

**EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE**  
**MINUTES OF THE DECEMBER 16, 2009 PENSION BOARD MEETING**

1. Call to Order

Chairman Dr. Dean Roepke called the meeting to order at 8:30 a.m. in the Green Room of the Marcus Center, 127 East State Street, Milwaukee, Wisconsin 53202.

2. Roll Call

Members Present:

Linda Bedford (Vice Chair)  
Donald Cohen  
Keith Garland  
Mickey Maier  
Jeffrey Mawicke  
Marilyn Mayr  
Dr. Sarah Peck  
Dr. Dean Roepke (Chairman)  
Guy Stuller

Others Present:

David Arena, Director of Employee Benefits, Department of Administrative Services  
Mark Grady, Principal Assistant Corporation Counsel  
Gerald Schroeder, ERS Manager  
Dale Yerkes, Assistant Fiscal Officer  
Monique Taylor, ERS Clerical Specialist  
Scott Manske, Controller  
Bess Frank, Ad Hoc Oversight Committee  
Sushil Pillai, Milwaukee County Program Manager  
Steven Huff, Reinhart Boerner Van Deuren s.c.  
Leigh Riley, Foley & Lardner LLP  
Brett Christenson, Marquette Associates, Inc.  
Ray Caprio, Marquette Associates, Inc.  
Richard Strauss, Retiree Appellant  
Jacqueline Kleckley, Disability Appellant  
Ken Loeffel, Retiree  
Steve Schultze, Reporter, *Milwaukee Journal Sentinel*

3. Chairman's Report

The Chairman welcomed Ms. Mayr to the meeting. Ms. Mayr thanked everyone for their support and kindness during her recovery.

4. Minutes of the November 18, 2009 Pension Board Meeting

The Pension Board reviewed the minutes of the November 18, 2009 Pension Board meeting.

**The Pension Board voted 6-0-1, with Ms. Mayr abstaining due to her absence from the meeting, to approve the minutes of the November 18, 2009 Pension Board meeting. Motion by Mr. Maier, seconded by Ms. Bedford.**

5. Reports of ERS Manager and Assistant Fiscal Officer

(a) Retirements Granted, November

Mr. Schroeder presented the Retirements Granted Report for November 2009. He reported that 21 retirements were granted in November, noting that 6 retirees elected backDROPs, in amounts totaling \$206,456.

(b) ERS Monthly Activities Report, November

Mr. Schroeder indicated that there were approximately 40 more retirees in 2009 than in 2008, and that ERS paid out \$2 million more in benefit payments in 2009 than in 2008.

Mr. Schroeder discussed the timeline of the upcoming employee member election in February. He stated that this will be the first time an election will be held over a weekend. In response to a question from the Chairman, Mr. Schroeder indicated that the employee education and recruitment process has begun through weekly e-mail blasts. In response to a question from Ms. Mayr, Mr. Schroeder described the Retirement Office's plans on how to educate ERS members about the importance of voting and on how to be nominated for a Pension Board position.

Mr. Schroeder discussed the new and improved retirement processing procedures, which will be consolidated with the life and health portion and coordinated with payroll. He noted that the Retirement Office is revising all retirement forms and procedures. He indicated that the Retirement Office will provide all retiring members with a community resource guide and Social Security information. He pointed out that the Retirement Office will be giving a survey to retiree members. He commented that it has taken

the Retirement Office one year to prepare for what will take place over the next two weeks, and the new process will be implemented in January.

(c) Cash Flow Report

Mr. Yerkes presented ERS's cash flow report. He stated that ERS did not need the requested funds in December because ERS had a surplus from previous cash flow requests. He reported that ERS will need \$10 million in January and \$5 million in both February and March for benefit payments. He noted that Marquette should determine the source of the funding requests.

In response to a question from Ms. Bedford, Mr. Christenson stated that ERS may save a little on transaction costs by transferring \$20 million at once instead of \$10 million, \$5 million and \$5 million separately, but he noted that the costs on transferring \$5 million are usually fairly small. He commented that it is sometimes good to spread out the rebalancing over a period of time, as opposed to rebalancing all at once.

