GENERAL EMPLOYEES RETIREMENT BOARD MEETING
Wednesday, November 9, 2005, 9:00 A.M.

I. CALL TO ORDER

The meeting of the General Employees Retirement Board was called to order by Vice Chairman Brett Madison at 9:00 a.m. on Wednesday, November 9, 2005, in the Town Hall Council Chambers. Roll call was conducted. Attending were Vice Chairman Brett Madison, Trustees Jonathan Luscomb, James Karman, and Peter Elwell. Also in attendance were Board Attorney John McCracken, Jeanne Valcik from Callan Associates, Human Resources Director and Plan Administrator William Crouse, and Finance Director Jane Struder.

II. APPROVAL OF AGENDA

Mr. Madison called for any changes or additions to the agenda submitted by the Plan Administrator. With no changes to report, Mr. Madison called for a motion.

Mr. Elwell moved approval of the agenda, Mr. Luscomb seconded. There was no further discussion, and the motion carried unanimously.

III. APPROVAL OF MINUTES

A) Regular Meeting of August 12, 2005

Mr. Madison inquired if there were any comments or changes to the minutes of the Regular Meeting of August 12, 2005. Mr. Elwell explained that there were two grammatical errors which did not change the substance of the message. He advised that he would meet with the secretary at the end of the meeting to discuss them. There were no other changes or comments.

Mr. Elwell moved approval of the minutes of the regular meeting of August 12, 2005 as amended with the editorial revisions, Mr. Luscomb seconded. There was no further discussion, and the motion carried unanimously.

B) Special Meeting of September 19, 2005

Mr. Madison inquired if there were any comments or changes to the minutes of the Special Meeting of September 19, 2005. There were no changes or comments from the Board members. Mr. Madison called for a motion.

Mr. Elwell moved approval of the minutes of the special meeting of September 19, 2005, Mr. Karman seconded. There was no further discussion, and the motion carried unanimously.

IV. DISCUSSION OF RENEWAL OF FIDUCIARY LIABILITY INSURANCE

Risk Manager Karen Temme referred the Board to her letter to Plan Administrator William Crouse dated November 2, 2005. She recommended that the Board renew the Fiduciary Liability policy with St. Paul Travelers with a $10,000,000 aggregate limit of liability and a $150,000 deductible at an annual premium of $30,318. The $30,318 renewal amount represented a 5% increase in the current premium. Mrs. Temme also recommended that the Board grant authority to Mr. Crouse to approve the Fiduciary Liability coverage for the renewal date of January 1, 2006. Mr. Madison called for approval from the Board.

Mr. Elwell moved approval to renew the Fiduciary Liability coverage with St. Paul Travelers, Mr. Luscomb seconded. There was no further discussion, and the motion carried unanimously.

Mr. Madison thanked Mrs. Temme. Mrs. Temme exited the Council Chambers

V. CALLAN ASSOCIATES QUARTERLY REPORTS

Ms. Valcik of Callan Associates presented to the Board. She referred the Board to page three of the market overview section of the Callan booklet. Ms. Valcik explained that the Domestic Equity portfolio had a very strong quarter and, as a consequence, the returns for the year through September increased. She informed the Board that she was very happy about the results. Ms. Valcik explained that the S&P 500 was up 3.6% and that the best place to be was in Small Cap Growth which was at 6.55%. She reminded the Board that the General Employees Retirement Board had 13% of the Portfolio invested with Roanoke Asset Management in Small Cap Growth. For the one year, Ms. Valcik explained the S&P 500 was up 12.25% and for the last quarter, the best place to be was in energy, as, energy stocks within the S&P 500 were up 18%. On page four of Callan Associates booklet, Ms. Valcik explained that there were two interest rate increases during the quarter. She explained that when there were interest rate increases, there were usually losses in the market, but advised that while there were eleven interest rate increases, it was the second time that the Plan had actually lost any money. Ms. Valcik discussed the actual versus the target asset allocation and advised that allocation would change due to the Fund being restructured. The Board was referred to page eight and Ms. Valcik addressed the return of the Fund for the quarter and advised that the Fund was up 3.61% and the money managers added 162 basis points. For the year, Ms. Valcik advised that the Fund was 12.41% and the managers added 362 basis points. She explained that for the one and five years, the Domestic Equity Portfolio was very strong, while the Fixed-Income Portfolio had not done very well. She then reminded the Board that this was one of the reasons why the Fund was restructured. Ms. Valcik then referred the Board to page eleven which showed the returns for the entire Fund for five and nine and a half years on an adjusted and unadjusted basis. She also pointed out to the Board, on page 17, the returns from each manager. Ms. Valcik explained that Roanoke Asset Management did well for the quarter, as their information technology, healthcare, and energy stocks did very well. That concluded Ms. Valcik's report. She inquired if anyone had any questions. Mr. Karman inquired if there were any changes of key professionals in any account managers who the Fund worked with. Ms. Valcik advised that she was not aware of any changes. Mr. Madison inquired if there were any other comments or questions from the Board regarding Ms. Valcik's report. There were no other questions or comments from the Board.

