

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

Minutes of the Regular Meeting held September 22, 2008

The meeting was called to order at 9:15 a.m.

Board Members Present: John Barmore
 William C. Carey
 Thomas Fischer
 Larry Holland
 W. Martin Morics, Chair
 Michael J. Murphy
 Sebastian C.J. Raclaw

Board Members Not Present: Ron Walter (excused)

Retirement System Staff Present: Bernard J. Allen, Executive Director
 Martin Matson, Deputy Director
 Thomas Rick, Chief Investment Officer
 David Silber, Pension Investment Analyst
 Bruce Thomas, Pension Investment Analyst
 Michael Becker, Pension Accounting Specialist
 Suzanne Fortier, Board Stenographer

Others Present: Elizabeth Conradson Cleary, City Attorney's Office; Jon Granger, Consultant, Wayne Morgan, Virchow Krause; and Danita Cole Medved and Stephen Reyes, Willis of WI.

Approval of Minutes. Mr. Allen presented the minutes of the Regular Meeting held July 28, 2008. Mr. Allen indicated there was a correction to the minutes to provide for a motion regarding a legal opinion. It was moved by Mr. Barmore, seconded by Mr. Carey, and unanimously carried, to approve the Minutes of the Regular Meeting held July 28, 2008 as amended.

Chief Investment Officer Report. As a matter of information, Board members received a copy of the CIO Report, dated September 17, 2008. Mr. Rick handed out a copy of the Performance Update Charts. Mr. Thomas reported that as of August 31, 2008 the Fund's value was \$4.6 billion. The Fund had a -0.3 percent return, which underperformed the benchmark return of 0.2 percent. He mentioned that over the year-to-date and one year time frame the Fund underperformed, while outperforming over the five year time frame. Mr. Thomas stated that the domestic equity composite had a 1.4 percent return, which slightly underperformed the 1.6 percent return of the benchmark. Over all time frames measured the composite has underperformed. Turner underperformed its benchmark by 1.6 percent and Artisan outperformed its benchmark by 2.0 percent.

On the international equity composite, Mr. Thomas reported they had a -4.3 percent return, which slightly underperformed the benchmark return of -4.1 percent. Over the year-to-date and one year time frame the composite is underperforming the benchmark, but over the three and five year time frames the composite manages to outperform. He said the fixed income composite had a 0.2 percent return, which underperformed the benchmark return by 1.0 percent. Over the year-to-date and one year time frames, the fixed income composite is underperforming the benchmark, but outperformed over the three and five year time frames. Mr. Thomas indicated that Loomis underperformed its benchmark by 1.0 percent. He noted that September month-to-date the Fund is down about 2.9 percent, and the international and domestic equities are down 7.1 percent and 1.8 percent, respectively. The fixed income composite is down about 2.0 percent, and the Fund's projected value is approximated \$4.5 billion. Mr. Thomas talked about the returns based style analysis, which shows all domestic equity managers are within their expected styles. Over the last five years on a risk return basis, the Fund has outperformed the benchmark while taking additional risk. He reported that for September we will be withdrawing \$21 million: \$10 million from Barclays fixed income, \$6 million from Loomis Sayles and \$5 million from Reams. As of September 19, 2008, year-to-date, the Fund had: capital market losses of \$601 million; paid out \$171 million in payroll and expenses; and received contributions of \$22 million.

Acceptance of AllianceBernstein Due Diligence Report. As a matter of information, Board members received a copy of a memorandum from Mr. Silber, dated September 17, 2008. Mr. Silber reported on the due diligence trip indicating that Bernstein's investment policy group, which is composed of ten members, makes the buy and sell decisions and is responsible for any changes in ERS' strategy. He said the composition used to be made up of portfolio managers and analysts that worked directly with the large cap value strategy. This group has now been integrated with members of other Bernstein value strategies, such as international, and small and mid-cap value strategies. Mr. Silber stated that Bernstein is doing this because they think it will enhance the process, and Mercer views this as a favorable change. He indicated that the process is still very heavily reliant on their dividend discount model, which has not changed. Mr. Silber reported that performance has struggled for Bernstein for all time periods.

