

**Employees' Retirement System of the County of Milwaukee  
Minutes of the October 26, 2006 Audit Budget and Compliance Committee Meeting**

1. Call to Order

Chairman John Martin called the meeting to order at 3:40 p.m. in the second floor conference room of the Courthouse, 901 N. 9<sup>th</sup> St.

2. Roll Call

Members Present:

John Parish  
Dean Roepke  
John Martin

Members Excused:

Thomas Weber  
Marilyn Mayr

Others Present:

Steven Huff, Reinhart  
Jack Hohrein, ERS Manager  
Gordon Mueller, ERS Fiscal Officer

3. Reallocations for the 2006 Budget

Mr. Mueller presented a comparison budget and explained the expense items that were going to be over and under budget for the year 2006. Items of concern were the expenses for temporary staff, contract services, and Genesys/Vitech costs including maintenance. The total budget for 2006 was still under budget for the year. The Committee advised that an amended budget would be required only if the total expenses would exceed what was previously approved.

4. Report on ADR Project

Mr. Hohrein reported on the five members who had been overpaid their pension benefits and the collection efforts to date. The Committee requested that Ms. Babich's prior years be reviewed to determine the total overpayment.

A list of those members who had not reported their earnings was reviewed. Five members had been ordered for reexamination for failure to report earnings.

5. Review of Investment Managers/ Contract Compliance

The Committee discussed the review of broker performance and the new report to be provided by Abel-Noser.

6. Review of Fees Charged by Buck Consultants

The invoices and fees billed by the Buck firm were reviewed. Concern was expressed that the proposal included a charge of \$55,000 in annual fees for basic review, but fees had totaled \$157,000 during the first six months.

Buck submitted a memorandum to explain the difficulties incurred in the transition of Mercer data to Buck. Buck had not charged for all the work involved. Fees in excess of \$111,000 were not charged to ERS. The Committee determined the charges were within acceptable limits due to the poor status of the data. However, it was recommended that the pension board invite Buck Consultant's to present an overview of their invoices at a pension meeting.

7. Future Topics

John Parish agreed to chair future audit committee meetings. John Martin agreed to chair future investment committee meetings.

The next audit committee meeting was scheduled for November 30 at 3 PM at the City Campus 3rd floor conference room.

8. Adjournment

The meeting was adjourned at 5:10 PM.

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Submitted by  
Jack L. Hohrein  
Pension Board Secretary