

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE  
ANNUITY AND PENSION BOARD**

Minutes of the Special Meeting held June 7, 2016

The meeting was called to order at 11:35 a.m.

Board Members Present:                 John Barmore, Chair  
  Karen Ellenbecker  
  Larry Holland  
  Tom Klusman  
  Rudolph Konrad  
  Martin Matson  
  Michael J. Murphy  
  Mark Nicolini  
  Gerald Pace  
  Gust Petropoulos

Board Members Not Present:           Carmelo Patti (excused)

Retirement System Staff Present:   Bernard J. Allen, Executive Director  
  David Silber, Chief Investment Officer  
  Matthew Ogren, Pension Investment Intern  
  Jan Wills, Board Stenographer

Others Present: Miriam Horwitz, City Attorney's Office.

Due to two Annuity and Pension Board recent appointments by newly-elected Common Council President Ashanti Hamilton, Mr. Barmore recognized Mr. Murphy's years of service to the Annuity and Pension Board and Investment Committee. Mr. Barmore stated the city, employees and trust fund owe Mr. Murphy a great deal of gratitude. Mr. Murphy acknowledged Ms. Ellenbecker for her service and thoughtful advice to the Annuity and Pension Board and Investment Committee.

**Investment Committee Report.** Ald. Murphy presented the Investment Committee Report from the May 26, 2016 Investment Committee Meeting. Mr. Petropoulos was elected vice-chair at that meeting and will now serve as chair following the expiration of Ald. Murphy's term of office. The committee spent a majority of its time in closed session discussing how to structure the fixed income portfolio going forward. After listening to Callan's presentation, the committee chose mix #1 outlined in Callan's presentation dated May 26, 2016. In closed session, the committee recommended approval of the fixed income structure mix #1. The committee remained in closed session to receive a contract update regarding negotiations with Neuberger-Berman. In open session, staff presented reports on; due diligence trips to Northern Trust and DFA, a successful global equity transition, and 1<sup>st</sup> quarter performance showing the fund performed in the top quartile compared to its peers in one-, three-, and seven-year time periods despite recent market volatility.

**Closed session regarding Approval of Fixed Income Structure and Approval of BlackRock Contract Amendment.** Mr. Barmore advised that that the Annuity and Pension Board may vote to convene in closed session on these items (I.A. and II.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session. The board members voted unanimously to convene in closed session. The Board convened in closed session at 11:39 a.m.

The Board reconvened in open session at 12:15 p.m. The board unanimously approved items I.A. and II. in closed session. Mr. Barmore adjourned the meeting at 12:15 p.m.

Bernard J. Allen  
Secretary and Executive Director

**(NOTE:** All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)