

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

Minutes of the Administration and Operations Committee Meeting
held April 18, 2023 via teleconference during COVID-19

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

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

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

Others Present: Matthew Bell, Timothy Heling, Annuity and Pension Board Trustees; Terry Siddiqui, DS Consulting Partners, Inc., no members of the public called in to the meeting.

Approval of Draft ERS 2024 Budget. As a matter of information, Committee members received from Mr. Gopalan the “Summary of 2024 Draft Budget Request as compared to 2023 Adopted Budget and 2022 Actual Expenditures.” Also, as a matter of information, Committee members received from Mr. Gopalan the “Analysis of 2024 Operating Expenditure and Equipment Draft Budget Request as compared to 2023 Authority and 2022 Actual Expenditures.” Mr. Gopalan also provided Committee members with the “2024 Non-Trust Recommendations for City Budget.”

Mr. Gopalan went over the main changes for the 2024 Budget compared to the 2023 Budget. He said the overall increase on the 2024 Budget is about \$271,000 more than the 2023 Adopted Budget. He noted there were two main drivers for the increase with the first one being salaries and fringe benefits. Mr. Gopalan said DER completed market studies and reclassifications for the ERS. Mr. Gopalan commented that the clerical and IT staff still needs to be done so he also incorporated that into the 2024 Budget. He said because the salaries went up \$900,000, that will also increase the cost attributable to the Fringe Rate. Mr. Gopalan said the Fringe Rate is the same as 2023 and the City has set it at 25% for a \$300,000 increase for General City. He added that the Professional Services went up \$241,000 due to the increase in the number of investment manager fees paid by vouchers. He said investment managers are paid via two methods, either as a deduction from the value of the Fund’s investment in a respective investment vehicle, or with invoices done through the Comptroller’s office with vouchers. Mr. Gopalan said for Equipment Purchases, the request is for \$713,000 compared to over \$2 million in 2023 due to replacement cycles in the IT equipment.

Discussion ensued regarding Subscriptions and Publications, Investment Manager Fees, and City Attorney Fees.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of Draft ERS 2024 Budget.

There being no further business to come before the meeting, it was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to adjourn the meeting.

Ms. Sawa adjourned the meeting at 9:26 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.)