

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Special Administration and Operations Committee Meeting
held March 20, 2024 via teleconference

The meeting was called to order at 9:00 a.m.

Committee Members Present: Molly King
Thomas Klusman
Aycha Sawa, Chair

ERS Staff Present: Bernard Allen, Executive Director
Erich Sauer, Deputy Chief Investment Officer
Dan Gopalan, Chief Financial Officer
Jeff Shoher, Chief Technology Officer
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Erin Scharlau, Legislative Audit Bureau; Terry Siddiqui, DS Consulting, Inc.

Election of Vice Chair. Ms. Sawa asked for nominations for Vice Chair. Mr. Klusman nominated Ms. King for Vice Chair. Ms. Sawa seconded Mr. Klusman's nomination. Ms. Sawa asked three more times if there were any other nominations for Vice Chair. Ms. Sawa, hearing no objections, stated Ms. King was elected Vice Chair of the Administration & Operations Committee. Ms. King thanked the Committee and accepted the position to continue serving the people.

Ms. King left the meeting at 9:05 a.m.

Approval of Close out of 2023 Budget. As a matter of information, Committee members received from Mr. Gopalan a memo of the "Final 2023 Payment to the City and 2023 Budget to Actual Expenditures." Mr. Gopalan stated the memo summarizes the Close out of the 2023 Budget. He said ERS has an intergovernmental agreement with the City that covers the payment of ERS' administrative expenses. He said the City pays all of ERS' expenses and then ERS reimburses, on a monthly basis, the City for those expenses that are attributable to the ERS Trust Fund. Mr. Gopalan said the ERS' total expenses as of December 31, 2023 were \$18,238,432.20. He said included in that amount is \$516,089.47 of non-trust expenses, which are expenses incurred by ERS, but relate to non-pension items such as Group Life or Retiree Health. He stated the remaining \$17,832,324.83 represents the amount incurred by the ERS Trust for 2023. Mr. Gopalan said the ERS has reimbursed the City \$16,634,00, leaving a balance due to the City of \$1,198,342.83. He said this final amount payable to the City is comprised of costs which occurred in December and paid in January after the close of the fiscal year. Mr. Gopalan said he is looking for a motion to approve the \$1,198,342.83 payable to the City. Discussion ensued.

It was moved by Ms. Sawa, and seconded by Mr. Klusman, to approve the Approval of Close out of 2023 Budget.

IT Projects Portfolio. As a matter of information, Committee members received the IT Projects Portfolio. Mr. Shober discussed the ongoing and completed IT projects.

Organizational/Personnel Update. Mr. Sauer said they are making good progress on the Pension Investment Analyst – Sr. position. He stated he and Mr. Silber interviewed 11 people virtually and brought in four candidates for in-person interviews. Mr. Sauer said they extended an offer to one local candidate so far and he accepted. He stated the person who accepted is a CFA charterholder and has many years of experience following stock and bond managers. Mr. Sauer said the candidate would be starting in early April. He said he and Mr. Silber expect to fill the second Pension Investment Analyst – Sr. position from one of the other three candidates interviewed, but they have not completed that yet. Mr. Sauer noted they will make an offer to at least one candidate, have it accepted, and have a full team in the next few months. Discussion ensued. Mr. Allen stated that Ms. Johnson is working with DER to fill the Fiscal Services Assistant position and there are some internal candidates for that. Mr. Gopalan added that the Fiscal Services Assistant position was posted with the City as a Promotional vacancy and that the vacancy should be closed at the end of March. Discussion ensued.

Ms. Sawa stated this would be her last Administration & Operations Committee meeting. Mr. Allen stated she would be missed.

It was moved by Mr. Klusman, and seconded by Ms. Sawa to adjourn the meeting.

Ms. Sawa adjourned the meeting at 9:18 a.m.

Bernard J. Allen
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)