

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

Minutes of the Regular Meeting
held April 29, 2026 via teleconference

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

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

Board Members Not Present: Rudy Konrad (excused)

Retirement System Staff Present: Patrick McClain, Executive Director
 Daniel Gopalan, Chief Financial Officer
 Gust Petropoulos, Deputy Director
 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 March 25, 2026.

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried to approve the minutes for the Regular Meeting Held March 25, 2026.

Chief Investment Officer Report. Mr. Sauer noted the Fund ended the month of March with a value of \$6.48 billion. He said the Fund return of -3.3%, net of fees, underperformed the blended benchmark by approximately 47 basis points. Mr. Sauer said the main relative performance drivers within Manager Selection were Private Equity which detracted 34 basis points. He noted the fourth quarter Private Equity reports have an extended time frame because the underlying managers have to do their audited financial statements, so CMERS does not get those Private Equity reports until a May or June time frame. Mr. Sauer said what CMERS is doing this month is comparing a zero Private Equity return to a benchmark that is positive. He said the Hedge Fund of Funds in the

portfolio collectively detracted 14 basis points. Mr. Sauer noted a bright spot within Manager Selection was Public Equity, and the managers held up well in a down market as only three managers underperformed their benchmarks and one of them was only by a very small amount. He said the Fund's overall allocation was a detractor, and that was primarily due to the underweight to Real Assets which detracted 13 basis points. Mr. Sauer said the Fund underperformed over the one- and 20-year time periods, while outperforming or in-line in all other time periods. He said for April, the Fund has seen a nice bounce back and through April 28, 2026, the Fund return is 2.9% month to date, which brings the year-to-date return to up 3.1%, and the Fund value to \$6.67 billion. Mr. Sauer noted eight out of the Fund's 12 active mandates are outperforming year-to-date. He said the Public Equity and Fixed Income asset classes 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 \$206.2 million, received contributions of \$217.6 million, and paid out benefits and expenses of \$131.4 million. He said they would not be making any withdrawals this month and benefits will be paid from the Fund's cash balance.

Mr. Silber said the Investment team is juggling a lot right now in addition to the typical day-to-day work. He noted there is an internal and external audit going on now. Mr. Silber said they are providing the typical support to their accounting colleagues for the budget and financial statements. He stated the team worked hard on the Fixed Income search, which the Committee was a part of a couple weeks ago. Mr. Silber said behind the scenes they are working closely with Callan on a Public Equity Structure study, which will be presented by Callan at the May 7 Investment Committee meeting. He said the investment team members have all balanced work travel as well. Mr. Silber added he feels really good about how the team is handling everything and about the quality of the reports and information the team is providing the Board. He said today there are a lot of eyes on the market because there is a Federal Open Market Committee (FOMC) meeting which is widely expected to be Chairman Jerome Powell's last meeting, at least as Chairman of the Federal Reserve. Mr. Silber said the FOMC is not expected to make any changes to interest rates today.

Investment Committee Report. Mr. Heling said at its April 16th meeting, the Investment Committee interviewed four investment managers as part of the Fixed Income Manager search. The investment managers interviewed were PPM America, Inc., Income Research + Management, Galliard Capital Management, LLC, and Baird Advisors. He said the Committee selected one finalist in closed session and directed ERS Staff to conduct due diligence and coordinate legal negotiations with the preferred Fixed Income Manager. Mr. Heling noted the selection is contingent on successful due diligence and contract negotiations. He said Staff also provided a performance update for the Fund. Mr. Heling said the Investment Committee recommends approval of the following item: 1. Consider, Discuss, and Potentially Approve Selection of Fixed Income Manager or Managers.

Consider, Discuss, and Potentially Approve Selection of Fixed Income Manager or Managers.

The Board did not convene in closed session as noticed.

It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried to approve the Selection of Fixed Income Manager or Managers.

New Business.

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

Administrative Withdrawal	\$32,424.23
Full Refund	\$159,100.64
Active Death Benefits reported	\$0.00
Deferred Death	\$24,563.03
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$73,477.02
Retired Death Benefits reported	\$17,569.65
Survivor Death – Termination Benefits reported	\$12,002.68
Refund of Member Contributions paid	\$86,385.62

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

Conference Requests – April 29, 2026 Board Meeting. Mr. Bell presented the conference requests for April.

Erich Sauer,	New Fixed Income Manager
Keith Dickerson	Due Diligence
Sponsor:	New Fixed Income Manager
Date(s):	May 20-21, 2026
Estimated Cost:	\$1,000 per person

David Silber	In3 Leaders Symposium
Sponsor:	BlackRock
Location:	Chicago, IL
Date(s):	June 10, 2026
Estimated Cost:	\$300.00

Mr. Bell stated that an additional request was made for Mr. McClain to attend the NCPERS Chief Officers Summit in Newport Beach, CA from June 15-17, 2026 at an estimated cost of \$2,600.00.

