

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

Minutes of the Administration and Operations Committee Meeting  
held March 20, 2025 via teleconference

The meeting was called to order at 9:02 a.m.

Committee Members Present: Timothy Heling, Chair  
Bill Christianson  
Justin DeCleene

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

Others Present: David Anderson, Daniel Ludwig, Brian Pye, CliftonLarsonAllen (CLA); Alex Foundos, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; three members of the public called in to the meeting.

**Election of Vice Chair.** Mr. Heling nominated Mr. Christianson as Vice Chair. Mr. Christianson accepted the position of Vice Chair of the Administration & Operations Committee.

The Chair took the meeting out of order to the 2024 Cybersecurity Assessments.

Mr. Heling advised that the Administration & Operations Committee may vote to convene in closed session on the following item (II.D.), as provided in Section 19.85(1)(d), Wisconsin State Statutes, to consider "strategy for crime detection and prevention." The Administration & Operations Committee may then vote to reconvene in open session following the closed session.

**2024 Cybersecurity Assessments.**

It was moved by Mr. Christianson, seconded by Mr. DeCleene, and unanimously carried, to convene in closed session.

The Committee convened in closed session at 9:02 a.m.

The Committee re-convened in open session at 9:22 a.m.

The Chair returned the meeting to order.

**CliftonLarsonAllen (CLA) Audit Reports Presentation – 2024.** Mr. Ludwig, Engagement Director, noted Mr. Anderson leads the Cybersecurity practice and Mr. Pye is a principal in the Risk Services Group. Mr. Ludwig gave an Executive Summary to the Committee and said a number of audits have been completed, including the Benefit Payroll Audit and the Contributions Audit. He noted a couple of audits, the Business Continuity/Disaster Recovery Process and the IT General Controls Audit (including SOC 1 and 2) are near completion and will be presented at the June A&O meeting. Discussion ensued.

**Internal Audit Update.** Mr. Ludwig gave an Executive Summary and then went over the 2024 Audit Plan and gave a preview of the 2025 Audit Plan for Q1 through Q4 in 2025.

**Benefit Payroll.** Messrs. Ludwig and Pye spoke on the topics of Background; Internal Controls Assessment Objectives and Scope; Procedures Performed; Audit and Assessment Results – Executive Summary; Observations, Recommendations, and Management Responses; and Appendix which included process maturity definitions. He stated there were no internal control deficiencies identified during the testing or for any of the areas in the past.

**Contributions Audit.** Mr. Ludwig stated this audit involves other agencies of the City of Milwaukee. He gave a presentation on Background; Internal Controls Assessment Objectives and Scope; Procedures Performed; Audit and Assessment Results – Executive Summary; and Observations, Recommendations, and Management Responses; and Appendix which included process maturity definitions.

**Approval of Lumen Contract Amendment.** Ms. Turk said ERS received five or six quotes for fiber service and it was determined that Lumen was preferable. She said City Attorney Mr. Foundos drafted the amendment to the contract. Mr. Shober said Lumen's service has been satisfactory for the ERS and a cutover to a different vendor would be problematic. Ms. Turk said this vendor was the least expensive. Mr. Foundos drafted the amendment and reviewed the underlying contract which began in September 2016 and has been extended since then. He said this amendment would extend the contract for three years, and increase the not-to-exceed amount by \$50,000 to accommodate the anticipated costs. It was moved by Mr. Christianson, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Lumen Contract Amendment.

**Approval of Contract Amendment with Managed Medical Review Organization (MMRO).** Mr. Petropoulos said in the past, ERS would handle collection, collating, and organization of medical records used in the disability program. He said, because it took a long time, they hired in 2016 a vendor to assist. Mr. Petropoulos said members grant access to medical records from providers and possibly from across the country. He said the Medical Council then reviews the records. Mr. Petropoulos noted the records are digitized and sent to MMRO. He stated the contract had been extended twice and MMRO sent a proposal to extend the contract. Mr. Petropoulos said utilizing MMRO avoids delays in processing disability claims. Mr. Foundos reviewed the initial contract and the fourth amendment states the contract will be extended for a term of five years, with the not-to-exceed amount at \$465,000 to accommodate anticipated costs and updates the confidentiality requirements to abide by what the ERS requires. It was moved by Mr. DeCleene, seconded by Mr. Christianson, and unanimously carried, to approve the Approval of Contract Amendment with Managed Medical Review Organization (MMRO).

**Approval of Close out of 2024 Budget.** Mr. Gopalan presented the close out of the 2024 Budget. He said the ERS has an inter-governmental agreement with the City for the payment of the Administrative expenses. Mr. Gopalan said the City pays the ERS' administrative expenses upfront for salaries and invoices, but the City is reimbursed on a monthly basis by the ERS. He noted that at year-end, the ERS settles up with the City. Mr. Gopalan said the budget includes any expenses incurred after the last payment in December 2024. He added that for 2024, the ERS' total expenditures were \$19,569,804.93. Mr. Gopalan said, included in that amount, is \$706,251.47 of non-trust expenses which are expenses for non-pension benefit plans, such as Group Life, Retiree Health, and new for 2024, are the WRS-related expenses for software programming for managing the contributions and reporting WRS pensionable wages. He said the remaining \$18,863,553.46

represents the total amount of expenses incurred by the ERS pension trust for 2024. He said in 2024, the ERS reimbursed the City \$17,740,000.00 which leaves a balance due to the City of \$1,123,553.46 for expenses incurred after the December 20, 2024 payment and it includes expenses accrued in January for investment management fees the ERS pays. Discussion ensued. It was moved by Mr. Christianson, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Close out of 2024 Budget.

**Approval of RFQ for External Auditor – Employer Schedules Pursuant to GASB 68.** Mr. Gopalan said the ERS has two financial reports which get audited every year. One is the Annual Comprehensive Financial Report (ACFR) for GASB 67 for pension-related disclosures and under Act 12, the Legislative Audit Bureau is required to audit the ERS going forward. He noted the second report is for the Employer Schedules of pension amounts by employer, which requires the employers who are part of the ERS to put their pension expenses and unfunded liability on their books. Mr. Gopalan said, since the audit ended late last year, it was decided to issue an RFQ rather than an RFP, and the ERS is looking for an outside accounting firm to audit the schedules the GASB audit disclosures. Mr. Christianson added that Act 12 does not speak to whether the LAB has to do GASB 68. Discussion ensued. Mr. Heling noted that most city agencies pay in January due to interest being added. It was moved by Mr. Christianson, seconded by Mr. DeCleene, and unanimously carried, to approve the Approval of RFQ for External Auditor – Employer Schedules Pursuant to GASB 68.

**IT Projects Portfolio.** As a matter of information, Committee members received the IT Projects Portfolio. Mr. Shober discussed the ongoing and completed IT projects.

**Organizational/Personnel Update.** Mr. Heling stated that there are no ERS vacancies.

It was moved by Mr. Christianson and seconded by Mr. DeCleene to adjourn the meeting.

Mr. Heling 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.