



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

May 18, 2022

MEMORANDUM

TO: Chris Lee, Staff Assistant
Finance and Personnel
Office of the City Clerk

FROM: Bernard Allen, ERS Executive Director

SUBJECT: Communication File regarding amending the 2022 Positions Ordinance

We are submitting this communication file requesting a change to the 2022 Positions Ordinance to add one position of Pension Investment Analyst - Sr. The position will be funded through the Pension Trust. We are requesting this file be heard at the May 25th Finance & Personnel Committee meeting.

The challenges and demands placed on the existing 4-person Investment Team that reports to the Annuity and Pension (Board) continue to increase substantially. The Investment Team's responsibilities include, but are not limited to 1.) Developing appropriate recommendations, alongside the Investment Consultant, for the Board to consider with respect to investing the approximately \$5.8 billion Pension Fund (Fund), 2.) Monitoring the Fund's approximately 23 investment managers, 3.) Developing and implementing rebalancing decisions to make sure the Fund's allocation doesn't take more risk than desired by the Board, 4.) Working with the custodian and investment managers to ensure the Fund's cash balance is always sufficient to pay the roughly \$38 million a month promised to its beneficiaries, and 5.) Preparing and presenting performance information.

The Investment Team is proud of the important contributions it has made to help the Fund 1.) Generate returns that rank amongst the top 25% of its public fund peers, 2.) Exceed its benchmark net of fees, and 3.) Generate annualized net of fee returns above 8.8% over the majority of time periods in the past 10 years ending in March 31, 2022. The Investment Team, with the support of the Board, believes that adding a 3rd Pension Investment Analyst - Sr. FTE is important because it will provide the resources necessary to 1.) Conduct more in-depth investment manager due diligence, 2.) Produce more timely and useful reporting on the Fund's investments and performance, and 3.) Spend more time on Strategic analyses focused on improving asset allocation decisions, asset class structure analysis, and risk oversight. We appreciate your consideration of this request.

Please amend the 2022 Positions Ordinance to add the following position:

Dept./Position Title

Add

EMPLOYES' RETIREMENT SYSTEM
Management Support Services

Pension Investment Analyst - Sr

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MGJ