

Minutes of the Regular Monthly Meeting
Board of Trustees
Employees' Retirement System of the City of Norfolk
September 27, 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 2:00 p.m. on Thursday, September 27, 2007, with Chairperson, Frederick V. Martin presiding. The following was the result of the roll call:

Attending the Meeting

S. A. Calliott
S.G. de Mik
J. D. Hopkins
F. V. Martin
C. R. Neikirk
N. E. Nelson
E. G. Tucker

Not Attending the Meeting

R. V.K. Williams
Vacant

Mr. Martin welcomed new Board Members, Mr. Eric Tucker and Mr. Nicholas Nelson to the Board.

Mr. Kamal Khanna, Chief Investment Officer, also attended the meeting.

The minutes of the monthly meeting held August 20, 2007 were approved as printed.

New Business

A. Applications for vested service retirement:

Cora L. Joyner, Active No. 12874, November 1, 2007, with refund of \$2,633.26.

Helen M. Lester, Active No. 19276, November 1, 2007, with no refund due.

Linwood E. Roulhac, Active No. 19433, November 1, 2007, with no refund due.

B. Applications for early service retirement:

Craig E. Crider, Active No. 23561, October 1, 2007, with no refund due.

Johnnie O. Blanchard, Active No. 22238, November 1, 2007, with no refund due.

John D. Adkins, Active No. 27506, November 1, 2007, with no refund due.

C. Applications for normal service retirement:

Ethel J. Jones, Active No. 18683, October 1, 2007, with no refund due.

Ralph L. Shaw, Active No. 20558, November 1, 2007, with no refund due.

Edward A. Baldwin, Active No. 20753, November 1, 2007, with no refund due.

Paul M. Adams, Active No. 24365, November 1, 2007, with no refund due.

Marie L. Adams, Active No. 26114, November 1, 2007, with no refund due.

David L. Hughes, Active No. 16529, December 1, 2007, with refund of \$734.00.

Barbara Munden, Active No. 23200, December 1, 2007, with no refund due.

D. Death of retired members:

William D. Carr, Jr., Ret. No. 02476, death occurred October 5, 2006. Spouse elected monthly benefit of \$820.62.

Donald S. Woodford, Ret. No. 03954, death occurred November 11, 2006. Spouse elected lump sum payment of \$27,275.67.

John Phelps, Ret. No. 03722, death occurred May 16, 2007. No benefit payable due to no surviving spouse or dependent children.

Gold Ange, Ret. No. 02502, death occurred July 22, 2007. Spouse elected lump sum payment of \$5,665.26.

Vertie R. Houck, Ret. No. 03178, death occurred July 23, 2007. No benefit payable due to no surviving spouse or dependent children.

Carlton L. Hodges, Ret. No. 02733, death occurred August 11, 2007. Spouse elected monthly benefit of \$822.83.

Evelyn M. Phipps, Ret. No. 04972, death occurred August 17, 2007. No benefit payable due to no surviving spouse or dependent children.

Ruben Edmond, Ret. No. 02316, death occurred August 30, 2007. No benefit payable due to no surviving spouse or dependent children.

Robert D. Vaughn, Ret. No. 01581, death occurred September 1, 2007. Spouse elected monthly benefit of \$472.52.

James E. Spraggins, Ret. No. 05654, death occurred September 7, 2007. No benefit payable due to no surviving spouse or dependent children.

Marcella A. Nash, Ret. No. 02453, death occurred September 9, 2007. No benefit payable due to no surviving spouse or dependent children.

Sandra D. Perry, Ret. No. 02097, death occurred September 13, 2007. No benefit payable due to no surviving spouse or dependent children.

E. Death of spouses:

Charles Wheeler, Spouse No. 00779, death occurred August 20, 2007. No benefit payable.

Alice C. Newsome, Spouse No. 00655, death occurred September 1, 2007. No benefit payable.

Mr. Wilder presented an application for Accidental Disability retirement for George A. Ingram, Active No. 18172, October 1, 2007, with no refund due. This member requested Accidental Disability retirement. Ms. Calliott made a motion to approve George Ingram for Accidental 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 for Howard Douthit, III, Active No. 28223, October 1, 2007, with no refund due. This member requested Ordinary Disability retirement. Dr. Hopkins made a motion to approve

Howard Douthit for Ordinary Disability retirement. This motion was seconded by Mr. de Mik and approved unanimously by the Board.

