



Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

January 22, 2025

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that a Special Meeting of the Legislative Committee (Committee of the Whole) of the Annuity and Pension Board has been scheduled for Tuesday, January 28, 2025 starting at 9:00 a.m. at the Employees' Retirement System, 789 North Water Street, Suite 300. **If a quorum of the Board is present via teleconference, this meeting will convene as a Special Board Meeting.**

This meeting will be conducted via teleconference.

Special Notice: Instructions for the public on how to observe the meeting will be available on the ERS's website (www.cmers.com) prior to the meeting.

The agenda is as follows:

- I. Amendment to Board Rule II for Succession Planning for the ERS Management Positions.
- II. Discuss Recommendation to the City of Milwaukee Regarding Request for Waiver of Law Enforcement Standards Board (LESB) Requirement for Limited Duty.

Sincerely,

A handwritten signature in black ink that reads "Bernard J. Allen". The signature is fluid and cursive, with the first name being the most prominent.

Bernard J. Allen
Executive Director

BJA:jmw

Succession Plan Outline for ERS Executive Director

Board Decision	CSC Exempt Position <ul style="list-style-type: none"> • MCC 36-15-7 requirements and Board rules govern (see Exhibit 1) • Serves at the pleasure of the Board (6 votes required to terminate appointment) • City employee liability limitation & indemnification per state law • Exempt Position recommended due to fiduciary duty requirements for a \$7.5 billion IRS qualified plan and need to be responsive to Board 	CSC Non-Exempt Position <ul style="list-style-type: none"> • MCC-6-15-7 requirements and CSC hiring rules govern • CSC rules govern termination of employment • City employee liability limitation & indemnification per state law
Board Decision	Do national search <ul style="list-style-type: none"> • Larger talent pool available • National search recommended as best fiduciary practice 	Internal candidates only <ul style="list-style-type: none"> • Smaller pool • Known individuals
Process	Submit request to fill vacancy to F&P and obtain CSC position exemption, if exempt position desired (see Exhibit 2) <i>Time Line: Begin January 2025</i>	
Board Decision	External recruitment firm conducts search <ul style="list-style-type: none"> • Governed by Board contract 	DER runs hiring process <ul style="list-style-type: none"> • Governed by CSC rules
<i>Recommendation: External Recruiter recommended; better market outreach</i>		
Process	Develop RFP for external recruiter, conduct vendor search and contract with finalist (see Exhibits 3,4,5,6&7) <ul style="list-style-type: none"> • Review current job description and recruitment posting/ad, board rules, etc. • Fine tune; what is each Board member looking for in the candidates • Position requirements (experience, education, etc.) <i>Time Line: January-March 2025</i>	
Process	Develop candidate evaluation criteria <ul style="list-style-type: none"> • Questions • References and prior employer / coworkers' evaluations • Evaluate fit to City / ERS culture <i>Time Line: April-May 2025</i>	
Board Decision	Initial interviews may be via teleconference	All interviews are in person
<i>Recommendation: Remote initial interviews recommended for cost reasons; in person finalist interviews</i>		
Board Decision	Hiring committee is committee of the whole <ul style="list-style-type: none"> • Everyone has a say at all stages 	Hiring committee is subset of Board <ul style="list-style-type: none"> • More nimble
<i>Recommendation: Full Board recommended for hiring committee as for previous ED searches; staff does leg work</i>		
Process	Publish job posting	
Process	DER / recruiting firm triages and presents reasonable candidates	
Process	Committee reviews applicants and short lists / ranks	
Process	Committee / recruiting firm (or DER) set up interviews	
Process	Candidates visit office and meet staff	
Process	Committee ranks interviewed candidates and negotiates hiring terms <ul style="list-style-type: none"> • Will require DER and F&P involvement regardless of position type (for approval of salary and benefits) <i>Time Line: June-December 2025</i>	

Draft Amendment to Board Rule II

Creating a New, Section 8

8. PURPOSE

The purpose of this policy is to establish temporary and permanent succession planning procedures and guidelines with respect to the executive management positions in the Employees' Retirement System of the City of Milwaukee (ERS). While leadership change is inevitable in every organization, proper planning and policy development is fundamental to the sustenance of a healthy, thriving organization. Proper planning and policy development in regards to succession issues can help limit the problems of leadership transition and provide a degree of stability.

POLICY

It is the policy of the Annuity and Pension Board (Board) to comply with City of Milwaukee Charter Section 36-1-7 which grants the Board the sole responsibility to hire and assess the permanent leadership needs of the Employees' Retirement System including the selection of an Executive Director and Secretary who is a good fit for the ERS mission, vision, values, goals and objectives and who has the necessary skills to lead the organization.

In this regard, the Board hereby establishes these appropriate procedures and guidelines to ensure that ERS operations are continued without interruption on a short- and long-term basis.

PROCEDURES AND GUIDELINES

1. Priority Functions and Temporary Strategies

- a. The Executive Director and Secretary shall be responsible for managing succession in key staff positions and shall report to the Board as appropriate.
- b. In order to help ensure continuity in the position of Executive Director and Secretary, the Board has established Deputy Director positions. Therefore, the Deputy Directors shall be familiar with all aspects of the administration of ERS including investments and benefit administration.

2. Succession plan in the event of a Temporary Short-Term Absence

- a. Definitions
 - i) A temporary absence is one in which it is expected that the Executive Director and Secretary will return once the events precipitating the absence are resolved. A temporary absence is ninety (90) days or less.
 - ii) An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as a vacation or a sabbatical.
- b. Temporary Staffing Strategy
 - i) For temporary planned or unplanned absences of five (5) weeks or less, the Temporary Staffing Strategy described above shall be initiated as directed by the Executive Director and Secretary.
- c. Acting Executive Director and Secretary
 - i) For temporary absences between six-to-twelve (6-12) weeks, and considering the accessibility of the Executive Director and Secretary, the Board may appoint an Acting Executive Director and Secretary, or continue to implement the Temporary Staffing Strategy.
- d. Standing Appointees to the Position of Acting Executive Director and Secretary
 - i) The first position in line to be Acting Executive Director and Secretary is a Deputy Director.
 - ii) The second position in line is the Chief Financial Officer.
- e. Cross-Training Plan
 - i) The Executive Director and Secretary shall exercise best efforts to train staff for each of the key functions of the Executive Director and Secretary and ensure that procedures are in place to achieve the objectives of this policy.

- f. Board Oversight and Support of the Acting Executive Director and Secretary
 - i) The Acting Executive Director and Secretary shall have the powers of duties of the Executive Director and Secretary and shall report and be accountable to the Board as would the Executive Director and Secretary.
- g. Communication Plan
 - i) Upon appointment of an Acting Executive Director and Secretary, the Board Chair shall announce ERS temporary leadership to staff and the City.
- h. Salary Adjustments
 - i) There shall be no salary adjustment for the Temporary Staffing Strategy.
 - ii) An appointed Acting Executive Director and Secretary shall be paid as determined by the Board.

3. Succession plan in the event of a Temporary Long-Term Absence

- a. Definition
 - i) A long-term absence is ninety (90) consecutive days or more.
- b. Procedures
 - i) Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions:
 - 1) The Board shall give immediate consideration with the Executive Director and Secretary or Acting Executive Director and Secretary, to temporarily filling the management position left vacant by the Acting Executive Director and Secretary, or reassigning priority responsibilities where help is needed to other staff. This is in recognition that, for a term of ninety (90) days or more, it may not be reasonable to expect the Acting

Executive Director and Secretary to carry the duties of both positions.

4. Succession plan in the event of a Permanent Absence

a. Definition

- i) A permanent absence is one in which it is firmly determined that the Executive Director and Secretary will not be returning to the position.

b. Procedures

- i) Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions:

The Board shall consider the need to hire an interim Executive Director and Secretary

c. Hiring an Interim Executive Director and Secretary

- i) If an Interim Executive Director and Secretary is hired, the Board Chair and legal counsel shall negotiate a contract agreement with a defined scope of work.
- ii) The scope of the agreement with an Interim Executive Director and Secretary shall be determined based on an assessment of the organizations needs at the time of the leadership transition.

d. Responsibilities of the Interim Executive Director and Secretary

- i) An Interim Executive Director and Secretary shall have full authority for day-to-day decision-making and independent action as the regular Executive Director and Secretary.

5. Board Oversight and Support to the Interim Executive Director and Secretary

a. The Interim Executive Director and Secretary reports to the Board Chair.

b. The Board shall be alerted to the special support needs of the Interim Executive Director and Secretary in this temporary role. The Board

Chair shall meet once per month with the Interim Executive Director and Secretary.

- c. The Board Chair will consult with staff and the Interim Executive Director and Secretary to assure a smooth transition within two (2) months and at least quarterly thereafter.

6. Succession Plan for Key Management Positions

- a. The Executive Director and Secretary shall use similar procedures in case of an executive transition that involves any key management positions. (For Example, the Deputy Chief Investment Officer to serve in the absence of the Chief Investment Officer.)
- b. The Executive Director and Secretary shall exercise best efforts to train staff for each of the key functions of the organization and ensure procedures are in place to achieve the objectives of this policy.

