EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

MINUTES OF THE DECEMBER 19, 2007 PENSION BOARD MEETING

1. <u>Call to Order</u>

   Chairman Dean Roepke called the meeting to order at 8:40 a.m. in the Green Room of the Marcus Center, 127 East State Street, Milwaukee, Wisconsin 53202.

2. <u>Roll Call</u>

   <u>Members Present</u>:
   Linda Bedford
   Donald Cohen
   Marilyn Mayr
   John Parish
   Dr. Sarah Peck
   Dr. Dean Roepke (Chairman)
   Thomas Weber (Vice Chairman)

   <u>Others Present</u>:
   David Arena, Director of Employee Benefits, Department of Administrative Services
   Mark Grady, Principal Assistant Corporation Counsel
   Jerry Heer, Director of Department of Audits
   Gordon Mueller, ERS Fiscal Officer
   Donald Campbell, ERS Project Manager
   Bess Frank, Ad Hoc Oversight Committee
   Steven Huff, Reinhart Boerner Van Deuren s.c.
   Leigh Riley, Foley & Lardner LLP
   Chris Trebatoski, Weiss Berzowski Brady LLP
   Terry Dennison, Mercer Investment Consulting
   Kristin Finney-Cooke, Mercer Investment Consulting
   Douglas Gimple, JPMorgan Asset Management
   Steve Schultze, *Milwaukee Journal Sentinel* Reporter
   David Umhoefer, *Milwaukee Journal Sentinel* Reporter
   Cliff Van Beek, Retiree
   Ken Loeffel, Retiree
   Esther Hussey, Retiree
   Gloria Yelezyn, Retiree
   Nancy Beck-Metz, Retiree

Louis Metz, Retiree
Yvonne Mahoney, Retiree
Jack Hohrein

3. Chairman's Report

(a) Secretary of the Pension Board

The Chairman reported that Mr. Hohrein's County employment had been terminated and that the Pension Board is currently without a Secretary. Mr. Hohrein offered to serve as Secretary of the Pension Board. The Chairman and Mr. Grady answered Ms. Mayr's questions regarding the duties and the responsibilities of the Secretary. The Chairman noted that the Milwaukee County General Ordinances ("County Ordinances") do not require the Secretary of the Pension Board to be a County employee. Ms. Mayr asked a question regarding Mr. Amerell's employment after his County employment ended. Mr. Hohrein stated that Mr. Amerell had a consulting contract with the Pension Board after his County employment ended. Mr. Van Beek indicated that Mr. Amerell's position was eliminated, which resulted in his County employment being terminated.

The Pension Board voted 6-0-1, with Ms. Mayr abstaining, to appoint Mr. Huff as the interim Secretary of the Pension Board. Motion by Mr. Weber, seconded by Ms. Bedford.

(b) Recognition of Mr. Ostermeyer

On behalf of the entire Pension Board, the Chairman recognized Mr. Ostermeyer's dedicated service to and efforts on behalf of the Pension Board. The Chairman presented Mr. Ostermeyer with a plaque and letter of recognition, which stated that Mr. Ostermeyer's skill and professionalism made him an invaluable asset to the Pension Board. Mr. Ostermeyer thanked and congratulated Dr. Roepke and Mr. Lanier, the Pension Board Chairmen under whom he served, and the Pension Board members for their service. Mr. Ostermeyer also specially thanked Mr. Grady, Mr. Huff and Ms. Riley for their service as legal counsel to the Pension Board. Mr. Ostermeyer praised the commitment of the retirees, specifically acknowledging the efforts of Mr. Loeffel, Mr. Van Beek and Mr. Howden, and encouraged more retirees to become active in retirement matters. Mr. Ostermeyer also thanked the investment consultants for their guidance.

4. Minutes from November 14, 2007 Pension Board Meeting

Mr. Huff thanked Ms. Aikin for pointing out that Ms. Ransom's disability application was an ordinary disability application. Mr. Huff indicated that the correction had been made to the November Pension Board minutes. The Chairman and Mr. Huff responded to Ms. Mayr's question regarding the references made in the November minutes to people entering and leaving the Pension Board meeting.