Mr. Silber said that he and Mr. Courtright would like to make Due Diligence visits to MFS, Loomis Sayles, and Prologis in Boston, MA from July 28-30, 2026 at an estimated cost of \$2,000.00 per person.

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the four Conference Requests – April 29, 2026 Board Meeting.

Approval of Draft ERS 2027 City Budget Request. As a matter of information, Board members received the ERS “Summary of 2027 Draft Budget Request as compared to 2026 Adopted Budget and 2025 Actual Expenditures.” Mr. Gopalan went over the Draft and noted that, for 2027, the ERS is requesting a budget of \$25,610,294, which is an increase of \$997,434. He said the increase can be explained in three main areas. Mr. Gopalan said the first one is for an increase of \$225,472 for total salaries for the budgeted raises. He stated General City got a 3% raise and City residents also got an additional 1% increase. Mr. Gopalan said a few positions within ERS were reclassified at a higher pay rate as well. He noted the Fringe Benefit rate is 45% and based on ERS salaries, so the requested Fringe rate is approximately \$100,000 higher. Mr. Gopalan stated the Facility Rent is projected to be \$62,000 less. He said a new lease was signed for the remote office and it came in much lower than expected, and the common area maintenance (which is part of the rent) has remained steady for the last few years. Mr. Gopalan said the big item is Professional Services and the ERS is requesting an increase of \$854,500. He said most of that is for higher projected investment manager fees. Mr. Gopalan said the performance fees are projected to go down slightly, but the overall assets are higher so the ERS is projecting a higher amount for the ERS investment fees. He stated the last item is Equipment and there is a projected \$115,000 decrease compared to 2026. Mr. Gopalan said the ERS plans to complete its network refresh and redesign in 2027, so the equipment expenses are expected to go down. He said the ERS also has some non-ERS projects it is responsible for providing in the budget. Mr. Gopalan said the PABF closed in 2024 when the last member passed away. ERS is still tracking down a couple of beneficiaries, but the PABF will be closed this year or next year. He noted the ERS does not have the number yet for the Employer’s Pension Contribution, but the actuary Mr. Langer will be here in June to talk about the actuarial valuation. Mr. Gopalan said for the Group Life Insurance Premium, he kept it the same, but the City is actually doing an RFP this year, so the number could change once the RFP goes through and the contract has been signed. He said the last item is the Retirees’ Benefit Adjustment Fund, which is the Firemen’s Annuity and Benefit Fund and there are one or two members remaining in that Fund. Mr. Gopalan concluded that will be closing pretty soon, just like the PABF.

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried to approve the Approval of Draft ERS 2027 City Budget Request.

Approval of Resolution for Retiring Annuity and Pension Board Trustee Rudolph Konrad.

WHEREAS, Rudolph Konrad, retired Deputy City Attorney, served with integrity, vigor, and distinction as a Trustee on the Annuity and Pension Board (Board) of the Employees’ Retirement System of the City of Milwaukee continually from June 2014 until March 2026, and faithfully and

conscientiously discharged his duty to solely represent the interests of all the Members and Beneficiaries of this System during his tenure of office; and

WHEREAS, Rudolph Konrad served with superior skill, diligence, and legal acumen, as the Board's General Counsel from December 2002 until his appointment to the Board in 2014 and ably advised the Board and defended the interests of ERS members and beneficiaries in numerous litigation matters brought against the System, exhibiting exceptional proficiency and unwavering commitment to this assignment; and

WHEREAS, Rudolph Konrad served as Chair of the Legislative Committee from 2015 through 2019, Vice Chair of the Board from 2018 through 2020, and Board Chair in 2021, his extensive knowledge of pension benefits enabled him to make many valuable contributions to the Annuity and Pension Board and the well-being of the Employees' Retirement System of the City of Milwaukee and its tens of thousands of participants, including and especially his diligent stewardship in pursuing adequate funding for the System; and

WHEREAS, Rudolph Konrad served on the Investment Committee throughout his tenure on the Board, assisting in the development of the Employees' Retirement System's Strategic Asset Allocation which has generated hundreds of millions of dollars of long-term returns in excess of its benchmark for the exclusive benefit of the System's Members and Beneficiaries; and

WHEREAS, Rudolph Konrad exhibited the courage, discipline, and composure necessary to preserve and adhere to the Board's Investment Policy, despite the Global COVID-19 Pandemic Crisis and inflationary aftermath and guided the System safely through perilous times with a steady hand; and

WHEREAS, Rudolph Konrad's departure is a great loss to the Annuity and Pension Board and all the Members and Beneficiaries of the Employees' Retirement System of the City of Milwaukee; therefore, be it

RESOLVED, by the Annuity and Pension Board that it hereby expresses its deep and sincere appreciation and gratitude to Rudolph Konrad for his invaluable, selfless and loyal service; and be it

FURTHER RESOLVED, that this resolution be recorded in the permanent records of this Board and that a suitably engrossed copy be forwarded to Rudolph Konrad. This is adopted April 29, 2026.