7. Executive Director and Secretary Recruitment Procedure

- a. The Board shall ensure that the recruitment is in compliance with Federal Equal Employment Opportunity (EEO) Laws.
- b. Pursuant to Chapter 36-15-7, the Board shall be the body responsible for the oversight of the selection process for the position of Executive Director and Secretary and may create an ad-hoc Committee of Board Members to oversee the search process. A copy of the Executive Director Succession Plan Decision Tree Outline and Job Description is attached as reference for the process and the tasks and skills required for the position.
- c. The Board may, pursuant to Chapter 36-15-7-a, elect to fill the position as either a City Service Exempt or Non-Exempt Position subject to approval of the City Service Commission.
- d. The Board may elect to utilize a hiring/recruitment consultant in combination with or in lieu of the City's Department of Employee Relations. If so, a Request for Proposal (RFP) process shall be utilized to select the consultant. Staff and legal counsel will assist the Board through the RFP process to select the consultant that will conduct the recruitment and selection process. The RFP shall include the method, plan, and timeframe that will be utilized in the search. The Board

should outline the process, including preparation of an updated RFP on file, ranking system, and interview questions for immediate use, if needed.

- e. The consultant will work with the Board to hire a replacement for the Executive Director and Secretary position. Legal counsel and staff will assist the Board and the selected consultant, including creating an offer of employment consistent with the City's Salary Ordinance and Chapter 350 of the City Code of Ordinances.

Exhibit 1

MCC 36-15-7 and Board Rules Duties of Executive Director & Secretary

MCC 36-15

7. OFFICERS AND EMPLOYEES

a. It shall be the duty of the secretary and executive director of the retirement system to maintain records respecting the amount of system funds invested in common stocks and preferred stocks and such secretary and executive director shall function under direction of the annuity and pension board and shall be appointed by such board under civil service procedure with civil service status; the incumbent secretary and executive director shall have civil service status with the enactment of this section. In the event of a vacancy in the office of secretary and executive director, such office shall be filled by the board under civil service procedures and thereafter such secretary and executive director shall have civil service status, subject to the rules and regulations thereof. An executive director hired pursuant to an exemption granted by the board of city service commissioners shall continue to serve unless dismissal is approved by 6 board members voting in open session. (Par. a cr. File #950077, July 14, 1995; eff. Sept. 27, 1995. Par. a am. File #131162, Dec. 17, 2013; eff. March 10, 2014. Par. a am. File #181603, Feb. 26, 2019; eff. April 29, 2019.

Board Rules & Regulations II.C.4

Secretary and Executive Director

Currently, the civil service status position of Secretary and Executive Director filled under civil service procedure combines the following duties of the Executive Director and of the Secretary:

a. Executive Director

Under Section 36-15-7 of the Milwaukee City Charter, the ERS shall appoint an Executive Director. The Executive Director shall serve as the Department Head of the ERS and manage the staff, which includes the Benefits Section, Accounting Section, Group Life Insurance and Clerical Personnel. The responsibilities include planning, organizing, directing and managing a professional staff involved in servicing members and beneficiaries of the ERS, **and all functions** necessary to assist the Board in carrying out its responsibilities in making effective the provisions of Chapter 36 of the Milwaukee City Charter, governing the ERS.

The Executive Director shall:

- 1) be the chief administrative officer and shall have supervision over all of the book, files, records and seal of the ERS.
- 2) prepare and present the annual report of the Board.
- 3) keep a record of all proceedings of the Board.
- 4) sign all vouchers and checks lawfully authorized by the Board for payments from the various funds of the ERS.
- 5) hereby be authorized as part of his or her administrative duties and responsibilities under the Employees' Retirement Act to process, on a current basis, all vouchers and checks for payment of services and materials and all vouchers and checks for retirement allowances, separation refunds and death benefits due and payable under provisions of that act which in his or her judgment constitutes administrative procedures and determinations. In the event, however, any question shall arise as to the propriety of the payment of any item heretofore referred to, it shall be the duty of the Executive Director to bring such matter to the attention of the Board at the next meeting of such Board and such payments and disbursements shall be reported to the Board at the next meeting

following the payment of any of the above items where no question exists.

- 6) administer the daily operations of the ERS, including interpreting and implementing the proper application of Chapter 36, including all rules, charter ordinances and legal opinions that apply thereto;
- 7) monitor the activities of the Chief Investment Officer relative to review of the investment activities of the ERS;
- 8) develop, justify and manage the departmental budget;
- 9) direct the planning of work and set schedules to ensure that the department's goals are achieved;
- 10) support and implement the affirmative action and equal employment policies;
- 11) administer the Group Life Insurance program for the City of Milwaukee;
- 12) supervise the Management Team and the Administrative Assistant;
(Amended 09-24-2001 Board Meeting)
- 13) manage the staff, including
 - a) establishing goals, monitoring and evaluating management employee performance;
 - b) providing a comprehensive, ongoing training program for all staff;
 - c) providing a work atmosphere that encourages teamwork and productivity innovation;
- 14) annually monitor the preparation of the Annual Report for distribution to the members and beneficiaries showing the fiscal transactions of the ERS for the preceding year, the amount of the assets of the system and the financial condition of the system as disclosed by an actuarial valuation of the system;
- 15) annually monitor the preparation and procedures for the processing of yearend work in order to initiate the distribution of the annual statements to the members of the system;

- 16) direct the preparation of the records of data to serve as the basis for the actuarial report and interpret information received from the Actuary;
- 17) supervise and develop the process and procedures used in the calculation of benefits;
- 18) administer the accounting system, including investment accounting benefit payment and contributions;
- 19) review the results of the findings of the Medical Panels and Council for consistent application of the Act;
- 20) approve payment of claims for death and disability benefits; and
- 21) oversee the retiree pension payroll to ensure that monthly benefits are processed timely.

The Executive Director reports to the Board and shall perform other similar or related duties as required or assigned by the Board.

Source: Milwaukee City Charter § 36-15-7;
Rules and Regulations, § I.4.d (Officers and Employees);
City of Milwaukee Job Descriptions, 01/28/91 (Department
Employees' Retirement System; Title – Executive Director)

b. Secretary

Under Section 36-15-7 of the Milwaukee City Charter, the ERS shall appoint a Secretary. The Secretary shall:

- 1) provide direction and support services to the Board, prepare the agenda for Board meetings, attend Board meetings and maintain a permanent record of such meetings.
- 2) investigate the operation and effect of the rules and procedures affecting the ERS and report any findings or recommend changes to the Board.
- 3) be authorized to prepare and recommend any legislative changes, which may become necessary due to a change in Board policy, the legal environment or any other circumstance.
- 4) represent the Board before various legislative committees as needed and keep the Board informed of any legislative matters or current developments that may affect the Board.

- 5) follow the activities and performance of the Fund's investment managers and consultants;
- 6) prepare reports as requested by the Board.

The position of Secretary may be filled by the person serving as the Executive Director.

Source: Milwaukee City Charter § 36-15-7;
Rules and Regulations, § I.4.d (Officers and Employes);
City of Milwaukee Job Description, 01/28/91 (Department
Employes' Retirement System; Title - Executive Director)

Exhibit 2

DER / CSC Letter Approving Exemption of Position



Department of Employee Relations
Board of City Service Commissioners

Jeffrey Hansen
President

Francis Bock
Vice President

Julie Pedretti
Filiberto Murguia
Reynolds Honoid
Commissioners

June 7, 2007

W. Martin Morics
Chairman
Annuity and Pension Board
City Hall, Room 603
City Of Milwaukee

Dear Mr. Morics:

RE: Your Request to Exempt Position

This is to confirm the action taken by the Board of City Service Commissioners at its meeting of June 5, 2007 to grant your request to exempt the following position:

ERS-Executive Director

If you have any questions, please contact this office at extension 3398.

Sincerely,

MARIA MONTEAGUDO
Director

Exhibit 3

Job Description

JOB DESCRIPTION

FOR DER USE ONLY

Vacancy No.

City Service
Commission:
Fire & Police
Commission:

Finance
Committee:
Common
Council:

Instructions: Complete all sections. Refer to the *Guidelines for Preparing Job Descriptions* for instructions on completing specific items.

1. Date Prepared/ Revised: 03/30/2022		2. Present Incumbent: Bernard J. Allen		Is incumbent underfilling position?			
3. Date Filled: 02/18/2008		4. Previous Incumbent: Michael Dolsen		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
		If YES, indicate Underfill Title in box 10.					
5. Department: Employees' Retirement System			Bureau:		Unit:		
			Division: Administration		Section:		
6. Work Location: 789 N Water St, Ste 300 Milwaukee, WI 53202			Telephone: 414-286-5454		Work Schedule:		
			Email: jerry.allen@cmers.com		Hours: 8am – 4:45pm / Days: M-F		
7. Represented by a Union? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		8. Bargaining Unit: Non-Mgmt/Non-Rep If in District Council 48, which local?			9. FLSA Status (check one): <input checked="" type="checkbox"/> Exempt <input type="checkbox"/> Non-Exempt		
10.	Official Title: ERS Executive Director & Secretary				Pay Range	Job Code	EEO Code
	Underfill Title (if applicable):				1MX		
	Requested Title (if applicable):						
Recommended Title (DER Use Only):				Approved by:			
				Date:			

11. BASIC FUNCTION OF POSITION:

This position serves as the Department Head of the Employees' Retirement System and the Secretary and Executive Director of the Annuity and Pension Board. Responsibilities include planning, organizing, directing and managing a professional staff of 50 individuals involved in servicing members and beneficiaries of the System, and all functions necessary to assist the Annuity and Pension Board in carrying out its fiduciary responsibilities in making effective the provisions of Chapter 36 of the Employees' Retirement System Law.

12. DESCRIPTION OF JOB (Check if description applies to **Official Title** or **Underfill Title**):

A. ESSENTIAL FUNCTIONS/Duties and Responsibilities: (Refer to the "Guidelines for Preparing Job Descriptions" for instructions on determining Essential Functions.)