The Pension Board reviewed and unanimously approved the minutes of the November 14, 2007 Pension Board meeting with a correction to page 11, changing the reference to Ms. Ransom's disability application from an accidental to an ordinary disability application. Motion by Mr. Cohen, seconded by Ms. Mayr.

5. Reports of Benefits Director and Fiscal Officer

(a) Retirements Granted

Mr. Mueller presented the Retirements Granted Report for the prior month's retirements. He stated that 26 retirements had been granted in November, of which 8 retirees elected to receive a back DROP. Mr. Mueller indicated that the Code section 415 limits were checked for all November benefit payments and that all payments were within applicable limits. In response to a question from the Pension Board, Mr. Mueller confirmed that generally a member could elect a reduced early retirement pension at age 55.

(b) Cash Flow – Liquidity Report

Mr. Mueller presented the cash flow liquidity report. He reported that ERS needs $10 million for December 2007 benefit payments, which Mercer suggested be taken from ING Clarion. Mr. Mueller estimated that ERS will need $10 million for January 2008 benefit payments, but noted that the County's anticipated payments to ERS should cover ERS's cash flow needs from February through June.

The Pension Board unanimously approved that the $10 million necessary for December 2007 benefit payments should come from ING Clarion. Motion by Mr. Weber, seconded by Mr. Cohen.

(c) 2008 ERS Budget

Mr. Mueller presented the 2008 ERS budget overview. He discussed the large items on the budget and explained the differences between the 2008 budget and the 2007 projected actual expenses.
Mr. Mueller explained how the Vitech project resulted in an increase in the budget of approximately $1,000,000, mainly from outside consultant fees. In response to a question from Ms. Bedford regarding the increase in investment manager expenses, Mr. Mueller stated that he does not try to track the precise movement of the funds, but rather he estimates the expenses based on assets and projected growth. He indicated that the additional budgeting for Retirement Office staff in 2008 is based on staffing projections.

Mr. Arena indicated that the file cleansing project is almost complete and that the documents are ready for imaging. He pointed out that the project's expense will decrease as temporary help becomes unnecessary. Mr. Mueller answered Dr. Peck's questions regarding several income items, including securities lending revenue and class action settlements, such as a $1 million World Com settlement.

The Board unanimously approved the proposed 2008 ERS budget. Motion by Mr. Cohen, seconded by Ms. Mayr.

(d) ERS Fiduciary Liability Insurance

Mr. Arena stated that he, Mr. Grady and Mr. Huff had conducted a conference call with AON brokers and insurance carriers regarding fiduciary liability insurance. Mr. Arena indicated that the carriers had raised questions regarding the buy in and buy back programs. The Chairman noted that the carriers raised questions because of recent newspaper articles. Mr. Grady discussed who the fiduciary liability insurance covers. Mr. Arena stated that he had received an informal e-mail proposal from ERS's broker that showed a slight cost reduction of 3% to 4% for a renewal. Ms. Mayr requested that the quoted amount be sent to her when it is received.

(e) Retirement System Manager Transition

Mr. Arena stated that he had retained an executive recruitment consultant to assist him in finding a new manager of the Retirement Office. He indicated that in the meantime, he, Mr. Mueller and Ms. Olson are fulfilling the responsibilities of the Retirement Office manager. Mr. Arena stated that he wants the Pension Board to assist in an advisory role in selecting the new manager. The Chairman thanked everyone at the Retirement Office for their efforts and asked the staff to continue enduring the added responsibilities while the search for a Retirement Office manager continues. He expressed his gratitude to Mr. Arena for involving the Pension Board in the manager search. The Chairman asked Mr. Arena for clarification on how to divide responsibilities among the Retirement Office staff to function more efficiently and effectively during the recruitment process. Mr. Arena responded by saying that he will clarify the information flow and report back to the Pension Board. Mr. Arena encouraged the Pension Board to contact him if it needs any services from the Retirement Office.

Mr. Loeffel stated he perceives a high degree of cooperation between the Retirement Office and REMCO. Ms. Mayr asked what the expected timeline is for hiring a manager for the Retirement Office. Mr. Arena responded by stating that a temporary manager will be in place within a month. He stated that he wants to ensure that ERS hires a highly qualified candidate as manager. He indicated that a national search for a permanent manager could take several months, pointing out that the temporary search will not slow down a permanent search. Mr. Hohrein offered to assist the Pension Board until a replacement is found.

