

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, APRIL 23, 2024 – 9:00 A.M.**

Special Notice: The meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

REGULAR MEETING

- I. Approval of Minutes.
 - A. Regular Meeting Held March 26, 2024.

- II. Chief Investment Officer Report.

- III. Investment Committee Report.
 - A. Approval of FactSet Client License Agreement as Amended.

- IV. Administration & Operations Committee Report.
 - A. Approval of Peraton Contract Amendment.
 - B. Approval of Draft ERS 2025 Budget.

- V. New Business.
 - A. Retirements, Death Claims, and Refunds (March).
 - B. Conference Requests – April 2024 Board Meeting.

- VI. Medical Reports.
 - A. All Duty & Ordinary Disability Applications & Re-examinations (April).

- VII. Unfinished Business.
 - A. Pending Legal Opinions and Service Requests Report.
 - B. Pending Legislation Report.
 - C. Executive Director's Report – Inventory of ERS Projects.

VIII. Informational.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VIII.A.), 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.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2024.
- D. Minutes of the Investment Committee Meeting Held February 8, 2024.
- E. Minutes of the Administration & Operations Committee Meeting Held March 20, 2024.
- F. Report on Bills.
- G. Deployment of Assets.
- H. Securities Lending Revenue and Budget Report.
- I. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, MAY 28, 2024 – 9:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held March 26, 2024.

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

Minutes of the Regular Meeting
held March 26, 2024 via teleconference

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

Board Members Present: Matthew Bell, Chair
Deborah Ford
Timothy Heling
Molly King
Thomas Klusman
Rudolph Konrad
Aycha Sawa

Board Members Not Present: Nik Kovac (excused)

Retirement System Staff Present: Jerry Allen, Executive Director
Melody Johnson, Deputy Director
Erich Sauer, Deputy Chief Investment Officer
Daniel Gopalan, Chief Financial Officer
Gust Petropoulos, Deputy Director – Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Larry Langer, Patrice Beckham, Aaron Chochon, Megan Skiles, Cavanaugh Macdonald; Erin Scharlau, Legislative Audit Bureau; Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., nine members of the public called in to the meeting.

Regular Meeting.

Mr. Bell acknowledged Ms. Sawa as it is her last Board meeting. Mr. Bell thanked Ms. Sawa for her service on the Board and expressed gratitude from the Board members as a group.

Approval of Minutes.

Regular Meeting Held February 27, 2024. It was moved by Ms. Sawa, seconded by Mr. Heling, and unanimously carried, to approve the minutes of the Regular Meeting Held February 27, 2024.

Chief Investment Officer Report. As a matter of information, Board members received the March 26, 2024 Performance Update. Mr. Sauer said the Fund as of February 29, 2024, had a value of \$5.89 billion. He said the Fund return of 1.0% in February, gross of fees, underperformed by approximately 21 basis points. Mr. Sauer said the main relative Performance Driver was the Fund's Style Bias in Public Equity which detracted 20 basis points, mainly from the Fund's Value Bias. He said within Manager Selection, Real Estate detracted 15 basis points as there was a negative

report in February from one of the core funds, Loomis Sayles added six basis points, and the overweight Cash position the Fund has been holding added six basis points. Mr. Sauer added the Fund has underperformed the benchmark in the year-to-date, and one-year periods, while outperforming in the five-, 10-, 15- and 20-year periods. He said as of March 25, 2024, the Fund return is 1.3% month-to-date, 2.2% year-to-date, and the Fund value is \$5.97 billion. Mr. Sauer noted nine out of 15 active mandates are outperforming year-to-date. He said the Fixed Income and Absolute Return asset classes are outperforming their respective benchmarks year-to-date. Mr. Sauer said the Fund has an investment change of \$133.6 million, paid benefits and expenses of \$84.2 million, and has received contributions of \$214.1 million. He said the Fund was overweight in Public Equity by half a percent going into March and stocks have continued to do well. Mr. Sauer said through March 25, the overweight has grown to 1.1%. He said that the monthly withdrawals for benefits would be redeemed from a few of the Public Equity managers who are up 7.7% to 9% year-to-date. He noted those monthly withdrawals are \$9.4 million from the BlackRock Global Alpha Tilts Fund, \$7.4 million from Northern Trust S&P 500, and \$4.5 million from Polen. He reminded the Board the next Investment Committee Meeting is April 18.

Administration & Operations Committee Report. Ms. Sawa summarized the Administration & Operations Committee Meeting from March 20 and stated Ms. King is continuing her role as Vice Chair of the Committee as she was elected by the Committee again. She said Ms. King would also be interim Chair for Ms. Sawa until a new Chair is elected following the expiration of Ms. Sawa's Term as Trustee on April 16, 2024. Ms. Sawa said the approval item for the Board is the Close out of the 2023 Budget and is recommended for approval by the Committee. Ms. Sawa asked Mr. Gopalan to go over the 2023 Budget and he stated for the year ended December 31, 2023, the total expenditures were \$18,348,432.30, and \$516,089.47 of that was related to non-trust activities. He said the remaining \$17,832,324.83 represents the final Trust expenses for 2023. Mr. Gopalan noted the ERS had previously advanced the City \$16,634,00, leaving a balance due of \$1,198,342.83. He concluded that Board approval is needed to pay the \$1,198,342.83. Discussion ensued.

Approval of Close out of 2023 Budget. It was moved by Ms. Ford, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of Close out of 2023 Budget.

Ms. Sawa continued with her Administration & Operations Committee Report and noted everything on the IT Portfolio is proceeding according to schedule. She said that the Investment Department is about to hire an Investment Pension Analyst – Senior. Ms. Sawa concluded that the Investment Department has two positions open for the Investment Pension Analyst – Senior position and one offer has been accepted.

New Business.

Retirements, Death Claims, and Refunds (February). Mr. Allen presented the following activity for the months of February 2024.

Administrative Withdrawal	\$17,500.49
Full Refund	\$96,160.66

Active Death Benefits reported	\$0.00
Deferred Death	\$7,141.83
Deferred Death-Member Only Refund	\$4,209.84
Ordinary Death Benefits reported	\$0.00
Retired Death Benefits reported	\$11,670.83
Survivor Death – Termination Benefits reported	\$9,702.74
Refund of Member Contributions paid	\$51,652.74

It was moved by Mr. Heling, seconded by Ms. Sawa, and unanimously carried, to approve the Retirements, Death Claims, and Refunds report for February 2024.

Conference Requests – March 2024 Board Meeting.

David Silber	2024 Neuberger Berman Conference and Goldman Sachs Due Diligence
Sponsor(s):	Neuberger Berman and Goldman Sachs
Location:	New York, NY
Date(s):	June 25 - 27, 2024
Estimated Cost:	\$1,850.00

It was moved by Mr. Konrad, seconded by Ms. Klusman, and unanimously carried, to approve the Conference Requests – March 2024 Board Meeting.

Approval of the Revised Actuarial Valuation Report as of January 1, 2023 for Determination of the Actuarially Determined Employer Contributions for 2024.

As a matter of information, Board members received from Cavanaugh Macdonald the “Results of the Second January 1, 2023 Actuarial Valuation for the City of Milwaukee Employees’ Retirement System.” Messrs. Langer and Chochon presented several topics including:

- Purpose of the Second January 1, 2023 Actuarial Valuation
- Purpose of an Actuarial Valuation
- Actuarial Valuation Process Reserve Funding
- Actuarial Valuation Process
- Events During Calendar Year 2022 Which Impacted Both the First and Second January 1, 2023 Actuarial Valuation Results
- The Impact of Act 12 is Reflected in the Second January 1, 2023 Actuarial Valuation Results
- Act 12 Resulted in Additional Changes to this Second January 1, 2023 Actuarial Valuation
- Impact of Events on the Second January 1, 2023 Actuarial Valuation

- Change in UAAL
- Change in Funded Ratio
- Change in Employer Contribution
- Comparative Summary of Assets and Liabilities
- Historical Funded Ratio
- Employer Contributions for Plan Year 2024 as of January 1, 2024
- Estimated Employer Contributions Allocated by Employer, Estimated UAAL: Based on FYE 2023 return of 10%, FYE 2024 returns of 6.8%, -3.2% and 16.8% and 6.8% beyond
- What a Difference a Year and Legislation Makes.

Mr. Langer mentioned four Key Takeaways from the presentation: Act 12 resulted in significant changes to the funding of CMERS; The January 1, 2023 Actuarial Valuation is used to determine *both* Plan Year 2023 and Plan Year 2024 Employer Contributions; With the elimination of the Stable Employer Contribution Policy under Act 12, expect employer contribution volatility; and As noted in the projections, the UAAL is expected to increase over the next few years with Employer Contributions increasing. Discussion ensued.

It was moved by Mr. Heling, seconded by Ms. King, and unanimously carried, to approve the Approval of the Revised Actuarial Valuation Report as of January 1, 2023 for Determination of the Actuarially Determined Employer Contributions for 2024.

The Chair called for a break at 10:37 a.m.

The Chair resumed the meeting at 10:47 a.m.

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 State Statutes, to deliberate or negotiate 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.

A. Discussion Regarding Current ERS Hearing Officer Appointments.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried to convene in closed session by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Heling, Klusman, and Konrad. NOES: None.

The Board convened in closed session at 10:48 a.m.

The Board reconvened in open session at 11:28 a.m.

Medical Reports. Mr. Petropoulos presented certifications (March 2024) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

All Duty & Ordinary Disability Applications & Re-examinations (March).Police – Applications – OrdinaryRecommendation

Matthew Drought
Effective 01/13/2024

Approval

Police – Re-examinations – DutyRecommendation

Brandon Baranowski
De Ronn Gillum

Approval
Approval

Police – Re-examinations – OrdinaryRecommendation

Tommy Wilson

Approval

Fire – Re-examinations – DutyRecommendation

Andrew Garncarz
Derek Geppert
Martin Kozlowski

Approval
Approval
Approval

Fire – Re-examinations – OrdinaryRecommendation

Samuel Uribe
Thomas Weinzierl

Approval
Approval

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations (March).

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain stated the report is a clean report this month as there are no Legal Opinions or Service Requests listed.

Pending Legislation Report. Mr. Allen said there is nothing to report this month.

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 ERS. Discussion ensued.

Approval of Cavanaugh Macdonald Book of Survivor Benefit Factors. Mr. Allen stated the Board previously approved, , actuarial tables and related survivor benefit factors as an outcome of the 2022 Experience Study that was presented in 2023. He said when the conversion to the updated survivor benefit factors was tested in MERITS, it was discovered that the way Merits was originally programmed was based on the approach used by the ERS’ former actuary.