% of Time	ESSENTIAL FUNCTION
25%	• Responsible for administering the daily operation of the Employees' Retirement System (ERS). Interprets and implements the proper application of ERS Law (Chapter 36) including all rules, charter ordinances and legal opinions that apply thereto
25%	• Monitors the activities of the Deputy Director, Chief Investment Officer, Chief Financial Officer, Chief Technology Officer, ERS Operations Director, Member Services Manager and ERS Business Operations Analyst relative to all agency activities of the ERS.
10%	• Develop, justify and manage the department budget.
3%	• Directs the planning of work and setting schedules to ensure that the department's goals are achieved.
1%	• Support and implement the Affirmative Action and equal employment policies of the City.
1%	• Administers the Group Life Insurance program and Retiree Medical Benefits program for the City of Milwaukee.
10%	• Manage the staff of the ERS. Establish goals, monitor and evaluate management employee performance. Provide a comprehensive, on-going training program for all staff. Provide a work atmosphere that encourages teamwork and productivity innovation.
5%	• Annually monitor the preparation of the Annual Comprehensive Financial Report showing the fiscal transactions of the retirement system for the preceding year, the amount of the assets of the system, and the financial condition of the system as disclosed by actuarial valuation of the system, for distribution to the member and beneficiaries.

The above statements are intended to summarize the nature and level of work and typical responsibilities and duties being performed by the incumbent(s) of this job. They are not intended to be an exhaustive list of all responsibilities, duties, and tasks required of the position.

% of Time	ESSENTIAL FUNCTION
1%	• Annually monitor the preparation and procedures for the processing of year-end work in order to initiate the distribution of the annual statements to the members of the system.
1%	• Direct the preparation of the records of data to serve as the basis for the actuarial report, and interpret information received from the actuary.
1%	• Supervise and develop the process and procedures used in the calculation of benefits.
1%	• Administer the accounting system including accounting, benefit payment and contributions.
1%	• Reviews the results of the finding of the Medical Panels and Council for consistent application of the Act.
1%	• Approves payment of claims for death and disability benefits
1%	• Oversees the retiree pension payroll to ensure that monthly benefits are processed timely.
10%	• Serves as Secretary to the Annuity and Pension Board. Provides direction and support services to the eight member board. Prepares agendas for meetings. Attends the meetings and maintains a permanent record of the same. Investigates the operation and effect of the retirement system's rules and procedures and reports any findings or recommended changes to the Board.
1%	• Prepares reports as requested by the Board.
1%	• Must keep abreast on the activities and performance of the Fund's investment managers and consultants.
1%	• Recommends and prepares legislative changes which may become necessary due to a change in Board policy, change in legal environment or any other such circumstances. Also represents the Board before various legislative committees as needed, and keeps the Board informed of any legislative matters or current developments the Board may be affected by.

B. PERIPHERAL DUTIES:

% of Time	PERIPHERAL DUTY
	• Other duties as assigned by the Annuity and Pension Board.
	•

C. NAME AND TITLE OF IMMEDIATE SUPERVISOR:

Annuity and Pension Board.

D. SUPERVISION RECEIVED: (Describe the extent to which work assignments and methods are outlined, reviewed, and approved by this position's supervisor.)

This position is a department head and reports to the Annuity and Pension Board

E. SUPERVISION EXERCISED:

Total number of employees for whom responsible, either directly or indirectly = 50.

Direct Supervision: List the number and titles of personnel directly supervised. Specify the kind and extent of supervision exercised by indicating one or more of the following:

a. Assign duties	e. Sign or approve work	
b. Outline methods	f. Make hiring recommendations	
c. Direct work in progress	g. Prepare performance appraisals	
d. Check or inspect completed work	h. Take disciplinary action or effectively recommend such	
Number Supervised	Job Title	Extent of Supervision Exercised (Select those that apply from list above, a - h)
1	Deputy Director	A - H
1	Chief Investment Officer	A - H
1	ERS Chief Financial Officer	A - H
1	ERS Chief Technology Officer	A - H
1	Disability Deputy Director	A - H
1	ERS Operations Director	A - H
1	Retirement Plan Manager	A - H
1	ERS Business Operations Analyst	A - H
1	Administrative Assistant IV	A - H

F. MINIMUM QUALIFICATIONS REQUIRED: (Indicate the MINIMUM qualifications required to enter the job.)

The above statements are intended to summarize the nature and level of work and typical responsibilities and duties being performed by the incumbent(s) of this job. They are not intended to be an exhaustive list of all responsibilities, duties, and tasks required of the position.

- i. Education and Experience:
Bachelor's degree from an accredited college or university, with a major in Accounting or Finance. Advanced degree in business helpful, but not required. Five years as a plan administrator or assistant of public or private plan of comparable size, or equivalent, as determined by the Annuity and Pension Board.
- ii. Knowledge, Skills and Abilities:
is one involving the exercise of a high degree of judgment. It requires extensive knowledge of principles, purposes, techniques and trends of private or governmental retirement systems; including principles and practices of portfolio management; ability for interpretation and understanding of actuarial studies and reports; knowledge of accounting and administrative procedures; and the ability to provide support and direction for the entire department. Is responsible for the safeguarding of the assets of the system for a \$6.1 billion dollar fund, including oversight of the fund managers and consultants
- iii. Certifications, Licenses, Registrations:
- iv. Other Requirements:

13. PHYSICAL AND ENVIRONMENTAL DEMANDS: TOOLS AND EQUIPMENT USED

The Americans with Disabilities Act (ADA) of 1990, as amended by the Americans with Disabilities Act Amendments Act (ADAAA) of 2008 requires job descriptions to provide detailed information regarding the physical demands required to perform the essential functions of a job; the conditions under which the job is performed; and the tools and equipment the employee will be required to use on the job. Reasonable accommodations may be made to enable qualified individuals to perform the essential duties and responsibilities of the job for each of the categories listed below.

G. PHYSICAL ACTIVITY OF THE POSITION: (List the physical activities that are representative of those that must be met to successfully perform the essential functions of the job).

CHECK ALL THAT APPLY:

<input type="checkbox"/>	Climbing: Ascending or descending ladders, stairs, scaffolding, ramps, poles, and the like; using feet and legs and/or hands and arms. Body agility is emphasized. Check only if the amount and kind of climbing required exceeds that required for ordinary locomotion.
<input type="checkbox"/>	Balancing: Maintaining body equilibrium to prevent falling when walking, standing or crouching on narrow, slippery or erratically moving surfaces. Check only if the amount and kind of balancing exceeds that needed for ordinary locomotion and maintenance of body equilibrium.
<input type="checkbox"/>	Stooping: Bending body downward and forward by bending spine at the waist. Check only if it occurs to a considerable degree and requires full use of the lower extremities and back muscles.
<input type="checkbox"/>	Kneeling: Bending legs at knee to come to a rest on knee or knees.
<input type="checkbox"/>	Crouching: Bending the body downward and forward by bending leg and spine.
<input type="checkbox"/>	Crawling: Moving about on hands and knees or hands and feet.
<input type="checkbox"/>	Reaching: Extending Hand(s) and arm(s) in any direction.
<input checked="" type="checkbox"/>	Standing: Particularly for sustained periods of time.
<input checked="" type="checkbox"/>	Walking: Moving about on foot to accomplish tasks, particularly for long distances.
<input type="checkbox"/>	Pushing: Using upper extremities to exert force in order to draw, press against something with steady force in order to thrust forward, downward or outward.
<input type="checkbox"/>	Pulling: Using upper extremities to exert force in order to draw, drag, haul or tug objects in a sustained motion.
<input checked="" type="checkbox"/>	Lifting: Raising objects from a lower to a higher position or moving objects horizontally from position-to-position. Check only if it occurs to a considerable degree and requires substantial use of the upper extremities and back muscles.
<input checked="" type="checkbox"/>	Fingering: Picking, pinching, typing or otherwise working primarily with fingers rather than with the whole hand or arm, as in handling.
<input type="checkbox"/>	Grasping: Applying pressure to an object with fingers and palm.
<input type="checkbox"/>	Feeling: Perceiving attributes of objects such as size, shape, temperature or texture by touching with the skin, particularly that of the fingertips.

The above statements are intended to summarize the nature and level of work and typical responsibilities and duties being performed by the incumbent(s) of this job. They are not intended to be an exhaustive list of all responsibilities, duties, and tasks required of the position.

<input checked="" type="checkbox"/>	Talking: Expressing or exchanging ideas by means of the spoken word. Those activities which demand detailed or important instructions spoken to other workers accurately, loudly or quickly.
<input checked="" type="checkbox"/>	Hearing: Perceiving the nature of sounds with no less than a 40 db loss. Ability to receive oral communication and make fine discriminations in sound.
<input checked="" type="checkbox"/>	Repetitive Motions: Substantial movements (motions) of the wrist, hands, and/or fingers.
<input checked="" type="checkbox"/>	Driving: Minimum standards required by State Law (including license).

H. PHYSICAL REQUIREMENTS OF THE POSITION: (List the physical requirements that are essential functions of the job.)

CHECK ONE:

<input checked="" type="checkbox"/>	Sedentary Work: Exerting up to 10 pounds of force occasionally and/or negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects. Sedentary work involves sitting most of the time. Jobs are sedentary if walking and standing are required only occasionally and all other sedentary criteria are met.
<input type="checkbox"/>	Light Work: Exerting up to 10 pounds of force occasionally and/or negligible amount of force constantly to move objects. If the use of arm and/or leg controls requires exertion of forces greater than that for sedentary work and the worker sits most of the time, the job is rated for Light Work.
<input type="checkbox"/>	Medium Work: Exerting up to 50 pounds of force occasionally and/or up to 20 pounds of force frequently, and/or up to 10 pounds of force constantly to move objects.
<input type="checkbox"/>	Heavy Work: Exerting up to 100 pounds of force occasionally, and/or up to 50 pounds of force frequently, and/or up to 20 pounds of force constantly to move objects.
<input type="checkbox"/>	Very Heavy Work: Exerting in excess of 100 pounds of force occasionally, and/or in excess of 50 pounds of force frequently, and/or in excess of 20 pounds of force constantly to move objects.