Committee Reports:

Administration and Planning:

Mr. de Mik reported that the Committee had a meeting prior to today's Board meeting and will make a report at the next Board meeting.

Investment Management:

Mr. Neikirk reported that the Committee did not have a meeting. The next scheduled meeting will be Thursday, October 18, 2007, at 12:00 noon. All Board members are welcome to attend.

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. Mr. Khanna reported that the total return for our Plan was 0.65% for the month of August 2007. This report is attached as part of the official minutes.

Mr. Khanna presented, for the Board's review, a revision to the Investment Policy Statement (under Custodian clause on page 8 of 21). The amendment to the Investment Policy Statement would read as follows:

Deposits: The System maintains all accounts collateralized in accordance with the Virginia Security for Public Disclosures Act, Sec 2.2-4400 ET. Seq. of the *Code of Virginia*.

Investments: The System requires that all securities purchased by or for the System be properly and clearly labeled as an asset of the System and held in safekeeping by a third party custodial bank or institution in compliance with Section 2.2-4515 of the *Code of Virginia*.

Mr. de Mik made a motion to adopt the above amendment to the Investment Policy Statement. This motion was seconded by Mr. Neikirk and approved unanimously by the Board.

Mr. Khanna informed the Board that we have an ongoing Custody Agreement with State Street Bank dated August 1, 1994 with a Fee Schedule attachment, which can be renegotiated any time by mutual consent. We have negotiated another three-year extension for the fee schedule for the period October 1, 2007 to September 30, 2010. The new fee schedule reflects some reduction in fees over the existing fee schedule. Summit has reviewed the new schedule and found it to be very competitive with the market rate for similar services for funds of our size. Mr. Neikirk requested that the new fee schedule be deferred until the October Board meeting. This request was approved unanimously by the Board.

Mr. Wilder informed the Board that the City of Norfolk has entered into portability agreements with the City of Newport News and the City of Richmond.

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

<u>Name of Member</u>	<u>Active Number</u>
Melissa A. Centeno	29909
William C. Vaughan	30279
Christine K. Gajdek	30389
Kamilah Brown	30401
Maria Leta-Leroux	30425
Donna K. Adams	30581
Eleanor Laylo	30695
Matthew David Barger	30923
James Joseph Magee, III	30942
Blanch B. McCoy	31124
Patrick K. Maddox, II	31185
Jared L. Rankins	31311
Paul S. Burchuk	31445
Kristopher A. West	31646
Paul Maples	31684
Kenneth R. Powell, Sr.	31701
Dyron M. Martin	31831
Total members - 17	

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

Cheiron	(1)	\$	3,801.56
Chantal Brooks, M.D.	(2)		
250.00			
FedEX	(3)		160.61
Summit Strategies	(4)		41,915.00
State Street Corporation	(5)		
20,809.41			
State Street Corporation	(6)		
20,625.40			
FedEX	(7)		
25.54			
State Street Corporation	(8)		
33,270.56			
Baker's Crust	(9)		163.74
Theodore Wilder	(10)		9.20
Myrella Aaron	(11)		
3.66			

Lotus Financial Consulting (12)	16,537.50
Employees' Retirement System (Est. payroll Sept. 07)	
<u>4,835,000.00</u>	
Total	\$ 4,972,572.18

- (1) Retainer for September 2007
- (2) Medical examination for Howard Douthit
- (3) Information sent to Wellington Management; State Street; McGladrey & Pullen; Cheiron
- (4) Investment consulting services
- (5) Custodial service for June 2007
- (6) Custodial service for March 2007
- (7) Information sent to Cheiron
- (8) Custodial service for April & May 2007
- (9) Lunch for Investment Management Meeting held on August 20, 2007
- (10) Reimbursement for case of diet cokes for Retirement Board Meetings
- (11) Reimbursement for tablecloth for Board Meetings
- (12) Consulting services for the period September 1-30, 2007

There being no further business, the meeting was adjourned at 2:35 p.m.

Chairperson

Executive Director