**The Pension Board unanimously approved the Assistant Fiscal Officer's request of \$10 million for January and \$5 million in February and March for benefit payments from a source to be determined by Marquette. Motion by Dr. Peck, seconded by Mr. Maier.**

(d) 2010 ERS Budget

Mr. Yerkes stated the 2010 ERS budget is almost the same as was previously submitted. He indicated that the salaries and benefits amount decreased \$144,000 because of 12 furlough days. He noted that the furlough days could be rescinded, and if they are, the budget will be increased accordingly. In response to a question from Mr. Stuller, Mr. Yerkes stated that ERS is fully staffed and it added two positions in 2009. Mr. Yerkes commented that ERS created the assistant fiscal officer position in 2009, is still paying out Mr. Mueller's sick time and pays a portion of Mr. Arena's salary and benefits. Mr. Schroeder pointed out that the Department of Administrative Services asked ERS to pay a portion of Mr. Arena's salary and benefits. Based on the Department of Administrative Services report, this portion is 50%. Mr. Stuller requested that the Pension Board be provided a copy of that report.

**The Pension Board voted 8-1, with Mr. Stuller dissenting, to approve the 2010 ERS budget. Motion by Dr. Peck, seconded by Mr. Cohen.**

6. Investments

(a) Progress Investment Management Company

Mr. Callahan distributed a report and described Progress Investment Management Company's management of its private equity fund of funds investment strategy. Mr. Callahan stated that Adams Street Partners is no longer in a joint venture with Progress Investment Management Company. He indicated that Progress manages the funds and Adams Street is a subadviser involved in the selection of investments, portfolio construction and monitoring fund performance. He noted that ERS has invested, along with five other clients, in Progress's 11 fund of funds. He commented that ERS is invested in six of the 11 funds. He reported that a total of \$60 million has been invested in the 11 funds.

In response to a question from Dr. Peck, Mr. Callahan described each of the six investments in which ERS is invested. He commented that Progress invested ERS's \$5 million commitment between 1995 and 2000. He explained how diversification is important over industry, geography and time. He indicated that the funds' performance has been very disappointing, except for the Bastion investment. In response to a question from Mr. Maier, Mr. Callahan explained the reasons behind the poor performance, which included the timing of the investments and the poor execution by the otherwise impressive managers. In response to a question from Dr. Peck, Mr. Callahan stated that the managers did not pay too much for the investments. In response to a question from the Chairman, Mr. Callahan stated that the managers did not invest imprudently. In response to a follow up question from the Chairman, Mr. Callahan stated that ERS still has \$362,000 invested with Progress.

In response to a question from the Chairman, Mr. Callahan stated that Progress learned that it is difficult to have a limited mandate in private equity. In response to a question from Mr. Garland, Mr. Callahan stated that as of today, 86% of ERS's \$5 million investment has been returned, and ERS is projected to receive less than 100% of its investment upon distribution of all the assets. He commented that even if ERS was invested in all 11 of the funds, rather than only 6, ERS would have received more than 86% of its investment, but less than 100% of its investment. Mr. Grady commented that the Pension Board's fiduciary duty is to maximize investment returns and not to achieve social goals.

In response to a question from the Chairman, Mr. Callahan discussed the current state of the private equity market. Mr. Callahan commented that private equity investors are having liquidity problems and it is more

difficult for them to raise funds. He stated that investors are now able to invest in investments they previously could not access. He noted that there is an active secondary marketplace and ERS is invested in high quality funds for \$.50 to \$.60 on the dollar. In response to a question from Mr. Maier, Mr. Callahan stated that Progress and Adams Street Partners do not employ leverage, but noted that there may be leverage in the portfolio companies.

The Chairman stated that he attended the Adams Street Partners' 2009 conference and he thought it provided a good update. He encouraged other Board members to attend the Adams Street Partners' conference on June 10, 2010 in Chicago.

(b) Marquette Associates, Inc. Report

Mr. Christenson distributed Marquette's report and discussed the market environment. He reviewed the year-to-date performance in the fixed income market. He noted that ERS's fixed income benchmark was up 7.6% year to date. He compared ERS's benchmark performance to several other benchmarks, and explained the reasons for differences in their performance. He commented that this has been the most volatile investment period since the Great Depression for fixed income investments.

In response to a question from Mr. Maier, Mr. Christenson stated that spreads are coming together, and the fixed income investment opportunity is 90% gone. He stated that ERS captured most of the opportunity in both of the Loomis portfolios. At the request of the Chairman, Dr. Peck agreed to schedule an educational update on fixed income trends at an Investment Committee meeting. In response to a question from Dr. Peck, Mr. Christenson explained that risk does not necessarily translate into investment returns over the long term.

Mr. Christenson stated that the U.S. equity markets had a strong November, with almost all managers up at least 5% for the month. He noted that the best performing asset class for 2009 has been mid cap growth.

