

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

MINUTES OF THE JULY 17, 2013 PENSION BOARD MEETING

1. Call to Order

Chairman Mickey Maier 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

Laurie Braun
Dr. Brian Daugherty (Vice Chair)
Aimee Funck
Norb Gedemer
D.A. Leonard
Dean Muller
Dr. Sarah Peck
Patricia Van Kampen
Vera Westphal
Mickey Maier (Chairman)

Members Excused

Others Present

Marian Ninneman, CEBS, CRC, ERS Manager
Daniel Gopalan, Fiscal Officer
Theresa Diaz, Assistant Fiscal Officer
Vivian Aikin, ERS
R. Bruce Donnellan, Vulcan Value Partners
Leighton DeBray, Vulcan Value Partners
Roger W. Vogel, Silvercrest Asset Management Group
J. Allen Gray, Silvercrest Asset Management Group
Gary Miller, Victory Capital Management
Donald R. Frank, Victory Capital Management
Brett Christenson, Marquette Associates, Inc.
Sarah Bell, Retiree
Attorney Lynne Layber
Steven Huff, Reinhart Boerner Van Deuren s.c.
Steven Oyler, Reinhart Boerner Van Deuren s.c.
Justin Webb, Marquette University Law School
Kate O'Malley, Marquette University Law School
Jim Warczak, University of Virginia School of Law

3. Minutes—June Pension Board Meetings

The Pension Board reviewed the minutes of the June 19, 2013 Pension Board meeting.

The Pension Board unanimously approved the minutes of the June 19, 2013 Pension Board meeting. Motion by Ms. Van Kampen, seconded by Mr. Muller.

Dr. Daugherty moved that the Pension Board adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(e) with regard to item 4 for considering the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. 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 10-0 to enter into closed session to discuss agenda item 4. Motion by Dr. Daugherty, seconded by Ms. Braun.

4. Investments

(a) Investment Manager Search - Finalist Presentations

The Board reviewed and discussed the three final candidates for small cap value manager in closed session.

(b) Marquette Associates Report

In open session, Brett Christenson of Marquette Associates distributed and discussed the June 2013 monthly report.

Mr. Christenson first discussed the high points of the flash report. Total Fund assets as of June 30, 2013 were just over \$1.75 billion and the total year-to-date return was at 4.6% after all fees. However, the 4.6% year-to-date return does not include approximately 7.5% of the portfolio, as JP Morgan infrastructure, UBS real estate and all of private equity is not yet reported. Marquette believes that once these sectors report, it will further increase the year-to-date return.

Mr. Christenson concluded by noting that an additional \$25 million was funded to Morgan Stanley in the month of June due to the slight target increase under the real estate composite from 7.5% to 8.5%.

In response to a question from Mr. Gedemer, Mr. Christenson stated that the chart indicating the quarterly cash flows will be included in the September 2013 monthly report.

In open session, the Chairman then asked for a motion to select as the Fund's small cap value manager one of the three remaining final candidates.

The Pension Board voted 8-1-1, with Mr. Muller opposed and Mr. Leonard abstaining, to select Silvercrest Asset Management Group as the Fund's small cap value manager. Motion by Dr. Peck, seconded by Ms. Braun.

Mr. Leonard stated he abstained from the vote because his first choice was Vulcan Value Partners. Once Vulcan was eliminated as one of the two finalist candidates, he could not decide between Silvercrest and Victory Capital Management. The Chairman acknowledged Mr. Leonard's statement.

(c) Bank of New York Mellon

In open session, the Chairman provided a brief overview of the Fund's history with the securities lending program through Bank of New York Mellon ("BNYM").

During the 2008 economic crisis, ERS experienced some loss through participation in the securities lending program with BNYM due to impairments within the program associated with Lehman Brothers. As a result, the Board, at Marquette's recommendation, decided to cap the amount of securities linked to stocks and bonds that BNYM could lend out to limit the loss. Subsequently, ERS had been invested in securities lending with BNYM through a portfolio called the ASL Fund. The ASL Fund was a commingled fund similar to a mutual fund where investments are made within the fund.

In September 2012, BNYM informed ERS that it would be closing down the commingled account and suggested that ERS move into a separately managed account. After further analysis and review, Marquette's recommendation was to continue the securities lending program through BNYM and move ERS into a separately managed account, with customized guidelines and risk equivalent to a money market account.