I. VISUAL ACUITY REQUIREMENTS: (List the visual acuity requirements that are essential functions of the job.)

CHECK ONE:

<input checked="" type="checkbox"/>	Operators (Electronic Equipment), Inspection, Close Assembly, Clerical, Administrative: This is a minimum standard for use with those whose job requires work done at close visual range (i.e. preparing and analyzing data and figures, accounting, transcription, computer terminal, extensive reading, visual inspection involving small parts, operation of machines, using measurement devices, assembly or fabrication of parts).
<input type="checkbox"/>	Machine Operators, Mechanics, Skilled Tradespeople: This is a minimum standard for use with those whose work deals with machines where the seeing job is at or within arm's reach. This also includes mechanics and skilled tradespeople and those who do work of a non-repetitive nature such as carpenters, technicians, service people, plumbers, painters, mechanics, etc. (If the machine operator also inspects, check the "Operators" box.)
<input type="checkbox"/>	Mobile Equipment Operators: This is a minimum standard for use with those who operate cars, trucks, forklifts, cranes, and high lift equipment.
<input type="checkbox"/>	Other: This is a minimum standard based on the criteria of accuracy and neatness of work for janitors, sweepers, etc.

J. THE CONDITIONS THE WORKER WILL BE SUBJECT TO IN THIS POSITION:

List the environmental/working conditions to which the employee may be exposed while performing the essential functions of the job. Include scheduling considerations such as on-call for emergencies, rotating shift, etc. **Approximate Percentage of time performing field work:** _____%

CHECK ALL THAT APPLY:

<input checked="" type="checkbox"/>	None: The worker is not substantially exposed to adverse environmental conditions (such as typical office or administrative work).
<input type="checkbox"/>	The worker is subject to inside environmental conditions: Protection from weather conditions but not necessarily from temperature changes (i.e. warehouses, covered loading docks, garages, etc.)
<input type="checkbox"/>	The worker is subject to outside environmental conditions: No effective protection from weather.
<input type="checkbox"/>	The worker is subject to extreme cold: Temperatures below 32 degrees for period of more than one hour.
<input type="checkbox"/>	The worker is subject to extreme heat: Temperatures above 100 degrees for periods of more than one hour.
<input type="checkbox"/>	The worker is subject to noise: There is sufficient noise to cause the worker to shout in order to be heard above the surrounding noise level.
<input type="checkbox"/>	The worker is subject to vibration: Exposure to oscillating movements of the extremities or whole body.
<input type="checkbox"/>	The worker is subject to hazards: Includes a variety of physical conditions, such as proximity to moving mechanical parts, electrical current, working on scaffolding and high places or exposure to chemicals.
<input type="checkbox"/>	The worker is subject to atmospheric conditions: One or more of the following conditions that affect the respiratory system or the skin: Fumes, odors, dust, mists, gases or poor ventilation.
<input type="checkbox"/>	The worker is subject to oil: There is air and/or skin exposure to oils and other cutting fluids.

The above statements are intended to summarize the nature and level of work and typical responsibilities and duties being performed by the incumbent(s) of this job. They are not intended to be an exhaustive list of all responsibilities, duties, and tasks required of the position.

The worker is required to wear a respirator.

K. MACHINE, TOOLS, EQUIPMENT, ELECTRONIC DEVICES, SOFTWARE, ETC. USED BY POSITION:
List equipment needed to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable qualified individuals with disabilities to perform the essential functions.)

CHECK ALL THAT APPLY:

<input type="checkbox"/> Camera and photographic equipment	<input checked="" type="checkbox"/> Office Equipment (desk, chair, telephone, etc.)
<input type="checkbox"/> Cleaning supplies	<input checked="" type="checkbox"/> Office supplies (pens, staplers, pencils, etc.)
<input type="checkbox"/> Commercial vehicle	<input type="checkbox"/> Packing materials (boxes, shrink wrap, etc.)
<input checked="" type="checkbox"/> Data processing equipment	<input checked="" type="checkbox"/> PC equipment (monitor, keyboard, printer, etc.)
<input type="checkbox"/> Handcart	<input checked="" type="checkbox"/> PC software
<input type="checkbox"/> Hand tools (<i>please list</i>):	
<input type="checkbox"/> Office Machines (<i>check all that apply</i>): <input checked="" type="checkbox"/> Copier <input checked="" type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Calculator <input type="checkbox"/> Cash register	
<input type="checkbox"/> Other (<i>please list</i>):	

L. SUPPLEMENTARY INFORMATION: (Indicate any other information which further explains the importance, difficulty, or uniqueness of the position, such as its scope of responsibility related to finances, equipment, people, information, etc. Also indicate success factors such a personal characteristics that contribute to an individual's ability to perform well in the job, and any other special considerations.)

M. I believe that the statements made above in describing this job are complete and accurate.

Signature of Department Head or Designated Representative

The above statements are intended to summarize the nature and level of work and typical responsibilities and duties being performed by the incumbent(s) of this job. They are not intended to be an exhaustive list of all responsibilities, duties, and tasks required of the position.

Exhibit 4

DER Document Expounding on Roles for DER versus Recruitment Consultant

**Employees' Retirement System
Executive Director
Recruitment and Selection Process
Roles of Consultant versus Department of Employee Relations (DER)**

Recruitment This consists of the complete recruitment/advertising process including searching for/identifying potential applicants not in the job market.

Consultant's role: Entire recruitment process including development of a recruitment brochure.

DER's role: Approval of the recruitment brochure including job requirements and posting the position in the City's official newspaper (the Daily Reporter), on its website, and in its office.

Evaluation of applications After a preliminary screening to eliminate applicants who do not meet the requirements, a rating panel comprised of job experts evaluates the qualified candidates to determine the best qualified to be invited to the oral examination.

Consultant's role: Subject to DER review, develops an application/training and experience questionnaire to be completed by candidates, carries out preliminary screening to eliminate unqualified applicants, develops rating guidelines for candidate evaluation, and advises DER in the selection of a rating panel.

DER's role: Review of preliminary screening to eliminate unqualified applicants, review of the training and experience questionnaire and rating guidelines, selection of a rating panel, and administration of the rating panel process.

Oral examination A rating panel comprised of job experts evaluates the candidates through an oral examination based on job-related dimensions. The final list of candidates is based on rank according to oral examination score.

Consultant's role: Subject to review by DER, determines knowledges, skills, and abilities required by the job (job dimensions), develops oral examinations questions and rating guidelines, and advises DER regarding selection of oral panel members. Schedules candidates for oral examination and makes travel arrangements for out-of-town candidates.

DER's role: Review of job dimensions, oral examination questions, and rating guidelines. Selection of oral panel members and administration of the oral examination process.

Credential verification, reference checks, and background investigation

Verification of educational, licensing, and experience credentials, professional reference checks, and background investigations are completed for candidates (the top five) under consideration based on results of the oral examination.

Consultant's role: Carrying out entire process including credential verification, professional reference checks, and background investigations for the top five candidates.

DER's role: Review of information provided by the consultant.

Interview by Pension Board The Pension Board interviews the top five candidates plus eligible veterans. The Board may interview out-of-town candidates when they are in Milwaukee for their oral examinations.

Consultant's role: Arranging interviews, recommending interview questions, and providing credential, reference, and background investigation information to the Pension Board. Making travel arrangements and providing relocation information and assistance.

DER's role: Providing the names and application material of the top five candidates and providing any requested assistance. Provide information/assistance regarding travel and relocation policies.

Exhibit 5

RFP

**(letter sent to various recruiting firms
soliciting proposals)**



**ANNUITY AND
PENSION BOARD**

W. Martin Morics, Chairman
John Barmore
William C. Carey
Thomas Fischer
Larry Holland
Alderman Michael J. Murphy
Sebastian C.J. Raclaw
Ronald Walter

March 5, 2007

Mr. Gary Hudepohl – Principal
Hudepohl & Associates
150 West Wilson Bridge Road – Suite 203
Worthington OH 43085

Dear Mr. Hudepohl:

The Employees' Retirement System (ERS) of the City of Milwaukee is searching for a new Executive Director. We invite your firm to put together a proposal for services to conduct a search, including an analysis of the competitiveness of the position's compensation package.

We request that you submit a written proposal by March 15, 2007. No formal presentation is required at this time. Please find attached to this letter a copy of the job description and Pension Board Rules and Regulations pertaining to this position.

Your proposal should include:

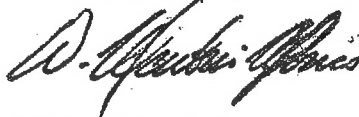
- General information about your firm.
- Your firm's experience in public pension recruitment; identification of the personnel to be assigned to this project, and their experience in recruiting for public pension systems.
- A description of the proposed process for analyzing the competitiveness of the compensation package for this position. The current salary range is \$91,340 to \$127,883.
- A description of the proposed recruitment and selection processes including:
 - The search strategy including the proposed resources and parameters for this recruitment.
 - The selection strategy including applicant screening, selection of the most qualified candidates, and evaluation of the most qualified candidates.
 - Verification of education, licenses, and experience, the conducting of reference checks, and the conducting of background investigations on recommended candidates.

