

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

Minutes of the Regular Meeting  
held March 25, 2026 via teleconference

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

Board Members Present:           John Barmore  
  Matthew Bell, Chair  
  Bill Christianson  
  Justin DeCleene  
  Timothy Heling  
  Rudolph Konrad  
  Nik Kovac

Board Members Not Present:       Deborah Ford (arrived 9:07 a.m.)

Retirement System Staff Present: Patrick McClain, Executive Director  
  Daniel Gopalan, Chief Financial Officer  
  Gust Petropoulos, Deputy Director - Disability  
  David Silber, Chief Investment Officer  
  Erich Sauer, Deputy Chief Investment Officer  
  Keith Dickerson, Pension Investment Analyst - Senior  
  Thomas Courtright, Pension Investment Analyst – II  
  Robin Hayes, Pension Accounting Manager  
  Mary Turk, Business Operations Analyst  
  Jan Wills, Board Stenographer

Others Present: Lauri Rollings, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., 11 members of the public called in to the meeting.

**Approval of Minutes.**

**Regular Meeting Held February 26, 2026.**

It was moved by Mr. Barmore, seconded by Mr. Christianson, and unanimously carried, to approve the minutes for the Regular Meeting Held February 26, 2026.

**Chief Investment Officer Report.** Mr. Sauer noted the Fund ended the month of February with a value of \$6.74 billion. He said the Fund return of 1.7%, net of fees, outperformed by approximately 33 basis points. Mr. Sauer said the main relative performance driver was Public Equity Style Bias which added 41 basis points, and Small Cap, Value, and International all went in the Fund's favor. He said for Manager Selection, the DFA Strategies collectively added 14 basis points. Mr. Sauer said partially offsetting that, within what is now called Private Real Estate, Principal was terminated at the beginning of February. Their benchmark is a part of the Private Real Estate benchmark and he said that will continue until the end of the quarter because the policy was set to

change the benchmark at quarter end. This resulted in a Style Bias within that asset class this month, so that underweight to the Principal benchmark detracted 19 basis points. He said the Fund underperformed over the one- and 20-year time periods, while outperforming or in-line in all other time periods. He stated as of March 24, 2026, markets have pulled back based on uncertainty with the war in Iran and the Fund is down 3.4% month-to-date, which brings the Fund to a flat year-to-date return, and the Fund value to \$6.51 billion. Mr. Sauer noted seven out of the Fund's 12 active mandates are outperforming year-to-date. He said the Public Equity Asset Class, along with the Total Fund, are exceeding their respective benchmarks year-to-date, net of fees. Mr. Sauer said year-to-date, the Fund had a change in the value of investments of \$7.1 million, received contributions of \$213.5 million, and paid out benefits and expenses of \$86.2 million. He said benefits this month would be paid from the Fund's cash balance. Mr. Sauer noted he had one correction to make from what went out in the Board packet for the cash flow statement page that is sent out every month. He stated there was a formula error which meant that it showed a \$4.2 million dollar contribution to AQR in March and that was erroneous, so there were no withdrawals or contributions or in March.