6. Investments

(a) Investment Manager Report – JPMorgan Asset Management

Mr. Gimple distributed a report on JPMorgan Asset Management's ("JPMorgan") management of ERS's core fixed income strategy and presented it to the Pension Board on behalf of JPMorgan. He stated that JPMorgan has a stable investment team and that the firm's ownership has not changed. He noted that the firm has kept the former Bank One fixed income and the JPMorgan fixed income departments separate. He indicated that the team that manages the ERS portfolio is located in Columbus, Ohio and was formerly known as the Bank One portfolio management team. He stated that the team managing the ERS portfolio has spent over 14 years together, losing only 2 people during the last 7 years due to retirement.

Mr. Gimple described the team's value driven investment process as analysis-intensive. He indicated that the team has its own private research staff. He reviewed JPMorgan's risk management process, pointing out that 70%-75% of the team's time is spent on relative value search, 10%-15% of the time is spent on yield curve and duration, which is above the industry's benchmark, and 5%-10% of the time is spent on trade execution and rebalancing. In response to a question from the Chairman, Mr. Gimple stated that JPMorgan has a team approach in selecting securities.

Mr. Gimple reported that November was a very volatile month in the fixed income markets. He reviewed the portfolio's performance over various time periods. He described the changes that have occurred in the market over the past several months and within the last five years. In response to Ms. Bedford's question regarding liquidity, Mr. Gimple noted that liquidity has dried up in the market and there is a "flight to quality." Mr. Gimple expressed his opinion that the ratings agencies overrated some securities. Dr. Peck asked how much collateralized debt obligations contributed to risk in the market. Mr. Gimple stated that collateralized debt obligations contributed to a great extent to the market's overall risk and that many investment models did not work.

Mr. Gimple discussed the attribution of various factors to the financial performance of ERS's portfolio. He indicated that the ERS portfolio was underweight in Treasurys, corporates and agencies and overweight in mortgage backed securities. He reviewed the credit ratings of ERS's bond holdings and noted that 84.8% are AAA rated, which is above the benchmark. He stated that the flight to quality is driving Treasury rates down. In response to a question from Dr. Peck, Mr. Gimple explained the meaning of option adjusted spread. He again noted that both his team and his team's process are consistent and they do not perform mass sector rotations.

Mr. Gimple reported on JPMorgan's fixed income market outlook based on numbers as of November 30, 2007. He stated that the Federal Reserve's reduction of interest rates did not help the subprime mortgage crisis, because most subprime mortgages reset with LIBOR rather than the Federal Funds rate. He expressed his opinion that an economic recovery is quite a ways off and that a recession in 2008 would not be bad for the long term health of the economy.

The Pension Board excused Mr. Gimple from the meeting.

(b) <u>Mercer Report</u>

Ms. Finney-Cooke presented Mercer's Flash Report for November 2007. She stated that ERS had a market value of just under $1.63 billion at the end of November and that ERS's aggregate market value decreased by 2.5% during November, which trailed the reference index by 20 basis points. She stated that ERS was in the process of terminating Hotchkis & Wiley as its mid cap value equity investment manager. Ms. Mayr asked why it was taking so long to terminate ERS's relationship with Hotchkis & Wiley. Ms. Finney-Cooke pointed out that ERS must allow Hotchkis & Wiley to make an orderly sale of securities into the market to avoid losses. She also pointed out that ERS had to use the Bank of New York to buy the Russell Mid Cap Value iShares to replace Hotchkis & Wiley.

Ms. Finney-Cooke reviewed the overall performance of the market in November, focusing on the decline in the large cap domestic equity and international equity markets and the appreciation in the investment-grade fixed income market. She noted that the transfer of $10 million to Reinhart Partners was complete, with $5 million coming from both EARNEST Partners and Artisan Partners. In response to the Chairman's question, Ms. Finney-Cooke stated that Mercer will be ready to respond to Adams Street Partners' request for investment.

Mr. Dennison discussed the securities lending process. He indicated that he sent a letter to ERS's investment custodian in August asking questions and expressing concern over the custodian's securities lending practice. He stated that he reviewed the custodian's responses and felt that some responses were lacking and also patronizing. He suggested that securities lending should be more detailed in the forthcoming investment custodian request for proposal.