In April 2013, the Pension Board voted unanimously to approve ERS's continued participation in BNY Mellon's securities lending program through a separately managed account, with customized investment

guidelines consistent with a money market fund. During the past several months, Marquette has worked closely with legal counsel to analyze and discuss the scope of the new guidelines for the separately managed account (the "Agreement").

Mr. Huff then stated that after resolving two main final issues with BNYM, the Agreement has now been finalized. The first issue involved a \$50 million cash collateral cap that BNYM required for the separately managed account. The second issue involved downgrade notifications. ERS proposed a term in the Agreement requiring BNYM to notify ERS within 72 hours of an investment security downgrade by a rating organization, or when a security is no longer considered to be of investment grade. BNYM proposed increasing that timeframe to two business days to allow for Friday or Monday holidays. After reviewing several other minor issues, Marquette agreed with BNYM's proposals. The final Agreement is in the form of an amendment to the current securities lending agreement with BNYM.

In response to a question from the Chairman, Mr. Huff presented a copy of the amended Agreement chronology for review by the Board.

The Chairman then noted that he had an opportunity to review a copy of the Agreement circulated earlier via e-mail. The Chairman then requested a motion authorizing him to sign the modified Agreement.

The Pension Board unanimously approved granting the authority to the Chairman to sign the revised securities lending agreement with Bank of New York Mellon. Motion by Ms. Van Kampen, seconded by Dr. Daugherty.

5. Investment Committee Report

Dr. Peck reported on the July 1, 2013 Investment Committee meeting.

The Investment Committee adjourned into closed session for the duration of the meeting to interview final manager candidates for international large cap and international emerging markets. The Investment Committee then made their final candidate recommendations for presentation to the Pension Board.

Dr. Peck reported to the Board that the Investment Committee's recommendations include Vontobel Asset Management for international large cap and OFI Global Asset Management for international emerging markets. Dr. Peck noted that each of the candidates was chosen because of

their attractive investment strategy, sound management practices and favorable performance relative to fees.

The Chairman then noted that the Investment Committee reviewed three qualified candidates per strategy during the Committee meeting. The majority of the Board members were present at the meeting, giving them the opportunity to spend the day thoroughly reviewing each of the candidates.

In response to a question from the Chairman, no other Board member had any additional questions regarding the Investment Committee's general search process or final candidate recommendations.

The Chairman then asked for motions to approve Vontobel Asset Management as international large cap manager and OFI Global Asset Management as international emerging markets manager.

The Pension Board unanimously approved selecting Vontobel Asset Management as the Fund's international large cap manager. Motion by Dr. Peck, seconded by Ms. Braun.

The Pension Board unanimously approved selecting OFI Global Asset Management as the Fund's international emerging markets manager. Motion by Dr. Peck, seconded by Dr. Daugherty.

Dr. Daugherty then moved that the Pension Board adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(f) with regard to items 6, 7, 8 and 9 for considering the financial, medical, social or personal histories of the listed persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of those persons, and may adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(g) with regard to items 6, 7, 8 and 9 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 10-0 to enter into closed session to discuss agenda items 6, 7, 8 and 9. Motion by Dr. Daugherty, seconded by Ms. Funck.

6. Frieda Webb - Pension Board Rule 807

The Pension Board discussed the matter in closed session.

In open session, after consideration of the facts and circumstances and the applicable Ordinances and Rules, the Pension Board has determined, consistent with the discretion granted to it by Rule 807, to lay over a final decision on Ms. Webb's appeal until the criminal charges against Ms. Webb have been resolved.

The Pension Board unanimously voted to lay over the decision on appeal for Ms. Webb, consistent with the discretion granted to it by Rule 807, pending resolution of the criminal charges against Ms. Webb. Motion by Mr. Leonard, seconded by Ms. Westphal.

7. Appeals

(a) Sarah Bell

The Pension Board discussed the matter in closed session.

After returning to open session, the Chairman noted that the Board has heard from Ms. Bell, her attorney Ms. Layber, and received further advice from counsel. After a lengthy review of this matter spanning approximately two years, the Chairman requested a motion to deny the appeal of the Hearing Examiner's decision regarding Sarah Bell's accidental disability pension.