Mr. Christenson reviewed the three primary international equity benchmarks. He stated that the Morgan Stanley Country Index ("MSCI") has several variations. The All Country World Index (excluding the U.S.) includes developed and undeveloped countries. There are two variations of the MSCI Europe Australia-Asia and Far-East ("MSCI EAFE") Index, which include emerging markets. One is based on the U.S. dollar and the other is based on the local currency. He explained the difference between

the dollar and local currency benchmarks for the MSCI EAFE. He stated that as the dollar drops in value, international investments make money based on the currency exchange. He pointed out that ERS has made 11.8% year to date on the decrease in the value of the dollar through its foreign investments. He indicated that Marquette is recommending that the Pension Board rebalance to its international target level to capture its large currency gains.

Mr. Christenson reported that ERS is in the middle of the RFP process for a long/short equity manager. He stated that the ten year risk/return profile for this type of investment has had higher returns than international and domestic equities with approximately half the risk.

Mr. Caprio reviewed the investment manager status report. He stated that this report is continually updated. He reported that Loomis Sayles High Yield is in the process of being terminated as an investment manager. He compared each asset class allocation to their targets. He commented that the allocations are at the higher range of their targets. Mr. Caprio indicated that Marquette recommends a strong rebalance of ERS's international and fixed income investments.

Mr. Christenson reported that ERS had \$1.78 billion in assets at the end of November. He stated that fixed income and equities had strong performances in November. He indicated that ERS had a 45.6% allocation to fixed income including pension obligation bonds. He noted that ERS has consolidated and concentrated its U.S. equity managers over the past few months and has also made changes to its international equity allocation. He reviewed the status of ERS's unfunded investments.

Mr. Caprio stated that ERS is up 17.5% year-to-date, which shows that active management has paid off. Mr. Christenson indicated that the one year return through March 31, 2009 was -22.2%, and the one-year return since April 1, 2009, two days before the pension obligation bonds were issued, is 22.7%.

Mr. Caprio reviewed the investment managers' performance. He stated that ERS's managers are performing well in the fixed income and large and mid cap domestic equity markets. In response to a question from Mr. Grady, Mr. Christenson indicated that Marquette will examine the GMO Large Cap Core investment at the next Investment Committee meeting. Mr. Christenson noted that Marquette may put GMO on alert due to its poor five-year numbers. Mr. Caprio stated that the cash overlay program has returned 19.8% since its inception.

Mr. Caprio reported that Marquette is recommending rebalancing ERS's fixed income investments by moving \$20 million per month from the previously terminated Loomis Sayles High Yield investment to the JPMorgan fixed income investment. Mr. Christenson explained that moving these funds to a liquid asset class in preparation of future investment will be less stressful than using a transition manager to sell all of these assets at once. Mr. Christenson stated that ERS should slowly invest in real estate because problems in the real estate market will work themselves out over the next few months. He noted that he anticipates ERS fully funding its real estate allocation within six to nine months. Mr. Christenson also recommended that ERS begin reducing its fixed income futures program. He commented that the futures program is low cost, but has had high tracking error because it can only invest in Treasuries.

Mr. Christenson stated that ERS has committed \$120 million to infrastructure investments and Marquette expects ERS's commitment to be fully called in one to one and one-half years. He noted that IFM is aggressive and may call a portion of ERS's \$60 million commitment in March or April. Mr. Christenson commented that Marquette is comfortable having ERS invest the Loomis High Yield investment into JPMorgan at \$20 million per month and transitioning the fixed income futures overlay into the JPMorgan fixed income investment.

In response to a question from Mr. Garland, Mr. Christenson described the differences between the JPMorgan fixed income and Loomis Sayles core fixed income investments. He explained that Marquette is uncomfortable with Loomis Sayles core fixed income because it involves too much risk. He commented that core fixed income should be relied on for rebalancing and should not be volatile. In response to a question from Dr. Peck, Mr. Christenson stated that the JPMorgan fixed income team has exhibited extraordinary risk control through the turbulent market. Mr. Christenson noted that Marquette is not concerned about investment concentration with or without the Loomis core fixed income investment. Mr. Christenson stated that if ERS chooses to retain the Loomis core investment, then Marquette recommends no more than a 6% allocation, and if ERS terminates Loomis core, then Marquette recommends an equal allocation to JPMorgan and Mellon Capital Management.

In response to a question from Dr. Peck, Mr. Christenson explained that ERS will continue its cash overlay program on cash held by domestic equity managers and also for general uninvested cash.

