attending the Meeting</u> | <u>Not Attending the Meeting</u> |
|------------------------------|----------------------------------|
| S. A. Calliott | F. V. Martin |
| S.G. de Mik | Vacant |
| J. D. Hopkins | Vacant |
| C. R. Neikirk | Vacant |
| N. Johnson | |

Dr. Hopkins welcomed newly appointed Trustee to the Board, Ms. Stephanie A. Calliott. Ms. Calliott thanked Dr. Hopkins for his welcome. She informed the Board that she was Senior Vice President and Regional Managing Director with Wachovia Trust & Investment Advisory Services and happy to be a member of the Board.

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

The minutes of the monthly meeting held January 18, 2007 were approved as printed.

Dr. Hopkins informed the Board that the next item would be discussed in Executive Session. A motion for Executive Session was read and approved by a vote of 5 to 0. A resolution certifying an executive meeting of the Employees' Retirement Board of the City of Norfolk in accordance with the provisions of the Virginia Freedom of Information Act, VA Code Section 2.2-3700 et seq for the purpose of discussing legal and personnel matters was read and approved by a vote of 5 to 0. At the conclusion of the Executive Session, a resolution was adopted in which the Retirement Board certified that, to the best of each member's knowledge, (i) only business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which the certification resolution applied, and (ii) only such business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Retirement Board. Ms. Johnson made a motion

that Ms. Wanda Bacchus' application for Ordinary Disability Retirement be changed to Accidental Disability Retirement effective January 1, 2007. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Mr. Wilder presented additional medical information on Ms. Rosalind Turner, whom the Board had denied Ordinary Disability Retirement at the January 18, 2007 Board meeting. Ms. Johnson made a motion that based on the additional medical information received from Partha Manchikalapuidi, M.D. and Dr. Cullen that Ms. Rosalind Turner be approved for Ordinary Disability Retirement effective March 1, 2007. This motion was seconded by Ms. Calliott and approved unanimously by the Board.

New Business

A. Applications for vested service retirement:

Utelia V. Moore, Active No. 17755, February 1, 2007, with no refund due.

Anne C. Estrella, Active No. 20251, February 1, 2007, with no refund due.

Ethel M. Fentress, Active No. 18196, April 1, 2007, with no refund due.

B. Applications for early service retirement:

Linda M. Kitt, Active No. 22012, March 1, 2007, with no refund due.

Eric W. Garris, Active No. 23868, March 1, 2007, with no refund due.

Joel S. McClanahan, Active No. 25900, April 1, 2007, with no refund due.

C. Applications for normal service retirement:

Alroy S. Beckett, Active No. 16256, March 1, 2007, with refund of \$1,412.53.

Barbara L. Torpey, Active No. 18569, March 1, 2007, with no refund due.

Vandora Rivers, Active No. 24174, March 1, 2007, with no refund due.

Barbara Rivera-Martinez, Active No. 23201, May 1, 2007, with no refund due.

Roger V. Gilchrist, Active No. 27529, March 1, 2007, with refund of \$32.15.

D. Death of retired members:

Mason C. Andrews, Ret. No. 04655, death occurred October 13,

2006. Spouse

elected lump sum payment of \$11,628.30.

Harry M. Gardner, Ret. No. 02731, death occurred November 27,

2006. No

benefit payable due to no surviving spouse or dependent children.

Wallace E. Piland, Sr., Ret. No. 04040, death occurred December

21, 2006. Spouse elected monthly benefit of \$621.26.

Robert Gordon, Ret. No. 01658, death occurred January 14, 2007.

No

benefit payable due to no surviving spouse or dependent children.

Thomas Blanchard, Jr., Ret. No. 02989, death occurred January 18,

2007. No

benefit payable due to no surviving spouse or dependent children.

Clyde Robbs, Ret. No. 04448, death occurred January 18, 2007.

Spouse elected

monthly benefit of \$536.08.

Robert Robinette, Ret. No. 03952, death occurred January 20,

2007. Spouse

elected monthly benefit of \$1,059.09.

William M. Rainey, Ret. No. 02525, death occurred January 23,

2007. Spouse

elected monthly benefit of \$314.17.

Christopher Smith, Ret. No. 05585, death occurred January 28,

2007. Spouse

elected lump sum payment of \$33,446.24 and is due the Option A monthly benefit of \$1,314.19.

Helen F. Davis, Ret. No. 03159, death occurred February 10, 2007.

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

E. Death of spouses:

Dorothy D. Fox, Spouse No. 643N, death occurred December 1, 2006. No benefit payable.

2007. No
Annie V. P. West, Spouse No. 00521N, death occurred January 27, benefit payable.

1, 2007.
Mabel C. Davenport, Spouse No. 00372N, death occurred February No benefit payable.