Mr. Dennison explained in detail for the Pension Board how securities lending works. He stated that the prime brokers for hedge funds are now the primary borrowers. He also indicated that some of the securities borrowers are having subprime mortgage problems. He indicated that Mellon's business is largely fee based, rather than deposit based. He reported that concentration of counterparties is a problem because there are fewer counterparties than the market previously had, such as three counterparties versus forty. He also stated that collateral is also a problem. He discussed how the current market landscape gives banks an incentive to receive a percentage of a riskier, higher percentage collateral pool. He explained how there are junk offerings in STIF and money market pools and how investors are extending durations or accepting higher risk in order to achieve higher returns. He indicated that Mellon had sent a copy of its Form 10-Q to him rather than provide direct answers to his questions about the Mellon STIF Fund and its securities lending process, particularly the risks associated with its securities lending practices. He advised the Pension Board to improve the wording regarding securities lending in its investment custodian RFP.

The Chairman asked Ms. Finney-Cooke and Mr. Dennison to review the wording regarding securities lending in the custodian RFP. The Chairman asked Ms. Riley to restrict securities lending in the proposed custodian contract. He noted that the $300,000 in additional earnings on securities lending does not come without risk and pointed out that the Pension Board could try to avoid risk through language in the contract.

Ms. Finney-Cooke stated that Ms. Riley has the global REIT contract for review and the money can move once the review is completed.

Mr. Dennison and Ms. Finney-Cooke were excused from the meeting.

(c) Investment Committee Report

Dr. Peck reported on the December 6, 2007 Investment Committee meeting. She stated that the Investment Committee initiated its search for a permanent replacement for Hotchkis & Wiley. She indicated that Ms. Finney-Cooke identified four possible replacements and that the Investment Committee wants more information from Mercer to study the replacement candidates. Dr. Peck explained that in 2009 the Pension Board will need to assess ERS's asset allocation. She noted that the Investment Committee intends to invite speakers to educate the Committee on alternative investments at the Investment Committee's 2008 meetings. In response to a question from Ms. Bedford regarding statutory directives on asset allocation, Mr. Grady stated that except for the 75% equities limit set forth in the County Ordinances, it is up to the Pension Board to set ERS's asset allocation.

7. Implementation of New Technology Software

(a) V3 Project Update

Mr. Campbell distributed and presented the V3 status report to the Pension Board. He noted that he had met with the Director of the Department of Audits and they identified and discussed best practices discovered during the department's review of Ceridian. Mr. Campbell stated that the Retirement Office will prepare an internal self-review of Vitech and will develop a plan to implement the suggestions and best practices highlighted during the Ceridian review. He reported that they are currently documenting all applications and are tracking and managing all issues. The Chairman asked Mr. Campbell to follow up on his statement at the last Pension Board meeting that ERS is on schedule. Mr. Campbell indicated that ERS is on schedule, but Vitech is lagging behind. He stated that he has told Vitech that the completion dates are firm, and noted that Vitech is outsourcing vendors to catch up.

(b) Vitech Contract Amendment

Mr. Campbell discussed the status of the contract amendment with Vitech. Mr. Grady stated that he and Ms. Riley have reviewed the amendment. Mr. Grady pointed out that Vitech has asked for indemnification from the beginning. He thanked Ms. Riley for her suggestion and proposed that if and when ERS litigates with Vitech, ERS will waive the first $250,000 of damages from Vitech. Mr. Campbell stated that otherwise ERS received everything in the contract it asked for from Vitech.

The Pension Board unanimously agreed to accept the terms of the Vitech contract amendment. Motion by Dr. Peck, seconded by Ms. Bedford.

(c) SysLogic Contract

Mr. Campbell discussed the request for approval of the extension to the sole source contract with SysLogic Inc. at a cost not to exceed $250,000. In response to Ms. Mayr's comments regarding the contract extension, Mr. Heer opined that it does appear to follow County Ordinances and that he will sign it as a written report as requested by the Chairman at the November Pension Board meeting. Mr. Hohrein objected to the sole source contract and also made other objections relating to open records law and the payment of ERS expenses.

The Pension Board voted 6-0-1, with Ms. Mayr abstaining, to approve the SysLogic contract extension. Motion by Ms. Bedford, seconded by Mr. Cohen.