Mr. Allen said the hard-coding that deals with the survivor benefit factors would have to be reconciled with the MERITS programing. He noted it would be a time-consuming and expensive approach. Mr. Allen said, that instead Cavanaugh Macdonald has issued a revised survivor benefit factor book which each of the Trustees received via a link to the www.cmers.com website so they could inspect the book. He said the book itself is over 600 pages of numbers. Mr. Allen said there are different permutations of factors based upon the age of the member and age of the survivor. He said another dimension is the percentage of the benefit elected by the member. Mr. Allen said most members elect 50% or 100%, maybe 75%. He said benefit elections can result in factor percentages that are not a whole integer. Mr. Allen noted when there is a death and there is a residual benefit to be paid, it can become a fractional percentage, for example, 74.12345% and as a result there are thousands upon of thousands of potential factors. To accommodate the potentially large number of factors he said MERITS calculates the factors in each individual case. Mr. Allen said, this may occur not only in the event of deaths, but for court orders for division of property in divorce cases, where the judge orders an ex-spouse receive a specific monthly amount, resulting in non-whole integer benefit percentages. He said Cavanaugh Macdonald has issued for the Board's approval, a new book of factors that conforms to the architecture of the system's programming. Mr. Allen noted the change in survivor benefit factors, from the Board's prior approval, is four decimal points to the right and is *de minimis*. He said Mr. Chochon was here to explain the survivor benefit factors as he crunched the numbers for the book.

Mr. Chochon said for the prior factor book, there was a single table used for different membership groups. He said in the past it made more sense, as there were not different mortality assumptions for different membership groups. Mr. Chochon noted the Society of Actuaries recently published mortality tables for public employees based on public plan experience so those were used to come up with separate mortality assumptions for safety members versus general members. He said a year ago they produced factors consistent with historical tables where there was cross-subsidization between general members and police and fire. Mr. Chochon said they presented more granular factors for the different membership groups and the mortality assumptions and male/female weighting assumptions. He said when the MERITS issue came up for Joint and Survivorship, there was interpolation for lower survivor benefit percentages. Mr. Chochon said for the residual death benefit, if the member and survivor pass away before the contribution balance is paid out, the death benefit is the remaining balance of the member's contributions. He noted the prior actuary decided it was *de minimis* and calculated only to the third decimal point, it was a small impact. Mr. Chochon said the survivor benefit factors matched to the third decimal place and the fourth decimal place was the one that was affected. He said after fine-tuning, Cavanaugh Macdonald's factors matched the interpolation in MERITS precisely. Discussion ensued.

It was moved by Mr. Klusman, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Cavanaugh Macdonald Book of Survivor Benefit Factors.

Informational.

Please be 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.

The Board did not convene in closed session as noticed.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2024.
- 4) Minutes of the Special Administration & Operations Committee Meeting Held February 27, 2024.

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) Deployment of Assets.
- 7) Securities Lending Revenue and Budget Report.
- 8) 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 and seconded by Mr. Heling, to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:54 a.m.

Bernard J. Allen
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.)

II.

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employees' Retirement System - April 23, 2024

Fund as of March 31, 2024

*Fund value of \$5.97b.

*Fund return of 1.9% in Mar., net of fees, underperformed by approximately 80bp.

*Primary Relative Perf. Drivers:
Manager Selection

Private Equity -159bp
Real Estate 30bp

Style Bias 19bp
Primarily Value

Overall Allocation 19bp

*Fund has underperformed the benchmark in the YTD and 1-year periods, while outperforming in the 5, 10, 15, and 20-year periods.

Apr. Update (as of 4/16/24)

*Fund return -2.6% MTD

*Fund return 0.1% YTD

*Fund value \$5.81b

*9 out of 15 active mandates outperforming YTD.

*Fixed Income and Absolute Return asset classes outperforming their respective benchmarks YTD.

*Investment Change: \$ 10.8m

*Benefits & Expenses: 124.4m

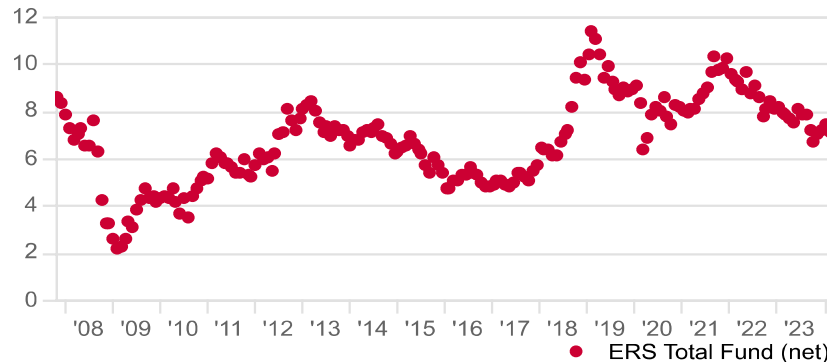
*Contributions: 216.8m

Monthly Withdrawals:

Benefits will be paid from cash this month.

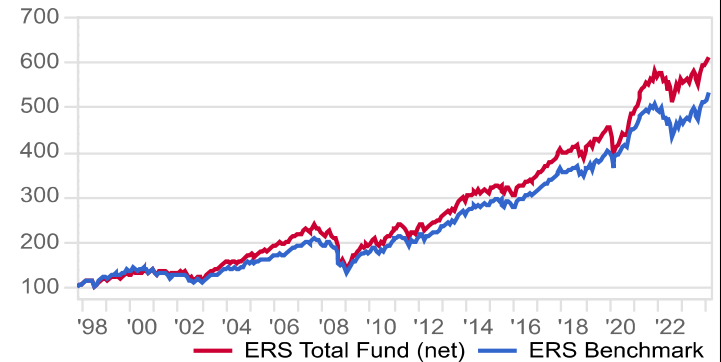
Total Fund - 10-Year Rolling Returns

11/28/1997 to 3/31/2024



Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 3/31/2024



Return Data

Source Data: Monthly Return

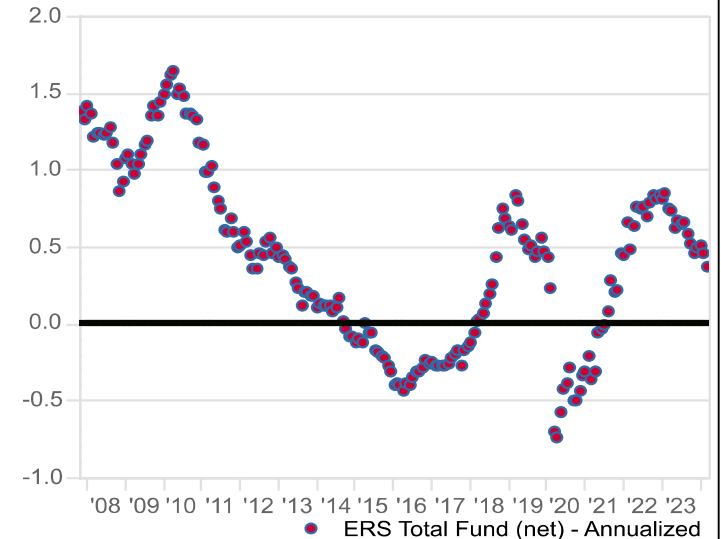
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	1.9	2.8	9.4	8.1	7.3	10.1	7.1
ERS Benchmark	2.7	3.9	12.0	7.8	6.9	9.4	6.8

Total Fund - 20-Year Risk & Return Data

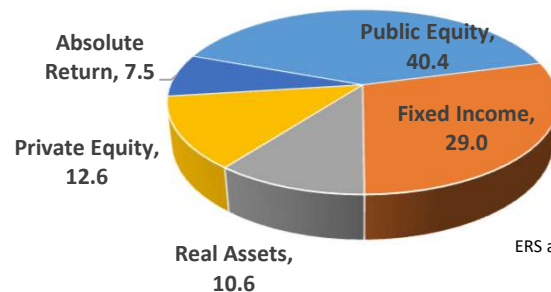
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.1	10.3	2.5	0.1	0.5	-0.3	1.1
ERS Benchmark	6.8	9.2	--	--	0.6	0.0	1.0

Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 3/31/2024

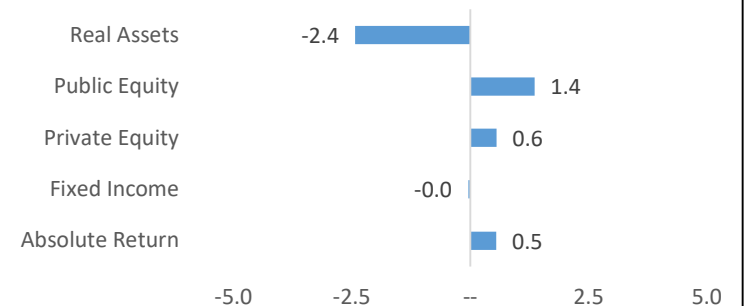


ERS Allocation as of March 31, 2024



ERS allocation weights may not total 100% due to rounding

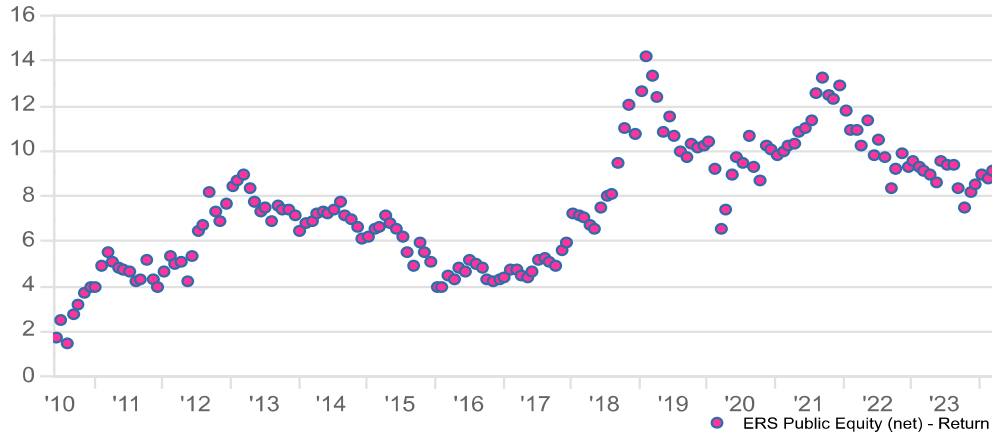
Asset Allocation vs Policy as of March 31, 2024



Milwaukee Employees' Retirement System - April 23, 2024

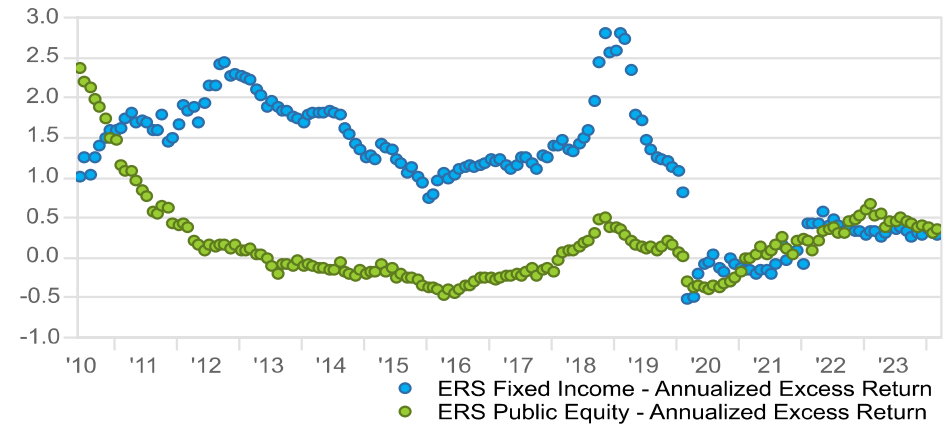
Public Equity - 10-Year Rolling Returns

06/30/2000 to 3/31/2024



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 3/31/2024



Return Data

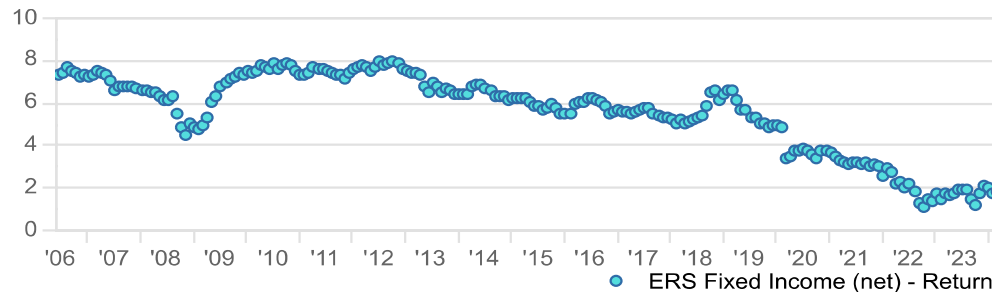
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	3.8	7.5	22.3	11.6	9.5	13.0	8.3
Public Equity (net)	3.8	7.5	22.0	11.2	9.1	12.6	8.0
Public Equity Benchmark	3.2	7.7	22.5	10.6	8.7	12.2	7.9
MSCI ACWI IMI NR USD	3.2	7.7	22.5	10.6	8.4	11.7	7.9