A) NYLIM Enhanced Index Fund Benchmarked to the S&P500

Ms. Valcik advised that when New York Life Investment Management, LLC (NYLIM) was hired, there was going to be a separate account because of the size of the assets. However, when she looked at turnover and the number of transactions per year, she realized that with the number of transactions and the per ticket charge from State Street Bank, this would be cost prohibitive. Ms. Valcik advised that NYLIM believed that they would have a commingled Fund for the Russell 1000 and have been encouraging Plans that they have presented to to consider it. Ms. Valcik advised that if the Plan were to decide on NYLIM's commingled Fund, the ticket charge would only be $4 per trade. Ms. Valcik advised that when NYLIM was being reviewed in the recent money manager search, their S&P 500 record was reviewed because NYLIM did not have a long Russell 1000 record. She advised that the correlation between their S&P 500 & Russell 1000 results was 100%. Ms. Valcik explained that another positive issue was the fact that when NYLIM starts their process, they start with the S&P 500 plus the S&P 400, which she advised was essentially the Russell 1000. Ms. Valcik informed the Board that she had spoken to Mr. Garvy, Chairman of the General Employees Retirement Board, and he agreed that the commingled fund for the Russell 1000 would be fine. Mr. Madison inquired if there were any questions from the Board. There were none. Mr. Madison thanked Ms. Valcik for her report.

Mr. Karman moved approval to enter into the New York Life Investment Management Enhanced S&P 500 Index Fund, Mr. Elwell seconded. There was no further discussion, and the motion carried unanimously.

Mr. Madison apologized to Mr. Crouse for overlooking his Administrator's Report. Mr. Crouse explained that there was nothing to report at this time.

VI. REPORT ON QUARTERLY EXPENDITURES

Finance Director, Mrs. Struder, referred the Board to her memorandum to the Plan Administrator dated November 3, 2005. She advised that the cash flow projection through January 31, 2006 showed that there would not be deficit cash and, as a result, she did not recommend a transfer from the money managers. Mrs. Struder advised that the operating expenses for the last fiscal year totaled $319,061.42. That concluded Mrs. Struder's report. Mr. Madison inquired if any of the Board members had any questions for Mrs. Struder. There were none. Mr. Madison called for a motion.

Mr. Elwell moved to receive and file the Report on Quarterly Expenditures; Mr. Karman seconded. There was no further discussion and the motion carried unanimously.

VII. ANY OTHER MATTERS

Mr. Madison inquired if it would be appropriate to request a Board discussion regarding the vesting terms used by the plan. He advised that the State of Florida had changed their vesting term to six years. He inquired if there could be a discussion at the next meeting to figure out where the General Employees Retirement Board was in relation to other plans and maybe make adjustments if needed.

Mr. Elwell moved approval to have the Plan Administrator present a report that provided the background information necessary to conduct a vesting terms discussion at the February 2006 meeting, Mr. Karman seconded. There was no further discussion, and the motion carried unanimously.

Mr. Madison inquired if there were any other matters to be discussed. There were none.

VIII. ADJOURNMENT

There being no further business, the meeting adjourned at 9:30 a.m.

Approved: _______________________
James Karman, Secretary