

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
May 24, 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 2:14 p.m. on Thursday, May 24, 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.G. de Mik	S.A. Calliott
J. D. Hopkins	Vacant
N. Johnson	Vacant
F. V. Martin	Vacant
C. R. Neikirk	

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

The minutes of the monthly meeting held March 19, 2007 were approved as printed.

New Business

April 16, 2007

A. Application for vested service retirement:

Karen M. Silvers, Active No. 15944, May 1, 2007, with no refund due.

B. Applications for early service retirement:

Elaine M. Sraver, Active No. 21560, May 1, 2007, with no refund due.

James F. Williams, Active No. 21836, May 1, 2007, with no refund due.

Joseph S. Zentkovich, Active No. 24141, May 1, 2007, with no refund due.

C. Applications for normal service retirement:

James K. Bordner, Active No. 17428, May 1, 2007, with no refund due.

Nadine R. Garvin, Active No. 17711, May 1, 2007, with no refund due.

Raymond L. Williams, Active No. 18300, May 1, 2007, with no refund due.

Randolph Stewart, Jr., Active No. 18498, May 1, 2007, with no refund due.

May 24, 2007

A. Applications for vested service retirement:

April L. Miner, Active No. 16471, May 1, 2007, with no refund due.

Bradford L. Crane, Active No. 19522, June 1, 2007, with no refund due.

B. Applications for early service retirement:

David A. Barton, Active No. 22589, June 1, 2007, with no refund due.

Patsy M. Thornton, Active No. 28266, June 1, 2007, with no refund due.

C. Applications for normal service retirement:

Gary D. Bear, Active No. 18889, June 1, 2007, with no refund due.

Harold E. Molohon, Jr., Active No. 22603, June 1, 2007, with no refund due.

Robert L. Hatfield, Active No. 24159, July 1, 2007, with no refund due.

Emma D. Phillips, Active No. 28260, July 1, 2007, with no refund due.

Amos H. Rawls, Jr., Active No. 23300, August 1, 2007, with no refund due.

D. Recommendations by the Medical Board that the following be retired:

Jackie E. Davis, Active No. 20037, June 1, 2007, with no refund due. This member requested ordinary disability retirement.

Ronald L. Reid, Active No. 24108, June 1, 2007, with no refund due. This member requested ordinary disability retirement.

Michael S. Flynn, Active No. 25499, June 1, 2007, with no refund due. This member requested ordinary disability retirement.

Ricardo V. Moore, Active No. 27211, June 1, 2007, with no refund due. This member requested ordinary disability retirement.

E. Death of retired members:

Herbert Johnston, Ret. No. 02543, death occurred January 30, 2007. No benefit payable due to no surviving spouse or dependent children.

Aileen Forbes, Ret. No. 01041, death occurred February 22, 2007. No benefit payable due to no surviving spouse or dependent children.

Archie R. Pugh, Ret. No. 04086, death occurred February 27, 2007. elected monthly benefit of \$1,143.82.

Spouse
No benefit
elected monthly benefit of \$1,143.82.

Warren C. Forbes, Ret. No. 03239, death occurred March 14, 2007. elected monthly benefit of \$1,303.36.

Spouse
No benefit
elected monthly benefit of \$502.78.

Mildred Leake, Ret. No. 02036, death occurred March 26, 2007. No benefit payable due to no surviving spouse or dependent children.

Robert F. Banks, Ret. No. 03311, death occurred March 27, 2007. No benefit payable due to no surviving spouse or dependent children.

Clifton L. Brooks, Ret. No. 02584, death occurred March 27, 2007. Spouse

elected monthly benefit of \$605.13.

Virginia Atkins, Ret. No. 04393, death occurred March 28, 2007.

No benefit

payable due to no surviving spouse or dependent children.

Robert C. Merritt, Ret. No. 01564, death occurred April 2, 2007.

Spouse

elected monthly benefit of \$464.07.