Mr. Gary Hudepohl
March 5, 2007
Page 2

- Your ability to work within prescribed civil service procedures. Since the position is under the City's civil service system, the recruitment and selection processes must comply with civil service requirements administered by the Department of Employee Relations (DER). See attachment.
- Schedule.
- Pricing, including fees and expenses.
- References.

We look forward to reviewing your proposal. The Administration and Operations Sub-committee of the ERS Board will review proposals at its meeting on March 20th and the full Board will consider the matter on March 26th. We will contact you after the Board has made its decision. If you have questions, please contact me at 414-286-2301.

Sincerely yours,



W. Martin Morics
Chairman
Annuity and Pension Board

Exhibit 6

Advertisement and Job Profile (used for Recruitment in 2007)

**High Visibility.
High Impact.
Great Opportunity...**

Our client is a well-known retirement system serving over 16,000 members and 10,000 retirees. This position is located in Milwaukee, Wisconsin.

EXECUTIVE DIRECTOR

The Employees' Retirement System of Milwaukee is seeking an Executive Director to lead this \$5+ billion pension fund. The Director serves as the chief executive officer of the ERS, and oversees the \$26.5 million budget and a staff of 40, including areas of finance, benefits administration, and information technology. The Director reports directly to the Board and has oversight responsibility of asset management, while working closely with the Chief Investment Officer on all investment matters.

**With a
financially stable
public fund**

Requirements include a Bachelor's degree (Master's preferred) and a minimum of 5 years of relevant experience. Preference will be given to candidates with broad-based pension fund experience. The Director must be a positive leader and excellent communicator, who practices a participatory management style, facilitates effective consensus building among divergent stakeholders, has strong political skills, and possesses the highest integrity and ethics.

Compensation includes a base salary and excellent benefits, including health care, retirement, and relocation assistance. To apply, qualified applicants should send resume and cover letter electronically to Jackie Tisch, Senior Consultant: jtsch@hudepohl.com

Hudepohl & Associates

EXECUTIVE SEARCH SERVICES

614 - 854-7300/ 614 - 854-7301 (fax)
www.hudepohl.com

ERS is an Equal Opportunity Employer.

Pensions & Investments

Issue: 8/11
Due: 7/30
Size: 2(4) x 6
Cost: \$4392.00



Position Profile
Milwaukee Employees' Retirement System
Executive Director

Retirement System Background

The Employees' Retirement System of Milwaukee (ERS or System), located in Milwaukee, Wisconsin is hiring an Executive Director (Director). The Annuity and Pension Board (Board) governs the ERS, and serves as Trustee of the System's funds. The Director is responsible for daily operations of this \$5+ billion pension fund, and also serves as Secretary to the Board.

Established in 1937, the ERS was created by an act of the Wisconsin Legislature to provide retirement-related benefits for members and their beneficiaries including:

- Service retirement benefits
- Disability retirement benefits
- Separation benefits
- Death benefits
- Survivorship options
- Group life insurance for City employees
- Retiree health and dental insurance programs for City employees

In addition, the ERS also oversees the City's contribution for payment of the employer's share of Social Security.

The ERS covers approximately 16,000 active or deferred employees and 10,000 retirees from the City of Milwaukee or its participating city agencies including any division, department, office or agency of the City government, including

- Milwaukee Public Schools non-certified staff
- Milwaukee Metropolitan Sewerage District
- United Water
- Milwaukee Area Technical College
- Wisconsin Center District
- Housing Authority of the City of Milwaukee
- Redevelopment Authority of the City of Milwaukee

City of Milwaukee

Milwaukee, “*A Great Place on a Great Lake*,” is Wisconsin’s largest city and located on the western shores of Lake Michigan. The population is just under 600,000 and the metropolitan area is home to more than 1.5 million people. Milwaukee is the country’s 19th largest city and its economy is diversified and built on a firm foundation of industrial, financial, high-tech, and service sector jobs.

Milwaukee has become known as a city of festivals. Summerfest, the world’s largest music festival, is an 11-day music festival held on the lakefront grounds. The cultural scene includes a world-class symphony orchestra, distinguished museums, and more than 20 performing arts groups including a ballet and opera companies.

The University of Wisconsin-Milwaukee is the area’s largest institution of higher learning with enrollment exceeding 26,000 students. Marquette University, with more than 11,000 students, is the area’s largest private school.

For recreation, the City supports several professional sports teams including the Milwaukee Brewers and the Milwaukee Bucks. There are almost 15,000 acres of parkland in Milwaukee County, including several miles with lakefront access for hiking, jogging and biking.

Organizational Structure

The Director works at the pleasure of the Board, comprising eight members—four elected representing the active and retiree members; three appointed by the Common Council President and approved by the City Common Council; and the City Comptroller, serving in an Ex-Officio capacity representing the City. The Board members hold a four-year term, while appointed members serve a two-year term.

The Director is responsible for a staff of approximately 40 and an operating budget of approximately \$26.5 million, of which \$15.0 million is investment advisory fees. The

budget is funded by the System's assets; the Board and City Common Council approve the budget.

The Director's Leadership Team includes the Deputy Director, Member Services Manager, Financial Manager and Information Systems Manager, and is considered to be a "very strong" and effective team. The Director oversees all functional areas, including finance, benefits administration and information technology.

The Chief Investment Officer (CIO) reports to the Board and administratively to the Director. While the Director is not directly responsible for the investment management of the System's assets, he/she does have oversight responsibilities and must work closely with the CIO and Board on investment related matters. The Director is also responsible to represent the ERS before local and state legislative bodies to ensure ERS's interests are effectively communicated and advocated.

Job Responsibilities/Key Objectives

The Director is responsible for planning, organizing and managing all functions involved in servicing members and beneficiaries of the System, including functions necessary to assist the Board in carrying out its fiduciary responsibilities. The ERS is a very complex system as it manages benefits for four different employee groups (General City employees, Police Officers, Firefighters and Elected officials), governed by Chapter 36 of the City Code of Ordinances, which is the Employees' Retirement System Law. The Director is responsible for interpreting and administering Chapter 36, including all rules, charter ordinances and legal opinions.

Other broad responsibilities include activities, such as:

- Administering the daily operation of the System
- Preparing and managing the department's budget
- Monitoring preparation of the Annual Report, and the Actuarial Report (being able to interpret information from actuary)
- Monitoring processes and procedures surrounding calculation of benefits, developing changes when necessary
- Reviewing Medical Panels and Council findings for consistent application

- Approving claims for death and disability benefits
- Administering the Group Life Insurance program for the City
- Overseeing the retiree pension payroll for timely benefit payments
- Recommend and prepare any legislative changes necessary due to Board policy, and/or legal environment changes
- Represent Board before various legislative committees
- Keep current on activities and performance of the Fund's investment managers and consultants

The ERS operates very efficiently and is fortunate to be over-funded, reporting a funding level of 132% based on the market value of assets as of January 1, 2007. The Board is searching for a Director that will continue the success ERS has enjoyed, yet is able to identify opportunities to improve member service, operational efficiencies, and investment performance. The Board has identified two major initiatives for the Director:

- Review and identify a permanent solution to the ongoing system failures that the ERS has experienced with the \$23 million MERITS integrated pension fund management system installed in 2006 (project started in 2003).
- Develop a succession plan for key ERS management, as three managers have either recently retired, announced their retirement, or will be eligible within the next three years. These key managers include the Information System Manager (retired in late 2006 and currently working as a consultant on the MERITS project), Financial Manager, and Member Services Manager. In addition, several other key senior staff in these areas will be eligible to retire within the next several years.

Qualifications and Experience

A Bachelor's degree in accounting, finance, business or public administration, public finance or a related field is required (Master's degree preferred). For consideration, candidates should possess at least five years of relevant experience.

The ERS is seeking candidates that have "generalist" experience—a Director with broad based and balanced experience in member services, investments, benefits administration, and legislative affairs—preference will be given to candidates with strength in benefits administration and finance. While it is highly preferred that the Director has public pension fund experience, candidates with other experience managing complex organizations will be considered.

The Director must have strong management skills, be a positive leader, inspire confidence, be approachable, possess strong team building skills, practice a participatory management style, and be effective at building consensus among divergent stakeholders. The successful Director will be “politically savvy” and able to build consensus among Trustees.

He/she must be of the highest integrity, a “straight shooter” and have “strength of character,” and possess the courage to make tough decisions, always in the best interest of the ERS and its members. The successful Director will be collaborative, a coach, and committed to the training and development of all associates.

Compensation

Compensation includes a competitive base salary with excellent benefits. Benefits include:

- Comprehensive health insurance (majority of costs paid by City)
- Retirement plan, total annual contribution of 5.5% (all employer and employee contributions paid by City)
- Option to participate in the 457 Plan, long-term disability and life insurance
- Vacations and holidays.

In addition, the City will provide relocation assistance. There is a residency requirement and the Director must establish residency within the City within six months of his/her start date.

For additional information or to forward a cover letter and resume, please contact:

Hudepohl & Associates
EXECUTIVE SEARCH SERVICES

Jackie Tisch
Senior Consultant
150 W. Wilson Bridge Road, Suite 203
Worthington, OH 43085
614-854-7300
jtisch@hudepohl.com

Exhibit 7

**Contract Executed with Hudepohl
(recruiting firm selected in 2007)**

**CONTRACT FOR SERVICES
BETWEEN THE EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE
AND
HUDEPOHL & ASSOCIATES, INC.**

SERVICE DESCRIPTION (General): To assist in the recruitment and selection of the Executive Director of the Employees' Retirement System of the City of Milwaukee.

