

CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION BOARD
MEETING OF THURSDAY, NOVEMBER 19, 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. Renee Joos, Fiscal & Risk Manager
Mr. James Klajbor, Deputy City Treasurer, Vice Chair
Mr. Nicholas Kovac, Alderman
Mr. Steven L. Mahan, Community Development Grants Administration
Mr. Stuart Mukamal, Assistant City Attorney
Ms. Sandra Rotar, Health Operations Administrator

EXCUSED/ABSENT:

Mr. Mark Nicolini, Budget Director – excused

OTHER PLAN PROVIDERS and STAFF PRESENT:

Mr. Andy Apostol, Invesco
Mr. Charles Batchelor, Cleary Gull Advisors
Ms. Elaine Bieszk, Administrative Assistant, Deferred Compensation
Ms. Margaret Daun, Executive Director
Ms. Wendy Stojadinovic, Cleary Gull Advisors
Mr. Ben Taylor, Callan Associates Inc.

OTHERS PRESENT:

2:09 p.m. A quorum being present, Mr. Allen, Chairman of the Deferred Compensation Board, called the meeting to order.

1. Meeting Minutes of August 20, 2015 and October 5, 2015 [00:50]

Ms. Rotar mentioned that her title should be Health Operations Administrator.

[01:29] Motion by Mr. Klajbor to approve the minutes for August 20, 2015 and October 5, 2015 with the title correction for Ms. Rotar. Seconded by Mr. Buetow. No objections.

2. Plan Participant Benefit Approvals and Denials for period July, August and September 2015 [01:38]

[01:53] Motion by Mr. Klajbor to approve the benefit approvals and denials. Mr. Buetow seconded. No objections.

[03:07] Motion by Mr. Klajbor to convene in closed session for Item 3, 4, 5 and 6, pursuant to Section 19.85(1)(e) and (g). Seconded by Ms. Rotar. Roll call vote taken. No objections.

02:11 p.m. Board enters closed session. [03:40]

3. Update re Transition of Custodial Bank [03:49]

4. Investment Management Agreement Negotiations [28:20]

5. Auditor Selection 2016 [34:33]

6. Duane Morris opinion re Self Directed Brokerage Services [40:45]

[01:03:13] Motion by Mr. Klajbor to convene in open session. Seconded by Mr. Buetow. Roll call vote taken. No objections.

03:13 p.m. Board enters open session. [01:03:45]

Break – back in session [01:08:43]

7. 2016 Proposed Meeting Dates [01:08:52]

[01:09:57] Motion by Mr. Klajbor to approve the proposed meeting dates for 2016. Seconded by Ms. Rotar. No objections.

8. Executive Finance Committee Report [01:10:24]

Mr. Klajbor reported the EFC recommends adoption of the changes to the Administrative Rules.

a. Participant and Retiree Survey Before Year-End [01:10:26]

[01:10:49] Motion by Mr. Mukamal to approve the survey to be communicated to participants and retirees. Mr. Klajbor amended the motion subject to review by the Executive Finance Committee. Mr. Buetow seconded. No objections.

b. Administrative Rule Amendments [01:11:17]

- Closed Session Recordings [01:11:25] The change to the rule states that closed sessions will be recorded unless objection is made. If an objection is made, the objection would be discussed and voted upon.
- Attendance by Conference Call [01:11:50] The change permits trustees to appear at a meeting by phone and if so, the trustee would be counted for purposes of quorum and would be permitted to vote.

- Form of Recordation of Meeting Minutes [01:11:39]. The change permits meeting minutes to be prepared in summary form with annotation indicating specific times for each item and vote.

[01:12:30] Motion by Mr. Buetow to adopt the changes to the Administrative Rules. Mr. Mukamal seconded. No objections.

- c. Fee Disclosure Brochure/Fee Accrual Issues [01:12:43] Discussion ensued regarding the disclosure statement.

[01:17:24] Motion by Mr. Klajbor to approve the issuance of the fee disclosures with minor edits as approved by the Executive Director before the end of the year. Mr. Mukamal seconded. No objections

- d. 2016 Budget [01:17:54] The internal budget was distributed to the Board. The major change in the budget is that the Plan now directly pays all expenses but for City staff and benefits and other small expenses, whereas in the past, the majority of Plan expenses ran through City accounts and consequently, were reflected in the budget. This explains the decrease in the budget from \$1.5 million to \$307,000. Discussion ensued.

9. Personnel Committee Report

- a. Administrative Rule Change [01:20:11]. The Committee Chair discusses Administrative Rule amendments being considered related to Plan personnel, including job duties, professionalism, ethics, training, and performance reviews.
- b. Annual Performance Evaluation Forms [01:21:00] The Committee Chair discusses performance evaluation forms that are still under consideration by the Committee. The Chair anticipates that finalized forms will be presented to the Board in February.

[01:21:37] Motion by Mr. Klajbor to approve the proposed amendments to the Administrative Rules. Ms. Rotar seconded. No objections.

10. Vendor Reports [01:31:52]

Mr. Allen noted that there are a number of vendor reports that we will accept and place on file.

[01:32:03] Motion by Mr. Klajbor to accept the reports and place on file. Seconded by Alderman Kovac. No objections.

- a. Northern Trust Performance Report
- b. Callan Associates Inc. Performance Report

- c. Cleary Gull Advisors Inc. Performance Report [01:32:11]

Ms. Stojadinovic and Mr. Batchelor summarized the performance report.

- d. Invesco Advisers, Inc. [01:59:48]

Mr. Apostol summarized the performance report.

- e. Nationwide Retirement Solutions – Plan Report

- f. Charles Schwab PCRA Report

11. Executive Director Report [01:22:03]

- a. NAGDCA Conference Summary [01:22:14]

Ms. Daun reported on her written summary of the NAGDCA conference.

- b. Retirees Association Presentation Summary [01:29:50]

Ms. Daun summarized her presentation to the Retiree Association in August including administrative fee increases over the last few years.

- c. 2016 Benefit Limits [01:31:34]

The deferral limits for 2016 did not change.

12. Informational Items [02:11:20]

- a. 2014 Audited Financials, Agreed Upon Procedures, Management Letters

- b. Articles

4:23 p.m. Meeting adjourned. [02:13:00]