

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

Minutes of the Administration and Operations Committee Meeting
held July 22, 2021 via teleconference during COVID-19

The meeting was called to order at 9:01 a.m.

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

ERS Staff Present: Bernard Allen, Executive Director
Melody Johnson, Deputy Director
Jeff Shober, Chief Technology Officer
Daniel Gopalan, Chief Financial Officer
David Silber, Chief Investment Officer
Erich Sauer, Deputy Chief Investment Officer
Gust Petropoulos, Deputy Director Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Dan Ludwig, Bill Judd, Ray Emry, CliftonLarsonAllen (CLA); Jeremy McKenzie, City Attorney's Office; Terry Siddiqui, DS Consulting Partners, Inc.

Presentation by CliftonLarsonAllen (CLA) of Risk Assessment Report. As a matter of information, Committee members received the CLA Enterprise Risk Assessment presentation booklet for the City of Milwaukee Employees' Retirement System (CMERS) dated July 22, 2021. The CliftonLarsonAllen (CLA) team of Dan Ludwig, Bill Judd, and Ray Emry introduced themselves and noted the Enterprise Risk Assessment was performed from February 24, 2021 through March 10, 2021. Mr. Emry noted the purpose of the Enterprise Risk Assessment was to develop a three-year audit plan. He said they talked with 10 key leaders from CMERS to identify critical risks that have the potential to prevent CMERS from achieving its objectives. Mr. Emry noted the scope of the assessments covered the following functions within CMERS: Entity Level Controls & Governance, Investment Management, Accounting & Finance, Benefit & Disability Calculations, Benefit & Disability Payroll, Contributions, Human Resources/Payroll, Enrollment & Member Services, Benefit Administration, and Information Technology (General Controls, Network Security, and Business Continuity/Disaster Recovery). He discussed the procedures performed, personnel interviewed, and the four categories of Enterprise Risk performed. He also went over the top inherent business risks and critical processes. Discussion ensued.

Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following item (I.), as provided in Section 19.85(1)(d), to consider "strategy for crime detection and prevention." The Committee may then vote to reconvene in open session following the closed session.

It was moved by Mr. Klusman and seconded by Ms. King, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 9:19 a.m. and reconvened in open session at 9:36 a.m.

CliftonLarsonAllen concluded a three-year audit plan was put together and the risk assessment was completed for 2021 and Mr. Ludwig said two new audits were included in this year's risk assessment. Discussion ensued. Ms. Sawa accepted the Risk Assessment Report and placed it on file.

Review of ERS Internal Controls and Ethics Policy. Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following item (II.), as provided in Section 19.85(1)(d), to consider "strategy for crime detection and prevention." The Committee may then vote to reconvene in open session following the closed session.

It was moved by Mr. Klusman and seconded by Ms. King, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 9:54 a.m. and reconvened in open session at 10:09 a.m.

Approval of Lease for 4th Floor Space at 789 N. Water Street. Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following item (III.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Committee may then vote to reconvene in open session following the closed session.

It was moved by Mr. Klusman and seconded by Ms. King, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 10:10 a.m. and reconvened in open session at 10:27 a.m.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of Lease for 4th Floor Space at 789 N. Water Street. The motion carried by the following roll call vote: AYES: Mses. King, Sawa; Mr. Klusman. NOES: None.

Organizational/Personnel Update. Ms. Johnson said the ERS is still working with DER to start recruiting for the Network Administrator position. She noted the Pension Accounting Specialist is now filled after the retirement two weeks ago of the Pension Accounting Specialist. Ms. Johnson said the Program Assistant II position is also filled due to a recent retirement. She commented that

both the Pension Accounting Specialist and Program Assistant II positions are being filled internally. Ms. Johnson said that leaves a daisy chain of two more internal positions to fill. It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to adjourn the meeting.

There being no further business, Ms. Sawa adjourned the meeting at 10:33 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.)