Bernstein's performance in 2008 has really hurt all the numbers: one, three, five years and since inception. He said that Bernstein moved into financials and overweighted the sector at the beginning of 2008: significant weights in AIG, Fannie Mae, and Freddie Mac, and rode these securities down. Mr. Silber indicated that ERS is concerned that their analysts did not uncover the viability issues with these companies. Bernstein does admit that they did not see the severity of these financial issues at the time they moved into these positions. Bernstein is now more equal weight in financials, but those three holdings in particular have hurt their performance. Mr. Silber mentioned that Bernstein is very excited about the opportunities that they see, and they believe their analysts are going to be able to uncover mis-pricings that are going on in this market. Bernstein really feels that the portfolio is positioned well, and has a lot of opportunities to create value going forward. After discussion, it was moved by Mr. Carey, seconded by Mr. Raclaw, and unanimously carried, to contact Mercer to review the Bernstein situation and evaluate their future with ERS based on past performance. Further discussion ensued.

Acceptance of Turner Investment Partners Due Diligence Report. As a matter of information, Board members received a copy of a memorandum from Mr. Thomas, dated September 17, 2008. Mr. Thomas stated that Turner has underperformed its benchmark over the one, three and five year time frames. Their overweight to technology impacted their returns otherwise Turner is doing what ERS hired them to do. He indicated that Mercer and staff would continue to monitor their performance. Mr. Rick stated that ERS hired Turner in 2002 as our first large cap growth strategy, and in down markets they tend to underperform significantly. In up markets they will tend to outperform significantly as seen in 2007 when Turner was up about 700 basis points compared to their benchmark.

Acceptance of Northern Trust Due Diligence Report. As a matter of information, Board members received a copy of a memorandum from Mr. Thomas, dated September 17, 2008. Mr. Thomas stated that he and Mr. Silber met with a strategist and portfolio manager. He reported that Northern Trust is doing what ERS hired them to do as far as tracking the benchmark. As staff has reported over the last few months, Northern's securities lending program has been impacted by the recent turmoil. Mr. Thomas stated that staff and Mercer would continue to monitor the securities lending program. Mr. Rick talked about securities lending and the recent situation.

It was moved by Mr. Carey, seconded by Mr. Fischer, and unanimously carried, to accept the due diligence reports and place on file.

Investment Committee Report. Mr. Murphy reported that the Investment Committee met on September 4th, and members were presented with a 2nd Quarter Performance update for the Fund. Earnest Partners, ERS' mid-cap core domestic equity manager, provided an update on their strategy. In addition, Dimensional Fund Advisors, ERS' domestic and international small cap value portfolio manager, presented an update and review of their strategies as well as their insight into the overall market.

Approval of Asset Liability Study Implementation Plan. Mr. Murphy indicated that Mercer provided a brief summary of their asset allocation implementation plan, and expects to provide the committee with an equity and fixed income structure review during the 4th quarter.

Acceptance of Artisan Partners Due Diligence Report. Mr. Murphy stated that staff presented a due diligence report on Artisan Investment Partners.

He also noted that the Committee received an update on the status of the custodial services search.

Mr. Murphy briefly talked about the conference he had attended. Mr. Rick indicated that with the markets being so volatile last week, even prior to that, ERS has actually become slightly out of WHACK with our portfolio asset allocation or strategic policy. He said the real estate, being the illiquid asset class, is at about 9.1 percent, but that is very hard to rebalance. Mr. Rick said the international equities are slightly below their target range and

staff has talked to Mercer regarding that. Mercer's suggestion is to slowly move some of our overexposure, depending where that is, into international. He stated that, in the last month, ERS has moved a total of \$10 million, \$5 million at a time. Mr. Rick indicated that the larger issue is that if the markets continue to head south, ERS will be underexposed to both domestic and international equities. ERS is not going to make any big moves in a volatile market like this, but we can make small moves to shore up where we are underweight.

Mr. Rick updated the Board on the Custodial search indicating that a recommendation will be made to the Administration and Operations Committee and the Board at the October Board meeting. He also briefly talked about the different exposures that resulted in investment losses. Mr. Morics directed the Investment Committee Report be received and placed on file.

Mr. Morics directed that the agenda be taken out of order and item VI. E. be taken up.

Approval of Virchow Krause Audit Report. As a matter of information, Board members received a copy of the Basic Financial Statements and Additional Information for the Year Ended December 31, 2007 and Independent Auditor's Report. Mr. Morgan talked about the management letter stating that there were no significant issues relative to the existing accounting policies, and there were no transactions that were significant or unusual. He said no difficulties were encountered during the audit, and there were no uncorrected misstatements that were material to the level that they would need to be brought to this Board. Mr. Morgan also noted there were no disagreements with management. He stated he is required to inform the Board that, to the best of Virchow Krause's understanding, there were no consultations by management with another accounting firm. Finally, he reported that Virchow Krause is independent with respect to the system and management. Mr. Morics asked, in preparing for auditing the financial statements, did ERS' statements by management require any significant adjustment. Mr. Morgan indicated there were no material adjustments. Discussion ensued.