The Pension Board unanimously voted to deny Ms. Bell's appeal, consistent with the discretion assigned to the Pension Board by Ordinance section 8.17 to interpret the Ordinances and Rules of Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following facts and rationale:

1. Ms. Bell was an employee of Milwaukee County (the "County") and a member of ERS. Her County employment began on May 20, 1991. She worked in various hourly roles before moving to full-time employment working as an Office Support II or Clerk Assistant II for various offices within the Department of Health Services. Ms. Bell's County employment was terminated on December 31, 2011.

2. On April 5, 2011, Ms. Bell applied for an accidental disability pension citing as the cause back injuries sustained in a January 25, 2010 slip-and-fall accident at the welfare office located at 1220 West Vliet Street.

3. On November 16, 2011, Ms. Bell was examined by the Medical Board. On December 4, 2011, the Medical Board issued a report concluding that Ms. Bell was permanently disabled, but that her disability

was "not the result of any work related injury." Ordinance section 201.24(4.3) requires the disability to be "the natural and proximate result of an accident occurring at some definite time and place while in the actual performance of duty." Here, however, the Medical Board found the disability to be the result of "multiple non-work related factors."

4. In reaching its conclusion, the Medical Board cited Ms. Bell's history of lower back problems, including a series of prior operations to fuse segments of her lower spine.

5. On September 28, 2011, Ms. Bell was examined by Dr. Richard K. Karr, an independent medical examiner, in relation to her Workers Compensation claim. Like the Medical Board, Dr. Karr concluded after thorough review of her medical history that "[n]o spinal or neurological injuries were sustained" as a result of Ms. Bell's accident on January 25, 2010. The Labor and Industry Review Commission ("LIRC") subsequently denied Ms. Bell's Workers Compensation claim, finding that her disability did not arise out of the claimed work injury. While the Pension Board is not required to review Dr. Karr's opinion or the LIRC's denial, the Pension Board may consider these decisions in addition to the Medical Board's opinion in order to determine whether Ms. Bell qualifies for an accidental disability pension.

6. After review of all the evidence, the Pension Board at a meeting on January 18, 2012 unanimously approved accepting the Medical Board's recommendation to deny Ms. Bell's accidental disability pension application. ERS informed Ms. Bell, by letter dated January 19, 2012, that her disability application had been denied.

7. On February 13, 2012, Ms. Bell appealed the Pension Board's denial of her application. The Pension Board then selected, pursuant to Ordinance section 201.24(4.9)(11) ("Section 4.9") and Rule 1026(c-d) ("Rule 1026"), Justice Louis Ceci as examiner for Ms. Bell's review.

8. Justice Ceci heard Ms. Bell's appeal on July 16, 2012. Subsequently, on August 27, 2012, Justice Ceci issued an order upholding the Pension Board's decision denying Ms. Bell's application for an accidental disability pension.

9 Pursuant to Section 4.9 and Rule 1026, on September 27, 2012, Ms. Bell filed a petition for Pension Board review of Justice Ceci's order.

10 Despite potential arguments that Ms. Bell's petition was filed after the expiration of the mandated 20-day petition window, the Pension Board

decided to allow Ms. Bell's petition to move forward because it accepted her argument that the appeal to the Pension Board was timely.

11 Ms. Bell's petition also claimed that the process for selecting an examiner violated her due process rights because the examiner is selected solely by the Pension Board and paid by the County. Ms. Bell did not claim any actual bias by Justice Ceci.

12 On June 19, 2013, the Pension Board reviewed Ms. Bell's petition, ultimately deciding to hold its decision over until the July Pension Board meeting pending further deliberations.

13 Pursuant to Rule 1026(f), the Board hereby affirms Justice Ceci's August 27, 2012 findings, conclusions and order. Ms. Bell's disability is not "the natural and proximate result of an accident occurring at some definite time and place while in the actual performance of duty." Rather, Ms. Bell's disability is the result of a lengthy history of lower back problems as found by both the Medical Board and Dr. Karr.

14 The Board also finds that Ms. Bell's due process rights were not violated. As stated above, Justice Ceci was selected by the Pension Board in accordance with Section 4.9 and Rule 1026. Section 4.9 provides that "[t]he board may authorize an examiner . . . to hold hearings, make rulings, consider evidence, swear witnesses and make findings of fact, conclusions of law and order." Neither the Ordinances nor the Rules provide for a selection process in which the member participates in examiner selection. Rather, the Pension Board is allowed to "authorize" an examiner or committee of the board to conduct proceedings on its behalf. The Pension Board further finds that these procedures are consistent with the disability procedures utilized by other governmental plans.