2007.
Dorothy L. Rafter, Spouse No. 00449N, death occurred February 7, No benefit payable.

Mr. de Mik made a motion for Kamal Khanna to attend the State Street Global Management Seminar in Cambridge on February 28, 2007 through March 2, 2007 and to attend the Public Funds Roundtable in San Diego on April 24-27, 2007. The estimated cost for both conferences is \$2,200. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented to the Board a letter from our actuary, Cheiron, asking that the Board adopt unisex mortality tables in making portability calculations as well as in making optional allowances in retirement benefits. Mr. de Mik made a motion to adopt the following recommendations from our actuary:

1. Portability Calculations: The Board adopt both the revised mortality tables used in these calculations to be the RP-2000 Healthy Annuitant Mortality for males and females, and the salary scale assumption to be the revised service-based tables, to be used in calculations performed on or after July 1, 2007.
2. Optional Allowances: The Board adopt the RP-2000 Healthy Annuitant Mortality for males and females, blended to be 50% male and 50% female for General employees and 90% male and 10% female for Police & Fire employees, for purposes of these calculations effective July 1, 2007.

The above motion was seconded by Ms. Johnson and approved unanimously by the Board.

Committee Reports:

Administration and Planning:

Mr. de Mik informed the Board that for the benefit of our new Board members, the Training and Education Committee has provided an overview of our Trustee manual. Today we will provide a Trustee orientation. The agenda included the following topics:

1. Background and History
2. Statistics
3. Governance Authority
4. Organization Chart
5. Fiduciary Mandates
6. Governance Policy
7. Roles & Responsibilities
8. Relationship With The Public
9. Trustee Resources
10. Questions & Answers

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

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

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. Ralph distributed and discussed with the Board the Investment Performance Review for the quarter ended December 31, 2006.

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

| <u>Name of Member</u> | <u>Active Number</u> |
|-----------------------|----------------------|
| Wendy Gard | 29906 |
| Brian T. Francis | 30220 |
| Charles Brian Parker | 30579 |
| Galal M. Ahmed | 30918 |
| Wanda E. Remington | 30973 |
| Derek J. Gee | 30989 |
| Barry Thompson | 31198 |
| Glynis T. Williford | 31470 |
| Meredith B. Travers | 31522 |
| Dawniqua N. Linyear | 31534 |
| Tarris Breggins, Jr. | 31609 |
| Edward J. Diggs | 31614 |
| Steven V. Gadlin, Sr. | 31615 |
| Brandon Peeples | 31627 |
| Frances A. Vazquez | 31637 |

| | |
|------------------------|-------|
| Catherine Perretti | 31643 |
| Tia E. Towe-Freeman | 29999 |
| Andrea M. Stock | 30238 |
| Tammy D. Belcher | 30330 |
| Allison Zedd Pollack | 30850 |
| Donna M. Reed | 30891 |
| Antoine P. Dyette | 30986 |
| Roy M.D. Harewood | 30994 |
| Delphoney S. Nash | 31515 |
| Stephanie Jones George | 31530 |
| Total Members - 25 | |

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

| | | |
|---|-----|-----------------|
| State Street Corporation | (1) | |
| 22,179.86 | | |
| VRS | (2) | 17,874.13 |
| Theodore Wilder | (3) | 893.97 |
| VRS | (4) | 53,015.67 |
| CHEIRON | (5) | 4,405.83 |
| Bayview Physician Services | (6) | |
| 224.00 | | |
| FedEx | (7) | 155.18 |
| Baker's Crust | (8) | 25.63 |
| Lotus Financial Consulting | (9) | 15,750.00 |
| Employees' Retirement System (payroll est. Feb. 07) | | |
| <u>4,600,000.00</u> | | |
| Total | | \$ 4,714,524.27 |

- (1) Custodial service for period December 1-30, 2006
- (2) Transfer City of Norfolk Retirement assets to the VSR for William N. Miller
- (3) Reimbursement for dinner in honor of Michael Ives and Alan Nusbaum given by the Board on January 30, 2007
- (4) Transfer City of Norfolk Retirement assets to the VRS for Gwendolyn Mayo
- (5) Retainer for January 2007 and Portability Calculations
- (6) Medical exam for Tyrone C. Green
- (7) Information sent to Secretary of the Commonwealth, Vanguard, State Street, Myrella Aaron and GFOA
- (8) Dessert tray for Board Meeting on January 18, 2007

(9) Consulting services for the period February 1-28, 2007

There being no further business, the meeting was adjourned at 4:00 p.m.

Chairperson

Executive Director