Raymond J. Morse, Ret. No. 02337, death occurred April 21, 2007.

Spouse elected monthly benefit of \$492.85.

Jeremiah Simmons, Jr., Ret. No. 02677, death occurred April 24,

2007. Spouse

elected monthly benefit of \$456.27.

Dorothy Young, Ret. No. 02986, death occurred April 29, 2007. No

benefit

payable due to no surviving spouse or dependent children.

Ardith Maxwell, Ret. No. 02432, death occurred May 2, 2007. No

benefit

payable due to no surviving spouse or dependent children.

William H. Fentress, Ret. No. 03367, death occurred May 2, 2007.

Spouse

elected monthly benefit of \$910.59.

James L. Butcher, Jr., Ret. No. 05396, death occurred May 7, 2007.

No

benefit payable due to no surviving spouse or dependent children.

Harold B. Berry, Ret. No. 02951, death occurred May 8, 2007. No

benefit

payable due to no surviving spouse or dependent children.

Edna Litchfield, Ret. No. 01913, death occurred May 9, 2007. No

benefit

payable due to no surviving spouse or dependent children.

Donald Kowalske, Ret. No. 01457, death occurred May 11, 2007.

No

benefit payable due to no surviving spouse or dependent children.

F. Death of spouses:

Beulah M. Felts, Spouse No. 00648N, death occurred March 13, 2007. No benefit payable.

Marian B. Irving, Spouse No. 00292N, death occurred March 27, 2007. No benefit payable.

Ardith Maxwell, Spouse No. 00307N, death occurred May 2, 2007. No benefit payable.

Mr. Wilder presented an application for ordinary disability retirement requested by Jackie Davis, Active No. 20037, June 1, 2007, with no refund due. Mr. de Mik made a motion to approve Ms. Davis for ordinary disability retirement. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement requested by Ronald L. Reid, Active No. 24108, June 1, 2007, with no refund due. Mr. de Mik made a motion to approve Mr. Reid for ordinary disability retirement. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement requested by Ricardo V. Moore, Active No. 27211, June 1, 2007, with no refund due. Dr. Hopkins made a motion to approve Mr. Moore for ordinary disability retirement. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Mr. Wilder presented an application for ordinary disability retirement requested by Michael S. Flynn, Active No. 25499, June 1, 2007, with no refund due. Dr. Hopkins made a motion to deny Mr. Flynn's request for ordinary disability retirement, due to insufficient medical evidence to support a disability retirement. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented a request from Mary Lou Nexsen to attend the 2007 NAPPA Conference in Vail, Colorado on June 26-29, 2007. Mr. de Mik made a motion to send Mrs. Nexsen to the 2007 NAPPA Conference in Vail, Colorado. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented a request from Mr. Kamal Khanna to attend the following:

1. Visit a potential core plus fixed income manager in Pasadena, CA during the next three months. Estimated cost should be less than \$1,000.00.

2. Visit Summit Strategies in St. Louis for a planning session. Estimated cost to be about \$500.00.
3. Visit LSV in Chicago to explore their enhanced S&P 500 index fund for potential replacement of a money manager. Estimated cost to be about \$500.00.

Mr. de Mik made a motion to approve the above requests from Mr. Khanna. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Wilder presented a request from Mr. Kamal Khanna for reimbursement for attending the CFA conference in New York City in April 2007 for \$2,500.00. Mr. de Mik made a motion to reimburse Mr. Khanna \$2,500.00 for his attending the CFA conference in New York City in April 2007. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Khanna informed the Board that a very minor revision to article XII.A.4 of the Investment Policy Statement (on page 11 of 21) be made. We deleted the second sentence, which read, "The Satellite Portfolio will invest in up to six investment strategies." The old and the new version of Article XII.A.4 are as follows:

OLD Article XII.A.4

Each strategy selected for the Satellite Portfolio will have a general target of 5% of the Total Fund's assets. The Satellite Portfolio will invest in up to six investment strategies.