Ms. Cleary clarified with Mr. Morgan that on page 7 under Employers' Reserve Fund it should read that the City of Milwaukee is the only entity that can use this fund to offset contributions, not all agencies. Mr. Morgan thanked her for the correction. Mr. Morgan briefly talked about Virchow Krause's opinion on page 6 of the audited financial statements. He said that ERS currently uses 8.5 percent long term rate of return, and although VK does not audit the appropriateness of the 8.5 percent rate of return, they do have responsibility to compare it to other funds for reasonableness. Mr. Morgan reported the results of their analysis after looking at municipal pension systems only, is that the bandwidth of long term rate of return over the last two years has been coming down slightly. VK is seeing the trend lines being somewhere between 7 and $\frac{3}{4}$ and 8 and $\frac{3}{4}$. After further discussion, it was moved by Mr. Murphy, seconded by Mr. Fischer, and unanimously carried, to approve the audit report as submitted and modified for the management discussion on analysis page. Further discussion ensued.

Administration and Operations Committee Report. Mr. Barmore said for MERITS the PIR and CCR counts remain about the same. Staff indicated that users are now getting used to the system and the CCRs really represent more efficient improvements to the workflow

within MERITS and are being created by staff. He reported the internal auditor, Jefferson Wells, will be conducting a vulnerability assessment of our information services area as part of the internal audit process. Pending on the outcome of the audit, the results will be brought back to the A & O Committee to decide if any additional assessments are necessary from an outside vendor. Mr. Barmore said lengthy discussion ensued with respect to disaster recovery efforts. Staff continues to work through the options and will bring back further information as it becomes available.

He noted that Jefferson Wells reported the audit is on schedule and within budget. Audit results on payroll processing and benefit administration were presented for discussion. Mr. Barmore said it was suggested by the Committee that an annual report be created and submitted to the Board so the results of the audit items could be easily viewed. Additionally, the internal audit reports have been and will continue to be posted on the ERS website.

Mr. Barmore stated that the Committee also received an update on the Custodial RFP. Mr. Barmore reported that presentations were held with staff by all four responding vendors, and further information needs to be gathered, and the Committee should have a recommendation for the Board at the October Board meeting. He reported on the Organizational RFP indicating that five vendors responded: Buck Consultants, Deloitte & Touche, Ennis Knupp, Mercer, and L. R. Wechsler. Mr. Barmore noted that staff is still working through the proposals and the A & O Committee should have a recommendation for the full Board in October.

Approval to Renew Comcentia Contract. Mr. Barmore stated this contract is for temporary help, and this individual continues to be needed for special projects and staff vacancies.

Approval of Henneman Contract for 809 Bldg. Chiller Review. Mr. Barmore stated the Board directed staff to get a second opinion on the HVAC in the server room located in the 809 building, which stemmed from difficulties that occurred over the winter. This contract is before the Board for approval pending City Attorney review.

Approval of Inland Contract for 789 N. Water St. Service Room HVAC. Mr. Barmore reported this contract is for improvements to the fourth floor server room in this building. This contract is before the Board for approval pending City Attorney review.

It was moved by Mr. Barmore, seconded by Mr. Raclaw, and unanimously carried, to approve item A., and to approve items B. and C., subject to City Attorney review.

Legislative Committee Report. Mr. Carey reported that the Committee met this morning and were unanimous in recommending approval of the Amendment to Board Rule II. C.1. – Membership on the Board – Duties and Responsibilities of Officers and Employees, which involves quorum issues on several committees. Mr. Morics stated that this was referred to the City Attorney's Office to draft a rule which would remove the Chair as an ex-officio member of all committees. The amended rule would give the Chair the authority to assign himself or any other person of the Board to a committee on an ad hoc basis to meet quorum requirements, which is the same way the Common Council does.

Mr. Carey stated a discussion regarding State Legislation Request regarding Unclaimed Property was also held. Legislation has been introduced to change the law of ERS handing over this unclaimed money to the State, and instead allow ERS to keep this money in our Fund. Ms. Cleary talked about State Statute 177.41 that governs escheated properties to municipalities which allows for an option for municipalities to opt out. The City Attorney’s Office is suggesting that the State Statute be amended to specifically let our plan to opt out.