TIME OF PERFORMANCE: To terminate when all functions described in this Contract are completed.

TOTAL AMOUNT OF CONTRACT: Maximum Amount of Compensation Not to Exceed a Placement Fee (as defined in Sec. IV) of \$30,000.00. Additionally, Other Expenses (as defined in Sec. IV) shall not exceed \$6,500.00. Expenses paid by the CONTRACTOR on behalf of the ERS, which may include the actual costs associated with the development and placement of any advertising, which has been approved by the ERS, and the actual costs associated with candidate travel to interview with the ERS, shall be reimbursed at the actual amounts and are in addition to the stated "not to exceed" amounts in this Section.

THIS AGREEMENT, entered into by and between Hudepohl & Associates, Inc. (hereinafter referred to as the "CONTRACTOR"), and the Employees' Retirement System of the City of Milwaukee, a body corporate and politic under the laws of the State of Wisconsin (hereinafter referred to as the "ERS").

Performance and schedules will be approved by the Chief Investment Officer of the Employees' Retirement System, or designee, subject to the terms of performance and acceptance herein.

The following constitute the Contract documents. If there is a conflict or ambiguity, the Contract shall be governed by these listed documents in descending order of precedence.

- A. This Contract for Services
- B. Contractor's Proposal dated March 7, 2007 (Exhibit A).
- C. Project Schedule (Exhibit B).

Work may commence in accordance with the terms and conditions of this Contract after the CONTRACTOR has executed the Contract, and (a) been notified in writing to commence the Performance of Services, or (b) received from the ERS an original of the Contract that is complete and fully executed.

WHEREAS, THE CONTRACTOR represents self as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Contract as an independent entrepreneur and not as an employee of the ERS.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

- I. **RETENTION OF SERVICES.** The ERS hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the ERS, the services hereinafter set forth, all in accordance with the terms and conditions of this Contract. CONTRACTOR agrees time is of the essence and will meet all deadlines and any schedules as herein set forth, unless meeting such deadlines and schedules are delayed by circumstances caused by the ERS or under Sec. XXVIII.H. of this Contract.
- II. **REQUIREMENTS.** The CONTRACTOR is required to
 - A. Do, perform, and carry out in a satisfactory, timely, and proper manner, the services delineated in this contract.
 - B. Comply with any requirements of the Contract documents with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.
 - C. Comply with time schedules and payment terms.

The provisions of this contract have been approved by the Office of the City Attorney

- III. SCOPE OF SERVICES. To assist in the recruitment and selection of the Executive Director of the ERS as more fully described in Exhibits A and B.

CONTINUATION OF THIS CONTRACT BEYOND DECEMBER 31 OF ANY YEAR IS CONTINGENT UPON THE APPROPRIATION OF SUFFICIENT FUNDS BY THE PROPER CITY OFFICIALS.

- IV. SPECIFIC CONDITIONS OF PAYMENT: Payment will be made to the following schedules if completion is satisfactory.

The "Placement Fee" of \$30,000.00 shall include: all related professional time expended by CONTRACTOR, all related research hours as conducted by CONTRACTOR, all related telephone and administrative expenses CONTRACTOR may incur (with the exception of all actual costs associated with the development and placement of any advertising, which the CONTRACTOR shall re-bill to the ERS, and the ERS shall pay), the completion of a researched and updated salary survey (based on current market data) and candidate background investigations (not to exceed five candidates). "Other Expenses" shall include actual costs of: travel expenses to attend the ERS meetings and conduct candidate personal interviews, and candidate reference interviews (not to exceed three candidates). Additional reference interviews requested on more than three candidates (cost is \$550 per candidate), and additional background investigations on more than five candidates (cost is \$250 per candidate) shall be paid for by the ERS, and shall be considered additional expenses, separate from the Placement Fee and Other Expenses.

The Placement Fee will be payable in three payments of \$10,000 each as a retainer for the CONTRACTOR's services. These payments shall be made according to the following schedule (i) \$10,000 due upon initiation of the search, (ii) \$10,000 within 45 days, and (ii) \$10,000 upon completion of the search. Out-of-Pocket expenses shall be billed monthly.

The fee is due whether the candidate hired is directly sourced by the CONTRACTOR, a direct applicant to ERS, an internal applicant, an ERS referral, or from any other source.

The CONTRACTOR agrees to pay, on behalf of the ERS, and arrange the candidate's reasonable travel, lodging and meal expenses associated with the ERS interviews in accordance with ERS policy. The CONTRACTOR will re-bill the actual candidate expenses and the ERS agrees to pay the expenses incurred.

THE ERS STRIVES TO MAKE TIMELY PAYMENT ON ALL INVOICES. PAYMENT TO THE CONTRACTOR WILL BE DEEMED TIMELY IF THE PAYMENT IS MAILED, DELIVERED, OR TRANSFERRED WITHIN 60 CALENDAR DAYS AFTER RECEIPT OF A PROPERLY COMPLETED INVOICE OR RECEIPT AND ACCEPTANCE OF THE PROPERTY OR SERVICE UNDER THE ORDER OR CONTRACT, WHICHEVER IS LATER. IF THE ERS DOES NOT MAKE PAYMENT BY THE 60TH CALENDAR DAY, THE ERS SHALL PAY SIMPLE INTEREST BEGINNING WITH THE 31ST CALENDAR DAY AT THE RATE OF ONE PERCENT (1%) PER MONTH (UNLESS THE ERS DISPUTES THE AMOUNT OF THE INVOICE). REFERENCE COMMON COUNCIL FILE NO. 900859 ADOPTED OCTOBER 16, 1990, PROVISIONS OF STATE STATUTE 66.285 AND 66.286.

- V. NOTICES: Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

Gary Hudepohl
Principal and Managing Director
Hudepohl & Associates Executive Search Services
150 West Wilson Bridge Road, Suite 203
Worthington, OH 43085

and to the ERS at:

EMPLOYEES' RETIREMENT SYSTEM
200 EAST WELLS, SUITE 603
MILWAUKEE, WISCONSIN 53202

Attention: Mr. Thomas Rick, CFA, Chief Investment Officer

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

VI. REPORTS

- A. The CONTRACTOR agrees to submit reports as may be required by the ERS at such times as may be scheduled for submittal, pursuant to the Contract documents, unless otherwise agreed to in writing.
- B. All reports, studies, analysis, memoranda and related data and material as may be developed during the performance of this Contract shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same for any purpose without any further compensation to the CONTRACTOR other than hereinafter provided. All of the aforesaid documents and materials prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that it will not, without prior written approval by the ERS, submit or make same available to any individual, agency, public body or organization other than the ERS, except as may be otherwise herein provided. Both parties recognize that this Contract is subject to the provisions of the State of Wisconsin Public Records Law.

VII. TIME OF PERFORMANCE. The services to be performed under the terms and conditions of this Contract shall be in force and shall commence upon execution of this Agreement by the CONTRACTOR and upon written notice from the ERS to proceed, or when the CONTRACTOR has received an original of the Contract which is complete and fully executed, and shall be undertaken and completed in such sequence as to assure its expeditious completion in the light of the purposes of this Contract, but in any event, provided that there are no circumstances beyond the control of CONTRACTOR that cause delays, all of the services required hereunder shall be completed as indicated on page 1 under "Time of Performance," which includes the termination date of this Contract. In addition to all other remedies inuring to the ERS should the Contract not be completed by the date specified in accordance with all of its terms, requirements and conditions therein set forth, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to complete the scope of services and to execute any necessary, agreed-upon amendments to this CONTRACT.

VIII. CONDITIONS OF PERFORMANCE AND COMPENSATION.

- A. Performance. Notwithstanding any references to the contrary in the contract documents, the CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results therefrom, pursuant to the terms, conditions and agreements of this Contract, shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.
- B. Place of Performance. The CONTRACTOR shall conduct CONTRACTOR's services as required under the terms and conditions of this Contract at such place or places as is necessary so as to enable the CONTRACTOR to fulfill CONTRACTOR's obligations under this Contract.
- C. Compensation. The ERS agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract the maximum as indicated on page 1 under "Total Amount of Contract," inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensation to be paid hereunder exceed the maximum sum for all of the services required.
- D. Additional Fringe or Employee Benefits. The CONTRACTOR shall not receive nor be eligible for any fringe benefits or any other benefits to which ERS salaried employees are entitled to or are receiving.
- E. Taxes, Social Security, Insurance, and Government Reporting. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR. The ERS affirms it is a tax-exempt entity. Insurance requirements are set forth in Article XI.

The CONTRACTOR shall be solely responsible to meet CONTRACTOR's insurance needs as required by the ERS during the terms of this Contract or any extension thereof. A Certificate of Insurance shall be provided to the ERS as an additional insured providing for a thirty (30) day notice to the ERS prior to change, termination or cancellation. The insurance requirements are attached as Exhibit B.

- F. Subcontracting. The CONTRACTOR shall not subcontract for the performance of any of the services herein set forth without prior written approval obtained from the ERS Chief Investment Officer, which approval shall not be unreasonably withheld. The ERS agrees that the CONTRACTOR may use approved subcontractors for research, background checks, reference interviews and ad placement.

IX. METHOD OF PAYMENT. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the ERS Chief Investment Officer or its designee shall prevail, and CONTRACTOR may pursue any remedies in regard to that decision that may be available to it in court.