Risk Adjusted Returns (6/30/14 - 3/31/24)

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	8.9	15.6	0.5	-25.3
Fixed Income (net)	1.6	6.5	0.0	-13.6
Absolute Return (net)	5.9	9.4	0.5	-27.1

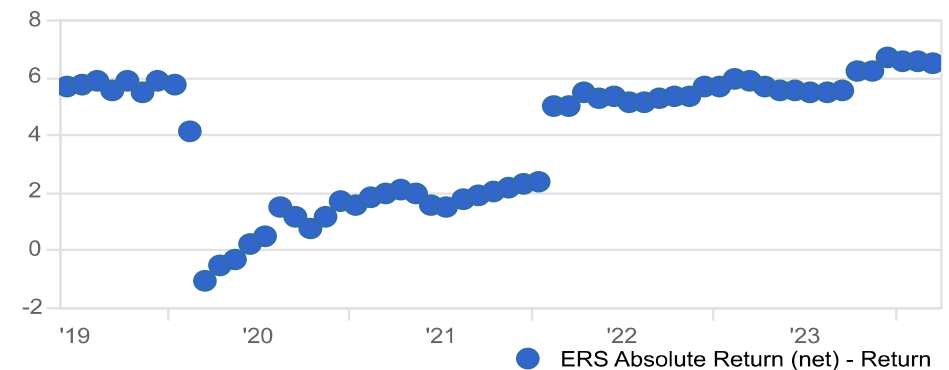
Fixed Income - 10-Year Rolling Returns

06/28/1996 to 3/31/2024



Absolute Return - 5-Year Rolling Returns

06/30/2014 to 3/31/2024



Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	0.9	-0.3	2.7	0.7	2.0	4.7	4.2
Fixed Income (net)	0.9	-0.3	2.6	0.6	1.8	4.6	4.1
Bbg US Agg Bond TR USD	0.9	-0.8	1.7	0.4	1.5	2.6	3.0

Return Data

	1 Month	YTD	1 Year	3 Year	5 Year	7 Year
Absolute Return (net)	1.3	3.4	9.1	13.3	6.5	6.0
90-Day T-Bill + 3%	0.7	2.1	8.5	5.9	5.1	5.0

III.

INVESTMENT COMMITTEE REPORT

- A. Approval of FactSet Client License Agreement as Amended.

FactSet[®] Client License Agreement Amendment

FactSet Research Systems Inc. 45 Glover Avenue Norwalk, CT 06850 T +1.203.810.1000 F +1.203.810.1001

Reference is made to the FactSet Client License Agreement, dated 14 March 2019, between EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE ("Licensee" or "You") and FactSet Research Systems Inc. ("FactSet" or "Licensor"), as amended from time to time (the "Agreement" or "License"). All terms used and not defined herein shall have the meanings assigned to them in such License. Except as expressly set forth herein, this Amendment shall not alter, modify, or in any way affect the terms contained in the License, all of which are ratified and affirmed in all respects and shall continue in full force and effect. As of 01 April 2024 the License is amended as follows:

Section 3.c of the License shall be deleted in its entirety and replaced with the following: "Upon 90 days' written notice, FactSet will raise your Annual Fees once every twelve months by the greater of 3% or the percentage increase in the United States Bureau of Labor Statistics' Consumer Price Index. Supplier increases to fees for access to Supplier data are not subject to the restrictions of this Section 3.c. If a Supplier increases its fees to FactSet, we will raise your fees for your access to that Supplier's data by that amount. If you object to a Supplier-imposed increase, you may terminate your access to that Supplier's data by notifying FactSet in writing within 30 days of receiving notice of the fee increase."

The last sentence of Section 4.c shall be deleted in its entirety and replaced with the following: "Licensee hereby allows FactSet to use its name and logo to identify Licensee as a client of FactSet on its website, industry event presentations, and marketing slide decks. Such use shall be subject to Licensee's standard name and logo usage guidelines, if the same have been communicated to FactSet. FactSet shall not disclose Licensee's use case or any of Licensee's Confidential Information. Otherwise, FactSet may leverage the name and logo listed on Licensee's website."

The following shall be added as Section 4.e of the License:

"The Service may include cognitive computing and generative artificial intelligence components ("GenAI"), including large language models ("LLM"). The Service will not include any publicly-exposed LLM. For any private LLMs or private-instances of public LLMs that are provided as part of the Service (each a "Private LLM"), unless otherwise agreed by Licensee and FactSet in writing, such Private LLM may only be trained using Licensee's Confidential Information if there is an instance of such Private LLM that is isolated from other clients and is expunged upon the termination of Licensee's subscription to the applicable Service in the same manner as Licensee's Confidential Information is expunged. The use of Licensee Confidential Information via a Retrieval Augmented Generation (RAG) technique, or via a vector database, or through an external plugin does not constitute training an LLM.

Licensee may not enter illegal, defamatory, or obscene input into any GenAI. FactSet GenAI provides users with the ability to submit queries using natural language and receive machine-generated responses in natural language format summarizing elements of data licensed as part of the Service, data provided by Licensee for use within the Service, and/or analytics performed on any such datasets using FactSet's tools. FactSet GenAI does not advise users on what actions to take or avoid. Without limiting the disclaimers set forth in the License, Licensee acknowledges and agrees that responses provided by GenAI: (i) may contain inaccuracies, including those unique to generative artificial intelligence products and services, and (ii) are provided only for informational purposes and do not constitute advice, rating, projection, or opinion with respect to any course of action, investment vehicle, financial instrument, or security by FactSet or any of its affiliates. Licensee's queries and responses will be logged to improve FactSet's products and services in the manner detailed below. FactSet will not fine-tune or train any LLM in an unsupervised fashion using Licensee's queries and responses, but may use humans to evaluate the natural language accuracy and context of responses in efforts to improve the Service based on user feedback on response accuracy. For the avoidance of doubt, Licensee's queries and responses will not influence the substance of responses given to any other client, as user queries and responses are isolated and protected. FactSet shall be under no obligation to expunge data relating to queries and responses so long as it is only used in accordance with this Section.

Licensee's use of data provided via the Service in any LLMs that are outside of the Service shall be permitted only to the extent specified in the applicable Schedule."



Schedule A

Licensee Company Name & Address:	Employees' Retirement System of the City of Milwaukee 789 North Water Street Suite 300 Milwaukee, Wisconsin 53202-3584			fdsCRM ID:	762874
Authorized Affiliates (include departments if relevant):	None			Authorized Locations:	Milwaukee, Wisconsin [762874]
Initial Term begins on:	01 Apr 2024	and ends on:	31 Mar 2026	Invoice Frequency:	Monthly in Advance
Cancellation Terms:	You or FactSet may cancel this License or a portion of it effective at the end of the Initial Term or the end of any renewal term by giving at least three full months' written notice in advance.				

Products:

Description	Qty	Annual Unit Price	Annual Unit Discount	Price Start Date	Price End Date	Currency	Annual Subtotal
Asset Owner Essential - Enterprise Solution	1	42,100	6,315	01 Apr 2024	31 Mar 2026	USD	35,785
Asset Owner - Essential	2	25,000	3,750	01 Apr 2024	31 Mar 2026	USD	42,500
FactSet Workstation - SPAR Only IM	1	5,000	0	01 Apr 2024	31 Mar 2026	USD	5,000

Service Notes:

1. Asset Owner Essential - Enterprise Solution includes access to:
 - a. FactSet's Portfolio Analysis engine for the calculation of standard- and client-configured analytics. Analytical capabilities span across asset classes and capabilities such as attribution, characteristics, and risk. They also include the integration of commercial content via the FactSet workstation. As a result, certain analytical functions and content sets may require additional licensing.
 - b. FactSet's Portfolio Services team and framework for the integration of client content from one primary source. This includes the design of Standard Operating Procedure (SOP) and workflow documentation, 24/7 proactive monitoring and communication, and access to Portfolio Services transparency tools for associated workflows.
 - c. The FactSet Investor Network platform facilitates the aggregation and distribution of portfolio data for up to 5 portfolios.
 - d. Enterprise Advanced Fixed Income Analytics provides access to advanced fixed income analytics. This includes the ability to run analytics based on a client-provided price, advanced fixed income attribution columns, and models, and the following analytics: key rate durations, scenario analysis, projected cash flows, and MAC calcs.
 - e. The automation and production of up to 250 monthly-equivalent Portfolio Analysis reports via FactSet's Portfolio Reporting Batching application.
2. Upon the expiration of the Initial Term, all discounts shall automatically expire. The expiration of any discount shall not be considered an increase in Fees pursuant to Section 3.c of the License.
3. Any additional products or services ordered shall be subject to Licensor's then-current rate-card pricing unless otherwise agreed by both parties in writing.



Agreed to by:
FACTSET RESEARCH SYSTEMS INC.

Signature (Duly authorized manager or officer)

Name (Please print or type)

Title (Please print or type)

Agreed to by:
EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

Signature (Duly authorized officer or partner)

Name (Please print or type)

Title (Please print or type)



FactSet[®] Client License Agreement

FactSet Research Systems Inc. 601 Merritt 7 Norwalk, CT 06851 T +1 203 810 1000 F +1 203 810 1001

Licensor:	FactSet Research Systems Inc. and its affiliates	Effective Date:	14 Mar 2019
Licensee:	EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE	CRM No.:	762874

This License with the Schedules to it are our complete agreement and supersede any previous agreement. Defined terms are in Section 11 below. You may accept these terms by signing below, or by clicking "I agree" if you are reviewing this License electronically. Your use of our Service also constitutes your acceptance of these terms.

The License

1. Scope

FactSet grants to you, the Licensee, the limited, non-exclusive, nontransferable right to use our Service under the terms of this License. Your Authorized Users are the only people authorized to use our Service under this License. FactSet will issue a free network ID for your IT Staff, who may access our Service solely for purposes of loading and maintaining the Service. IT Staff do not count towards any number limit of Authorized Users. FactSet and our third-party Suppliers own the components of the Service and retain all rights, including intellectual property rights, in the Service. We are licensing our Service to you, not selling it.