It was moved by Mr. Carey, seconded by Mr. Fischer, and unanimously carried, to approve the Legislative Committee Report.

New Business.

Retirements, Death Claims, and Refunds. Mr. Allen presented the following activity from the month of September 2008, as well as Service Credits for the month of September 2008.

Active Death Benefits reported September 2008	\$106,623.12
Retired Death Benefits reported September 2008	\$28,819.57
Refund of Member Contributions paid September 2008	\$275,705.22

It was moved by Mr. Raclaw, seconded by Mr. Holland, and unanimously carried, that the above-indicated retirements, death claims, and refunds be approved.

Conference Requests. Mr. Allen reported that requests to attend the following conferences had been submitted:

Jerry Allen and David Silber Location: Date(s): Estimated Cost:	Barclays Due Diligence Trip* San Francisco, CA August 27 – 28, 2008 \$825
Bruce Thomas: Sponsor: Location(s): Date(s): Estimated Cost:	Infrastructure Conference Macquarie Chicago, IL October 7, 2008 \$70.00
Jerry Allen and Martin Matson Sponsor: Location(s): Date(s): Estimated Cost:	2008 Fall Meeting Council of Institutional Investors Chicago, IL October 5 – 7, 2008 \$200

Jerry Allen	Third Midwest Public Pension Conference
Sponsor:	Illinois Public Pension Fund Association
Location:	Lake Geneva, WI
Date(s):	October 14 – 17, 2008
Estimated Cost:	\$500

*Approved by the Chair during August recess.

Mr. Barmore asked to be included for the Council of Institutional Investors 2008 Fall Meeting for October 5 – 7, 2008, with the possibility that the cost may be slightly more than the \$200, pending hotel arraignments. It was moved by Mr. Raclaw, seconded by Mr. Carey, and unanimously carried, to approve the conference requests as amended.

Acceptance of Informational Items from July 28, 2008 Meeting. Mr. Morics stated the Board did not accept these items at the July meeting and asked for a motion to receive and place on file:

1. Report on Claims and Litigation.
2. Conferences.
3. Class Action Lawsuit Report.
4. Adjusted Quarterly Cost Basis of Equity – June 30, 2008.
5. Minutes of the Administration and Operations Committee Meeting held May 20, 2008.
6. Minutes of the Investment Committee Meeting held June 11, 2008.
7. ERS Goals for 2008.
8. Employee/Consultant Exit Checklist.
9. Professional Development Award Plan – Management Pay Plan Employees.
10. Report on Bills.
11. Deployment of Assets.
12. Securities Lending Revenue and Budget Report.
13. Preliminary Performance Report/Asset and Manager Allocation Pie Charts.
14. ERS Holdings Report.

It was moved by Mr. Carey, seconded by Mr. Raclaw, and unanimously carried, to receive and place on file items 1. through 14. from the July 28, 2008 Board meeting.

Approval of Medical Council Recommendation – Alternate Physician Appointment. As a matter of information, Board members received a memorandum from Ms. McElwee Lloyd, dated September 4, 2008. Mr. Allen said ERS is recommending the appointment of Dr. William Greaves. He noted that another candidate declined the position due to the rate of compensation being outdated. Mr. Morics asked that staff come back with a recommendation on compensation to the next Board meeting. After discussion, it was moved by Mr. Carey, seconded by Mr. Murphy, and unanimously carried, to approve the appointment of Dr. Greaves.

Acceptance of the ERS Annual Report – 70th Edition. As a matter of information, Board members received a copy of the 70th Edition of the Annual Report. It was moved by

Mr. Barmore, seconded by Mr. Raclaw, and unanimously carried, to approve the 70th Edition of the Annual Report.

Request to Amend Board Rule II. B. 2 Membership on the Board – Selection Process and Elections. Mr. Allen asked Ms. Fortier to address this item. Ms. Fortier indicated that only one candidate submitted nomination papers for the election. She stated that she talked to Mr. Allen and Mr. Matson about possibly amending the Board Rule to waive an election if there is only one candidate running. Ms. Fortier stated that she did speak with Ms. Cleary about this issue. Ms. Cleary did some research and stated the City Attorney's Office did not find any problems with amending the Board Rule. Mr. Morics asked for a motion to amend the Board Rule to permit waiving of elections in instances where there is only one candidate. Mr. Murphy asked if this would be retroactive to help with this election. Mr. Morics answered in the affirmative, and also stated this would save the system about \$8,000. It was moved by Mr. Murphy, seconded by Mr. Carey, and unanimously carried, to approve the request to amend Board Rule II. B. 2. Mr. Fischer abstained from the vote.