NEW Article XII.A.4

Each strategy selected for the Satellite Portfolio will have a general target of 5% of the Total Fund's assets.

Mr. de Mik made a motion to approve the recommended change to the Investment Policy Statement as stated above by Mr. Khanna. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

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

<u>Name of Member</u>	<u>Active Number</u>
Brian Krouse	30445
Perry O. Thrower	30480
Gerald M. Jernigan	30573
Jimmecca V. Harper	30642
Henry Merchant	30821
Kondo A.H. Litchmore	30879
Ebony M. Spence	30882
Anthony T. Wright	31102
Johannah M. Brewer	31129
Victor Cabada	31296

Tracie M. Dale	31384
Ebony Salvati	31387
James L. Callis	31410
Shema Chinnery	31518
Kayla Lynn Meacom	31535
Derek F. Myers	31542
Monica D. Hall	31561
Nelida Tirado	31569
William Scott Pelkey	31628
Susan Harnett	31666
Brandon Rand	31683
Markee J. Brown	31688
Melissa Thomas	31697
Kimberly A. Gregory	31723
Total Members - 24	

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

FedEx	(1)	\$	24.37
Cheiron	(2)		
4,153.08			
State Street	(3)		
13,471.68			
Cheiron	(4)		
4,105.83			
Bayview Physician Svcs	(5)		
224.00			
NCPERS	(6)		1,300.00
Theodore Wilder	(7)		296.17
FedEx	(8)		54.25
Cheiron	(9)		
4,420.58			
Theodore Wilder	(10)		14.12
AMRS-VA	(11)		25.00
AMRS-VA	(12)		25.00
Lotus Financial Consulting (13)			15,750.00
Lotus Financial Consulting (14)			15,750.00
Employees' Retirement System (payroll est. May. 07)			<u>4</u>
<u>700,000.00</u>			
Total		\$	4,759,614.08

- (1) Information sent to State Street
- (2) Retainer for May 2007 & Option Calculations
- (3) Custodial service for the period February 1-28, 2007
- (4) Retainer for April 2007 & Option Calculations
- (5) Medical exam for Michael Flynn
- (6) Purchase of 13 books "Public Pensions & You"
- (7) Reimbursement to attend the Association of Municipal Retirement Systems of VA

- (8) Spring Meeting in Charlottesville, VA on April 16-17, 2007
Information sent to U.S. Census Bureau & State Street Corp.
- (9) Retainer for March 2007; work on Richmond Portability Agreement & Option Calculations
- (10) Reimbursement for brownies and bottled water for Board meeting held on 3-19-07
- (11) Registration fee to attend the Spring 2007 Conference of the AMRS-VA
- (12) Registration fee to attend the Spring 2007 Conference of the AMRS-VA
- (13) Consulting services for the period April 1-30, 2007
- (14) Consulting services for the period May 1-31, 2007

Mr. Martin asked that the election of a Chairperson and a Vice-Chairperson be postponed until the June 18, 2007 Board meeting. The Board agreed by mutual consent.

Mr. Stephen G. Moorhead and Mr. Michael D. Rodier of Wellington Management gave a presentation to the Board. Their presentation covered the following topics:

- Large Cap Research Equity Review
- Small Cap Value Review

Mr. Martin asked the Board to identify which committees they wished to serve. The following is the result of their selection:

<u>Administration and Planning</u>	<u>Investment Management</u>	<u>Benefit Claims</u>
Steven de Mik, Chair	Chris Neikirk, Chair	John
Hopkins, Chair		
Frederick Martin	Frederick Martin	Nancy
Johnson		
John Hopkins	Stephanie Calliott	

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. Eric Ralph of Summit Strategies Group reviewed with the Board the investment performance review for the quarter ended March 31, 2007.

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, 2006.

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

Chairperson

Executive Director