2. Term

- a. The Initial Term of this License is stated on your Schedule. After the Initial Term, this License will automatically renew for successive one-year periods unless you or FactSet cancel it in accordance with this License. You or FactSet may cancel this License or a portion of it effective at the end of the Initial Term or the end of any renewal term by giving at least three full months' written notice in advance. If you properly cancel any portion of the Service that you are permitted to cancel, your Schedule and Annual Fees will be deemed amended and reduced to reflect such cancellation. When this entire License terminates, for whatever reason, all Schedules will terminate on that same date. You or FactSet may cancel this License: (i) if the other party materially breaches this License and fails to cure or correct such breach within 30 days after receiving written notice; or (ii) upon the bankruptcy or bankruptcy-related event of the other party. Trials of our Service, if any, are limited to 30 days and are subject to the terms of this License, including the confidentiality terms set forth herein. You must permit FactSet to provide reasonable training and support to your Authorized Users at your Authorized Locations at least once each calendar quarter.
- b. When all or any portion of this License terminates, for any reason, you must: (i) delete all data, software and documentation associated with the terminated Service, except an Insubstantial Amount of Data used in accordance with Section 4.a and copies that you are required to keep for legal or regulatory compliance purposes; and (ii) promptly certify your compliance with this requirement in writing, if FactSet requests. You must use reasonable efforts to destroy any remaining data, including any Insubstantial Amount of Data used in accordance with Section 4.a, in accordance with your normal document destruction policies. If you are a CTS client, and a CTS product such as a data feed is terminated for any reason, you must grant FactSet reasonable access to the places you used the CTS product for the sole purpose of confirming that you have complied with this Section. FactSet will only do this once, during the 12-month period following termination, and we will accommodate your reasonable business, confidentiality and security rules.

The Fees

3. Fees

- a. You must pay the Annual Fees for the duration of the Initial Term and any period after the Initial Term for which this License remains active, together with any sales, use, excise, services, consumption, value-added and other applicable taxes other than any taxes based on FactSet's net income. If your License renews for any period beyond the Initial Term, your Annual Fees will be calculated under Section 3.c based on FactSet's then-current rates for your then-current subscriptions. Unless you have preauthorized charges to your purchasing card, you will receive a periodic invoice. You must pay the invoiced fees in full within 30 days of receipt of the invoice. You may order additional components of our Service if you pay the associated fees. Upon your payment of a revised invoice, the Annual Fees

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on your Schedule will be deemed amended to reflect the additional Services you ordered. FactSet may require you to execute a revised Schedule for extensive additional Services. If you believe your invoice is incorrect, you must notify FactSet in writing within 60 days of the due date of your invoice, otherwise you will be deemed to have agreed to the accuracy of your invoice.

- b. If you do not pay your invoiced and undisputed fees in full within the 60-day Grace Period following the due date of your invoice, you will owe FactSet interest in the amount of 1% per month on all overdue undisputed amounts, compounded monthly, beginning after the Grace Period, along with our reasonable collection costs and attorneys' fees.
- c. FactSet will raise your Annual Fees once each year on January 1st, by the greater of 3% or the percentage increase in the United States Bureau of Labor Statistics' Consumer Price Index. Supplier increases to fees for access to Supplier data are not subject to the restrictions of this Section 3.c. If a Supplier increases its fees to FactSet, we will raise your fees for your access to that Supplier's data by that amount. If you object to a Supplier-imposed increase, you may terminate your access to that Supplier's data by notifying FactSet in writing within 30 days of receiving notice of the fee increase.

The Data

4. Limitations and Protections

- a. You must not use or permit use of our Service for any unlawful or unauthorized purpose or to compete with any FactSet service. You must not download, copy, transfer, distribute, reproduce, reverse engineer, decrypt, decompile, disassemble, create derivative works from or make any part of our Service available to non-Authorized Users or third parties. However, you may download an Insubstantial Amount of Data from our Service on an ad hoc basis, to be used in the normal conduct of your business, such as in reports, charts, pitch books and similar presentations to your employees, customers, agents and consultants. Except to the extent expressly permitted by a Schedule, you may not (i) set up recurring, systematic or automated downloading or validation processes, or (ii) use the downloading functionality to create, enhance or maintain an internal database, feed an internal system, or as a substitute for licensing the Service or any portion of it. Use of the Service for validation of the accuracy of any data set that is owned by you or a third party is only permitted on an ad hoc basis using an Insubstantial Amount of Data. You are not permitted to share FactSet IDs or passwords or use common workstations or kiosks.
- b. You shall provide such information as FactSet may reasonably request to ascertain your compliance with the terms of this License. FactSet may require you to certify in writing the accuracy of the information you provide as well as your compliance with the terms of this License. Notwithstanding anything to the contrary, FactSet may immediately limit, restrict or suspend your access to any portion of the Service without credit or refund if, in FactSet's sole reasonable judgment: (i) you fail to provide the information or certification as set forth above, or (ii) your use of any portion of the Service is in material breach of this License.
- c. You must not use any trademarks, service marks, names, logos, or other identifiers from the Service without permission, except that you must follow our attribution guidelines if you wish to use any data from our Service in your reports or presentations. We have posted our attribution guidelines for you here: <http://www.factset.com/about/resources/attribution>. You must keep all copyright, trademark, service mark and other proprietary notices in our Service and you must not modify our Service in a way that would constitute an infringement of any third party's intellectual property rights. FactSet will not use your name or marks without your permission.
- d. You must comply with the additional terms required by Suppliers for your use of Supplier data through the Service: www.factset.com/about/resources/thirdpartyterms. If you choose to receive any Premium Supplier Content via the Service, you shall be solely responsible for obtaining any Supplier authorization or entering into a license agreement directly with the Supplier if required by the Supplier. FactSet may immediately terminate your access to any Premium Supplier Content for which you do not have valid authorization.

Miscellaneous

5. Warranties and Limitation of Liability

- a. FactSet represents and warrants that we have all rights necessary to deliver the FactSet proprietary portions of the Service to you and valid licenses with our Suppliers to deliver the Supplier portions of the Service to you. FACTSET AND OUR SUPPLIERS DO NOT WARRANT THAT THE PROVISION OF SERVICES WILL BE UNINTERRUPTED, ERROR FREE, TIMELY, COMPLETE OR ACCURATE, NOR DO FACTSET OR OUR SUPPLIERS MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE SERVICE AND THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. YOU ACKNOWLEDGE THAT NOTHING IN THE SERVICE CONSTITUTES INVESTMENT ADVICE OF ANY KIND AND THAT THE



SERVICE IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. You expressly agree that your use of the Service is at your own risk. Accordingly, FactSet and our Suppliers will not in any way be liable for inaccuracies, errors, omissions, delays, damages, claims, liabilities or losses, regardless of cause, in or arising from the use of the Service. You, FactSet and our Suppliers have no liability for indirect, incidental, special, punitive, exemplary or consequential damages, including lost profits or lost goodwill, arising out of this License, even if advised in advance of the possibility of these types of damages, whether alleged in tort, contract or otherwise. To the extent permitted by law, each party's maximum cumulative liability in connection with this License for all causes of action whatsoever and regardless of the form of action shall be limited to the fees payable by you to FactSet under this License during the twelve-month period before the occurrence of the event causing liability. Neither FactSet nor you will be liable for any delay or default resulting from Force Majeure. You may not bring a cause of action under or related to this License or any attached Schedule more than one year after you knew or should have known of the cause of action, and in no case more than one year after the termination of this License.

- b. FactSet will indemnify you and hold you harmless and, at FactSet's expense, defend you against any claim arising out of FactSet's breach of the warranties in Section 5.a. You will indemnify FactSet and hold FactSet harmless and, at your expense, defend FactSet against any third-party claim arising out of (i) your use of our Service in violation of the terms of this License; and (ii) your request that we share your information with, or receive your information from, a third party. A party claiming indemnification must: (i) promptly notify the other party in writing of the claim; (ii) grant the indemnifying party sole control of the settlement and defense of any action to which this indemnity relates, except that the indemnifying party cannot settle the claim unless it unconditionally releases the indemnified party of all liability; and (iii) reasonably cooperate to facilitate such defense. If you become aware of any suspected infringement by a third party of any proprietary rights of FactSet, you must promptly notify FactSet of such activities.
- c. To keep our Service current and useful to you, we may update or change it from time to time. We may discontinue parts of the Service as a result of a general product discontinuation or the unavailability of Supplier data, and, in such cases, we will refund to you a ratable portion of any prepaid fees, and this will be your sole remedy. If you fail to download our free updates to the Service at least once a year to ensure that you are always using one of FactSet's two most recently released software versions, Authorized Users may lose access to the Service without credit or refund. If you have a third party, such as a custodian, send your information to FactSet you acknowledge it is your responsibility to make sure the correct information is sent to FactSet. You agree and acknowledge that FactSet may use anonymized, aggregated usage metrics to improve the Service.

6. Assignment

You may not transfer this License, including any assignment by operation of law in connection with a merger or Acquisition, without FactSet's prior written consent, which we will not unreasonably withhold. If you Acquire, or are Acquired by, an existing FactSet client, we may require you to execute a new License.

7. Survival

The following provisions of this License will survive the termination of this License and any attached Schedule: Sections 2.b, 4, 5, 6, 7, 8, 9 and 10.

8. Notices

All notices under this License must be in writing to the appropriate Notice Recipient on the signature page of this License. You may order additional services via email, but email is not an acceptable method of giving notice of a legal issue, which must be made in writing and sent by certified mail or overnight delivery.

9. Claim Resolution

This License was written in English. To the extent any translated version of this License conflicts with the English version, the English version controls. The laws of the State of New York will govern this License without regard to conflict of law provisions. You agree to submit to the exclusive jurisdiction of the courts located in New York County, New York, for the resolution of any dispute or claim relating to this License. You and FactSet each waive any right to a trial by jury.

10. Confidential Information

Confidential Information means any non-public information received by a party in connection with this License. This includes, among other things, any non-public information you or your agents provide to us about your clients or your business. Confidential Information will not include information that becomes publicly available without any action or omission by the recipient, is otherwise available without anyone's violation of any confidentiality obligation, or is independently developed by the recipient without reliance on the Confidential Information. You and FactSet agree to not disclose each other's Confidential Information to any third party without the prior written consent of the other party unless required to do so by law, or legal or regulatory process and except to those agents with a need to



know and subject to confidentiality obligations at least as protective as these. You and FactSet each agree to give the other party a reasonable chance to protect its Confidential Information in the event of a legally compelled disclosure, to the extent that it is practically and legally possible to do so. The terms and conditions, but not the existence, of this License will constitute Confidential Information.

11. Defined Terms

Acquisition (or to **Acquire**) refers to a transaction that results in a change of control of a company.

Annual Fees are the annual fees for the Service on your Schedule.

Authorized Affiliates are the Licensee affiliates and departments listed on your Schedule.

Authorized Locations means the Licensee address and Authorized Locations listed on your Schedule.

Authorized User means a Licensee employee with a valid FactSet ID and password to access the Service who works at an Authorized Location or Authorized Affiliate listed on your Schedule.