Approval of Fiduciary Liability Insurance Renewal. Mr. Allen indicated that Ms. Cole Medved and Stephen Reyes from Willis of WI were present to discuss this issue. Ms. Cole Medved passed out copies of the renewal quotation. She stated that Willis has extended the current policy to change the anniversary date, which was October 1 in the past to November 1 going forward. Ms. Cole Medved noted that the September Board meeting has always been a very busy meeting for the Board as there is no meeting held in August meeting. Willis could present the renewal quotation at the September meeting and get authorization to renew. However; this change would give Willis an additional 30 days should there be any questions or issues that they would need to back to the market with, and then Willis can come back at the October Board meeting. Mr. Reyes went through the Executive Summary in renewal information stating RLI has confirmed they are at their lowest cost per million they can offer ERS. He indicated that because Willis just received the renewal quote last week, they still have not secured the \$10 million of excess of \$10 million, and \$10 million excess of \$20 million quotes, but they will do that next week. Mr. Reyes said that one item open for ERS that they would like to get feedback on is the \$500,000 deductible. He advised that Willis would like ERS to consider increasing that and get an alternative quote of \$1 million, which would provide premium savings. He said his estimation is that would be an additional 5 percentage points off of the expiring premium.

After discussion, Mr. Morics stated that Willis will come back to the Board in October for some quotes and options. Ms. Cole Medved asked if the Board would like Willis to look at both an increased deductible and increased limits. Mr. Morics stated as long as there was discussion that would be fine. She asked if the Board would like them to look at an additional 5 or 10 for the increased limit. Mr. Murphy stated the Board would like to hear Willis' recommendation of which would be the best. Mr. Reyes said it all depends on the cost of the risk transfer and Willis will need to figure out if there is going to be a savings for that next layer. Mr. Barmore asked if Willis would have an ability to reach out to Board education on fiduciary liability. Ms. Cole Medved answered in the affirmative.

Medical Reports.

Fire and Police Duty Disability and Duty Disability Re-examinations. Mr. Allen presented certifications of the Fire and Police Medical Panel Physicians relative to Duty Disability Retirement Benefit as follows:

<u>Police – Re-examinations (August)</u>	<u>Recommendation</u>
Harrison Kern	Approval
James Klisch	Approval
Janette Mosley	Approval
Joseph Suttle	Approval
Scott Warren	Approval
<u>Police – Re-examinations (September)</u>	<u>Recommendation</u>
Dale Grudzina	Approval
Brenda Nogalski	Approval
Anne Tanner	Approval
<u>Fire – Re-examinations (August)</u>	<u>Recommendation</u>
Maureen Aniakudo	Approval
Gregory Ballering	Approval
Denise Bekeris	Approval
Steven Laabs	Approval
Maurya Lomen	Approval
Robert Norton	Approval
Glenn Olson	Approval
John Savorias	Approval
Gary Stetz	Approval
Guy Vallier	Approval
<u>Fire – Re-examinations (September)</u>	<u>Recommendation</u>
Monica Blazekovic	Approval
Annette Johnson	Approval
Michael Matthaues	Approval
Kenneth Berget	Approval
Luis Gonzalez	Approval

All Ordinary Disabilities and General City Duty Disability. Mr. Allen presented certifications of the Medical Council relative to Duty Disability Retirement as follows:

<u>New Applications – Duty (September)</u>	<u>Recommendation</u>
John Cunningham Effective 9/23/08	Approval
<u>New Applications – Ordinary (August & Sept.)</u>	<u>Recommendation</u>
James Kotowicz Effective 7/27/08	Approval
Carol Hart Effective 8/29/08	Approval
Wilma Roig Effective 8/1/08	Approval
ErmaJean Austin Effective 8/14/08	Approval
<u>Re-examinations – Ordinary (August & Sept.)</u>	<u>Recommendation</u>
Mark Johnson	Approval
Antony Budish	Approval
Hattie Johnson	Approval
Matthew Martin	Approval
Bonnie Mauhar Lutz	Approval
Jodi Coon	Approval
Aaron Wilson	Approval
Sarah Edmonds	Approval
James Kazmierski	Approval
Ripton Stewart	Approval
Peter Mouradian	Approval
Judith Lucas	Approval
<u>Re-examinations – Duty (August & September)</u>	<u>Recommendation</u>
Dorothy Triplett Kelley	Approval
Lynda Bland	Approval
Enrique Godoy	Approval

It was moved by Mr. Raclaw, seconded by Mr. Holland, and unanimously carried, to accept the aforementioned recommendations of the Fire and Police Panel Physicians and the Medical Council.

