

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

Minutes of the Administration and Operations Committee Meeting  
held March 23, 2023 via teleconference during COVID-19

The meeting was called to order at 8:31 a.m.

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

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

Others Present: Jason Coyle, Darlene Middleman, Baker Tilly; David Anderson, Ray Emry, Bill Judd, Dan Ludwig, CliftonLarsonAllen; Kathy Block, Travis Grisham, City Attorney's Office; Terry Siddiqui, DS Consulting Partners, Inc., no members of the public called in to the meeting.

**Election of Vice Chair.** Mr. Klusman nominated Ms. King as Vice Chair of the Administration and Operations Committee. Ms. Sawa seconded the nomination. Ms. Sawa asked three more times for nominations. There being no further nominations, nominations were closed and a unanimous vote was cast for Ms. King as Vice Chair of the Administration and Operations Committee. Ms. King accepted the position again this year.

**Approval of Wells Fargo Extension Amendment.** As a matter of information, Committee members received the Third Amendment to the Service Agreement Between The Employees' Retirement System of the City of Milwaukee and Wells Fargo Bank, N.A. Ms. Turk noted the old contract needs to be extended another three months to give Ms. Block time to complete the new contract. Ms. Block stated the amendment would be on the same terms as the prior extension which is on the same terms as the prior contract. She spoke with Wells Fargo to see if any of their internal terms need to be amended since the last contract was executed.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of Wells Fargo Extension Amendment.

Ms. Sawa then took the meeting out of order to agenda items VIII. and IX.

Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following items 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.

**Approval of Eide Bailly Contract.** It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried to convene in closed session by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 8:37 a.m.

**Approval of DS Consulting Contract.** It was moved by Ms. Klusman, seconded by Ms. King, and unanimously carried to convene in closed session by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee reconvened in open session at 8:54 a.m.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of DS Consulting Contract.

Ms. Sawa returned the meeting to agenda order at item III.

Please be advised that the Administration & Operations Committee may vote to convene in closed session of 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 and in Section 19.85 (1)(f), when considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Administration & Operations Committee may then vote to reconvene in open session following the closed session.

**Baker Tilly Financial Audit.** As a matter of information, Committee members received the Baker Tilly 2022 audit planning document.

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

The Committee convened in closed session at 8:56 a.m.

The Committee reconvened in open session at 9:18 a.m.

**CliftonLarsonAllen (CLA) Internal Audit Status Report Presentation – 2022.** As a matter of information, Committee members received the CLA Internal Audit Update for the Employees' Retirement System of the City of Milwaukee.

Mr. Emry noted that in 2022, a Benefit Payroll Process Audit was completed as well as five IT audit reports. He noted all the 2022 Audit Plan projects were completed and on budget. Ms. Sawa commented that would move into closed session for the details on the five IT audit reports.

Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(i), Wisconsin State Statutes, for considering all matters related to acts by businesses under s. 560.15 which, if discussed in public could adversely affect the business, its employees or former employees. The Committee may then vote to reconvene in open session following the closed session.

**CliftonLarsonAllen (CLA) IT Audit Reports Presentation – 2022.** As a matter of information, Committee members received the 2022 Cybersecurity Assessments document.

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

The Committee convened in closed session at 9:22 a.m.

The Committee reconvened in open session at 9:49 a.m.

Ms. Sawa passed the virtual gavel to Ms. King and Ms. Sawa left the meeting at 9:49 a.m.

**Approval of Close out of 2022 Budget.** As a matter of information, Committee members received the Final 2022 Payment to the City and 2022 Budget to Actual Expenditures Memorandum. Mr. Gopalan stated that the City processes the invoices for the ERS and the ERS, on a monthly basis, reimburses the City for those expenses. Mr. Gopalan noted the actual expenses for 2022 were \$17,297,096.20 and of that, \$461,041.14 relates to non-trust activities. He noted those non-trust activities relate to the Group Life program, Retiree Health, Administrative Expenses, and the legacy pension plan of PABF. He said that leaves \$16,836,055.06 funded by the Trust for 2022. He added that CMERS previously reimbursed the City \$15,426,000.00 toward those costs in 2022, leaving a balance owed of \$1,410.055.06. He concluded that this final amount payable to the City is comprised of costs incurred since the middle of December, the last time the Trust reimbursed the City for expenses and for amounts accrued to close out the fiscal year. Mr. Gopalan said the motion is to approve the payment of \$1,410.055.06 to the City. Discussion ensued.

It was moved by Mr. Klusman and seconded by Ms. King, to approve the Approval of Close out of 2022 Budget.

**Review of RFP for Internal Audit.** Ms. Turk said the RFP is similar to the previous one and the only changes are to do with background information. Mr. Allen commented they use Bonfire software for the RFP and hope to get a good response.

**IT Projects Portfolio.** As a matter of information, Committee members received the IT Projects and Ticket Statistics, as well as the IT Portfolio. Mr. Shober discussed individual items on the reports.

**Organizational/Personnel Update.** Ms. Johnson noted there is a vacancy for a Lead Pension Specialist due to a retirement. She said it was opened up citywide as a transfer promotion and the applicant deadline is March 31. Mr. Allen said the vacancy was approved by the Finance and Personnel Committee. Discussion ensued.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to adjourn the meeting.

There being no further business, Ms. King adjourned the meeting at 10:08 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.)