Milwaukee County Employees' Retirement System (ERS)
June 18, 2026 Actuarial, Audit, and Risk Committee Meeting
MINUTES

Call to Order
Committee Chair Joshua Benson called the Actuarial, Audit, and Risk Committee meeting to order at 10:02 a.m. on Thursday, June 18, 2026. The meeting was held virtually.

Committee Members Present:
Nicole Best
Joshua Benson

Other Pension Board Members Present:
Mark Grady (left at 10:52)

Others Present:
Erika Bronikowski, Retirement Plan Services
Jacob Augustine, Retirement Plan Services
Annamarie Kirsanoff, Retirement Plan Services
Jessica Culotti, Reinhart Boerner Van Deuren
Jennifer Pickett, Office of Corporation Counsel

1. **Topic: Chairperson's Report**

   Chair Benson delivered brief introductory remarks, noting that there was a relatively full agenda, and he confirmed that voting was required for motions when there were only two committee members present.

2. **Topic: Meeting Minutes – March 19, 2026**

   A motion by Trustee Best, seconded by Trustee Benson, was made to approve the March 19, 2026, Actuarial, Audit, and Risk Committee Meeting minutes. The motion passed unanimously.

3. **Topic: Status of Audit and Compliance Report**

   a. **CY2025 Annual Audit Status**

      Ms. Bronikowski provided a brief update on the calendar year 2025 audit, noting that the process is underway and progressing on a timeline consistent with prior years. She reported that requests from the Legislative Audit Bureau ("LAB") are being received and addressed, and that the audit was expected to come to a close in the next month. Ms. Bronikowski indicated that the audit is proceeding as expected with no major concerns at this time.

   b. **2024 Annual Audit Findings Update**

      Ms. Bronikowski provided an update on the status of the 2024 annual audit findings, noting that no status changes have occurred since the January report. She reported that eight findings and related recommendations were identified in the audit, with three items remaining open. Ms. Bronikowski indicated that two of the outstanding items are expected to be resolved through the risk assessment project and that the remaining item relates to an update to the Board's charter scheduled for review and update this year.

   c. **2025 Compliance Report**

      Ms. Bronikowski presented a status update for the 2025 Compliance Report, which reflects the Board's compliance with its policies, charters, and governance requirements. She noted that the report has been streamlined to highlight only outstanding items to assist the Committee in monitoring progress and identifying trends.

      Ms. Bronikowski reported that five items were identified as not in compliance for 2025. She explained that four items related to the review of the annual internal audit plan and comprehensive risk assessment, as well as the biennial review of internal audit effectiveness and review of investment controls. These items are all expected to be resolved through the risk assessment project.

Finally, Ms. Bronikowski stated that the noncompliance related to the 10-year actuarial audit will be addressed through a proposed policy update, as the LAB now conducts an actuarial audit every five years pursuant to state law.

4. **Topic: Review Annual Report**

Ms. Bronikowski presented the item. She explained that the draft report reflects the 2025 financial statements and GASB reporting and is undergoing final auditor review. She noted that the outstanding edits include formatting updates, integration of auditor feedback, finalization of the Subsequent Events section, and insertion of the link to the audit upon completion.

Trustee Benson moved to recommend to the Board to tentatively approve the Annual Report subject to final review by the Board Chair, Vice Chair, and Actuarial, Audit, and Risk Committee Chair. Trustee Best seconded and the motion carried unanimously.

5. **Topic: Financial Statement Estimate Use**

Ms. Bronikowski provided a summary regarding a request from the Comptroller's Office to accelerate issuance of the annual report and financial statements by one month. She outlined a process whereby financial statements would be prepared using estimates derived from the September 30 investment manager data adjusted through year-end. Variances between estimates and audited year-end statements would be documented each summer and evaluated against predetermined thresholds. She noted that this approach would introduce additional audit work, compress the annual timeline, and increase the operational burden on RPS staff during the busiest time of the year.

Committee members expressed concerns regarding audit risk, materiality thresholds, resource needs, and the reliability of estimates. Questions were raised regarding auditor consultation, variance tolerance, historical modeling, and whether parallel production of estimated versus fully audited statements could be attempted over multiple years. Discussion also included staffing limitations and whether temporary contracting or additional headcount might be necessary.

The Committee voted unanimously to refer the matter to the full Pension Board without recommendation. Motion by Trustee Benson, seconded by Trustee Best.

6. **Topic: Litigation Monitoring Services**

Ms. Bronikowski reported that this topic was intended to be an informational update from the Board's securities litigation monitoring provider, Levi & Korsinsky, LLP; however, the firm was unable to attend the meeting. She noted that, in preparation, she developed an explanatory memo outlining the procurement schedule to assist the Committee and Board in determining whether to pursue a competitive bid or continue with the current provider. Ms. Bronikowski indicated that this decision can be addressed at a future meeting and that Levi & Korsinsky, LLP, will be able to attend the June Board Meeting.

7. **Topic: Experience Study Cadence Review**

Ms. Bronikowski explained that a request was made at the May Board meeting to have an additional discussion on the frequency of experience studies. She explained that the Ordinances currently requires a five-year cycle, with the most recent experience study completed in 2022 and the next scheduled for 2027. She added that the closure of ERS and resulting shifts in active membership and salary dynamics may warrant more frequent studies or more targeted modeling.

Ms. Bronikowski presented three options including maintaining the current five-year timeline, shifting to a three-year cycle, or retaining the five-year framework while adding a mid-cycle targeted review. She also noted the need to include any changes as part of the actuarial services RFP to be issued in early 2027. The Committee requested additional information on cost differences and industry best practices and agreed to invite the actuary to the October 2026 Committee meeting for further discussion.

8. **Topic: Risk Assessment and Internal Audit RFP Update**

Ms. Bronikowski provided an update on the Risk Assessment and Internal Audit RFP, noting it had been reissued, had generated substantial responses, and that the evaluation is underway. A recommendation from the Evaluation Panel is expected for the September Board cycle.

9. Topic: Suspending Disability Retirement Benefits Pursuant to Rule 1010(c)

Ms. Bronikowski explained that each year RPS reaches out to members who are receiving Accidental Disability Retirement ("ADR") pensions to collect information on the amounts they earned from other employment. She explained there is a limit on how much an ADR pensioner may earn from outside employment.

Ms. Bronikowski further explained that RPS has requested this earned income information from ADR pensioners three times. She stated that there is one member who has not responded. Ms. Bronikowski clarified that it is not uncommon for RPS to have a few non-responders each year. However, Rule 1010(c) allows the Pension Board to suspend these individuals' ADR benefits until the individuals respond. Once RPS receives a response, they will reinstate the benefit and any missed payments.

Ms. Bronikowski stated she is requesting that the Committee recommend that the Pension Board authorize RPS to proceed with suspending the ADR benefits for those members who did not respond until RPS receives the earned income information from those members. She noted that the earliest these suspensions will go into effect is with the July payment and if the information is received by then, no suspension will occur.

Chair Benson made a motion to recommend to the Pension Board to authorize RPS to suspend payments for nonresponsive ADR pensioners. The motion was seconded by Trustee Best and passed unanimously.

10. Topic: Adjournment

The meeting adjourned at 11:12 a.m.