Mr. Maier stated that the Pension Board should fully implement the chosen

asset allocation from the asset allocation study at the present time, which was performed by Marquette and designed to achieve better returns with lower risk. The Chairman stated that he is concerned about the Loomis core investment's risk and volatility.

In response to a question from Mr. Garland, Mr. Christenson explained the reasons why Marquette is recommending terminating the Loomis core fixed income investment.

**The Pension Board voted 8-1, with Mr. Stuller dissenting, to transition \$20 million per month from the Loomis Sayles High Yield fixed income investment to the existing JPMorgan core fixed income investment. Motion by Mr. Maier, seconded by Dr. Peck.**

**The Pension Board voted 7-2, with Messrs. Stuller and Garland dissenting, to terminate the Loomis Sayles Core Fixed Income investment immediately and transition those funds to the existing Mellon Capital Management fixed income index fund and, to the existing JPMorgan core fixed income investment. Motion by Mr. Maier, seconded by Dr. Peck.**

**The Pension Board voted 8-1, with Mr. Stuller dissenting, to terminate the fixed income cash overlay program and transition those funds to the existing JPMorgan core fixed income investment until an equal allocation is achieved between JPMorgan and Mellon Capital Management fixed income index fund, at which point each manager shall receive an equal portion of the excess amount of the fixed income cash overlay investment. Motion by Mr. Maier, seconded by Dr. Peck.**

Mr. Christenson stated that Marquette is recommending a strict rebalance and ERS should transition the international equity overlay to the U.S. Equity Overlay to lower the total international equity allocation to the 18.0% target. This is a result of a sharp run up in international equity stocks. Mr. Caprio recommended that ERS should also transition \$9 million from both GMO International Large Cap Value and Barings International Large Cap to the Mellon Capital Management S&P 500 index fund. Mr. Caprio stated that this action will bring the total U.S. Equity allocation above its target, appropriately, until ERS invests with a long/short manager(s) in approximately three months. In response to a question from the Chairman, Ms. Riley stated that it is acceptable to temporarily be out of compliance with the investment policy statement under these circumstances.

**The Pension Board unanimously approved (1) the termination of the**

**international equity portion of the cash overlay program and the transition of those funds to U.S. Equity Overlayportion of the cash overlay program; and (2) the transition of \$9 million from both GMO International Large Cap Value and Barings International Large Cap to the Mellon Capital management S&P 500 index fund until ERS invests with a long/short equity manager. Motion by Ms. Bedford, seconded by Mr. Cohen.**

**The Pension Board voted 8-1-1, with Mr. Stuller dissenting and Mr. Garland abstaining, to approve a fixed income target asset allocation of 16% with the existing JPMorgan core fixed income investment and 16% with Mellon Capital Management fixed income index fund. Motion by Ms. Bedford, seconded by Mr. Maier.**

Ms. Mayr stated that it would help to have all potential action items written out by Marquette in advance of the meeting.

Mr. Caprio stated that Marquette received six proposals for passive indexing managers on a combined relationship with core fixed income and large cap core equity and the proposed fees are significantly lower than the current fee paid by ERS. Dr. Peck, Ms. Bedford and Messrs. Stuller, Maier and Garland volunteered to be on the index fund RFP evaluation panel. Mr. Caprio stated that the panel plans to review the candidates in February and conduct interviews in March.

The Pension Board reviewed the amended minutes of October 21, 2009 meeting, which were revised to indicate the Chairman's authority to sign the IFM investment agreements.

**The Pension Board voted 6-0-1, with Mr. Garland abstaining, to approve the amended minutes of the October 21, 2009 Pension Board meeting. Motion by Dr. Peck, seconded by Mr. Cohen.**

(c) Investment Committee Report

Dr. Peck reported on the December 7, 2009 Investment Committee meeting. She indicated that ERS's funding level and investment results are similar to other public funds. She noted that Marquette stated that the asset allocation remains virtually unchanged. She commented that the Investment Committee listened to a presentation on long/short equity and Marquette recommended investing in fund of funds because they have some oversight as opposed to other types of funds.

Dr. Peck stated that the Investment Committee discussed investment

manager solicitations of Pension Board members and directed Mr. Grady to draft a rule with a fair and consistent policy. Mr. Grady reviewed the contents of a proposed rule. He indicated that the rule would apply to proposed investment managers and not current managers with respect to their current services. He noted that all inquiries regarding new investment managers shall be referred to Marquette, which will handle the due diligence. He reviewed Marquette's initial due diligence screening handout. Dr. Peck indicated that Marquette could conduct additional due diligence.