X. DEFENSE OF SUITS. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of the CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things by this Contract undertaken, or for injury or damage caused by the alleged negligence of the CONTRACTOR, its officers, agents or employees, the CONTRACTOR shall indemnify and save harmless the ERS and its officers, agents and employees from all losses, damages, costs, expenses, judgments, or decrees arising out of such action. The ERS shall tender the defense of any claim or action at law or in equity to the CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of the CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees. The CONTRACTOR shall be solely responsible for the conduct and performance of the services required under the terms and conditions of this Contract and for the results therefrom.

XI. INSURANCE

A. General Requirements

The CONTRACTOR will secure and maintain throughout the duration of the Contract, insurance of such types and in such amounts as may be necessary to protect itself and the interests of the ERS against all hazards or risks of loss as hereafter specified.

1. The form and limits of such insurance, together with the underwriter thereof in each case, will be required to be acceptable to the ERS; but regardless of any ERS review, it will be the responsibility of the CONTRACTOR to maintain adequate insurance coverage at all times.
2. Failure of the CONTRACTOR to maintain adequate coverage will not relieve it of any contract responsibility or obligation.
3. All policies are to contain notice requirements that ensure that thirty (30) days advance written notice will be provided to the ERS prior to cancellation/renewal or alteration of terms and conditions of the policies.
4. Certificates of Insurance for all of the coverage limits referenced herein must be provided prior to the effective date of the Contract and for each year that the Contract is in effect.
5. It will be the responsibility of the prime CONTRACTOR to ensure that all subcontractors comply with all insurance and bonding requirements.
6. All policies other than Workers Compensation/Employers Liability and Professional Liability are to include the ERS, its Board, employees, agents and representatives and all subcontractors as additional named insureds.

B. Comprehensive Automobile Liability

This insurance will be written in comprehensive form and will protect the CONTRACTOR and the ERS against all claims for injuries to members of the public and damage to property of others arising from the CONTRACTOR's use of motor vehicles and will cover operation on or off the site of all motor vehicles licensed for highway use whether they are owned, non-owned or hired. The liability limits will not be less than the following:

Bodily Injury/Property Damage	
Per occurrence	\$1,000,000
Uninsured Motorists/Underinsured Motorists protection	
Per occurrence	\$1,000,000

C. General Liability

This insurance will be written on a commercial general liability form which will protect the CONTRACTOR and the ERS for those sums the CONTRACTOR becomes legally obligated to pay as damages because of bodily injury, personal injury or property damage.

The insurance will include:

1. Commercial General Liability Insuring Agreement that provides occurrence coverage.
2. Contractual Liability Coverage for the risks assumed in this Contract.
3. CONTRACTOR will certify that the policy be renewed each year of the Contract.

The limits applicable to the commercial general liability policy will not be less than the following:

Bodily Injury/Property Damage	
Each occurrence	\$1,000,000
General aggregate	\$1,000,000
Operations aggregate	\$1,000,000
Personal Injury	
Aggregate	\$1,000,000

D. Professional Liability (Errors and Omissions)

Wrongful Act	
Each incident	\$1,000,000
Aggregate	\$1,000,000

If coverage is provided in a claims-made form, the CONTRACTOR will ensure that the retroactive date will not change during the duration of the Contract or at any renewal date. If a change in the retroactive date is unavoidable, the CONTRACTOR must ensure that the extended reporting provision (buyout) of the policy will be exercised for no less than three (3) years irrespective of the termination/expiration date of this Contract or that any replacement policy use the original retroactive date. The ERS will have no responsibility to fund any portion of the expense related to any buyout extension.

E. Self Insurance.

Any request for self-insurance must be submitted in writing to the ERS and the ERS' Risk Management Consultant for consideration.

XII. INDEMNIFICATION. Notwithstanding any references to the contrary in the contract documents, CONTRACTOR assumes full liability for all of its acts in the performance of this Contract. CONTRACTOR will save and indemnify and keep harmless the ERS of Milwaukee against all liabilities, judgments, costs, and expenses which may be claimed against the ERS in consequence of the granting of this contract to said CONTRACTOR, or which may result from the carelessness or neglect of said CONTRACTOR, or the agents, employees or workers of said CONTRACTOR in any respect whatever. If judgment is recovered, whether in suits of law or in equity, against the ERS by reason of the carelessness, negligence, or by acts of commission of the CONTRACTOR, such persons, firms or corporations carrying out the provisions of the contract for the CONTRACTOR, the CONTRACTOR assumes full liability for such judgment not only as to the amount of damages, but also the cost of reasonable attorneys fees or other expenses resulting therefrom.

The ERS assumes full liability for all of its acts in connection with the performance of this contract. The ERS will save and indemnify and keep harmless the CONTRACTOR against all liabilities, judgments, costs, and expenses which may be claimed against the CONTRACTOR that may result solely from the carelessness, neglect or express directives of the ERS, or the agents, employees or workers of ERS in any respect whatever. If judgment is recovered, whether in suits of law or in equity, against the CONTRACTOR by reason of the sole carelessness, negligence, express directives or by acts of commission by the ERS or its employees and agents, the ERS assumes full liability for such judgment not only as to the amount of damages, but also the cost of reasonable attorneys fees or other expenses resulting therefrom

Both parties understand that the ERS is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. § 19.21, *et seq.* CONTRACTOR acknowledges that is obligated to assist the ERS in retaining and producing records that are subject to Wisconsin Public

Records Law, and that the failure to do so shall constitute a material breach of this Agreement and that the CONTRACTOR must defend and hold the ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement.

XIII. REGULATIONS. Contractor agrees to comply with all of the requirements of all federal, state and local laws related thereto.

XIV. TERMINATION OF CONTRACT FOR CAUSE. If, through any cause, the CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Contract, the ERS Chief Investment Officer shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least ten (10) days before the effective date of the termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, or other materials related to the services prepared by the CONTRACTOR under this Contract shall, at the option of the ERS, become the property of the ERS.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the CONTRACT by the CONTRACTOR, and the ERS may withhold any payments to the CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the ERS from the CONTRACTOR is determined.

XV. TERMINATION FOR CONVENIENCE OF THE ERS. The ERS may terminate this Contract at any time for any reason by giving at least ten (10) days' notice in writing from the ERS Chief Investment Officer to the CONTRACTOR. If the CONTRACTOR is terminated by the ERS as provided herein, the CONTRACTOR will be paid an amount which bears the same ratio to the total compensation as the services actually and satisfactorily performed bear to the total services of the CONTRACTOR covered by this Contract, less payments for such services as were previously made. Other costs incurred in reliance on full performance of the Contract it shall be reimbursed by the ERS. Provided, however, that if less than sixty percent (60%) of the services covered by this Contract have been performed upon the effective date of such termination the CONTRACTOR shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under the Contract) incurred by the CONTRACTOR during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the CONTRACTOR, Paragraph XIII hereof, relative to termination, shall apply.

XVI. CHANGES. The ERS Chief Investment Officer may, from time to time, request changes in the scope of services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR's compensation which are mutually agreed upon by and between the ERS and the CONTRACTOR, shall be incorporated in written amendments to the Contract.

XVII. PERSONNEL

A. The CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the ERS.

B. All of the services required hereunder will be performed by the CONTRACTOR or under their supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

C. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the ERS Chief Investment Officer, which shall not be unreasonably withheld. If any work or services is subcontracted, it shall be specified by written contract or agreement and shall be subject to each applicable provision of this Contract. The CONTRACTOR shall be as fully responsible to the ERS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as its for the acts and omissions of persons directly employed by them.

XVIII. ASSIGNABILITY. The CONTRACTOR shall not assign any interest in this Contract and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the ERS Chief Investment Officer. Provided, however that claims for money due or to become due the CONTRACTOR from the ERS under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the ERS Chief Investment Officer.

XIX. RECORDS.

- A. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Contract. Except as otherwise authorized, these records shall be maintained for a period of seven (7) years after receipt of the final payment under this Contract.
- B. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

XX. REPORT AND INFORMATION. At such times and in such forms as the ERS may reasonably require, there shall be furnished by the ERS Chief Investment Officer such statements, records, reports, data, and information as the ERS may request pertaining to matters covered by this Contract.

XXI. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records with respect to all matters covered by this Contract and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make reasonable audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Contract. Subject to the Wisconsin Public Records Law, the ERS shall maintain the confidentiality of information and records obtained by the ERS as a result of such audits.

XXII. FINDINGS CONFIDENTIAL. All of the reports, information, data, etc. prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization, other than an appropriate agency of the United States Government, without the prior written approval of the ERS Chief Investment Officer.

XXIII. CONFLICT OF INTEREST

- A. Interest in Contract. No officer, employee or agent of the ERS who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any personal interest, direct or indirect in this Contract.
- B. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract shall have any personal interest, direct or indirect, in this Contract.
- C. Interest of Contractor and Employees. The CONTRACTOR covenants that no person described in Paragraph XXII, A and B above who presently exercises any functions or responsibilities in connection with the Contract has any personal financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or its employees must be disclosed to the ERS. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.

XXIV. DISCRIMINATION PROHIBITED

- A. In all hiring or employment made possible by or resulting from this Contract there (1) will not be any discrimination against any employee or applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.

This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.