8. Vitech Implementation Oversight Committee Report

Mr. Parish stated that the Vitech Implementation Oversight Committee has not met since the November Pension Board meeting.

9. Report of the Task Force on Pension Funding

Mr. Cohen reported that the Task Force on Pension Funding has not met since the last Pension Board meeting. In response to Ms. Mayr's question, Mr. Cohen stated that he will provide Ms. Mayr with the next Task Force meeting date. Mr. Grady stated that he has learned informally that there is some movement in the Wisconsin state legislature toward legislation being introduced that would allow the County to issue pension obligation bonds.

10. Audit Committee Report

(a) Custodian RFP

Mr. Parish reported on the November 29, 2007 meeting of the Audit Committee. Mr. Parish stated that Mr. Huff presented the RFP for investment custodian services. Mr. Parish noted the Audit Committee discussed creating an RFP evaluation panel. Mr. Parish indicated that the Audit Committee discussed possible members for the evaluation panel. Mr. Hohrein volunteered to be on the panel. The Chairman asked the Pension Board members to let Mr. Parish know if they would like to be on the evaluation panel. Mr. Grady stated that there is not a public meeting requirement unless a quorum of the Pension Board will be present. Ms. Mayr asked to be notified of evaluation panel meeting dates.

(b) Employee Election Materials

Mr. Parish reported that the Audit Committee discussed and made comments on the employee election materials. He noted that Mr. Arena provided the election materials to all potential candidates by e-mail and by highly visible postings at various locations throughout Milwaukee County.

(c) Amendment to ERS Rule 1020

Mr. Huff discussed the amendment to Rule 1020, noting that a detailed rule has not existed in the past regarding employee member elections. He stated that the Pension Board must decide whether an employee member who terminates County employment can remain a member of the Pension Board. Ms. Mayr stated that it violates County Ordinances for a retiree to serve as an employee Pension Board member. Mr. Van Beek stated that prior employee members who have retired from County employment continued to serve as Pension Board members. Mr. Grady expressed his belief that based on general legal principles regarding disqualification of elected officials, such employees should no longer serve as Pension Board members. Mr. Van Beek noted that a significant amount of money is spent educating Pension Board members and stated that they could still serve as fiduciaries after their County employment ceased. He opined that a retiring employee member should have the option to finish his or her term, which would avoid the cost of a special election. Ms. Mayr stated that she believes that the Notice of Election and Ability to Seek Nomination form should be distributed by the Retirement Office during the first week of December to give the potential nominees more time to obtain signatures.

Ms. Bedford stated that she would like the Pension Board to conduct a brief orientation for new members. The Chairman handed the Chairman's gavel to Mr. Weber to speak on the motion on the floor. Dr. Roepke stated that the International Foundation of Employee Benefits Plans has published literature which questions the practice of term limits for fiduciaries on pension boards. He indicated that he wanted to make sure that the adoption of the amendment to Rule 1020 would not preclude the Pension Board from requesting a change in the current term limits. Mr. Weber called for a vote on the motion.

The Pension Board voted 6-1, with Mr. Parish dissenting solely on the basis of including the language stating that if a Pension Board member leaves County employment, he shall not remain a Pension Board member, to adopt the amended Rule 1020 attached to these Minutes as Exhibit 1 with the language that an employee member who leaves County employment *shall not* remain an employee member of the Pension Board and that the Notice of Election and Ability to Seek Nomination shall be

distributed in the first week of December for a regular employee election. Motion by Ms. Mayr, seconded by Dr. Peck.

11. Continuing Education/Board Retreats/Training and Professional Organizations

Ms. Mayr stated that she received her invitation to Morgan Stanley's Infrastructure Investment seminar late. The Chairman indicated that Dr. Peck will receive that seminar's bound materials and they will be made available to Pension Board members to review. Mr. Arena indicated that he will distribute educational materials to Pension Board members earlier.

12. Future Topics

Ms. Mayr asked for a list of future Pension Board topics. The Chairman indicated that the future topics list should be updated and carried forward to 2008. The Chairman noted that he is arranging for a presentation to be made to the Pension Board on legislative programs at the federal and state levels affecting public pension plans. In response to a question from Ms. Bedford, the Chairman agreed that this presentation could be made at the retreat.

