

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

Minutes of the Administration and Operations Committee Meeting
held September 21, 2022 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
David Silber, Chief Investment Officer
Jeff Shoer, Chief Technology Officer
Daniel Gopalan, Chief Financial Officer
Gust Petropoulos, Deputy Director - Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Dan Kwiecinski, Christine Webb, Ryan Young, Brown & Brown; Deborah Ford, Annuity & Pension Board Trustee; Jordan Schettle, City Attorney's Office; Terry Siddiqui, DS Consulting Partners, Inc., no members of the public called in to the meeting.

Renewal of Fiduciary Liability and Cyber Insurance. As a matter of information, Committee members received the Fiduciary Liability documents from Brown & Brown. Mr. Kwiecinski noted the fiduciary liability insurance the ERS purchases is to protect the Plan and the Plan Fiduciaries from claims against it for Fiduciary Duty. He referred to it as errors and omissions insurance in managing the Plan. He stated the ERS purchased \$50 million in coverage provided by four different carriers and the total premium is \$320,000.00. Mr. Dan Kwiecinski said the program includes Hudson, RLI, Chubb, Axis, and RLI again. Mr. Young commented that carriers are pulling back on capacity and have double-digit rate increases. He said carriers kept their \$10 million limit and added that each layer had a preliminary five percent proposed increase, with the non-indemnifiable layer having a 2.2 percent increase. Mr. Young said the total premium increase went from the expiring \$317,000 to \$332,047 with a 4.7 percent premium increase. Ms. Webb discussed Cyber Liability and said the final numbers are not in yet. She noted the incumbents would provide the best coverage with the same limit. Ms. Webb concluded that final quotes will be presented at the September 28 Board Meeting. Discussion ensued.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Renewal of Fiduciary Liability and Cyber Insurance.

Renewal of Lease for 789 N. Water Street Building. As a matter of information, Committee members received a memo from the City Attorney's office, First Amendment to Water Street Investment Lease, and ERS Lease Extension documents. Mr. Allen said the landlord accepted the

draft terms and conditions of the lease. He added that the lease is coming in a little below market for Downtown Milwaukee. He noted it would be expensive to move the data center as well as the cost of relocating the office. Mr. Allen stated the proposed rate of increase in rent is 23 percent and has a seven-year term. Mr. Schettle said the ERS would also have use of the fourth floor kitchenette, conference room, and gym. Discussion ensued.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Renewal of Lease for 789 N. Water Street Building.

Review of RFP for Financial Audit Services. As a matter of information, Committee members received a draft of the RFP for Financial Audit Services. Ms. Turk said last year's template was updated, and after any edits, the RFP will be sent out. Ms. Sawa said she did not see the need for any modifications to the template. Ms. Turk said the RFP would look a little different, as it will be used with the Bonfire software for evaluating RFP's.. Ms. Sawa said the Committee was in consensus for the management team to start the RFP process using the Bonfire software.

IT Projects Portfolio. As a matter of information, Committee members received the IT Projects Portfolio. Mr. Shober stated projects are ongoing and standard projects are completed. He also went over the priorities of the Applications Statistics. Mr. Shober discussed the Portfolio and said projects are on a rolling twelve-month completion.

Organizational/Personnel Update. As a matter of information, Committee members received the "Organizational/Personnel Update" dated September 21, 2022. Ms. Johnson said the Benefit Services Coordinator and Lead Disability Specialist positions have been filled internally. She said that opens two additional vacancies at the ERS for Program Assistant II and Administrative Assistant II. Ms. Johnson said the ERS is working with DER to fill the ERS Systems Administrator position. She said applications for the ERS Systems Administrator position has a September 23 deadline.

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 9:45 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.)