Confidential Information means any non-public information received by you or us in connection with this License, as described more fully in Section 10.

CTS means FactSet's Content & Technology Solutions division. Your Schedule will indicate if you are subscribing to any CTS Service.

FactSet means FactSet Research Systems Inc.

Force Majeure means any circumstances beyond a party's reasonable control, including, among other things, natural disasters, labor disruptions, computer line or transmission failures, computer viruses, power outages, or acts of terrorism.

Grace Period means the 60-day period after the due date of your FactSet invoice, during which no additional fees or costs will accrue.

Initial Term means the initial term stated on your Schedule.

Insubstantial Amount of Data means an amount of data that has no independent commercial value, could not be used as a substitute for our Service or any part of it, and is not separately marketed by you, FactSet or a Supplier.

IT Staff means your information technology and support employees.

License means this agreement with the Schedules to it.

Licensee means the Licensee Company named on the Schedule along with its Authorized Locations, Authorized Affiliates and Authorized Users. Licensee does not include any other affiliated entities (such as subsidiaries or sister companies) that are not listed on your Schedule.

Notice Recipients are the individuals designated to receive legal notices for you and us, as listed on the signature page.

Premium Supplier Content means any Supplier data or software that is available via the Service subject to additional fees and/or a separate Supplier authorization or license agreement that must be entered into directly with the Supplier.

Schedule means any schedule to your License, as updated from time to time under the terms of your License.

Service means the FactSet and Supplier software, data, databases, consulting services, file transfer and file sharing services, documentation and hardware, if any, whether provided on a paid or trial basis.

Supplier means any third-party supplier to FactSet or you of data or software used via the Service.

(signature page follows)



Agreed to by:
FACTSET RESEARCH SYSTEMS INC.

Janet Post
Signature (Duly authorized manager or officer)

Janet Post
Name (Please print or type)

VP, Sales Manager
Title (Please print or type)

FactSet Notice Recipients:

1. Josie Reinhardt
Institutional Sales Representative
181 W. Madison Street, 33rd Floor
Chicago, IL 60602; and
2. Rachel R. Stern, SVP & General Counsel,
FactSet Research Systems Inc.,
601 Merritt 7, Norwalk, CT 06851

Agreed to by:
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

Bernard J. Allen
Signature (Duly authorized officer or partner)

Bernard J. Allen
Name (Please print or type)

Executive Director
Title (Please print or type)

Licensee Notice Recipient:

1. David M. Silber
Chief Investment Officer
789 North Water Street, Suite 300
Milwaukee, Wisconsin 53202-3584



FactSet® License Agreement

Schedule A

Licensee Company Name & Address:	Employees' Retirement System of the City of Milwaukee 789 North Water Street Suite 300 Milwaukee, Wisconsin 53202-3584			Licensee Contact:	David M. Silber 4142868235 david.silber@cmers.com		
Authorized Affiliates (include departments if relevant):	None			Authorized Locations:	Milwaukee, Wisconsin [762874]		
Initial Term begins on:	01 Apr 2019	and ends on:	31 Mar 2020	Invoice Frequency:	Monthly in Advance	fdsCRM ID:	762874
Cancellation Terms:	You or FactSet may cancel this License or a portion of it effective at the end of the Initial Term or the end of any renewal term by giving at least three full months' written notice in advance.					First Price Increase Occurs On:	01 Jan 2022

Products:

Description	Qty	Annual Unit Price	Price Start Date	Price End Date	Currency	Annual Subtotal
FactSet Plan Sponsor Base Fee - Asset Allocator	1	20,000	01 Apr 2019	31 Mar 2020	USD	20,000
Plan Sponsor Workstation - Asset Allocator	2	17,500	01 Apr 2019	31 Mar 2020	USD	35,000
SPAR plus Asset Allocation plus Econ Only	1	7,500	01 Apr 2019	31 Mar 2020	USD	7,500
Portfolio Services	1	10,000	01 Apr 2019	31 Mar 2020	USD	10,000

The following term applies for the Portfolio Services product: Pricing for this product is based on usage. If usage of this product is increased beyond the level contemplated on this Schedule, the fees will increase commensurately. Licensor will readjust fees on a quarterly basis.



IV.

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

- A. Approval of Peraton Contract Amendment.
- B. Approval of Draft ERS 2025 Budget.

**FOURTH AMENDMENT TO THE CONTRACT BETWEEN
THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
AND
PERATON STATE & LOCAL INC.**

THIS FOURTH AMENDMENT ("Fourth Amendment") to the Contract ("Contract") between the Employees' Retirement System of the City of Milwaukee (ERS) and Peraton State & Local Inc., previously known as Perspecta State & Local Inc., ("CONTRACTOR") is made effective July 1, 2024.

WHEREAS, On July 1, 2016, the ERS and CONTRACTOR entered into the Contract, which was subsequently amended in the First, Second and Third Amendments, and

WHEREAS, since the execution of the Third Amendment, effective July 1, 2019, CONTRACTOR completed a merger and is now named Peraton State & Local Inc.

WHEREAS, ERS and CONTRACTOR desire to amend the Contract term for an additional five years (5 years).

NOW, THEREFORE, in consideration of the mutual covenants herein stated, ERS and CONTRACTOR do hereby agree to further amend the Contract as follows:

1. The term of the Contract, as set forth in the paragraph entitled "TIME OF PERFORMANCE" is amended to read: "July 1, 2016 through June 30, 2029."
2. Any and all confidentiality agreements entered into pursuant to paragraph 17 and Exhibit B are hereby extended until June 30, 2029.
3. The compensation amount set forth in the paragraph entitled "TOTAL AMOUNT OF SERVICES" is amended to read "Maximum Amount of Compensation Not to Exceed Six million four hundred twenty-five thousand four hundred thirty-five dollars (\$6,425,435)" utilizing the rates attached to this Amendment as Exhibit A.
4. The Prompt Payment Policy as stated in Section 5. B. of the Contract is amended to provide as follows:

PROMPT PAYMENT POLICY. ERS strives to make timely payment on all invoices. Payment to CONTRACTOR will be deemed timely if the payment is mailed, delivered, or transferred within 30 calendar days after receipt of a properly completed invoice or receipt and acceptance of service under the contract, whichever is later. If ERS does not make a payment by the 45th calendar day, ERS shall pay simple interest beginning with the 31st calendar day at the rate of 1% per month (unless ERS disputes the amount of the invoice or the performance of the service rendered by CONTRACTOR). Reference Common Council File No. 101137, adopted January 19, 2011. The Parties hereby agree that ERS'

failure to make payment of any undisputed amounts in accordance with this Contract shall constitute a material breach of the Agreement.

5. These changes constitute the entire Fourth Amendment to the Contract. All other covenants, provisions, terms and conditions of the Contract shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE

PERATON STATE & LOCAL INC.

Matthew Bell Date
Chair, Annuity and Pension Board

Name Date
Print name/title: _____

Bernard J. Allen Date
Executive Director, Employees'
Retirement System

COUNTERSIGNED:

Comptroller Date

Approved as to form and execution:

Alexander E. Foundos
Assistant City Attorney Date

Exhibit A

Rates for the Fourth Amendment to the contract between The Employees’ Retirement System of the City of Milwaukee and Peraton State & Local Inc.

Hourly Rates: 2024-2029

Resource	2024/25 Bill Rate	2025/26 Bill Rate	2026/27 Bill Rate	2027/28 Bill Rate	2028/29 Bill Rate
MERITS Developer - 2 (Offshore)	\$62.73	\$63.98	\$65.26	\$66.57	\$67.90
Account Manager	\$206.00	\$210.12	\$214.32	\$218.61	\$222.98
Technical Consultant - 2 (Contractor)	\$242.00	\$246.84	\$251.81	\$256.81	\$261.95

Employees' Retirement System - City of Milwaukee

Summary of 2025 Draft Budget Request as compared to 2024 Adopted Budget and 2023 Actual Expenditures

2023 Actuals		2024 Adopted Budget	2025 Requested Draft	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
\$ 4,419,587	Total Salaries	\$ 3,749,620	\$ 5,344,289	\$ 1,594,669	The increase is due to Market Studies completed by DER in 2023 and 2024
1,858,556	Fringe Benefits (Budget Rate)	2,251,055	2,404,930	153,875	This line item is dependent on the Salaries Expense. The Budgeted Fringe rate is calculated by the Comptroller's Office.
	Operating Expenditures				
194,722	General Office Expense	216,000	221,000	5,000	Increase based upon 2023 actual costs
7,980	Other Operating Supplies	5,000	5,000	-	
594,273	Facility Rent & Property Services	662,000	669,000	7,000	New lease for Remote office in 2025
14,713	Non-vehicle Equipment Rental	25,000	25,000	-	
9,673,556	Professional Services	12,361,000	11,895,000	(466,000)	Less investment mgmt fees due to asset allocation
652,334	Information Technology Services	1,533,000	1,673,000	140,000	Increase due to replacement cycle of IT hardware
684,950	Other Operating Services	1,503,400	1,525,400	22,000	Increase due to indirect costs related to Salaries
\$ 11,822,527	Total Operating Expenditures	\$ 16,305,400	\$ 16,013,400	\$ (292,000)	
	Equipment Purchases				
247,761	Equipment	713,000	713,000	-	
\$ 247,761	Total Equipment Purchases	\$ 713,000	\$ 713,000	\$ -	
\$ 18,348,432	Total Regular O&M	\$ 23,019,075	\$ 24,475,619	\$ 1,456,544	
	Total All ERS	\$ 23,019,075	\$ 24,475,619	\$ 1,456,544	

**Employees' Retirement System
Analysis of 2024 Operating Expenditure and Equipment Draft Budget Request as compared to 2023 Authority and 2022 Actual
Expenditures**

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
	General Office Expense				
158,562	Postage & Mailing	170,000	170,000	-	
8,130	Subscriptions, Publications	16,000	16,000	-	
19,609	Supplies-Forms	15,000	20,000	5,000	Increase due to prior year actual costs
8,422	Supplies-Office	15,000	15,000	-	
194,722	Total General Office Expense	216,000	221,000	5,000	
	Other Operating Supplies				
7,980	Computer Parts	5,000	5,000	-	
7,980	Total Other Operating Supplies	5,000	5,000	-	
	Facility Rent & Property Services				
450,827	Office Space	487,000	490,000	3,000	New Lease pending for Remote Office in 2025
89,601	Telephone	110,000	110,000	-	
34,344	Electricity	32,000	35,000	3,000	Increase due to 2023 actual costs
13,800	Property & Liability Insurance	15,000	16,000	1,000	Increase due to 2023 actual costs
5,701	Building Machinery Maintenance	18,000	18,000	-	
594,273	Total Facility Rental & Property Serv	662,000	669,000	7,000	
	Non-vehicle Equipment Rental				
14,713	Copier-Lease & Repair	25,000	25,000	-	
14,713	Total Non-vehicle Equipment Rental	25,000	25,000	-	
	Professional Services				
231,568	Actuary Services	125,000	125,000	-	
479,635	Asset Management	491,000	475,000	(16,000)	Decrease due to retainer price change, less non-core Real estate fees
169,362	Audit	250,000	250,000	-	
300,000	Custody	300,000	300,000	-	
6,625	Memberships	15,000	15,000	-	
56,626	City Attorney	200,000	200,000	-	
7,938,547	Investment Manager Fees	10,335,000	9,885,000	(450,000)	Asset allocation from equity to fixed income resulting in less investment fees
40,273	Legal Services	115,000	115,000	-	
118,125	Medical-Council	145,000	145,000	-	
174,204	Medical-Exams And Reviews	200,000	200,000	-	
33,668	Other Professional Services	55,000	55,000	-	
124,924	Reporting Services	130,000	130,000	-	
9,673,556	Total Professional Services	12,361,000	11,895,000	(466,000)	