Mr. Silber reminded Board members about the upcoming April 16 Investment Committee Meeting. He noted it is an important meeting as he said the Board would be interviewing the Core Fixed Income Manager search finalists. Mr. Silber asked Committee members to set aside 9:00 a.m. to 1:00 p.m. that day and encouraged Committee members to meet in person that day. He discussed the Fund and the markets. Mr. Silber referred the Committee to the two charts on a slide – the ERS asset allocation as of the end of February and the relative weights versus the targets. He said that asset allocation is the main driver of a fund's risk and return profile. Mr. Silber said the Committee spent a lot of time evaluating the Fund's asset allocation as part of the glide path analysis that was approved last year. He noted that investors do not have any control over what the markets do, but they do have control over the risk they take. Mr. Silber said, looking at the ERS' asset allocation, the Fund's allocations are in the spirit of the risk and return targets that comprise the Fund's strategic asset allocation targets. He pointed out the Fixed Income allocation of 35.9%, which is 3.9% overweight the 32.0% target, and noted it is the biggest risk dampener for the Fund. Mr. Silber said the guidelines typically permit a maximum of 35% in Fixed Income, but as a result of the Principal issue, Staff asked for permission, and the Board approved, to temporarily allow up to a 5% overweight in Fixed Income at the January Board meeting. Mr. Silber said at the end of February, before the volatility happened in March, Staff was taking advantage of the flexibility to go overweight Fixed Income, and that has helped the Fund in this case. He noted the Real Assets underweight is largely due to the Principal issue as well. Mr. Silber also noted the underweight to Absolute Return, 1% overweight to Public Equity, and 0.9% overweight to Private Equity, noting that Private Equity is illiquid. Mr. Silber said inherent in asset allocation is liquidity and risk and he talked about how the higher allocation to Fixed Income acts as both a risk reducer and a liquidity enhancer, which puts the Fund in a great liquidity position. He said after asset allocation, each asset classes' structure is the next most important driver of risk and return, and commented that the Committee's ability to finish the Fixed Income structure at the end of last year could not have been better from a timing perspective because it allowed the Fund to implement the desired Fixed Income exposures before this recent market downturn. Mr. Silber said he is pleased with how the Fixed Income and Public Equity structures are performing in this volatile market environment, and commented that it has been great to see the majority of the Fund's Public Equity managers, and the Public Equity allocation as a whole, outperform their respective benchmarks year-to-date in a challenging time period for stocks. Mr. Silber provided a summary showing the asset allocation in

four different time periods: end of 2024, June 2025, end of 2025, and the estimate for February 28<sup>th</sup>, and at the far right of the slide, a comparison between the February 28, 2026 values to the December 31, 2024 values. Mr. Silber emphasized how much the Fixed Income and cash allocations have changed over these time periods, and noted that it is consistent with the Committee's efforts to de-risk the portfolio. He said 14 months is not a huge amount of time, but what the Committee has done with the portfolio during this time is pretty meaningful and is expected to help the Fund navigate a volatile time period like this better than before. Discussion ensued.

**Administration & Operations Committee Report.** Mr. Christianson said the first item was the election of the Vice Chair in which Mr. DeCleene was elected as Vice Chair. He said the Committee also recommended for approval the Close out of the 2025 Budget after a presentation from Mr. Gopalan. Mr. Christianson stated they also heard from Mr. McClain on a change of vendor for the Retired Public Safety Officer Insurance Premium Deduction Program, which was also recommended for approval. He concluded there was a closed session discussion to Consider, Discuss, and Potentially Approve Recommendation Regarding the Results of RFQ for Actuary. He said this item was recommended for approval.

**Approval of Close out of 2025 Budget.** It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to approve the Approval of Close out of 2025 Budget.

**Approval of Change of Vendor for the Retired Public Safety Officer Insurance Premium Deduction Program.** It was moved by Mr. Bell and seconded by Mr. Christianson. Mr. Barmore stated he would like to be on the record as recusing himself as he benefits from that program. He said he helped set up the program and believes it is a win-win for the members. Mr. Barmore thanked the Board for the support. The motion and second was carried by the Board to approve the Approval of Change of Vendor for the Retired Public Safety Officer Insurance Premium Deduction Program.

**Consider, Discuss, and Potentially Approve Recommendation Regarding the Results of RFQ for Actuary.** Mr. McClain stated there is a memorandum in the Trustees' packets that explains the recommendation of Staff and, as Mr. Christianson indicated, there was also recommendation from the Committee for approval. He stated that if anyone has any questions about specifics in that memo or any of the data that are appended to it, closed session would be appropriate. Mr. McClain said if nobody has any questions, a motion and vote would also be in order. Mr. Bell asked if any Board members or Staff thought the Board should go into closed session for discussion or any questions or comments regarding this item.

