GENERAL EMPLOYEES RETIREMENT BOARD MEETING
Friday, November 9, 2007, 9:00 A.M.

I. CALL TO ORDER

The meeting of the General Employees Retirement Board of Trustees was called to order by Chairman, Robert Garvy at 9:00 a.m. on Friday, November 9, 2007, in the Town Hall Council Chambers. Attending were Chairman Garvy, Vice Chairman Brett Madison, Secretary Jonathan Luscomb, Trustee James Karman and Trustee Peter Elwell. Also in attendance were Board Attorney, John McCracken, Brian Zeiler and Jeanne Valcik from Callan Associates, Human Resources Director and Plan Administrator, William Crouse, and Finance Director, Jane Struder.

II. APPROVAL OF AGENDA

Mr. Garvy inquired whether there were any changes or additions to be made to the agenda. There were no changes to report.

Mr. Karman moved approval of the Agenda. Mr. Elwell seconded. There was no further discussion and the motion carried unanimously.

III. APPROVAL OF MINUTES

Mr. Garvy inquired if there were any comments or changes to the Minutes of the Regular Meeting of August 16, 2007. There were no changes or additions to be made.

Mr. Luscomb moved approval of the Minutes. Mr. Karman seconded. There was no further discussion and the motion carried unanimously.

IV. ADMINISTRATOR'S REPORT

Mr. Crouse, reported the retirement notification of Darnell Parks, an Equipment Operator I with the Town. His retirement date was scheduled for November 15, 2007. Mr. Crouse stated that Mr. Parks planned to retire after a period of 23 years at the age 55 and that he had selected the Drop. Mr. Crouse stated this was the extent of his report.

V. DISCUSSION OF RENEWAL OF FIDUCIARY LIABILITY INSURANCE

Ms. Karen Temme, Risk Manager, recommended that the Board renew the Fiduciary Liability Policy with a $10M limit of liability. She stated that it would be a $150,000.00 deductible at an annual premium of $25, 771.00. This would be a flat renewal from last year.

Mr. Garvy inquired if there were any changes in the policy. Ms. Temme stated that there were none. Mr. Elwell moved approval to renew the Fiduciary Liability Policy. Mr. Karman seconded. The motion carried unanimously.

VI. QUARTERLY REPORTS

A. ROANOKE ASSET MANAGEMENT (Ed Vroom)

Mr. Vroom presented his report to the Board. He discussed the status of the fund and relayed it continued to remain fully vested. He also explained the historical performance on annualized rates of return. Mr. Vroom analyzed the S& P 600 growth versus value from 1994 to 2007. He relayed that in the 1990's, investors paid significant premiums for owning growth stocks. A few years later, the premium began to decline gradually and that small and large cap growth managers were doing better as a result. Because of valuation issues and fundamental issues in the market and economy today, Mr. Vroom explained that growth stocks will continue to outperform. He summarized sector concentration with healthcare and technology being the two largest sectors in the portfolio. Mr. Vroom explained that in the technology sector, new product cycles and capital spending budgets were positively aligned. He also relayed that the inventory cycle was stable and internet business models were maturing. As for Healthcare, he relayed that demographics sustained above average growth. Mr. Vroom explained that the cost containment and disease management solutions were becoming mainstream. In the consumer area, he advised keeping distance from the retail area that would be most affected if the housing market spread into consumer spending. He stated that focus would be placed on opportunities driven by demographics, change in preferences and market share gains. Mr. Vroom reviewed the top 20 holdings of the portfolio. He also provided an investment outlook by relaying the valuations of our companies and earning reports. Also, financial characteristics of growth stocks were all very positive and in stable to declining interest rate environments.

Mr. Garvy asked the Board if there were any questions, there being none, Mr. Garvy thanked Mr. Vroom for his report.