13. Pending Litigation

The Vice-Chairman moved that the Pension Board adjourn into closed session for the purpose of receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation and for considering the financial, medical, social or personal histories or disciplinary data of specific persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data.

The Board voted 6-1 by roll call vote, with Ms. Mayr dissenting to enter into closed session to discuss items 13, 14 and 15. Motion by Mr. Weber, seconded by Ms. Bedford.

The Board discussed the following pending litigation in closed session:

(a) Milwaukee County, et al. v. Mercer Human Resource Consulting

(b) Hanson v. ERS

14. Report on Special Investigation

The Board discussed the special investigation in closed session.

15. Report on Compliance Review

The Board discussed the vesting credit for nurses issue in closed session.

16. Adjournment

The meeting adjourned at 1:05 p.m.

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

Exhibit 1

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

SECTION 1. Pursuant to section 201.24(8.6) of the General Ordinances of Milwaukee County, the Pension Board of the Employees' Retirement System of the County of Milwaukee repeals Rule 1006 and amends Rule 1020 in its entirety to read as follows:

1020. Election of Employee Members of Board.

The following procedures shall apply when conducting the election of the employee members of the Pension Board. The Pension Board shall have the discretion to interpret and amend these procedures in any manner that is consistent with Ordinance section 201.24(8.2).

(1) *Candidate Qualification.* To be a candidate for the employee member of the Pension Board, an individual must be an employee of the County of Milwaukee who is currently a member of ERS.

(2) *Election Process Timeline.* The regular term for an elected employee member shall begin as of March 1 of an applicable year and last for three years. Special election timelines and different term effective dates shall apply in the event of a vacancy in this position as provided in section (9) of this Rule. In years during which an election of an employee member occurs, the following timeline shall apply, provided that, if the date of any deadline falls on a weekend or holiday, the deadline shall be extended until 5 p.m. of the next business day.

(a) *Notice of Election and Ability to Seek Nomination.* The Retirement Office shall send a Notice of Election and Ability to Seek Nomination to employees in the first week of December for a regular election or when first feasible to do so for a special election. In the event a regular election and special election are being held concurrently, the Notice described in this section shall make clear that an employee member nominee may only declare candidacy for one of the elections.

(b) *Nomination Deadline.* Complete nomination papers must be received in the Retirement Office by 5 p.m. on the first day of the month following the month when the Notice in section 2(a) was distributed.

(c) *Notice of Candidates for Primary Election and Date of Primary Election.* The combined 75-word resumes and statements of candidates shall be communicated to employees by the last day of the month preceding the election.

(d) *Primary Election Date.* A primary election shall be held by February 15 for a regular election or the 15th day of the month following the month described in section 2(a) for a special election. If only two candidates file valid nomination papers, this primary election shall be the final election.

(e) *Notice of Candidates for Final Election and Date of Final Election.* The Retirement Office shall inform the candidates of the results of the primary election and post the results of the primary election as soon as practicable following tabulation of the votes.

(f) *Final Election.* If necessary, the final election shall be held before the last day of February for a regular election or the last day of the month described in section 2(d) for a regular election. Notice of the results of the final election will be given to the candidates and posted in various departments as soon as practicable following tabulation of the votes.

(g) *Commencement of Service.* Service begins as of March 1 for a member elected pursuant to a regular election. Service begins as of the first day of the month following the final election of a special election, with the expectation that the member would be available to attend the regularly scheduled Pension Board meeting for that month.

(3) *Nomination of Candidates.* To begin the nomination process, an eligible individual must register as a candidate, prove eligibility for candidacy to the Retirement Office and request nomination papers from the Retirement Office.

(a) *Nomination Requirements.* To earn a nomination and be placed on the ballot for the election, an eligible individual must obtain 100 signatures from persons eligible to be candidates for employee member of the Pension Board. An eligible individual's representative(s) may circulate the nomination papers and collect signatures on behalf of the eligible individual. The potential candidate or candidate's representative(s) must obtain the requisite number of signatures from other employees eligible to run for employee Pension Board membership. Upon receiving the required number of signatures for nomination, the candidate or representative shall sign and date the nomination papers, have them notarized and return the nomination papers to the Retirement Office. The individual may also present, along with the nomination papers, a resume and statement, limited to 75 words, detailing the candidate's qualifications for the position at that time.