Mr. Barmore asked if the submittals were ranked one through the number of submittals in the case of the contract being terminated down the road and having to go to number two or number three. Mr. McClain stated "no" was the short answer and if Mr. Barmore wanted more details, the Board could go into closed session to discuss this. Mr. McClain added that the companies were ranked in order of the quote provided; there was some discussion of additional factors but there was not a formal ranking based on those additional factors. He said if there is more discussion needed about those factors, that is certainly something he would recommend going into closed session for. Mr. Barmore stated he would like to make a motion to go into closed session.

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) (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 Board may then vote to reconvene in open session following the closed session.

It was moved by Mr. Barmore, seconded by Mr. Bell, and unanimously carried to convene in closed session. The motion prevailed by the following roll call vote: AYES: Ms. Ford; Messrs. Barmore, Bell, Christianson, DeCleene, Heling, Konrad, and Kovac. NOES: None.

The Board convened in closed session at 9:31 a.m.

The Board re-convened in open session at 9:40 a.m.

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Recommendation Regarding the Results of RFQ for Actuary.

**Legislative Committee Report.** Ms. Ford stated that at the Special Meeting of the Legislative Committee, the Committee made some changes to the rules to clarify the role of the Chief Investment Officer in terms of responsibility and reporting. She said it gives the Chief Investment Officer authority to execute contracts. Mr. McClain added that the amendments to require a final approval from the Board per the Board Rules.

**Review, Consider, and Make Recommendations Regarding Amendment to Board Rule II.C.6.** It was moved by Ms. Ford, seconded by Mr. Konrad, and unanimously carried, to approve the Recommendations Regarding Amendment to Board Rule II.C.6.

**Review, Consider, and Make Recommendations Regarding Amendment to Board Rule VII.G.2.c.** It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Recommendations Regarding Amendment to Board Rule VII.G.2.c.

#### **New Business.**

**Retirements, Death Claims, and Refunds (February).** Mr. McClain presented the following activity for the month of February 2026.

Administrative Withdrawal	\$9,467.90
Full Refund	\$78,881.79
Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00

Ordinary Death Benefits reported	\$0.00
Retired Death Benefits reported	\$11,195.62
Survivor Death – Termination Benefits reported	\$9,248.47
Refund of Member Contributions paid	\$27,473.23

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Retirements, Death Claims, and Refunds report for February 2026.

**Conference Requests – March 25, 2026 Board Meeting.** Mr. Bell presented the conference requests for February.

Erich Sauer, Thomas Courtright	Aptitude Due Diligence
Sponsor:	Aptitude
Location:	Seattle, WA
Date(s):	June 2-3, 2026
Estimated Cost:	\$1,500.00 per person
David Silber	2026 Neuberger Investment Leaders’ Summit & Private Markets Annual Investors’ Meeting
Sponsor:	Neuberger Berman
Location:	New York, NY
Date(s):	June 15-17, 2026
Estimated Cost:	\$2,400.00
Keith Dickerson, Justin DeCleene	UBS Due Diligence & MFS Meeting
Sponsor:	UBS
Location:	London, UK
Date(s):	June 27-July 1, 2026
Estimated Cost:	\$3,750.00 per person

Mr. Bell noted Mr. Christianson also had a request to attend the NCPERS Advanced Fiduciary Institute conference sponsored by NCPERS in Las Vegas, Nevada from May 16-17, 2026 at a cost of \$2,200.00.

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the four Conference Requests – March 25, 2026 Board Meeting.

## Medical Reports.

### All Duty & Ordinary Disability Applications & Re-examinations (March 2026).

Mr. Petropoulos presented certifications (March 2026) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Scott Hoth	Approval
Thomas Locke	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Yolanda Thomas	Approval
Sherry Tomasello	Approval

It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations for March 2026.

## Unfinished Business.

**Pending Legal Opinions and Service Requests Report.** Ms. Rollings said there is nothing to report on this item.

**Pending Legislation Report.** Mr. McClain said the rule changes listed in both parts two and three were taken care of by the Board just a moment ago. He stated there is no change to the Pending State Legislation as of late last week when he checked. Mr. McClain concluded he did not have any additional comments.

