

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

Minutes of the Special Meeting  
held August 24, 2022 via teleconference during COVID-19

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

Board Members Present:           Matthew Bell, Chair  
  Deborah Ford  
  Molly King  
  Tom Klusman  
  Rudolph Konrad  
  Nik Kovac  
  Aycha Sawa

Board Members Not Present:       James Campbell (excused)

Retirement System Staff Present:   Jerry Allen, Executive Director  
  Melody Johnson, Deputy Director  
  Dan Gopalan, Chief Financial Officer  
  David Silber, Chief Investment Officer  
  Erich Sauer, Deputy Chief Investment Officer  
  David Walters, Pension Investment Analyst Senior  
  Thomas Courtright, Pension Investment Analyst  
  Mary Turk, Business Operations Analyst  
  Jan Wills, Board Stenographer

Others Present: Patrice Beckham, Aaron Chochon, Larry Langer, Cavanaugh Macdonald; Jason Ellement, Jim Van Heuit, John Jackson, Mike Joecken, Callan Associates; Andrea Knickerbocker, Department of Employee Relations, City of Milwaukee; Patrick McClain, City Attorney's Office; Eric Pearson, Budget Office; Terry Siddiqui, DS Consulting, Inc.; 12 members of the public called in.

**Special Meeting**

**New Business.**

**Presentation by Patrice Beckham and Larry Langer of Cavanaugh Macdonald Consulting Regarding the Five-Year Experience Study.**

As a matter of information, Board members received from Cavanaugh Macdonald the "Experience Study Results: Economic Assumptions" and the "CMERS' Funding Policy Discussion" presentation booklets.

Ms. Beckham presented to the Board on the topics of Background of Economic Assumptions, the CMERS Experience Study, Purpose of Experience Study, Selection of Assumptions, Actuarial Standard of Practice Number 27, Economic Assumptions Building Block Method, Inflation Assumption, Historical Price Inflation, Future Inflation Expectations, Peer Group Comparison Inflation Assumptions, Recent Inflation Issues, and Selected Metrics of Expected Rates of Inflation.

Mr. Langer then gave a presentation on Investment Return Assumption, CMERS Historical Fiscal Year Returns, Peer Group Comparison, Distribution of Current Investment Return Assumptions, Change in Average and Median Investment Return Assumptions, Considerations for Expected Return, Recommended Investment Return Assumption, Distribution of Expected Future Nominal Returns, Summary of Findings: Investment Return Assumption, Considerations in Setting Investment Return Assumption, Cost Impact of Changes, UAL Payment Increase, CMERS Total Covered Payroll, Administrative Expenses, and Summary of Recommended Economic Assumptions.

Discussions ensued throughout both presentations.

Mr. Bell called for a break at 10:50 a.m.

Mr. Bell resumed the meeting at 11:00 a.m.

Mr. Klusman made a motion to invite Callan and Cavanaugh Macdonald personnel to attend the closed session regarding the ERS Executive Staff Compensation. Ms. King seconded the motion. Ms. Ford questioned whether the Board should first have a discussion among Board members. Mr. Klusman then withdrew his motion to include Callan and Cavanaugh Macdonald personnel for closed session. Board members then decided to invite the Callan and Cavanaugh Macdonald personnel to the ERS Executive Staff Compensation closed session at the September 28, 2022 Board meeting.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employe over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

### **ERS Executive Staff Compensation.**

It was moved by Mr. Klusman and seconded by Mr. Kovac to convene in closed session. The motion carried by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Klusman, Konrad, Kovac, and Bell. NOES: None.

The meeting convened in closed session at 12:16 p.m.

The meeting re-convened in open session at 12:54 p.m.

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

There being no further business, Mr. Bell adjourned the meeting at 12:54 p.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.)