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried to approve the Approval of Resolution for Retiring Annuity and Pension Board Trustee Rudolph Konrad. Mr. Heling noted an administrative correction in the first paragraph to change March 2025 to March 2026. Mr. McClain said that adjustment will be made.

Medical Reports.

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

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

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Bryan Norberg	Approval
Kristopher Sardina	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Timothy Newman	Approval
Thomas Repaci	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Tarji Heard	Approval
Brandon Purdy	Approval
Corliss Shaw	Approval
Leann Wolfe	Approval

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

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Ms. Rollings said there was a Legal Opinion request for a 1% Residency Incentive Pay and the City Attorney’s office is working on that opinion. She noted there was also a Service Request for assistance in negotiating and drafting a contract with Cavanaugh MacDonald for actuarial services and the City Attorney’s office is also working on that request. Mr. McClain had a comment on the 1% Residency Incentive Pay and said the reason legal guidance is requested, as many of the Trustees will remember, is due to previous lengthy litigation over what constituted “current annual salary” for purposes of Duty Disability Retirement benefits. That litigation produced guidance from the Wisconsin Supreme Court about how to interpret the phrase “current annual salary.” The new 1% Residency Incentive Pay raises the same issue, just in a different and more complicated way. Discussion ensued.

Pending Legislation Report. Mr. McClain said there was a notable pair of updates on the Legislation Report. He said the three proxy voting-related pieces of state legislation have all failed to pass. Mr. McClain said these were first introduced last year and introduced a series of onerous administrative regulations on the Plan in relation to proxy voting that would have been unworkable, and would have also imposed additional responsibilities on the proxy advisory firms.

He said neither of those measures have passed and he is not aware of any new formulation of them having been introduced. Mr. McClain said ERS will continue monitoring to see if any related legislation is introduced in the future.

Pending Litigation Report. Ms. Rollings said there has not been as nearly as much activity this month as in the previous month. She stated she did not anticipate the need to move into closed session, but can entertain a motion if any Board members have questions that would require a closed session. Ms. Rollings said under Part 1, *MPA and Kurt Lacina v. City of Milwaukee, et al*, the respondents' filed their response to the City's Petition for Review in the Supreme Court of Wisconsin on March 30, 2026. She noted briefing has been completed in that case and the City is awaiting the Supreme Court's decision on whether to accept the case which will take several months for them to decide. For the next case of *Benjean Lara v. City of Milwaukee, et al*, Ms. Rollings said the City's deadline to file the City's response to their Petition for Review in the Supreme Court of Wisconsin, is Friday, May 1, 2026, and Ms. Rollings will file the City's response on Thursday, April 30, 2026. She added that Mr. Lara filed the Petition for Review in the Supreme Court of Wisconsin on April 17. Ms. Rollings noted the ERS is still in a holding pattern on the third item under Part 1. She said for Part 2 (ERS Administrative Appeal Hearings through the City Attorney), in relation to the Jason E. Rodriguez Administrative Case, ERS sent a letter to Mr. Rodriguez on April 9 asking him to come into the ERS office and sign new Medical Information Authorization forms. Ms. Rollings said the City of Milwaukee received a decision from an Administrative Law Judge (ALJ) that was discussed in great detail last month, essentially finding that the two statutory gatekeeping criteria had been met, determining that he had met the extraordinary stress standard under the state statute and his injury was duty-related. She noted the ERS sent him a letter letting him know that the ERS could resume processing his application now that the ALJ's decision has been received. Ms. Rollings said Mr. Rodriguez has indicated in a follow-up phone call with Mr. Petropoulos that he received the letter and forwarded it to his attorney. ERS is awaiting further communication from Mr. Rodriguez or his attorney regarding whether they will move forward with the Medical Council process. She concluded for the Frank Lockett Administrative Case, there is an appeal hearing scheduled for May 12, 2026.

The Board did not convene in closed session as noticed.

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.

Informational.

- 1) Conferences.
- 2) Class Action Income 2026 YTD.
- 3) Minutes of the Administration & Operations Committee Meeting Held March 19, 2026.

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

- 4) Report on Bills.
- 5) Securities Lending Revenue and Budget Report.
- 6) 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. Bell, seconded by Mr. Christianson, and unanimously carried to adjourn the meeting.

Mr. Bell adjourned the meeting at 9:48 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.)