

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
March 19, 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 Monday, March 19, 2007, with Acting Chairperson, Frederick V. Martin presiding. The following was the result of the roll call:

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

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 February 15, 2007 were approved with the following corrections:

- Meeting held in the sixth floor instead of the eleventh floor conference room.
- Jessica Portis, of Summit Strategies Group, also attended the meeting.

New Business

A. Applications for vested service retirement:

Leslie Drayton, Active No. 21608, April 1, 2007, with no refund due.

Patricia A. Jones, Active No. 15784, May 1, 2007, with refund of \$2,060.72.

Mary E. Parker, Active No. 20765, May 1, 2007, with no refund due.

B. Applications for early service retirement:

Candice M. O'Bryen, Active No. 22488, May 1, 2007, with no refund due.

Columbus A. Austin, III, Active No. 22880, June 1, 2007, with no refund due.

C. Applications for normal service retirement:

Sarah A. Marshall, Active No. 17732, April 1, 2007, with no refund due.

Gloria S. Harris, Active No. 18578, April 1, 2007, with no refund due.

Johnnie M. Beamon, Active No. 25663, April 1, 2007, with no refund due.

Herman L. Britt, Active No. 19124, May 1, 2007, with no refund due.

Stephen C. Armstrong, Active No. 22745, May 1, 2007, with no refund due.

Sara E. Eason, Active No. 17318, June 1, 2007, with no refund due.

D. Ordinary Death:

Charles R. Miller, Active No. 29479, death occurred January 5, 2007. Spouse elected lump sum payment of \$8,779.53.

E. Death of retired members:

Marcia L. Walsh, Ret. No. 05347, death occurred November 14, 2006. Spouse elected monthly benefit of \$2,043.69.

Clara R. Shell, Ret. No. 02679, death occurred January 20, 2007. Spouse elected monthly benefit of \$467.90.

Elsie R. Otto, Ret. No. 02832, death occurred January 24, 2007. Spouse elected lump sum payment of \$5,451.06.

Dossie C. Knight, Jr., Ret. No. 04979, death occurred January 31, 2007. Spouse elected lump sum payment of \$6,292.54.

Gloria C. Hodnett, Ret. No. 03179, death occurred February 9, 2007. Spouse elected lump sum payment of \$7,891.52.

Albert R. Sharpe, Ret. No. 02907, death occurred February 12, 2007. No benefit payable due to no surviving spouse or dependent children.

Frank L. Trevathan, Ret. No. 03204, death occurred February 20, 2007. No benefit payable due to no surviving spouse or dependent children.

Margaret D. Jennings, Ret. No. 02461, death occurred February 27, 2007. No benefit payable due to no surviving spouse or dependent children.

F. Death of spouse:

Helen A. Johnson, Spouse No. 0232N, death occurred February 24, 2007. No benefit payable.

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

| <u>Name of Member</u> | <u>Active Number</u> |
|-----------------------|----------------------|
| Krissie M. Dickens | 30061 |
| Charles B. Bland | 30400 |
| Anissa L. White | 30853 |
| Jena M. Treichel | 31371 |
| Bobette M. Nelson | 31397 |
| Manual A. Riveros | 31630 |
| Roland Glen Toffton | 31636 |
| Mathew Sprivey | 31644 |
| Michael E. Worsham | 31647 |
| Russell M. Terry | 31674 |
| Total Members - 10 | |

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

| | |
|----------------------|-----|
| Capital Bank & Trust | (1) |
| 33,446.24 | |

| | | |
|---|-----|------------------------|
| Cheiron | (2) | |
| 7,309.33 | | |
| FedEx | (3) | |
| 164.81 | | |
| Baker's Crust | (4) | 25.63 |
| The Virginian Pilot | (5) | 124.99 |
| VRS | (6) | 12,566.50 |
| State Street Corporation | (7) | |
| 15,146.60 | | |
| Summit Strategies Group | (8) | 41,261.50 |
| Lotus Financial Consulting | (9) | 15,750.00 |
| Employees' Retirement System (payroll est. Mar. 07) | | <u>4.</u> |
| <u>700,000.00</u> | | |
| Total | | <u>\$ 4,825,795.60</u> |

- (1) Transfer funds for a direct rollover for Lisa Smith for Retirement Death Benefit
- (2) Retainer for February 2007 and Portability & Option Calculations
- (3) Information sent to State Street; Vanguard; Evergreen Investors; Sandora Summer & Marjorie Pope
- (4) Dessert tray for Board Meeting on 2/15/07
- (5) Subscription for the period 4/2/07 through 4/1/08
- (6) Transfer City of Norfolk Retirement Assets to the VRS for Carlos H. Cajares
- (7) Custodial service for the period January 1-31, 2007
- (8) Investment consulting services for the period January 1, 2007 through March 31, 2007
- (9) Consulting services for the period March 1-31, 2007

Mr. Martin asked that the election of a Chairperson and a Vice-Chairperson be done at the April 16, 2007 meeting to allow Board members time to consider persons for the various positions.

Committee Reports:

Administration and Planning:

Mr. de Mik informed the Board that the Committee did not have a meeting.

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

Mr. Martin 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. Khanna mentioned to the Board that with six Trustees on the Retirement Board and three vacancies to be filled, the Board might wish to consider consolidating the six committees into three. Mr. de Mik made a motion to consolidate the six committees (Administration and Planning, Asset Allocation, Investment Management Review, Training and Education, Benefit Claims, Manager Search & Selection) into three major functional areas, as follows:

1. Investment Management Committee (to address asset allocation, investment review, and manager selection functions).
2. Administration and Planning Committee (to address administrative, planning, and training & education functions).
3. Benefit Claims Committee.

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

Mr. Khanna concluded his remarks by informing the Board that instead of attending the Public Funds Roundtable in San Diego, he now plans to attend the JP Morgan Real Estate Conference in Florida on April 18-20, 2007.

Mr. Wilder informed the Board that he would be attending the Association of Municipal Retirement Systems of Virginia Spring Meeting, at the Omni Charlottesville in Charlottesville, VA on April 16-17, 2007.

There being no further business, the meeting was adjourned at 3:06 p.m.

Chairperson

Executive Director