

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

Minutes of the Administration and Operations Committee Meeting
held March 19, 2026 via teleconference

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

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

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

Others Present: John Barmore, ERS Annuity and Pension Board Trustee; Lauri Rollings, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.

Election of Vice Chair. Mr. Christianson asked for nominations for Vice Chair of the Administration and Operations Committee Meeting. Mr. Heling nominated Mr. DeCleene for Vice Chair. Mr. Christianson asked two additional times for nominations for Vice Chair of the Administration and Operations Committee Meeting. Mr. Christianson then declared Mr. DeCleene Vice Chair of the A&O Committee. He congratulated Mr. DeCleene and Mr. DeCleene stated he accepted the position of Vice Chair.

Approval of Close out of 2025 Budget. As a matter of information, Committee members received a memo from Mr. Gopalan regarding the "Final 2025 Payment to the City and 2025 Budget to Actual Expenditures." Mr. Gopalan stated the memo explained the 2025 expenses and budget. He provided background information and said there is an interagency agreement with the City of Milwaukee where the Comptroller pays all the administrative expenses, including payroll, and any invoices the ERS receives which are sent to the Comptroller for approval and then go to the Treasurer's office for payout. Mr. Gopalan stated it is a good agreement that gives an extra layer of oversight on the ERS' expenses and gives the City a peek into what the ERS is doing and strengthens the ERS' relationship with the City. He noted the Comptroller pays the ERS' bills as they come in, and every month the ERS reimburses the City for expenses accrued to date, and every month the ERS makes a payment to the City to reimburse for those expenses. Mr. Gopalan said the memo reconciles all of ERS's expenses, what was paid to the City, and any balance due. He said for 2025, the ERS total budget was \$24,526,723.00. Mr. Gopalan said of that amount, ERS spent \$20,347,415.54 and was under budget. He noted that of the \$20 million, ERS identified \$694,375.08 of Non-Trust Expenses that are not attributable to ERS which include any expenses related to WRS (Wisconsin Retirement System), Group Life, and Retiree Health. Mr. Gopalan said the ERS only reimburses the City for ERS' costs so the final ERS' expenses were \$19,653,040.46.

He stated ERS had previously advanced the City \$18,635,000, leaving ERS with an outstanding balance of \$1,018,040.46. Mr. Gopalan concluded that an approval is needed for that final payment. Discussion ensued.

It was moved by Mr. Heling, and seconded by Mr. DeCleene to approve the Approval of Close out of 2025 Budget. The motion was adopted by unanimous consent.

Approval of Change of Vendor for the Retired Public Safety Officer Insurance Premium Deduction Program. As a matter of information, Committee members received a memo from Mr. McClain regarding the “Change of Vendor for the Retired Public Safety Officer Insurance Premium Deduction Program.” Mr. McClain stated Staff is asking the Committee to approve a change to the third-party administrator for the Retired Public Safety Officer Insurance Premium Deduction Program. Mr. McClain provided background on this program and said in 2006, the federal government passed the Pension Protection Act which allowed defined benefit plans to deduct certain insurance premiums from public safety officer retiree benefits. He noted in 2007, the Common Council amended Chapter 36 to allow ERS to implement this plan, but granted the Board rule-making authority over the process. Mr. McClain stated the Board responded by creating Board Rule XIX.H. which requires that the Administration & Operations Committee and the Board play a process in approving both insurance carriers and third-party administrators who wish to enroll ERS retirees in insurance coverage. He provided a brief overview of the process and said the Executive Director must determine whether any third-party administrator or insurance carrier seeking to participate in the program meets certain criteria that are created under the rule. Mr. McClain said if the Executive Director makes that determination, the Executive Director is required to present the request to the Administration & Operations Committee. He stated the A&O Committee then approves the Executive Director releasing member information to the third-party administrator and insurance carrier. Mr. McClain noted if it is the first time any organization is applying, that organization must show that they have been able to enroll or gotten the interest of at least five percent of the eligible members. He said if that is the case, the Board is allowed to permit the carrier and third-party administrator to participate in the program. He said in 2013, the Board approved the current insurance carrier, MetLife, for participation, and at the same time approved a company called Source1 as the third-party administrator. Mr. McClain said Source1 provides enrollment and disenrollment information to the ERS. Source1 sends a file of participating members each month, and ERS deducts the required premiums for those members and transfers them directly to MetLife. Mr. McClain noted the reason this item is before the Committee today is that in February 2026, Source1 was acquired by Gallagher Benefits and can no longer serve as third-party administrator. He said the longtime Vice President Jack Byrnes of Source1 created a new entity called Haymarket Specialty Benefits in order to continue providing third-party administrator services to ERS members under this program so the program could continue in its current form, just with a different organization serving as third-party administrator. Mr. McClain said Haymarket is now requesting to take over that third-party administrator role. He said that Staff recommends that the Committee approve the request. Mr. McClain said there are four criteria that any third-party administrator or insurance carrier has to meet in order to qualify for participation in the program. He noted that Haymarket does meet the criteria which Mr. McClain described. Mr. McClain said first, while Haymarket is a new entity, its leadership and key staff are essentially the same as Source1 which has provided third-party administrator services since 2013 and meeting the five-year threshold for being in business. He said the change is one of