Disability Findings – Nicole Blemore. Mr. Allen presented the findings submitted by Hearing Examiner Fiorenza stating “The Application of Officer Belmore for the 90%

allowance is denied.” Correspondence was also received from the City Attorney’s Office, dated August 19, 2008, indicating it did not intend to file a brief. It was moved by Mr. Carey, seconded by Mr. Holland, and unanimously carried, to approve the recommendation of Hearing Examiner Fiorenza denying the application of Officer Belmore for the 90% allowance.

Disability Findings – Dawn Brown. Mr. Allen presented the findings submitted by Hearing Examiner Kessler stating “The application of Dawn Brown for duty disability is denied.” Correspondence was also received from the City Attorney’s Office, dated September 2, 2008, indicating it did not intend to file a brief. It was moved by Mr. Carey, seconded by Mr. Holland, and unanimously carried, to approve the recommendation of Hearing Examiner Kessler denying the application of Dawn Brown for duty disability.

Unfinished Business.

Approval of Wells Fargo for Banking Services. Mr. Matson stated this was never put on record that the Board approved, in closed session, the selection of Wells Fargo for banking services after the RFP process. Mr. Allen stated that the Board moved to keep Wells Fargo for banking services. Mr. Morics reported for the record that the Board voted in closed session at the July 28, 2008 meeting, to approve renewal of Wells Fargo for banking services after analysis of the RFP responses.

Legal Opinion and Service Requests Pending. As a matter of information, Mr. Allen presented a list of pending requests for legal opinions and service requests made to the City Attorney.

Legal Opinions Obtained. Mr. Allen presented a legal opinion obtained from the City Attorney as follows:

Liability Issues Relating to installation and Use of Automatic External Defibrillators by the Employees' Retirement System. Requested June 26, 2008, received September 15, 2008. Ms. Cleary briefly discussed the opinion.

Rehired City Retiree – Membership/Service Credit Eligibility. Requested August 8, 2008, received September 10, 2008. Ms. Cleary briefly discussed the opinion.

Membership Application Requirement. Requested August 13, 2008, received September 10, 2008. Ms. Cleary talked about this opinion. After discussion, Mr. Morics directed this be referred to the Legislative Committee.

Employees' Retirement System Web Site Privacy Policy. Requested April 23, 2008, received July 23, 2008. Ms. Cleary briefly discussed the opinion.

It was moved by Mr. Carey, seconded by Mr. Fischer, and unanimously carried, to accept the legal opinions dated September 12, 2008, 2 opinions dated September 9, 2008, and July 18, 2008, and place on file.

Legislation Requests Pending and Proposed Legislation. As a matter of information, Mr. Allen presented a list of pending requests for legislation.

Executive Director's Report – Inventory of ERS Projects. As a matter of information, Mr. Allen presented a report on the ERS projects and updated the Board on ERS activities.

Informational

The following is a list of informational items:

- 1) Report on Claims and Litigation – Memorandum dated September 22, 2008, which gives the status of litigation involving the ERS, as prepared by staff of the ERS and City Attorney's office.
- 2) List of conferences from October 2008 through April 2009.
- 3) Class Action Lawsuit.
- 4) Minutes of the Administration and Operations Committee Meeting held June 17, 2008.
- 5) Minutes of the Administration and Operations Committee Meeting held July 15, 2008.
- 6) Minutes of the Investment Committee Meeting held August 20, 2008.

The following is a list of activities since the last Board meeting, copies sent with meeting notice and attached to minutes:

- 7) Report on Bills.
- 8) Deployment of Assets.
- 9) Securities Lending Revenue and Budget Reports.
- 10) Preliminary Performance Report/Asset and Manager Allocation Pie Charts.
- 11) ERS Holdings Report.

It was moved by Mr. Raclaw, seconded by Mr. Murphy, and unanimously carried, to accept and place on file the aforementioned informational items.

There being no further business, it was moved by Mr. Holland, seconded by Mr. Carey, and unanimously carried, to adjourn the meeting at 11:25 a.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.)