**Employees' Retirement System
 Analysis of 2024 Operating Expenditure and Equipment Draft Budget Request as compared to 2023 Authority and 2022 Actual
 Expenditures**

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
	Information Technology Services				
601,825	Systems Support	1,188,000	1,102,000	(86,000)	Decrease due to Filenet upgrade
39,293	Software Upgrades & Maintenance	268,000	353,000	85,000	Increase due to software licensing cycle
11,216	Hardware Upgrades & Maintenance	77,000	218,000	141,000	Increase due to Infrastructure maint. & where we are in the replacement cycle
652,334	Total Information Technology Services	1,533,000	1,673,000	140,000	
	Other Operating Services				
1,118	Meeting Expenses	2,000	2,000	-	
5,554	Board Training	50,000	50,000	-	
11,465	Due Diligence	20,000	20,000	-	
402	Office Repairs	5,000	5,000	-	
451,926	Fiduciary Insurance	1,023,000	1,023,000	-	
13,936	Printing Services (MPR)	18,000	18,000	-	
127	Pool Autos	400	400	-	
27,596	Miscellaneous Services	30,000	30,000	-	
25,567	Staff Training	90,000	90,000	-	
160	Temporary Services	60,000	60,000	-	
147,100	Indirect Cost	205,000	227,000	22,000	This line item is based upon Salaries amount (4.2% of total salaries)
684,950	Total Other Operating Services	1,503,400	1,525,400	22,000	
	Equipment				
247,761	Equipment	713,000	713,000	-	
247,761	Total Equipment	713,000	713,000	-	
12,070,289	Grand Total	17,018,400	16,726,400	(292,000)	

**Employees' Retirement System - City of Milwaukee
2024 Non-Trust Recommendations for City Budget**

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Recommendation Over (Under) Current Authority	
Non Trust Line Items Estimated by ERS					
\$	15,293	PABF Payroll	\$ 12,000	\$ 6,000	\$ (6,000)
	10,000	PABF Lump-Sum Supplement Contribution	2,000	1,000	\$ (1,000)
	100,000,000	Employers' Retirement Fund - Employer's Pension Contribution*	205,410,000		\$ (205,410,000) *
	3,951,098	Group Life Insurance Premium	4,200,000	4,200,000	\$ -
	18,000	Retirees' Benefit Adjustment Fund	25,000	18,000	\$ (7,000)
\$	103,994,391	Total Non ERS Estimates	\$ 209,649,000	\$ 4,225,000	\$ (205,424,000)

* Pending Actuarial Valuation to be adopted in June 2024

Employees' Retirement System - City of Milwaukee

Summary of 2025 Draft Budget Request as compared to 2024 Adopted Budget and 2023 Actual Expenditures

2023 Actuals		2024 Adopted Budget	2025 Requested Draft	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
\$ 4,419,587	Total Salaries	\$ 3,749,620	\$ 5,344,289	\$ 1,594,669	The increase is due to Market Studies completed by DER in 2023 and 2024
1,858,556	Fringe Benefits (Budget Rate)	2,251,055	2,404,930	153,875	This line item is dependent on the Salaries Expense. The Budgeted Fringe rate is calculated by the Comptroller's Office.
	Operating Expenditures				
194,722	General Office Expense	216,000	221,000	5,000	Increase based upon 2023 actual costs
7,980	Other Operating Supplies	5,000	5,000	-	
594,273	Facility Rent & Property Services	662,000	669,000	7,000	New lease for Remote office in 2025
14,713	Non-vehicle Equipment Rental	25,000	25,000	-	
9,673,556	Professional Services	12,361,000	11,895,000	(466,000)	Less investment mgmt fees due to asset allocation
652,334	Information Technology Services	1,533,000	1,673,000	140,000	Increase due to replacement cycle of IT hardware
684,950	Other Operating Services	1,503,400	1,525,400	22,000	Increase due to indirect costs related to Salaries
\$ 11,822,527	Total Operating Expenditures	\$ 16,305,400	\$ 16,013,400	\$ (292,000)	
	Equipment Purchases				
247,761	Equipment	713,000	713,000	-	
\$ 247,761	Total Equipment Purchases	\$ 713,000	\$ 713,000	\$ -	
\$ 18,348,432	Total Regular O&M	\$ 23,019,075	\$ 24,475,619	\$ 1,456,544	
	Total All ERS	\$ 23,019,075	\$ 24,475,619	\$ 1,456,544	

**Employees' Retirement System
Analysis of 2024 Operating Expenditure and Equipment Draft Budget Request as compared to 2023 Authority and 2022 Actual Expenditures**

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
	General Office Expense				
158,562	Postage & Mailing	170,000	170,000	-	
8,130	Subscriptions, Publications	16,000	16,000	-	
19,609	Supplies-Forms	15,000	20,000	5,000	Increase due to prior year actual costs
8,422	Supplies-Office	15,000	15,000	-	
194,722	Total General Office Expense	216,000	221,000	5,000	
	Other Operating Supplies				
7,980	Computer Parts	5,000	5,000	-	
7,980	Total Other Operating Supplies	5,000	5,000	-	
	Facility Rent & Property Services				
450,827	Office Space	487,000	490,000	3,000	New Lease pending for Remote Office in 2025
89,601	Telephone	110,000	110,000	-	
34,344	Electricity	32,000	35,000	3,000	Increase due to 2023 actual costs
13,800	Property & Liability Insurance	15,000	16,000	1,000	Increase due to 2023 actual costs
5,701	Building Machinery Maintenance	18,000	18,000	-	
594,273	Total Facility Rental & Property Serv	662,000	669,000	7,000	
	Non-vehicle Equipment Rental				
14,713	Copier-Lease & Repair	25,000	25,000	-	
14,713	Total Non-vehicle Equipment Rental	25,000	25,000	-	
	Professional Services				
231,568	Actuary Services	125,000	125,000	-	Decrease due to retainer price change, less non-core Real estate
479,635	Asset Management	491,000	475,000	(16,000)	fees
169,362	Audit	250,000	250,000	-	
300,000	Custody	300,000	300,000	-	
6,625	Memberships	15,000	15,000	-	
56,626	City Attorney	200,000	200,000	-	Asset allocation from equity to fixed income resulting in less
7,938,547	Investment Manager Fees	10,335,000	9,885,000	(450,000)	investment fees
40,273	Legal Services	115,000	115,000	-	
118,125	Medical-Council	145,000	145,000	-	
174,204	Medical-Exams And Reviews	200,000	200,000	-	
33,668	Other Professional Services	55,000	55,000	-	
124,924	Reporting Services	130,000	130,000	-	
9,673,556	Total Professional Services	12,361,000	11,895,000	(466,000)	

Employees' Retirement System

Analysis of 2024 Operating Expenditure and Equipment Draft Budget Request as compared to 2023 Authority and 2022 Actual Expenditures

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2024 Adopted Budget
Information Technology Services					
601,825	Systems Support	1,188,000	1,102,000	(86,000)	Decrease due to Filenet upgrade
39,293	Software Upgrades & Maintenance	268,000	353,000	85,000	Increase due to software licensing cycle
11,216	Hardware Upgrades & Maintenance	77,000	218,000	141,000	Increase due to Infrastructure maint. & where we are in the replacement cycle
652,334	Total Information Technology Services	1,533,000	1,673,000	140,000	
Other Operating Services					
1,118	Meeting Expenses	2,000	2,000	-	
5,554	Board Training	50,000	50,000	-	
11,465	Due Diligence	20,000	20,000	-	
402	Office Repairs	5,000	5,000	-	
451,926	Fiduciary Insurance	1,023,000	1,023,000	-	
13,936	Printing Services (MPR)	18,000	18,000	-	
127	Pool Autos	400	400	-	
27,596	Miscellaneous Services	30,000	30,000	-	
25,567	Staff Training	90,000	90,000	-	
160	Temporary Services	60,000	60,000	-	
147,100	Indirect Cost	205,000	227,000	22,000	This line item is based upon Salaries amount (4.2% of total salaries)
684,950	Total Other Operating Services	1,503,400	1,525,400	22,000	
Equipment					
247,761	Equipment	713,000	713,000	-	
247,761	Total Equipment	713,000	713,000	-	
12,070,289	Grand Total	17,018,400	16,726,400	(292,000)	

**Employees' Retirement System - City of Milwaukee
2024 Non-Trust Recommendations for City Budget**

2023 Actuals		2024 Adopted Budget	2025 Draft Request	Recommendation Over (Under) Current Authority	
Non Trust Line Items Estimated by ERS					
\$	15,293	PABF Payroll	\$ 12,000	\$ 6,000	\$ (6,000)
	10,000	PABF Lump-Sum Supplement Contribution	2,000	1,000	\$ (1,000)
	100,000,000	Employers' Retirement Fund - Employer's Pension Contribution*	205,410,000		\$ (205,410,000) *
	3,951,098	Group Life Insurance Premium	4,200,000	4,200,000	\$ -
	18,000	Retirees' Benefit Adjustment Fund	25,000	18,000	\$ (7,000)
\$	103,994,391	Total Non ERS Estimates	\$ 209,649,000	\$ 4,225,000	\$ (205,424,000)

* Pending Actuarial Valuation to be adopted in June 2024

V.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (March).
- B. Conference Requests – April 2024 Board Meeting.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	ROBERTS	JEFFREY	6/4/2021	MAX	MMSD
Regular	Deferred	KREY	JENNY	3/11/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	WILLIAMS	DIANNE	2/4/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	HOUSTON	WAUNDA	2/9/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	RILEY	MICHAEL	2/12/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BARTOL	STANLEY	2/14/2024	MAX	FIRE - SUPPORT SERVICES
Regular	Deferred	OVERHOLT	ROBERT	2/14/2024	100	CITY ATTORNEY
Regular	Service	MARKWARDT	DAVID	2/16/2024	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	DEBRASKA	BARRY	2/17/2024	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PLANK	JOHN	2/17/2024	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	POPP	GREGORY	2/24/2024	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WETZEL	TRACY	2/24/2024	MAX	HEALTH-ADMINISTRATION
Regular	Service	WIESINGER	JOHN	2/24/2024	50	MMSD
Regular	Conversion (Duty Disability to Regular)	SAROZEK	GREGORY	3/1/2024	MAX	BUREAU OF SANITATION
Regular	Service	OVOKAITYS	JAMES	3/1/2024	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	RADFORD	CURTIS	3/1/2024	MAX	DPW-OPS-SANITATION
Regular	Service	WAGNER	CURTIS	3/1/2024	100	DPW-WATER-DISTRIBUTION