name over function, with the same people performing the same services. Second, Mr. McClain noted there is no indication that Haymarket is insolvent. Third, Haymarket has not been rated by the Better Business Bureau so that factor does not technically apply. And fourth, there is no indication that a principal of Haymarket has committed fraud or dishonesty. He said that, based on these factors, Staff recommends approval of Haymarket's request. Mr. McClain said if the Committee approves the request, it will go to the Board next week for final approval. He stated in order to ensure that there is no interruption in the payment of insurance premiums for members who participate in this program, ERS would run the same enrollment file as last month so there is not a gap in premium payments. Mr. McClain concluded that if the Committee and Board approve the change, ERS will send out a letter to all program participants noting the change in third-party administrator, although there is no practical effect for anybody.

It was moved by Mr. DeCleene, and seconded by Mr. Heling to approve the Approval of Change of Vendor for the Retired Public Safety Officer Insurance Premium Deduction Program. The motion was adopted by unanimous consent.

Mr. Christianson advised that the Administration and Operations Committee may vote to convene in closed session on the following item, as provided in Section 19.85 (1) (e), Wisconsin Statutes, for deliberating or negotiating 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.

Consider, Discuss, and Potentially Approve Recommendation Regarding the Results of RFQ for Actuary.

It was moved by Mr. Christianson, and seconded by Mr. Heling to convene in closed session. The motion prevailed by the following roll call: AYES: Messrs. Christianson, DeCleene and Heling. NOES: None.

The Committee convened in closed session at 9:14 a.m.

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

It was moved by Mr. Heling, and seconded by Mr. Christianson to approve the Recommendation Regarding the Results of RFQ for Actuary. The motion was adopted by unanimous consent.

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

Organizational/Personnel Update. Mr. McClain noted the ERS is looking to fill one vacant position for the Benefit Services Coordinator position. He noted the ERS is in a daisy chain of promotions, showing that people want to stay at the ERS and that the ERS is preserving that institutional knowledge. Mr. McClain said that a lot of the Staff started in one position and has worked in two or three positions, moving their way up in the organization. He said it is outstanding to see that employees have familiarity with multiple sections within the office. Mr. McClain noted

the outstanding cross-organizational knowledge which is present at ERS. He stated Katrina Bailey was promoted to the position of HR Administrator in the middle of 2025 and Michelle Carr was then promoted to the Lead Disability Specialist in October 2025 to fill the position vacated by Katrina. Mr. McClain said that LaToya Johnson was promoted to the Disability Specialist – Senior position in December that was vacated by Michelle. He said the ERS is now seeking to fill LaToya’s position and then the ERS will be up-to-date.

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

Mr. Christianson adjourned the meeting at 9:30 a.m.

Patrick J. McClain
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.