GENERAL EMPLOYEES RETIREMENT BOARD SPECIAL MEETING
Monday, September 19, 2005, 1:00 P.M.

I. CALL TO ORDER

The special meeting of the General Employees Retirement Board was called to order by Chairman Robert Garvy at 1:03 p.m. on Monday, September 19, 2005, in the Town Hall Council Chambers. Attending were Chairman Robert Garvy, Vice Chairman Brett Madison, Trustees Jonathan Luscomb, James Karman, and Peter Elwell. Also in attendance were Jeanne Valcik from Callan Associates, and William Crouse, Human Resources Director and Plan Administrator.

II. APPROVAL OF AGENDA

Mr. Garvy called for any changes or additions to the revised agenda submitted by the Plan Administrator. With no other changes to report, Mr. Garvy stated that the agenda would stand approved.

III. INVESTMENT MANAGER SEARCH INTERVIEWS

A. CORE PLUS FIXED INCOME MANAGER

Three Core Plus Fixed Income Management Firms appeared before the Board; Goldman Sachs Asset Management (GSAM), Fidelity Management Trust Company (FMTC), and Barclays Global Investors (BGI). Chris Sullivan, Managing Director and Co-Head of U.S. Fixed Income and Doug Angstrom, Managing Director and Head of Public Funds represented GSAM. Fidelity Management Trust Company's Fixed Income Investment Director, Paul de Moor, presented to the Board. David Bruce, Business Development Officer and Pete Wilson, Senior Portfolio Manager represented Barclays Global Investors. All speakers addressed the Board for approximately twenty minutes each and responded to questions from the Board for an additional ten minutes. After all the prospective managers had spoken, answered questions, and exited the Council Chambers, the Board had a lengthy discussion and decided that GSAM was more suited as the Plan's Core Plus Fixed Income Manager.

Mr. Elwell moved approval for Goldman Sachs Asset Management to manage the Core Plus Fixed Income portfolio; Mr. Karman seconded. There was no further discussion and the motion carried unanimously.

IV. TEMPORARY ADJOURNMENT

At 2:35 p.m., Mr. Garvy advised that the meeting would be temporarily adjourned.

The meeting reconvened at 2:47 p.m.

V. INVESTMENT MANAGER SEARCH INTERVIEWS continued

B. STRUCTURED EQUITY MANAGER

Barclays Global Investors (BGI) and New York Life Investment Management, LLC (NYLIM) presented to the Board. David Bruce, Business Development Officer and Jan Bratteberg, CFA, Portfolio Manager for the Advanced Equities Group, represented BGI and Dave Brown, Director and Harvey Fram, CFA and Managing Director spoke on behalf of New York Life Investment Management, LLC. All speakers addressed the Board for approximated twenty minutes each and responded to questions from the Board for an additional ten minutes. After all the prospective managers had spoken, answered questions, and exited the Council Chambers, the Board had a lengthy discussion and decided that NYLIM was more suited as the Plan's Structured Equity Manager.

Mr. Karman moved approval for New York Life Investment Management, LLC to manage the Structured Equity portfolio; Mr. Luscomb seconded. There was no further discussion and the motion carried unanimously.

VI. ANY OTHER MATTERS

Mr. Garvy stated that he noticed there were C-rated bonds in the portfolios of the Fixed Income managers, and inquired of Ms. Valcik if that posed a problem with the Plan's policy. Ms. Valcik advised no and explained that high yield bonds were specifically allowed. She advised that the commingled Funds guidelines would have to be followed.

Mr. Garvy inquired if Ms. Valcik would notify Goldman Sachs Asset Management and New York Life Investment Management, LLC of the Board's decision and handle the contracts. Ms. Valcik advised yes.

Ms. Valcik advised that the State Street Global Advisors Fund had securities lending in the track record. She advised that she was comfortable with it, as she believed securities should be apart of a Fund. She advised that the General Employees old Fund, because it was under the old Investment Policy Statement, was in a non-securities lending Fund. She advised that SSGA highlighted that fact. Mr. Garvy inquired of Ms. Valcik what the implications were. Ms. Valcik advised that securities lending can bring some extra return for the Fund. Mr. Garvy advised that it would be about two basis points. Ms. Valcik advised that it was a little bit more than two basis points, but she would have to verify this. Ms. Valcik advised that there was a little bit more lending involved because Domestic Equity, big-cap securities were not livable anymore, while International securities were. She explained that the SSGA Fund was well diversified and advised that if there was a securities lending blow-up at SSGA, they would cover it because they could not afford to take the risk. Mr. Garvy advised that he was not concerned about the securities lending aspect and inquired if any of the Board members had any issues with it. There were none. Mr. Elwell inquired if there was any formal action needed. Mr. Garvy explained that the Board could contract for a Fund that involved securities lending or one that did not. Mr. Elwell inquired if there were any other actions, other than a motion needed. Ms. Valcik advised that under the new Statement of Investment Policy, a motion was sufficient.

Mr. Elwell moved approval to contract with State Street Global Advisors International Bonds for the securities lending commingled Fund; Mr. Madison seconded. There was no further discussion and the motion carried unanimously.

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

VII. ADJOURNMENT

There being no further business, the meeting adjourned at 4:11 p.m.

Approved: ______________________
James Karman, Secretary