- B. No person in the United States shall, on the ground of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Contract. The ERS and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.
 - C. The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
 - D. Contractor agrees that they will comply with all applicable requirements of the Americans with Disability Act of 1990, 42 U.S.C. 12101, et seq.
- XXV. WORKER'S COMPENSATION INSURANCE. The CONTRACTOR, and all contractors, if any, shall provide to the ERS an affidavit or other satisfactory proof which the ERS may reasonably require evidencing that the CONTRACTOR and all subcontractors have obtained Worker's Compensation Insurance for all persons performing any work or services under the Contract or subcontract as is required by the Worker's Compensation Act of the State of Wisconsin. No payments or disbursements under the Contract shall be made if such proof has not been furnished.
- XXVI. WITHHOLDING OF SALARIES. If in the performance of this Contract there is any underpayment of salaries by the CONTRACTOR or by any subcontractor thereunder, the ERS shall withhold from the CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the ERS for and on account of the CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.
- XXVII. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES. Claims and disputes pertaining to salary rates or to classifications of architects, draftsmen, technical engineers, and technicians, if any, performing work under this Contract shall be promptly reported in writing by the CONTRACTOR to the ERS for the latter's decision, which shall be final with respect thereto.
- XXVIII. OTHER PROVISIONS
- A. Subject to the Wisconsin Public Records Law, any and all information, plans, reports and conclusions derived or developed as a consequence or result of this Contract may be utilized by the ERS in such manner and purpose as the ERS desires or determines without permission or approval of the CONTRACTOR or compensation to the CONTRACTOR therefor other than herein provided.
 - B. Both parties understand that the ERS is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. § 19.21, et seq. CONTRACTOR acknowledges that is obligated to assist the ERS in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement and that the CONTRACTOR must defend and hold the ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement.
 - C. Headings. All headings and titles used in contract documents exist for the purposes of document organization and reference and will not be considered a term or condition of any agreement entered into by the CONTRACTOR and the ERS.

- D. Consent to Breach Not Waiver. The consent to a breach of any term or condition of this Agreement by either party will not be considered a waiver of such term or condition nor will such breach be considered consent to a subsequent breach.
- E. Governing Law. The provisions of the Contract will be constructed in accordance with the laws on the State of Wisconsin.
- F. Jurisdiction. The venue for any proceedings before a court of law will be in Milwaukee County, Wisconsin.
- G. Confidentiality Agreement. All of CONTRACTOR'S personnel assigned to work on the project may be required to sign a confidentiality agreement form in which they agree not to disclose and to keep confidential all non-public information relating the ERS and its members, both active and retired.
- H. Force Majeure. Neither party will be liable for any failure or delay in the performance of its obligations under this Agreement (and the failure or delay will not be deemed a default of this Agreement or grounds for termination) if either of the following conditions are satisfied: (1) the failure or delay could not have been prevented by reasonable precautions, and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and (2) the failure or delay is caused, directly or indirectly, by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, equipment, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the non-performing party. Upon the occurrence of an event which satisfies both of the above conditions (a "Force Majeure Event"), the non-performing party will be excused from any further performance of those obligations under this Agreement affected by the Force Majeure Event for as long as (a) the Force Majeure Event continues; and (b) the non-performing party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Upon the occurrence of a Force Majeure Event, the non-performing party will immediately notify the other party by telephone (to be confirmed by written notice within two (2) business days of the failure or delay) of the occurrence of a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.
- I. Representations and Warranties. The CONTRACTOR warrants that if the ERS (via its governing authority) or the employee terminates employment for any reason within one year from the employee's start date, CONTRACTOR will replace the person for expenses only, except for termination resulting from a change of control; lack of funding; a material change in job responsibilities from that which was originally presented; a merger, acquisition or restructuring; failure of the ERS to fulfill its obligations, financial or otherwise, to the employee.
- The CONTRACTOR warrants that: (a) it has the authority to enter into this Agreement and perform the Services provided herein; (b) it will comply with all applicable laws; and (c) it has not paid, and will not pay, any remuneration directly or indirectly to the ERS or any of its members, officers, employees, or agents, or any third party in connection with obtaining this Agreement, including but not limited to, a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.
- J. Survival. The obligations of the parties under sections VI (B), XII, XXII, XXVIII (I), (Reports, Indemnification, Findings Confidential, and Representations and Warranties) shall survive the termination of this Agreement for any reason and shall continue to remain in full force and effect.

**** The remainder of this page has been intentionally left blank. ****

IN WITNESS WHEREOF, the CONTRACTOR and the ERS have caused this Contract to be executed for and on their respective behalf as of the dates hereinafter set forth.

EMPLOYES' RETIREMENT SYSTEM

HUDEPOHL & ASSOCIATES, INC.

By: _____
W. Martin Morics, President, Annuity & Pension Board

By: Gay A. Hudspeth

Date: _____

Date: _____

By: _____
Thomas Rick, CFA, ERS Chief Investment Officer

Date: _____

Examined and approved as to form and execution this
_____ day of _____, 2007.

Assistant City Attorney

PLEASE NOTE CORPORATIONS MUST COMPLETE THE STATEMENT BELOW

(Note: Someone other than the individual who executed this Contract must certify the following):

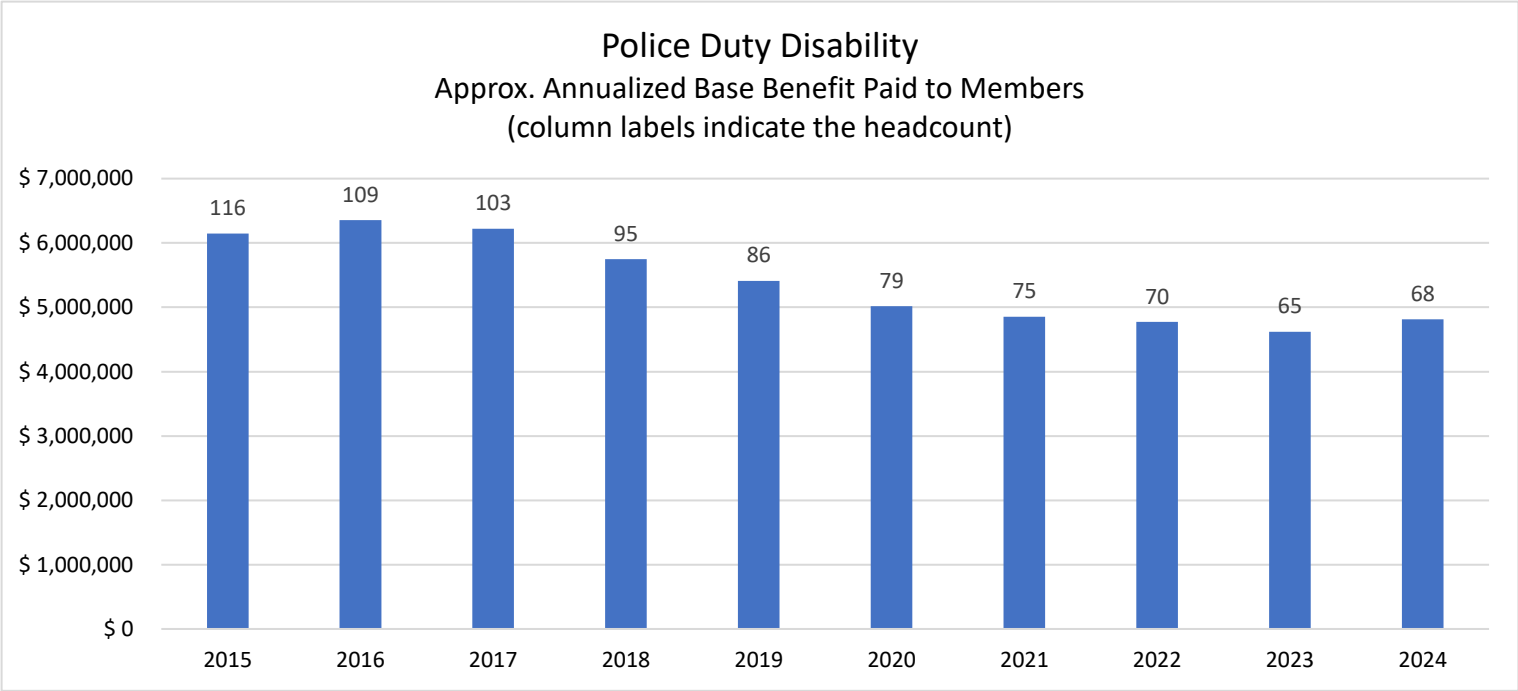
CERTIFICATE RE: CORPORATION

I, GARY L. HUDERDHL certify that I am the Principal Manager of the above
PRINT NAME PRINT TITLE
named CONTRACTOR herein; that HUDERDHL ASSOCIATES, INC., who executed this Contract on
PRINT SIGNATOR OF CONTRACTOR
behalf of the CONTRACTOR was then PRESIDENT of said corporation, and
OFFICIAL CAPAERS OF SIGNATOR
in said capacity, duly signed said Contract for and on behalf of said corporation, being duly authorized so to do
under its bylaws or is authorized so to do by action of its duly constituted Board, all of which is within the scope
of its corporate powers.

Dated at COLUMBUS, OHIO this May day of 2007
LOCATION


SIGNATURE

BCC: bcc
5/09/07
1054-2007-1254/118985



year	annualized base	headcount (dec)
2015	\$ 6,146,508	116
2016	\$ 6,354,840	109
2017	\$ 6,219,708	103
2018	\$ 5,747,328	95
2019	\$ 5,410,224	86
2020	\$ 5,017,560	79
2021	\$ 4,851,456	75
2022	\$ 4,771,224	70
2023	\$ 4,621,080	65
2024	\$ 4,813,716	68

The amounts shown do not include retroactive adjustments to base benefits made due to contract settlements, lawsuits, etc.
The "annualized base" is the December base benefit amount x 12