15 The Pension Board considered the additional due process arguments raised by Ms. Bell's attorney at the Pension Board's meeting on July 17, 2013 and rejects such arguments.

16 Furthermore, as Ms. Bell's current petition demonstrates, Section 4.9 and Rule 1026 provide that the examiner's findings, conclusions and order are subject to full Pension Board review.

17 Ms. Bell's application for an accidental disability pension is denied.

Motion by Dr. Daugherty, seconded by Ms. Van Kampen.

8. Pending Litigation

(a) *Stoker v. ERS*

The Pension Board took no action on this item.

(b) *AFSCME v. ERS*

The Pension Board took no action on this item.

(c) *Tietjen v. ERS*

The Pension Board took no action on this item.

(d) *Brillowski & Trades v. ERS*

The Pension Board took no action on this item.

(e) *AFSCME v. ERS*

The Pension Board took no action on this item.

9. Report on Compliance Review

The Pension Board took no action on this item.

10. Reports of ERS Manager and Fiscal Officer

(a) Retirements Granted, June 2013

Ms. Ninneman presented the Retirements Granted Report for June 2013. Seventeen retirements from ERS were approved, with a total monthly payment amount of \$24,751. Of those 17 ERS retirements, 11 were normal retirements and 5 were deferred retirements. Eight members retired under the Rule of 75. Twelve retirees chose the maximum option, and 2 retirees chose Option 3. Seven retirees elected backDROPs in amounts totaling \$1,174,840.

Ms. Ninneman then noted that there continues to be a decline in the number of retirements processed and it is anticipated that this trend will continue into the near future.

Ms. Ninneman next discussed the impact of a recent fire sustained at the County Courthouse building on July 6, 2013. As a result of the fire, the building was closed and all 23 ERS staff and consultants continue to work remotely off-site. Despite this, ERS has managed to maintain its general

workflow and process monthly disbursements without interruption. Ms. Ninneman then added that this is a testament to the competency and efficiency of all ERS staff.

In response to a question from the Chairman, Ms. Ninneman stated that ERS has been able to continue holding off-site retirement appointments, with teams of ERS staff going out to members' homes if necessary.

It was originally hoped that staff could be back in the Courthouse building this week, but the original timeline has been revised due to complications with the building's facilities. Although the timeline for the Courthouse reopening date is still somewhat uncertain, it is hoped staff can be officially back in their offices as of next week.

(b) ERS Monthly Activities Report, June 2013

Ms. Ninneman then indicated that as a result of the inconveniences stemming from the recent Courthouse fire, a final copy of the Monthly Activities Report for June 2013 was not available for distribution at the time of the meeting.

Ms. Ninneman next noted that before the fire, activity continued to be slow and work on various backlogged projects continued. It is hoped that ERS staff can resume the work on the various backlogged projects once staff are back in the Courthouse building, although staff will have to reassess and prioritize workflow based on potential new backlogs once back on-site.

In response to a question from the Chairman, Ms. Ninneman stated that she and a few other ERS staff with access to the VPN network on their laptops have access to the shared drives on the system remotely. Any other ERS staff member requiring access to a document on one of the shared drives is contacting staff members with VPN access to obtain any needed documents. A system has also been put in place to ensure document version control. This will ensure that the most current document version is restored to the shared drive once everyone is back working on-site.

Ms. Ninneman then added that she is holding daily conference calls with the Human Resources management team and biweekly conference calls with other ERS staff members to ensure everyone is current on key issues. Ms. Ninneman also noted that ERS did have a disaster business continuity plan in place at the time of the fire which was utilized. Ms. Ninneman expressed her pleasure with how fast ERS staff were able to resume work on Tuesday July 9th, just three days after the weekend fire.

(c) Pension Board Retiree Election

Ms. Ninneman concluded with a discussion of the retiree member election for the seat held by D.A. Leonard, whose term ends in October 2013. As reported at the June Board meeting, Mr. Leonard has decided to step down and not run for reelection. Because only one candidate has submitted nomination papers by the required deadline, an election will not be held. With the Board's formal approval, Marilyn Mayr will fill Mr. Leonard's vacant seat effective as of November 1, 2013.