Mr. Mawicke commented that drafting a rule is merely legislating common sense and, therefore, not necessary. The Pension Board members discussed the benefits of adopting a formal investment manager solicitation policy. Mr. Arena stated that the ERS staff currently reviews investment manager solicitations. He commented that the Retirement Office could refer all of the solicitations to Marquette if a rule were adopted.

**The Pension Board voted 8-1, with Mr. Mawicke dissenting, to adopt Rule 1043 with an amendment that excepts the current investment managers regarding current products and services the Pension Board receives. Motion by Mr. Cohen, seconded by Ms. Mayr.**

7. Audit Committee Report

Mr. Stuller reported on the December 3, 2009 Audit Committee. He indicated that the Audit Committee discussed beneficiary issues relating to the protective survivorship benefit options and decided to continue the discussion of the January meeting. He commented the Audit Committee discussed, and agreed, that the cash flow report and all fund transfers must be approved by the Pension Board. He stated that Mr. Yerkes reviewed the revised 2010 County budget. Mr. Stuller pointed out that ERS's draft 2009 financials will be due in early April 2010.

8. V-3 Status Update

Messrs. Pillai and Arena reported on the status of the V-3 project. Mr. Arena stated that the V-3 System installation is complete. Mr. Pillai pointed out that the Retirement Office is beginning to maintain the V-3 System. He commented that the first release will continue to tweak the V-3 System. He noted that most of the core functionality is fixed and completed. He indicated that Release 2 is the self-service module. He stated that the self-service portion for the life and health module will be released next year. Mr. Arena pointed out that the self-service portion of the V-3 System for life and health relates to retiree medical.

In response to a question from the Chairman, Mr. Pillai stated that retirees must contact the Retirement Office if they wish to direct a portion of their benefit to

United Way, their union, Remco, etc., because these actions cannot be performed through self-service. Mr. Pillai discussed Release 3, which will give the Retirement Office control to do such things as correct pensions that were paid due to error, which is currently performed by Vitech.

Mr. Pillai discussed the status of the V-3 System for 2010 and beyond. He indicated that he will conduct year end processing and testing, which Mr. Schroeder wants documented. Mr. Pillai stated that Release 8 had no negative impact on the V-3 System. He commented that updates keep the system fresh and extend the life of the V-3 System.

Mr. Pillai reviewed the ongoing support philosophy of the V-3 System. He stated that the V-3 System will need continued fiscal support to remain in working order. He indicated that the Retirement Office should continue to document all processes. Mr. Arena noted that the City of Milwaukee installed a new computer system within the last five years, and is already looking at installing a new system. The Chairman stated that someone should be responsible for maintaining the V-3 System. Mr. Arena indicated that he will continue to make annual budget requests in the future for the maintenance of the V-3 System. He commented that the Retirement Office will need to spend time and attention to make it work in the future. He noted that within the next year, some reports will not be necessary.

Mr. Maier asked who has the project management skill set to replace Mr. Pillai once his job is completed. Mr. Arena advised that a current employee, Neel Eswara, has the skill set and has been included in the budget.

#### 9. Fiduciary Liability Insurance Renewal

The Chairman stated that he requested a summary of each insurance policy and contract for each Pension Board member from Mr. Gates.

**Based on renewal information provided, the Pension Board unanimously agreed to renew its existing fiduciary insurance policies for one year. Motion by Ms. Mayr, seconded by Mr. Cohen.**

#### 10. Proposed Ordinance Amendments

Mr. Grady discussed the proposed Ordinance amendments. He indicated that the amendments increase the retirement age to 64 from 60 for new nonrepresented members in ERS on and after January 1, 2010. He noted that effective January 1, 2010, the multiplier decreases from 2.0 to 1.6 times for current nonrepresented employees, in addition to new nonrepresented members. He pointed out that these amendments would have to be negotiated to apply to represented members. He reported that Mr. Langer, ERS's actuary, stated that these amendment changes will

result in future savings of \$800,000 per year.

In response to a question from Mr. Maier, Mr. Schroeder stated that the V-3 System can handle these changes after it is reprogrammed. Mr. Schroeder commented that the reprogramming will take some time, but the Retirement Office can do the calculations manually for the time being. Mr. Arena also stated that the V-3 System will have the capability and that the calculations can be done manually until the system is programmed.

