

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

Minutes of the Administration and Operations Committee Meeting
held April 20, 2011

The meeting was called to order at 8:30 a.m.

Committee Members Present: John Barmore, Chair
 William C, Carey
 Larry Holland

Board Members Present: Konrad Ellenberger
 W. Martin Morics
 Michael J. Murphy

Retirement System Staff Present: Bernard J. Allen, Executive Director
 Martin Matson, Deputy Director
 Tom Rick, Chief Investment Officer
 Kelly Reid, Chief Technology Officer
 Melody Johnson, ERS Financial Officer
 David Silber, Pension Investment Analyst
 Suzanne Fortier, Board Stenographer

Others Present: Beth Cleary, City Attorney's Office; Jay Patel, S&S Consulting Group; and Jon Granger, PDG Consulting; Jack Bullis and Tony Popanz, Jefferson Wells.

Election of Vice Chair. Mr. Barmore asked if there were any nominations for Vice Chair. Mr. Carey nominated Mr. Holland. Mr. Barmore seconded the nomination. Mr. Barmore asked three more times if there were any other nominations. There being no further nominations, Mr. Carey moved that a unanimous vote be cast for Mr. Holland as Vice Chair. Mr. Barmore seconded the motion, which unanimously carried.

Jefferson Wells Internal Audit(s) – Software Compliance Audit. As a matter of information, Committee members received a copy of the Internal Audit Update, dated April 20, 2011. Mr. Barmore advised that the Administration and Operations Committee of the Annuity and Pension Board may vote to convene in closed session on the following item (II.), as provided in Section 19.85 (1) (i), Wisconsin State Statutes, for considering all matters related to acts by businesses under s. 560.15 which, if discussed in public, could adversely affect the business, its employees or former employees. The Committee may then reconvene in open session following the closed session. It was moved by Mr. Carey and seconded by Mr. Holland, that the Committee convene in closed session. The motion prevailed by the following roll call vote: AYES: Messrs. Carey, Holland and Barmore. NOES: None.

The Committee convened in closed session at 8:34 a.m. and reconvened in open session at 8:46 a.m.

Mr. Bullis and Mr. Popanz discussed the 2010 Audit Plan Status and executive summary. Discussion ensued.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated April 20, 2011. Ms. Reid briefly talked about the Special Projects Work Plan; organization study; MERITS Project Status- executive summary; defect and deficiency inventory; year-to-year high priority PIR/CCR comparison; service level agreement; and business continuity program. Discussion ensued.

ERS IT Strategic Plan. As a matter of information, Committee members received a copy of the ERS IT Strategic Plan. Ms. Reid talked about ERS' IT Mission Statement; vision for strategic plan; strategic objectives; IT Department's 5-year goals; IT organization structure; and the strategic plan reporting/monitoring. Discussion ensued throughout the presentation.

Approval of 2012 ERS Budget Request. As a matter of information, Committee members received a copy of a letter, dated April 14, 2012, with an attached summary of 2012 draft budget request. Ms. Johnson walked the Committee members through the budget summary. After discussion, it was moved by Mr. Carey, seconded by Mr. Holland, and unanimously carried, to approve the 2012 ERS Budget request.

There being no further business, Mr. Barmore adjourned the meeting at 9:25 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.)