(b) *Nomination Papers.* The Pension Board shall approve the form of the nomination papers and any changes to the nomination papers. These papers shall require the signatory to include, at a minimum, his or her employment location and years of County service to date. In the event that a regular election and a special election are taking place concurrently, the candidate must fill out specific nomination papers for either the regular election or the special election but not both. If a candidate is nominated for both the regular election and the special election, the candidate will become ineligible for both elections.

(4) *Campaigning.* In the time period between the nomination deadline and either of the applicable election dates, a candidate may campaign for the position of Pension Board member. Mailing labels will not be available for candidates to send mailings to eligible voters. The communication of candidates' resumes and statements to eligible voters shall be made according to the timeline described in section 2(c), as applicable. Candidates must comply with any applicable campaign laws. Candidates should seek counsel regarding these requirements prior to beginning their campaigns.

(5) *Election Format.* If only two candidates file approved nomination papers for an election, no primary election will be held. Instead, a final election will be held according to the timeline described in section 2(d) above and will determine the employee member representative on the Pension Board. If more than two candidates file approved nomination papers for an election, a primary election will be held according to the timeline described in sections 2(d) and (f) above. Following the primary election, the two candidates receiving the highest number of votes in the primary election shall have their names placed on the ballot for the final election. However, if one candidate receives more than 55% of the votes cast in the primary election, there will be no final election. If necessary, the final election shall be held according to the timeline described in sections 2(e) and (f) above. Positions on the ballot for the primary election and the final election will be determined by random drawing. The drawing will take place in the Retirement Office before one or more witnesses. Attendance of the candidates at the ballot position drawing is optional with the candidates.

(6) *Voting.*

(a) *Eligibility to Vote.* ERS and OBRA members who are on the Milwaukee County payroll as of the second pay period prior to the election are eligible to vote.

(b) *Voting Procedure.* Voting shall take place in person during regular working hours at several locations throughout the County. The Pension Board reserves the right to grant special accommodations for those with extenuating circumstances.

(7) *Election Results.*

(a) *Determination of Outcome.* In the case of a primary election, the two candidates receiving the highest number of votes will progress to the final election. However, if one of the candidates receives more than 55% of the votes cast in a primary election, that candidate shall be declared one of the employee members of the Pension Board. If no candidate receives more than 55% of the votes cast in the primary election, the candidate receiving the highest number of votes in the final election shall be the winner of that election. In the result of a tie in either the primary or general election, the Retirement Office shall break the tie in accordance with Wisconsin Statutes section 5.01(4).

(b) *Certification and Announcement of Results.* As soon as possible after completion of both the primary election and the final election, the Retirement Office shall certify the election results to the Pension Board Chairperson. The Retirement Office will then announce to the public the election results, including the number of votes received by each candidate.

(8) *Administration of Election.* The Retirement Office shall oversee and administer the election process. As a result, the Retirement Office shall take the following actions:

(a) Compliance with the applicable election laws as determined by Corporation Counsel.

(b) Compliance with applicable election policies of the Pension Board.

(c) Acceptance and confirmation of validity of nomination papers.

(d) Tabulation of votes. In the result of a tie, the Retirement Office shall break the tie in accordance with Wisconsin Statutes section 5.01(4).

(e) Announcement of election results.

(f) Handling complaints or disputes with the election process.

The Retirement Office shall take all other actions necessary and within its power to administer this election. The Retirement Office may assign responsibility for various actions to various other parties.

(9) *Special Election.* In the event a vacancy exists in an employee member position, the Pension Board shall determine the need for and timing of a special election. A special election may be necessary to elect an employee member in the event of the resignation, removal or death of a sitting employee member. If an employee member terminates employment with Milwaukee County, that member shall not remain an employee member of the Pension Board. If a special election becomes necessary, the Retirement Office shall follow similar election procedures to conduct the special election as are used to elect the employee member during the regular election. The Pension Board shall establish alternative timelines appropriate for conducting the special election in a timely manner. These timelines shall be based upon the timeline used for a regular election. If the date of any deadline falls on a weekend or holiday, the deadline shall be extended until 5 p.m. of the next business day.

SECTION 2. Section 1 shall be effective December 19, 2007.