

**CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION BOARD
MEETING OF THURSDAY, MAY 21, 2015
2:00 P.M. - ROOM 405, CITY HALL**

MEMBERS/DESIGNEES PRESENT:

Mr. Jerry Allen, ERS Director, Chair
Mr. Mark Buetow, Milwaukee Police Association
Ms. Margaret Daun, Assistant City Attorney
Mr. Joe Dudzik, Alderman
Ms. Renee Joos, Fiscal & Risk Manager
Mr. James Klajbor, Deputy City Treasurer, Vice Chair
Mr. Nicholas Kovac, Alderman – arrived at 2:15 p.m.
Mr. Steven L. Mahan, Community Development Grants Administration
Mr. Mark Nicolini, Budget Director – left at 2:55 p.m.
Ms. Sandra Rotar, DCD - Finance & Admin. Manager – left at 4:14 p.m.

EXCUSED/ABSENT:

OTHERS PRESENT:

Mr. Michael Joecken, Callan Associates Inc.
Mr. Levi Lathen, Nationwide Retirement Solutions
Mr. Ben Taylor, Callan Associates Inc.
Ms. Ellen Tangen, Assistant City Attorney
Ms. Elaine Bieszk, Administrative Assistant, Deferred Compensation

A quorum being present, Mr. Allen, Chairman of the Deferred Compensation Board, called the meeting to order at 2:04 p.m.

1. Approval of the February 19, 2015 Board Meeting Minutes

Motion was made to approve the minutes of February 19, 2015 as distributed. Hearing no objections so ordered.

2. Plan Participant Benefit Approvals and Denials for the period of January, February and March 2015

It was moved to approve initial payout benefits and rollover payments for participants who have left City employment and are commencing benefits since the last Deferred Compensation Board Meeting. Hearing no objections so ordered.

3. Communication and Education Committee (CEC) Report

a. NRS Lunch and Learns

Mr. Klajbor stated we have been advocating that the financial wellness be part of the City's wellness program he is very pleased to report that DER is going to be working with NRS and financial management is going to be one of the things to be added to the Health Rewards Program.

b. NRS My Interactive Retirement Planner

Mr. Klajbor reported the Interactive Retirement Planner is now available through our website provided by Nationwide.

Motion was made to convene in closed session at 3:47 p.m. on the following Item 4 (a and b), as provided in Section 19.85 (1)(c) and (f), Wisconsin State Statutes, for (c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. (f) Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Board may then reconvene in open session following the closed session. It was moved by Mr. Klajbor and seconded by Mr. Buetow that the Board convenes in closed session. AYES: Mses. Joos, Rotar, Messrs. Allen, Davis, Kovac, Nicolini, Buetow, and Klajbor. Ms. Daun abstained. NOES: None.

4. Personnel Committee Report

a. Interim Executive Director

b. Permanent Executive Director

The Board reconvened in open session at 4:13 p.m.

Motion was made to convene in closed session at 2:07 p.m. for Item 5 (a through f), on proper motion and action pursuant to Section 19.85(1)(e) and (g), Wisconsin Statute for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting the specified public business, whenever competitive or bargaining reasons require a closed session and conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may reconvene in open session following the closed session. It was moved by Ms. Daun and seconded by Ms. Rotar that the Board convenes in closed session. AYES: Mses. Daun, Joos, Rotar, Messrs. Allen, Dudzik, Kovac, Nicolini, Buetow, and Klajbor. NOES: None.

5. Executive Finance Committee Report

a. Updated City Attorney Opinion/Assistance Requests

b. Update re Transition of Custodial Bank

c. Vanguard revised Trust related documents

Motion was made to approve the documents and give authority to the ED or Board Chair to execute said Trust documents with Vanguard. Ms. Tangen informed the Board that Vanguard requires a letter from Counsel giving the opinion that the Plan is an eligible 457 with the Code their office will be issuing that. Hearing no objection so ordered.

d. Duane Morris contract and opinion re RIA services in the Plan

e. Reinhart contract re investment management contracts

f. 2014 Audit

Ms. Daun reported the 2014 audit is proceeding. The engagement letters and the audit services engagement letter dated March 13, 2015; she executed those as Interim ED they are before the Board for ratification of the execution thereof. There is nothing non-standard in these.

Motion was made that the Board ratify the execution of these letters dated March 12 and March 13, 2015. Hearing no objections so ordered.

The Board reconvened in open session at 3:26 p.m. Ms. Daun reported the Board has moved and approved acceptance and/or ratification of the execution of the Duane Morris and Reinhart contracts. Ms. Daun moved that the Board receive and place the Duane Morris opinion on file. Hearing no objections so ordered.

g. Budget re revised 2015 and proposed 2016

Ms. Daun gave a quick overview of the revised 2015 and proposed 2016 budgets.

Motion was made to adopt the Budget documents. Hearing no objections so ordered.

6. Callan Associates Inc. – 1st Quarter Report

Mr. Joecken hit the highlights of their report and gave a brief overview of the Accounts. He gave an update from the EFC meetings; they continue to conduct interviews to shape the new funds going forward. We need to decide whether we are going to continue with the interviews. Ms. Daun stated if we have an ED in place she thinks there is no question that we need to be doing both on a parallel tracks. Mr. Klajbor stated there is a lot to be said for doing everything simultaneously the TPA change, if there is one and the fund restructuring, you just have one set of communications going out covering everything, we don't want to cause confusion or consternation. Mr. Buetow stated we should keep moving on those items. Mr. Klajbor stated if the Board is ok with that, they will continue to move forward.

Motion was made receive and place on file Callan's report. Hearing no objections so ordered.

7. Northern Trust – 1st Quarter Performance Report

Report received and place on file.

8. Informational

- a. **Opinion re paid release time for Board members**
- b. **Cleary Gull Advisors Inc. – 1st Quarter Investment Performance Review**
- c. **INVESCO Advisers, Inc. - Stable Value Account (SVA) – 1st Quarter Report**
- d. **Nationwide Retirement Solutions – 1st Quarter Plan Update**
- e. **PCRA Charles Schwab – 1st Quarter Report**
- f. **NAGDCA 2015 Annual Conference**
- g. **Travel Policy and Guidelines**
- h. **Letter of commendation re Nationwide’s staff**
- i. **Articles**

Mr. Allen stated all of the vendor reports listed here are there for the Members to peruse at their leisure along with some articles. Motion was made to receive and place on file all reports. Hearing no objections so ordered.

Ms. Daun stated if the Board would like she will prepare a summary of the Tibble v. Edison decision. Mr. Klajbor stated please do.

There being no further business, the meeting was adjourned at 4:27 p.m.