**The Pension Board voted 8-1, with Ms. Mayr dissenting, to offer no formal comment regarding the proposed Ordinance amendments to sections 201.24(2.18), 201.24(4.1), 201.24(4.5), 204.24(5.1) and 201.24(5.15) of the Milwaukee County Code of General Ordinances and waives the balance of its 30 day comment period provided for under section 201.24(8.17) of the Milwaukee County Code of General Ordinances. The Pension Board believes that it is in the best interest of ERS for the County Board to adopt Ordinance amendments which preserve assets of ERS and clarify the intended operation of the Ordinances.**

**The Pension Board has no comment regarding the proposed Ordinance amendments to sections 17.10 and 17.14 pertaining to Milwaukee County wages and health benefits because the Pension Board does not oversee and administer these benefits. Motion by Mr. Cohen, seconded by Ms. Bedford.**

#### 11. Administrative Matters

The Pension Board discussed additions and deletions to the full Pension Board, Audit Committee and Investment Committee agenda. The Chairman discussed upcoming educational opportunities and conferences.

**The Pension Board unanimously approved the attendance of any interested member at the: (1) International Foundation of Employee Benefit Plans' certificate series for Retirement Plan Basics, Investment Basics and Introduction to Public Sector Benefits Administration from March 15 through March 20, 2010 in San Jose, California; and (2) the International Foundation of Employee Benefit Plans' Hedge Funds, Real Estate and other Alternative Investments conference in conjunction with the Wharton School from July 19-21, 2010 in San Francisco, California; and (3) the International Foundation of Employee Benefit Plans' Portfolio Concepts and Management Conference in conjunction with the Wharton School from May 24-27, 2010 in Philadelphia, Pennsylvania. Motion by Ms. Bedford, seconded by Mr. Garland.**

12. Disabilities

Ms. Bedford moved that the Pension Board adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(g), with regard to items 12, 13, 14, 15, 16 and 17 for the purpose of the Board receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation. At the conclusion of the closed session, the Board may reconvene in open session to take whatever actions it may deem necessary concerning these matters.

**The Pension Board voted by roll call vote 9-0, to enter into closed session to discuss agenda items 12, 13, 14, 15, 16 and 17. Motion by Ms. Bedford, seconded by Mr. Cohen.**

(a) Applications

(i) Jacqueline Kleckley – ODR

**After reviewing and discussing the Medical Board's report and Ms. Kleckley's medical records in closed session, upon returning to open session, the Pension Board unanimously denied Ms. Kleckley's application for an ordinary disability pension based on the Medical Board's report. Motion by Mr. Cohen, seconded by Ms. Mayr.**

(b) Disability Reexamination Project Report

In open session, Mr. Schroeder provided an update on the disability reexamination project. He stated that of the 36 remaining retirees, 34 were deemed by the Medical Board from being exempt from future reexaminations, one reexamination was rescheduled and one benefit was suspended for failure to submit to a reexamination.

13. Richard Strauss Claim Appeal

In open session, Mr. Strauss informed the Pension Board regarding the basis of his appeal. He stated that he terminated his County employment 20 years ago. He advised that he received regular notices from ERS and has not been paid a pension benefit. He noted that he received a packet indicating he was eligible for a pension benefit in a prior year. Mr. Strauss requested that ERS provide him a retroactive benefit payment from the time he was first eligible for a pension and when he actually starts receiving his pension.

The Chairman confirmed that Mr. Strauss turned 60 on November 26, 2007, and applied for his pension on February 11, 2009. The Chairman pointed out that the

Retirement Office provided him information advising him he could apply on two different occasions. Mr. Strauss stated that he may have received the October 17, 2007 advising him of his ability to receive a pension if he submitted his application. He indicated that he received a letter from the Retirement Office dated November 11, 2008 notifying him of his eligibility to receive a pension.

**Upon returning to open session, the Pension Board voted 6-1, with Mr. Stuller dissenting, to deny Mr. Strauss' request for retroactive benefit payments, or in the alternative, an actuarially increased pension benefit based on the requirements of Ordinance section 201.24(4.5) that states a pension begins only after the pension application is received. Motion by Mr. Maier, seconded by Ms. Mayr.**

14. Prior BNYM Custodian Contract

The Pension Board took no action on this item.

15. Pending Litigation

The Pension Board discussed its pending litigation in closed session.

(a) Mark Ryan, et al. v. Pension Bd.

The Pension Board took no action on this item.

16. Report on Special Investigation

The Pension Board took no action on this item.

17. Report on Compliance Review

The Pension Board took no action on this item.

18. Adjournment

The meeting adjourned at 1:40 p.m.

Submitted by Steven D. Huff,  
Secretary of the Pension Board