Ms. Ninneman and the Chairman then determined that the matter of the Board's formal approval for Ms. Mayr's appointment shall be deferred to Mr. Grady for scheduling as a future agenda item at either the September or October 2013 Pension Board meeting.

(d) Fiscal Officer

Mr. Gopalan next discussed the June 2013 portfolio activity report, noting two main items for the month. First, the \$25 million investment into JP Morgan infrastructure was completed. The original plan was to obtain the \$25 million to fund the transaction from JP Morgan fixed income. Mr. Gopalan noted, however, that because the sell order was in process until early July 2013, the transaction was funded instead with extra cash from the general cash account. Second, the Fund received an \$8 million net distribution from Siguler Guff under private equity.

In response, the Chairman expressed his pleasure and surprise at how quickly Siguler Guff has put the money to work and how fast the returns are coming in. Mr. Gopalan then added that in addition to the distribution, Siguler Guff also requested an \$800,000 draw.

Mr. Gopalan then stated that he was unable to complete the June 2013 cash flow report and the second quarter check register due to complications resulting from the recent fire sustained at the County Courthouse.

Mr. Gopalan noted that at the end of June 2013, there was \$20 million in the general cash account. As previously discussed, an additional \$25 million was received in early July from JP Morgan fixed income, so there should be sufficient funds for the month of July.

In response to a question from the Chairman, Mr. Gopalan noted that funding requests for the months of August 2013 and September 2013 were approved at the June 2013 Board meeting in the amounts of \$15 million

each per month. Therefore, the next funding request should not be necessary until the September 2013 Board meeting.

The Chairman then noted to Mr. Gopalan that the Board currently does not have intentions to meet for the month of August and, therefore, any additional funding requests should be taken care of today. In response, Mr. Gopalan confirmed that the current funding should be sufficient until the September 2013 Board meeting.

11. Audit Committee Report

Ms. Westphal reported on the July 3, 2013 Audit Committee meeting. The Audit Committee first discussed the Baker Tilly audit update.

Wayne Morgan and Darlene Middleman from Baker Tilly provided an update on the progress of the 2012 audit. Audit scope and auditor responsibilities, as well as new accounting policies in effect for 2012 were discussed. Governmental Accounting Standards Board ("GASB") Statement No. 63, which relates to financial reporting of deferred inflows and outflows of resources and net position of the plan, was also discussed in further detail.

Mr. Morgan and Ms. Middleman next provided comments and discussed recommendations to improve processes on internal controls and related accounting matters. Specific areas covered included retention of participant information and forms, benefit payments, the actuarial file and risk assessment. Ms. Westphal then added that Ms. Ninneman and her staff will begin implementing Baker Tilly's process improvement recommendations in the near future.

Mr. Morgan then reviewed a draft version of the annual report, which the auditors should issue a final opinion on in late July 2013.

Mr. Morgan concluded with a discussion of new pension standards under GASB Statement Nos. 67 and 68, which will go into effect for the 2014 fiscal year. GASB 67 addresses financial reporting for state and local government pension plans and GASB 68 establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. Ms. Westphal noted that while these new standards will have an impact on the County in 2014, staff is well aware of the changes that will occur and, therefore, it will not be a surprise once these new standards are implemented.

The Audit Committee next discussed vital records, including birth certificates. Pension Board Rule 1039 authorizes the Pension Board or the

Retirement Office to require a member who is applying for a benefit under the ERS system to provide all information which the Pension Board or Retirement Office reasonably deems necessary to authenticate the identity, status or eligibility of the individual. Rule 1039 further provides that no benefit for which the Pension Board or Retirement Office requires any such information shall be payable until the Retirement Office receives such information.

While Rule 1039 does not limit what documents may be used to authenticate a member's information, the Retirement Office's usual practice requires the member to submit a birth certificate as proof of age. The Audit Committee discussed possible alternative documents that could be used to verify a member's (and spouse's) date of birth.

Mr. Huff then provided further overview of the issue and discussed the proposed amendments to Rule 1039. Because Wisconsin Statute section 69.24(1)(a) (the "Statute") states that it is a Class 1 felony to photocopy vital records, including birth certificates, questions have arisen about photocopying vital records, as well as what other forms, besides a U.S. passport or certified birth certificate, could be accepted as proof of age.

