

**Minutes**  
**Employee's Retirement System Board of Trustees**  
**April 8, 2010**  
**Special Meeting**

Call to Order: Acting Chair Shawna Goldammer called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at First Bank & Trust.

Board Members Present: Cathy Bianchi  
Matt Burns  
Judy Buseman  
Peggy Dant  
Shawna Goldammer

Board Members Absent: Dave Nadolski  
Mark Sivertson

Staff Members Present: Bill O'Toole, Director of Human Resources  
Eugene Rowenhorst, Director of Finance  
Thomas Huber, Assistant Director of Finance  
Gail Eiesland, Chief Assistant City Attorney  
Angie Uthe, Compensation & Benefits Manager  
Kathy Pottebaum, Benefits Technician

Others present: Howard Pohl, Becker, Burke & Associates

The Firefighter's Pension Fund Board of Trustees and Employee's Retirement System (ERS) Board of Trustees met in joint session.

Sherri Rotert with Boyce, Greenfield, Pashby & Welk was present to discuss the issue of unrelated business tax income (UBTI) and the pending investment in Emerging Markets with Scottish Widows. Both Ms. Rotert and Assistant City Attorney Gail Eiesland expressed concern that current ordinance language does not appear to authorize payment of UBTI as an administrative expense.

Howard Pohl reviewed an updated performance report of the Emerging Markets Fund Managers that were interviewed for consideration back in 2008. The updated performance reports of the managers were through December 31, 2009 and included comparisons against the MSCE Emerging Markets Index and the BBA Emerging Markets Universe. After review and discussion, the board did not wish to further pursue an investment in the Scottish Widows emerging markets product or select another active manager to replace the Templeton Emerging Market Fund.

The board discussed the option of pursuing passive management through an appropriate index fund to be identified by Howard Pohl. Although Pohl indicated a general preference toward active management over passive management for this type of investment, his main concern was retaining the sector allocation. Pohl stated that an index fund would continue to satisfy the sector allocation.

**A motion was made by Dant seconded by Burns, to move the current assets in the Templeton Emerging Markets fund to an appropriate international index fund as researched and identified by Becker Burke Associates. Motion carried unanimously.**

Bill O'Toole reviewed the Member Issues Procedure document as adopted by both boards on January 13, 2003. There was an issue discussed at the February 10, 2010 meeting regarding retiree healthcare costs and Bill wanted to make sure that proper board procedures were identified to address the issue adequately. He stated that it appeared that Step 1 had already been met; however, the remaining steps would have to be followed to continue with the issue. No board members in attendance had been contacted by any member regarding retiree healthcare.

**A motion was made by Dant, seconded by Bianchi, to adjourn the meeting. Motion passed unanimously.**

The Board adjourned at 10:35 a.m.

Respectfully submitted,

Angie Uthe  
Recording Officer