B. CALLAN ASSOCIATES (Jeanne Valcik)

Ms. Valcik presented her report to the Board. She presented an overview of domestic equity and explained that median growth funds outperformed their respective benchmarks while value funds lost ground against their benchmarks. Ms. Valcik explained that the quarter ended with a 2% gain with the S&P 500 and over the quarter, growth stocks were heavily favored in particularly Large Cap growth stocks. She discussed International Equity and how the EAFE index declined during the quarter. For the entire year, Ms. Valcik stated that EAFE was up 24.86 % and that internationally, growth was better than value for the quarter. She explained that even though the value index was essentially flat; the growth index was up 4% for the quarter. Ms. Valcik discussed asset allocation and performance including quarterly fund attribution. She examined the fund's historical performance relative to the funds with similar objectives. Also, she presented a summary of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

Brian Zeiler added to Ms. Valcik's presentation.

Mr. Zeiler presented the Manager Analysis and reviewed the top 10 portfolio holdings characteristics. His quarterly summary included posting a 1.92% return for the quarter placing it in the 96 percentile of the CAI Large Cap Core Style group for the quarter and in the 73 percentile for the last one-half year. Mr. Zeiler explained that Analytic Investors' portfolio underperformed the Russell 1000 by 3.90% for the quarter and underperformed the Russell 1000 for the one-half year by 1.77%. He stated that NYLIM 130/30 Large Cap Fund's portfolio posted a 2.99% return for the quarter placing it in the 100 percentile of the CAI Large Cap Core Style group for the quarter and in the 99th percentile for the last one-half year. Moreover, Mr. Zeiler relayed that NYLIM 130/30 Large Cap Fund's portfolio underperformed the Russell 1000 by 4.97% for the quarter and underperformed the Russell 1000 for the one-half year by 4.36%. He stated Roanoke Asset Management's portfolio posted a 1.51% return for the quarter placing it in the 81 percentile of the CAI Small/MidCap Growth Style group for the quarter and in the 86 percentile for the last year. Mr. Zeiler conveyed that Roanoke Asset Management's portfolio outperformed the Russell 2500 Growth by .86% for the quarter and underperformed the Russell 2500 Growth for the year by 1.04%. He explained the combined Z-Score Style Distribution Holdings between NYLIM 130/30 and the Russell 1000. Mr. Zeiler also compared the manager's portfolio's characteristics with the range of characteristics for the portfolios which make up the manager's style group. He emphasized how a manager's holdings are consistent with other managers employing the same style. Further, he explained Sector Weights Distribution and analyzed the current investment styles of the portfolios. He provided detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. Mr. Zeiler further relayed the quarterly summary and highlights of Thompson, Siegel and Walmsley's portfolio. He stated that the portfolio outperformed the Russell 2500 Value by 3.90% for the quarter and outperformed the Russell 2500 Value for the year by 10.34%. In addition, Mr. Zeiler discussed Mesirow's Absolute Return.

A discussion transpired between Mr. Garvy and Mr. Elwell regarding investment managers and if their physical presence was necessary at future Board meetings. Mr. Garvy relayed that he desired to invite an investment manager from each investment company either once a year or on a quarterly basis. Mr. Elwell concurred that at the February meeting, a representative from Roanoke, NYLIM, Analytic and Mesirow would be present.

VII. ANALYTIC CORE EQUITY PLUS FUND AGREEMENT CHANGES

Mr. McCracken relayed that he received the amended agreement and a short memo explaining the changes from monthly to daily valuations and to allow funds with lower asset levels to investment funds. He recommended that the Board execute the amendment.

Mr. Garvy inquired if there were any preliminary questions. There were none and the motion was made to approve the recommended changes by Analytic Investors to the fund agreement. Mr. Karman moved the motion and it was seconded by Mr. Madison. The motion passed unanimously.

VIII. REPORT ON QUARTERLY EXPENDITURES

Ms. Struder presented the Cash Flow Projection. She indicated that for the period of November 1, 2007 through January 31, 2008, a transfer from the money managers was not required. The operating expenses through September 30, 2007 and total expenses for the year were: $291,851.72.

Mr. Garvy inquired if there were any questions. There being none, he thanked Ms. Struder for her report.

VIII. ADJOURNMENT

Mr. Garvy asked if there were any other questions before concluding the meeting. There being no further business, the meeting adjourned at 11:45am

Approved: ______________________ 2/12/08
Jonathan Luscomb, Secretary