In response to a question from the Chairman, Mr. Huff stated that the proposed amendments to Rule 1039 establish other acceptable forms of documentation which include, among others; original or certified copies of military or school records, original Naturalization Certificate, original or certified copies of vaccination records, church records and original insurance policies.

The proposed amendments to Rule 1039 also address the issue of photocopying vital records by stating that the Retirement Office shall retain the original or certified copy submitted by the member for its records. The Retirement Office shall not photocopy an original or certified copy of a member's birth certificate or any other vital record in violation of the Statute. The Retirement Office, however, may photocopy and retain photocopies of other documents submitted by members to authenticate the member's identity, status or eligibility for a benefit.

In response to a question from Dr. Peck, Mr. Huff stated that the additional acceptable forms of documentation listed in the proposed amendments to Rule 1039 are to be used as substitutes for proof of age only, when a birth certificate or U.S. passport is unavailable.

Ms. Ninneman then added that the Retirement Office recently experienced an instance where a member did not have a U.S. passport or birth certificate. Therefore, without acceptable proof of age, ERS was unable to begin the member's pension.

The Chairman requested a motion to approve the proposed amendments to Rule 1039.

The Pension Board unanimously approved amending Rule 1039, attached to these minutes as Exhibit A, effective July 17, 2013. Motion by Ms. Braun, seconded by Ms. Westphal.

The Audit Committee next discussed updates on the upcoming retiree election. Because only one retiree submitted nomination papers by the required deadline, an election will not be necessary.

The Audit Committee concluded with a discussion of the effect of contribution refund requests on survivor benefits. ERS management recently received a request from a beneficiary for a refund of the deceased member's required contributions. In this particular case, the deceased member also had an adult child who was completing his final two weeks of school. It was determined that if the contributions were refunded, the child would not receive a benefit. Therefore, the Audit Committee agreed that the child should receive a benefit through August, and possibly beyond if education were continued.

Ms. Ninneman then stated that the end result of the Committee discussion was that the pension will continue until September, at which point, if there are any funds in the contributory account, those will go to the beneficiary.

12. Administrative Matters

The Chairman noted an addition to the agenda for educational conference approvals and asked Dr. Peck to provide any additional information regarding her previous request for attendance at an upcoming private equity conference.

In response, Dr. Peck stated she would like to attend the Private Equity Exclusive Conference held in Chicago from July 22-23, 2013. The educational conference event is produced by The Pension Bridge and will have various panel members discuss issues, trends and strategies to effectively navigate difficult market conditions.

The Chairman noted that he reviewed an e-mail circulated last month regarding the conference and it appears appropriate.

The Pension Board unanimously approved the attendance of any Board member at The Private Equity Exclusive Conference held in Chicago on July 22-23, 2013. Motion by Mr. Leonard, seconded by Ms. Van Kampen.

The Chairman then noted that Board members should contact himself, Dr. Daugherty or Ms. Ninneman to have any items added to the future topics list.

The Chairman concluded by stating that the Pension Board does not currently intend to hold a meeting for the month of August and will resume the next scheduled Board meeting in September 2013.

In response to a question from Dr. Peck, the Chairman and Ms. Ninneman affirmed that there will be no Investment Committee meeting for the month of August, and that the Investment Committee will resume the next scheduled meeting in September 2013.

13. Adjournment

The meeting adjourned at 11:35 a.m.

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

EXHIBIT A

AMENDMENT TO THE RULES OF THE PENSION BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

