

**CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION BOARD
SPECIAL MEETING OF FRIDAY, MARCH 15, 2013
2:00 P.M. - ROOM 405, CITY HALL**

MEMBERS/DESIGNEES PRESENT:

Mr. Jerry Allen, Chairman
Ms. Margaret Daun, Vice Chair
Mr. James Klajbor, Deputy City Treasurer
Mr. Martin Matson, Comptroller
Mr. Mark Nicolini, Budget Director
Ms. Beth Conradson Cleary, Plan Member
Mr. Michael J. Murphy, Alderman
Mr. Steven L. Mahan, Community Development Grants Administration
Mr. W. Martin Morics, Plan Member
Mr. Joe Davis, Sr., Alderman

EXCUSED/ABSENT:

Ms. Renee Joos, Fiscal & Risk Manager

OTHERS PRESENT:

Ms. Elaine Bieszk, Program Assistant II
Mr. Witold Dziadowicz, Executive Director

A quorum being present, Mr. Allen, Chairman of the Deferred Compensation Board, called the meeting to order at 2:02 p.m.

1. Election of Officers

Mr. Allen asked for a motion for nominations for the Chair. It was moved by Mr. Murphy and seconded to nominate Mr. Morics for Chair. There being no other nominations, the motion to elect Mr. Morics for Chair unanimously carried.

Mr. Morics took the gavel and asked for nominations for Vice Chair. Mr. Matson nominated Mr. Allen for Vice Chair, seconded by Ms. Daun. The motion to elect Mr. Allen for Vice Chair unanimously carried.

2. Amendments to Morley Capital Management, Inc. Agreement and Investment Guidelines

Mr. Morics stated that the Members have all seen the materials for this item that were distributed. Ms. Tangen stated that the two documents that are most important are the Mercer letter of February 26, 2013 from Mr. Suess and the amendments that incorporate

the recommendations in that letter. Mr. Dziadowicz informed the Members that Morley has agreed to the terms that the City Attorney prepared.

Mr. Nicolini referenced point one in Mercer's letter where it states that the wrap providers would be more comfortable wrapping collective trusts because the parameters are known and readily monitored. Do they give any documentation or detail as to why that is the case? Mr. Dziadowicz stated that the industry is trending right now away from buy and hold contracts in individual securities and more into pooled contracts. The reason is in buy and hold contracts you have to value individual securities; sometimes it is hard to rate them properly; it could be somewhat arbitrary whereas in a pooled investment trust you are looking at units that are actually much larger in scope and those are valued daily by the companies that provide them. Mr. Allen informed the Members that Mr. Sues explained the underwriter felt a little more comfortable with commingled vehicles because they understand the investment policies better rather than trying to keep track of each plan sponsors individual investment policy.

Motion was made to approve the Amendments to Morley's Agreement and the Investment Guidelines. Hearing no objections so ordered.

There being no further business, the meeting was adjourned at 2:08 p.m.