**Pending Litigation Report.** Ms. Rollings said she has quite a lengthy report on Pending Litigation this month because there has been quite a bit of activity since the last meeting. She stated there would be some discussion of strategy and other issues so she noted it would be appropriate to consider these items in closed session.

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)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

It was moved by Mr. Barmore, seconded by Mr. Heling, and unanimously carried to convene in closed session. The motion prevailed by the following roll call vote: AYES: Ms. Ford; Messrs. Barmore, Bell, Christianson, DeCleene, Heling, Konrad, and Kovac. NOES: None.

The Board convened in closed session at 9:51 a.m.

Mr. DeCleene recused himself at 11:10 a.m. from a portion of the closed session.

The Board re-convened in open session at 11:42 a.m.

Ms. Ford left the meeting at 11:42 a.m.

**Executive Director's Report – Inventory of ERS Projects.** As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the Board Secretary and by reference incorporated as part of these minutes.

Mr. Konrad let the Board members know that this was his last meeting. He stated he asked Council President Perez to appoint someone in his place after being on the Board for 12 years. Mr. Konrad said he would like to thank the leadership of ERS and the Staff for laying the groundwork for the Board to do a good job and that they could not do the job at all without all of their help and assistance and support. He thanked the Board members for taking all the time to sit on the Board. Mr. Konrad said he was retired so it was easy for him to attend meetings, but for those who have work, especially some who are police and fire members, it is a large burden for them. He concluded with a thank you. Mr. Bell said he appreciated Mr. Konrad mentioning something and stated Mr. Konrad brought to this Board, year in and year out, his level of institutional knowledge. He said Mr. Konrad's bringing things up from the 80s and 90s when decisions were made and being able to reference those and said he was very comforted in knowing that Mr. Konrad was a part of the Board with his incredible knowledge and skill. Mr. Bell noted Mr. Konrad always brought up crucial questions and opinions which Mr. Bell valued tremendously and he thanked Mr. Konrad for his service. Mr. Barmore thanked Mr. Konrad and said he was a great man with a tremendous amount of service. Mr. Barmore stated prior to other City Attorneys, Mr. Konrad was a City Attorney to the Pension Board and did an outstanding job and has been supportive and part of the team and is a great Trustee. Mr. Barmore thanked Mr. Konrad. Mr. McClain added that he thought the Board and Staff had Mr. Konrad for one more month but that there would be an item on the next Board agenda. He stated when one looks at some of the most important legal opinions related to the retirement system, Mr. Konrad's name is at the bottom of them. He mentioned even though the Board is losing Mr. Konrad as a Trustee, his mark on this system will live on, long into the future. Mr. McClain stated that a lot of stability of this Fund and of the system itself, is attributable to wise decisions that Mr. Konrad made 10, 20, 30 years ago. Mr. McClain thanked Mr. Konrad for everything he has done and said he learned so much from him and wished him the best of luck moving forward. Mr. Kovac noted that he has always been impressed with the questions Mr. Konrad asked and thanked him for his years of service, both for the City and now in his retirement, for the Pension Board. Mr. Kovac said it is very appreciated and thanked Mr. Konrad.

**Informational.**

- 1) Conferences.
- 2) Class Action Income 2026 YTD.
- 3) Minutes of the Investment Committee Meeting Held February 12, 2026.
- 4) Minutes of the Special Legislative Committee (Committee of the Whole) Meeting Held February 26, 2026.

The following is a list of activities since the last Board meeting, copies sent with meeting notice and attached to minutes:

- 5) Report on Bills.
- 6) Securities Lending Revenue and Budget Report.
- 7) Preliminary Performance Report and Asset Allocation.

Mr. Bell accepted and placed the Informational items on file.

There being no further business to come before the meeting, it was moved by Mr. Konrad and seconded by Mr. Barmore to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:58 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.)