RECITALS

1. Section 201.24(8.1) of the General Ordinances of Milwaukee County (the "Ordinances") provides that the Pension Board of the Employees' Retirement System of the County of Milwaukee (the "Pension Board") is responsible for the general administration and operation of the Employees' Retirement System of the County of Milwaukee ("ERS").
2. Ordinance section 201.24(8.6) allows the Pension Board to establish rules for the administration of ERS.
3. Rule 1039 requires members to submit information required by the Pension Board or the Retirement Office necessary to verify members' identity, status, or eligibility to receive a benefit.
4. Under the Ordinances and Rules, a member may be required to attain a certain age before receiving a benefit.
5. Rule 1039 does not address what documents would be acceptable to verify a member's age to establish that the member is eligible to receive a benefit. Recently, the Retirement Office questioned how to handle a situation in which a member is unable to produce either an original or certified copy of a birth certificate as proof of age.
6. The Ordinances and Rules do not address whether the Retirement Office must retain documentation demonstrating that a member has attained an age sufficient to become eligible to receive a system benefit.
7. The Pension Board desires to amend Rule 1039 to clarify that certain documents may be submitted as proof of age and that the Pension Board has discretion to determine whether a member may submit other documents as proof of age.
8. Additionally, the Pension Board desires to amend Rule 1039 to clarify that the Retirement Office may photocopy and retain photocopies of documents submitted by a member unless doing so would violate the Wisconsin Statutes. The Pension Board also desires to amend Rule 1039 to clarify that, in certain cases, a member must submit an original or certified copy of a vital record

Effective July 17, 2013 pursuant to Ordinance section 201.24(8.6), the Pension Board hereby amends Rule 1039 to read as follows:

1039. Information Furnished by Member.

The Pension Board shall have the right to require, as a condition precedent to the payment of any benefit, an individual applying for a benefit under the system to provide all information which the Pension Board or Retirement Office reasonably deems necessary to authenticate the identity, status or eligibility of the individual, including:

- (1) As proof of identity: a U.S. Passport; an original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal; a certification of birth abroad issued by the Department of State (Form FS-545 or Form DS-1350); a U.S. social security card issued by the Social Security Administration; a driver's license or ID card issued by a state or outlying possession of the United States, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address;
- (2) As proof of marriage: an original marriage certificate; a copy of a public record of marriage certified by the custodian of record; a copy of the member's tax returns for the three (3) preceding years that indicate the member filed the return as married;
- (3) As proof of age:
 - (a) An original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal;
 - (b) A U.S. Passport; or
 - (c) With special permission of the Pension Board or ERS Manager, one or more of the following:
 - (i) Certified copy of individual report from U.S. Federal Census Bureau;
 - (ii) Original or certified copy of a school record, in which age as of a certain date or date of birth has been reflected in the normal course of record-keeping, certified by the custodian of such record;
 - (iii) Original or certified copy of military record;

- (iv) Original green card, visa or other immigration papers issued by the U.S. Immigration and Naturalization Service, or its successor;
- (v) Original or certified copy of Certificate of Citizenship, Naturalization Certificate, or their successors;
- (vi) Original or certified copy of a vaccination record in which age as of a certain date or date of birth has been reflected in the normal course of record-keeping, certified by the custodian of such record;
- (vii) Original baptismal certificate or statement as to the date of birth shown by a church record as reflected in the normal course of record-keeping, certified by the custodian of such record;
- (viii) Original or certified copy of marriage record in which age as of a certain date or date of birth has been reflected in the normal course of record-keeping;
- (ix) Original or certified copy of notification of registration of birth in a public registry of vital statistics;
- (x) Original insurance policy which has been in force for at least ten years in which age as of a certain date or date of birth has been reflected in the normal course of record-keeping;
- (xi) Original or copy of hospital birth record, certified by the custodian of such record;
- (xii) Original or copy of non-U.S. church or government record in which age as of a certain date or date of birth has been reflected in the normal course of record-keeping, certified by the custodian of such record;
- (xiii) Signed statement from a physician or midwife who was in attendance at birth, as to the date of birth shown on their records;
- (xiv) Other evidence, such as a statement signed by person(s) who have knowledge of the date of birth, voting records, or other such documents;

The Retirement Office, in its discretion, may request additional proof of age if the document submitted by a member is not convincing proof;

- (4) Or such other documents determined to be acceptable by the Pension Board.

The Retirement Office shall retain the original or certified copy submitted by the member for its records. The Retirement Office shall not photocopy an original or certified copy of a member's birth certificate nor any other vital record in violation of Wisconsin Statute section 69.24. For purposes of this Rule, "vital record" shall have the meaning set forth in Wisconsin Statute section 69.01(26), which includes, as relevant to this Rule, marriage documents, death certificates, or certificates of divorce or annulment.

The Retirement Office may photocopy and retain photocopies of other documents submitted by a member pursuant to this Rule to authenticate the member's identity, status or eligibility. No benefit for which the Pension Board or Retirement Office requires any such information shall be payable until the Retirement Office receives such information.