Board Report - March 2024

Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	MC CONNELL	DIANA	4/5/2022	3/28/2024	\$ 20,544.65
Deferred Death-Member Only Refund	HOLLENCAMP	FAYE	12/19/2023	3/28/2024	\$ 1,308.40
Ordinary Death	WILSON	DENNIS	1/21/2024	3/28/2024	\$ 18,903.07
Retiree Death-Termination	BORZYCH	DONALD	2/8/2024	3/28/2024	\$ 1,022.91
Retiree Death-Termination	CARRERA	PAUL	1/22/2024	3/28/2024	\$ 52,045.16
Retiree Death-Termination	EBERT	PATRICIA	12/26/2023	3/28/2024	\$ 53.32
Retiree Death-Termination	GRABOWSKI	JEFFREY	1/15/2024	3/28/2024	\$ 655.56
Retiree Death-Termination	HARWOOD	LOIS	5/26/2023	3/28/2024	\$ 388.13
Retiree Death-Termination	KAMINSKI	SHARON	1/18/2024	3/28/2024	\$ 1,657.66
Retiree Death-Termination	KRITSELIS	ANNETTE	2/5/2024	3/28/2024	\$ 78.43
Retiree Death-Termination	OLSON	MARGARET	1/23/2024	3/28/2024	\$ 2,970.05
Retiree Death-Termination	STREHLOW	NEAL	1/25/2024	3/28/2024	\$ 408.26
Retiree Death-Termination	VOSS	DONALD	1/7/2024	3/28/2024	\$ 527.98
Retiree Death-Termination	WEIGEL	GARY	8/14/2023	3/28/2024	\$ 2,283.44
Surv Death-Termination	ALIOTO	FRANK	2/9/2024	3/28/2024	\$ 412.86
Surv Death-Termination	EBERT	PATRICIA	12/26/2023	3/28/2024	\$ 1,832.58
Surv Death-Termination	HARWOOD	LOIS	5/26/2023	3/28/2024	\$ 1,669.43
Surv Death-Termination	MARX	AUDREY	12/3/2023	3/28/2024	\$ 627.00
Surv Death-Termination	MOLDEN	DELIA	12/21/2023	3/28/2024	\$ 883.95
Surv Death-Termination	RIVERS	JUDITH	2/8/2024	3/28/2024	\$ 118.75
Surv Death-Termination	STACHOWIAK	MARCELLA	2/26/2024	3/28/2024	\$ 1,521.62
Surv Death-Termination	WATERS	EVELYN	1/7/2024	3/28/2024	\$ 547.30
TOTAL					\$ 110,460.51
Retiree Death-Cont Opt	ABUNDIS	FRANCISCO	2/16/2024	3/1/2024	
Retiree Death-Cont Opt	BRZESKI	CARL	2/26/2024	3/1/2024	
Retiree Death-Cont Opt	GIELOW	WILLIAM	3/13/2024	3/1/2024	
Retiree Death-Cont Opt	JONES	JAMES	2/24/2024	3/1/2024	
Retiree Death-Cont Opt	JUPP	WILLIAM	2/23/2024	3/1/2024	
Retiree Death-Cont Opt	MOLZEN	JUDITH	2/24/2024	3/1/2024	
Retiree Death-Cont Opt	MURASZEWSKI	RACHEL	2/23/2024	3/1/2024	
Retiree Death-Cont Opt	SAVAGE	CHRISTOPHER	2/25/2024	3/1/2024	

Board Report - March 2024

Withdrawals

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	ADELL	CHARLOTTE	45379	1244.72
Administrative Withdrawal	BATCHELOR	JENNIFER	45379	5609.65
Administrative Withdrawal	GROBELNY	MARY	45379	118.01
Administrative Withdrawal	LEE	LATARSHRA	45379	607.55
Administrative Withdrawal	MCCARTHY	BERNARD	45379	1330.67
Administrative Withdrawal	MORGAN	NEKIA	45379	59.75
Administrative Withdrawal	SYNOVIC	STEFANIE	45379	2123.01
Administrative Withdrawal	WALLACE	CHANDRA	45379	30.34
Full Refund	CARSON	ASHLEY	45379	2880.9
Full Refund	GALE	NEDDI	45379	28935.26
Full Refund	JOHNSON	CHARLOTTE	45379	7405.24
Full Refund	KING	ANGELO	45379	6252.97
Full Refund	SPEARS	EARL	45379	39889.13
Member Only Refund	BROOKS	PRISCILLA	45379	219.85
Member Only Refund	CAMPBELL	TIAWANDA	45379	851.35
Member Only Refund	CHILDRESS	KENITRA	45379	617.3
Member Only Refund	HOYE	TIMOTHY	45379	1330.94
Member Only Refund	KOCH	ANGELINE	45379	7971.21
Member Only Refund	KYLES	JADA	45379	105.35
Member Only Refund	LEBLANC	JOSEPH	45379	809.27
Member Only Refund	LEE	ASHLEY	45379	7325.86
Member Only Refund	PAR	JENNY	45379	3758.86
Member Only Refund	ROBINSON	CHAVON	45379	4148.46
Member Only Refund	ROLLIN	LAURA	45379	3105.03
Member Only Refund	ROSCOE	DENISE	45379	2763.12
Member Only Refund	SMITH-WATTS	LISA	45379	2361.69
Member Only Refund	STEVENSON	MICHAEL	45379	9595.77
Member Only Refund	WASHINGTON	SABRINA	45379	146.53
Member Only Refund	WINK	JOHN	45379	758.94
Member Only Refund	ZOLLICOFFER	CHRISTOPHER	45379	1843.03
			TOTAL \$	144,199.76

Conference Requests – April 2024 Board Meeting

Thomas Courtright 2024 Madison Investment Conference
Sponsor: CFA Society
Location: Madison, WI
Date: May 8, 2024
Estimated Cost: \$300.00

Thomas Courtright BlackRock Institutional Investor Insights (In3) Conference
Sponsor: BlackRock
Location: New York, NY
Date(s): May 15 - 16, 2024
Estimated Cost: \$1,200.00

Erich Sauer Americas Investor Summit
Sponsor: LaSalle
Location: Chicago, IL
Date(s): June 25 - 26, 2024
Estimated Cost: \$800.00

Keith Dickerson 2024 Neuberger Berman Conference and
Goldman Sachs Due Diligence
Sponsor: Neuberger Berman and Goldman Sachs
Location: New York, NY
Date(s): June 25 - 27, 2024
Estimated Cost: \$1,850.00

VI.

MEDICAL REPORTS

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

MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 04/16/2024

Approved by Executive Director

Pension Board Meeting Date 04/23/2024

TIME RAN : 12:14

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
921	BALTUTIS, GILBERT	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		08/24/2011	
484	GALLAGHER, PIETER	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		08/01/2019	Exempt from Re-Exam
478	PORTER, CHRISTINE	FIRE FIGHTER	MFD	DD 75%	Re-Examination	Approved	Approved		06/01/2023	
685	SMITH, ROBERT	FIRE LIEUTENANT	MILWAUKEE FIRE DEPT	DD 75%	Re-Examination	Approved	Approved		09/01/2023	
1143	KENDZIORSKI, ROBERT	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		12/08/2013	
1031	MUCHA, JASON	POLICE SERGEANT	POLICE	DD 75%	Re-Examination	Approved	Approved		12/22/2012	

Number of Cases: 6

This report includes Fire duty disabilities with an application date prior to July 29, 2016; Police MPA duty disabilities with an application date prior to June 19, 2016; and Police MPSO duty disabilities with an application date prior to January 1, 2016.

Medical Council Approvals Report

DATE RAN : 04/15/2024

Board Meeting: 04/23/2024

TIME RAN : 07:13

<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
BONDAR, JILL	REPAIR CREW LEADER	DPW-INFRASTRUCTURE	Ordinary Disability	Re-Examination	05/08/2017	04/12/2024	
CROSS, HAROLD	OPERATIONS DRIVER/WORKER	DPW-OPERATIONS	Ordinary Disability	Re-Examination	10/13/2017	04/12/2024	
DISMUKE, HOPE	LABORER - ELEC SERV	DPW - ELECTRICAL SERVICES	Ordinary Disability	Re-Examination	02/13/2011	04/12/2024	
KAMINSKY, JOSEPH	URBAN FORESTRY SPECIALIST	DPW-FORESTRY	Ordinary Disability	Re-Examination	01/30/2022	04/12/2024	
KOWALSKI, DENNIS	FIRE LIEUTENANT X	MFD	Ordinary Disability	Re-Examination	06/25/2019	04/12/2024	
MC NICHOL, JAMES	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	10/10/2019	04/12/2024	
RAMSKUGLER, STEPHANIE	POLICE SERGEANT	MPD	Ordinary Disability	Application	01/07/2024	04/12/2024	
RONDORF, DUANE	URBAN FORESTRY SPECIALIST	DPW-FORESTRY	Ordinary Disability	Re-Examination	01/19/2011	04/12/2024	
WILDER, DEMERTHA	BLDG SERVICE HELPER I	MPS	Ordinary Disability	Re-Examination	12/13/2013	04/12/2024	

Number of Cases: 9

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after

June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

VII.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.
- C. Executive Director's Report – Inventory of ERS Projects.



April 23, 2024 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

- 04/11/24 Pension Eligibility Pursuant to 2023 Wisconsin Act 12**
Whether an active general city employee resigns from current employment and accepts a non-certified MPS position would still be considered an active member of the ERS and continue to receive service credit for new position, or must the employee be enrolled into the Wisconsin Retirement System in accordance with the language of Act 12.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

- 03/20/24 Perspecta State & Local Inc Amendment**
City Attorney's Office requested to review and negotiate proposed fourth amendment with vendor for IT application support services that would extend service contract through June 2029.
04/08/24 City Attorney's Office completed its review of the fourth amendment with IT support vendor, Perspecta State & Local Inc (n/k/a Peraton State & Local Inn).
04/17/24 Scheduled for approval before A&O Committee.
04/23/24 On Pension Board Agenda.
- 04/03/24 USB Hedge Fund Solutions Second Amendment**
City Attorney's Office requested to review and negotiate a second amendment to the investment contract.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

None.



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

April 11, 2024

Tearman Spencer, City Attorney
200 E. Wells St., Rm. 800
Milwaukee WI 53202

Attn: Robin Pederson, Deputy City Attorney, Patrick McClain, Assistant City Attorney

RE: Pension Eligibility Pursuant to 2023 Wisconsin Act 12

Dear Mr. Spencer:

Ms. Sara Vandebush, a current general city employee and ERS member, hired by the city on May 13, 2002, is considering leaving employment with the city and accepting a non-certified, general employee position with MPS. She has asked whether she would continue to be an active ERS member or be eligible only to be enrolled in the WRS, if she resigns her city employment and accepts employment with MPS. 2023 Wisconsin Act 12, Section 241 provides as follows:

“SECTION 241. Laws of 1937, chapter 396, section 1 (4) (e) 2m. is created to read: [Laws of 1937, chapter 396] Section 1 (4) (e) 2m. Who are in the service of a city of the first class, or a city agency of a city of the first class in a county with a population of at least 750,000; who are hired by the city or city agency after December 31 of the year that an ordinance goes into effect under s. 77.701 (1) of the statutes; and who were not active employees of the city or a city agency on that date, with respect to the position to which the person is hired after that date, irrespective of whether the person was previously an employee of the city or a city agency. Such a person may not accrue any further service under the retirement system of the city.”

Please advise on the interpretation of this provision as it applies to Ms. Vandebush and any contractual rights she may have pursuant to MCC-36-13 to remain an active ERS member.

Sincerely,

A handwritten signature in black ink that reads "Bernard J. Allen".

Bernard J. Allen
Executive Director

BJA:jmw



April 23, 2024 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION

None.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

Pension Contribution Offset

12/13/16 ERS requested legal guidance on whether the 5.8% pension contribution offset for public safety employees pursuant to recent labor contract settlements or interest arbitration, is includable as "salary" for adjusting duty disability retirement allowance.

02/16/17 City Attorney issued a legal opinion advising that since members receiving a duty disability retirement allowance have not paid the member contributions, they are not entitled to the 5.8% pension contribution offset.

02/27/17 Opinion referred to Legislative Committee for consideration on whether the pension contribution offset received by general city and protective service members should be included in the calculation of the Conversion to Service Retirement and Extended Life retirement allowances.

07/31/17 Committee recommended this matter be held pending resolution of litigation.

PART 4. PENDING STATE LEGISLATION

None.

Employees' Retirement System – Executive Director's Report

April 2024

I. Personnel Update

A. ERS is working with DER to fill the positions of ERS Accounting Assistant.

II. Member Services

A. New retirees on payroll in March - 24; 27 are currently anticipated for the April payroll.

B. Retiree/Employee deaths entered in February - 17.

C. There was a new Police Recruit class 3/19/24 and 43 attended.

D. There was a Retirement Workshop for Milwaukee Public Schools 3/11/24 and 115 attended.

E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	24
Death - Ordinary	100
Disability - Duty	359
Disability - Ordinary	565
Retirement	12,766
Separation	38
Total Annuitants	13,852
Active	11,239
Deferred	3,169
Total Population	28,260

III. Financial Services

A. The 2025 Budget is before the A&O Committee this month and will be presented to the full Board for approval at the April meeting.

B. Staff continues to work with the actuary and financial auditor in preparation of the Actuarial Valuation and Annual Comprehensive Financial Report (ACFR).

C. The second round of Outside Earnings letters will be going out to members later this month. These letters are for members who have not responded to the first letter sent by ERS earlier this year.

IV. Information Services

A. Struts Upgrade and Modernize MERITS Website in progress.

B. Domain Controller Upgrade completed.

C. IT Vulnerability Audit in progress.

D. Third Party Review of Network Architecture Firmware Upgrade in progress.

E. Network Infrastructure Firmware Upgrade in progress.

F. Storage Area Network Firmware Upgrade in progress.

G. IP Address Review and Cleanup 2023 in progress.

H. DNS Review and Cleanup 2023 in progress.

I. AD Review and Cleanup 2023 in progress.

J. Firewall Review and Cleanup 2023 in progress.

K. MS Windows Desktop and Laptop OS Upgrade in progress.

- L. Perforce Upgrade in progress.
- M. Tracker Upgrade in progress.
- N. Server Firmware Upgrade completed.

V. Administration

- A. As a result of increasing security concerns for office staff, we contacted DPW to advise on security hardening in the ERS office reception area. A construction estimate provided by DPW to install Level III (one inch) bullet resistant glazing, bullet resistant door, bullet resistant fiberglass beneath the ADA counter and a soffit in the amount of \$72,007.20 is attached. Also, staff recently was interviewed by a team of MPD officers and a Secret Service Agent in connection with the RNC convention scheduled in July. The 789 building management has also installed a system to limit access to the building to persons who are admitted by building tenants. However, there continues to be significant "tailgating" by outsiders trailing persons admitted by tenants and there was a recent incident of a male trespasser in the women's restroom in our office space observed by staff. The building management was notified, there was a visit by MPD officers who interviewed staff members and filed a report.

**2025 ERS CAPITOL BUDGET REQUEST ESTIMATE
Employees' Retirement System Service Counter Security Hardening**

Section No.	Item	Estimator	Contractor	Outside Contractor Price	City In-House labor	City house Materials	In-	Cost
ERS 789 N Water St Ste 300.								
01400	Project set up and clean up included in carpentry	MRH	City					\$ -
01410	Final cleaning	MRH	City		\$ 250.00			\$ 250.00
06200	Carpentry							
	Provide new ADA transaction counter, laminate to match. Construct new steel stud halfwalls under counter to support additional weight of glass and level III bullet resistant fiberglass at employee side undercounter knee space as indicated in drawings. Tape and finish new drywall. Temporary plywood and lumber walls and temporary zip walls to be constructed during project to provide security to office areas, control dust and compartmentalize work space so that daily business operations may continue. <i>Labor and materials.</i>	MRH	City		\$ 26,100.00			\$ 26,100.00
08100	Glazing and accessories							
	Furnish and install level III bullet resistant glazing in brushed aluminum frame with tracks and necessary attachments as required.(3 sections) . Furnish and install accessories including (1) circular talk through device and (1) recessed stainless steel transaction tray. Provide and install new level III bullet resistant door. <i>Labor and materials.</i>	MRH	Outside	\$ 25,856.00				\$ 25,856.00
09255	Paint							
	Prime and paint new door, stud half walls-both sides (2 coats) new soffit and trim as required.. Prime and paint fiberglass panels at knee spaces (2 coats). Touch up at walls, <i>Labor and materials.</i>	MRH	City		\$ 1,500.00			\$ 1,500.00
09300	Tiling, wall finish							
	Install Daltile Slimlite panels under counter and newly constructed soffit per plan and specifications. <i>Labor and materials.</i>	MRH	City		\$ 3,500.00			\$ 3,500.00
09900	Electrical							
	Re-install under counter receptacles as required to accommodate new wall thickness after fiberglass panel installation. Re-seat soffit lighting as required after repair. <i>(Quoted as "not to exceed")</i> .	MRH	City		\$ 2,800.00			\$ 2,800.00
Construction Subtotal - 3rd Floor Billing								\$ 60,006.00
Construction Contingencies, 10%								\$ 6,000.60
Design 6%								\$ 3,600.36
Administration & Inspection 4%								\$ 2,400.24
Subtotal of costs without fringe benefits								\$ 72,007.20
Outside Contractor Total				\$ 25,856.00				
City Labor Total								
Total for 3rd Floor								\$ 72,007.20

NOTE: Countertop re-surfacing quoted to take place after business hours and on weekends. All other work quoted is for 1st shift.

Timeframe : 8 to 10 weeks to get bullet resistant glazing after shop drawings. 4 weeks design/revie 8 weeks construction.

From: Larry Langer <LarryL@cavmacconsulting.com>
Sent: Monday, April 15, 2024 9:51 PM
To: Jack Chmielewski <jack.chmielewski@milliman.com>; Aaron Chochon <AaronC@cavmacconsulting.com>
Cc: Scharlau, Erin <Erin.Scharlau@legis.wisconsin.gov>; Ryan Falls <Ryan.Falls@milliman.com>; Allen, Jerry <Jerry.Allen@CMERS.com>; Siddiqui, Terry <Terry.Siddiqui@cmers.com>; Pat Beckham <PatB@cavmacconsulting.com>
Subject: RE: Audit of Employees' Retirement System of the City of Milwaukee

Jack

We anticipate presenting the January 1, 2024 actuarial valuation at the June 25, 2024 Board meeting. We'll circle back to let you know timing.

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary
Cavanaugh Macdonald Consulting, LLC
Cell [630.632.8668](tel:630.632.8668)

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From: Jack Chmielewski <jack.chmielewski@milliman.com>
Sent: Monday, April 15, 2024 9:43 PM
To: Larry Langer <LarryL@cavmacconsulting.com>; Aaron Chochon <AaronC@cavmacconsulting.com>
Cc: Scharlau, Erin <Erin.Scharlau@legis.wisconsin.gov>; Ryan Falls <Ryan.Falls@milliman.com>
Subject: Audit of Employees' Retirement System of the City of Milwaukee

Hi Larry and Aaron,

Attached is our data request to begin the audit of the January 1, 2024 actuarial valuation for the Employees' Retirement System of the City of Milwaukee. Both of you will receive log-in information to our secure ftp portal shortly to assist with transferring the information.

Please let us know if you have any questions regarding the request. We look forward to working with you on this project.

Jack Chmielewski, FSA, EA, MAAA
Principal and Consulting Actuary

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Re: January 1, 2024 Employees' Retirement System of the City of Milwaukee Actuarial Audit Request for Information (April 15, 2024)

We are working with the Wisconsin Legislative Audit Bureau to audit the January 1, 2024 actuarial valuation for the Employees' Retirement System of the City of Milwaukee. This letter will outline the initial information that we would like to receive in order to get started with the actuarial audit.

- 1) Final active and inactive data files used by Cavanaugh Macdonald to prepare the January 1, 2024 actuarial valuation.
- 2) Data layout with explanations of all the codes for each data file and a discussion (if any) of assumptions or processes that were used for complete or missing data elements such as dates of birth, gender, and compensation.
- 3) Description of all assumptions and methods used in the January 1, 2024 actuarial valuation that are not fully disclosed in the actuarial valuation reports. In addition, assumption tables in an excel format.
- 4) Sample Lives - To assist with the liability replication, we have included a list of sample lives for members in various groups and retirement eligibility. Please provide us sample liability calculations with a mix of genders, hire dates, and ages for the following, if available:

Active members

- 3 General Employees (Tier 1/Tier 2)
- 1 combined fund policeman hired before December 20, 2015 With an entry age before 23
- 1 combined fund policeman hired after December 20, 2015 With an entry age before 23
- 1 combined fund fireman hired before July 30, 2016 With an entry age before 25
- 1 combined fund fireman hired after July 30, 2016 With an entry age before 25
- 1 non-combined fund policemen/fireman
- 1 elected official

Members with deferred benefits

- 1 General member
- 2 Fire and Police (1 of each)

In-pay members

- Retired members (Single life annuity/major optional forms of payment, at least 1 police/fire and 1 general)
- Beneficiary
- Disabled retiree

- 5) Draft of the January 1, 2024 actuarial valuation (when completed).

Milliman will provide access to secure ftp site to transfer sensitive member data. Please provide the requested information by April 22, 2024. If you would like to discuss the items included in this request, feel free to contact me directly at 262-796-3379 or jack.chmielewski@milliman.com.

Sincerely,

A handwritten signature in black ink that reads "Jack Chmielewski".

Jack Chmielewski, FSA, EA, MAAA
Principal & Consulting Actuary

Basic Website Metrics

	2023										2024		
	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Visits	5,474	5,447	5,137	4,907	5,735	5,601	5,341	5,626	5,370	5,023	5,918	6,216	5,417
Users	3,894	3,859	3,589	3,380	3,663	3,667	3,490	3,758	3,923	3,525	4,121	4,119	3,860
Page Views	12,933	13,201	12,927	12,220	13,694	13,930	12,747	14,150	13,570	12,238	14,925	15,831	12,712
Ave. Visit	1:25	1:28	1:33	1:40	1:32	2:24	1:31	1:35	1:29	1:30	1:35	1:11	1:23

VIII.

INFORMATIONAL

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VIII.A.), 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.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2024.
- D. Minutes of the Investment Committee Meeting Held February 8, 2024.
- E. Minutes of the Administration & Operations Committee Meeting Held March 20, 2024.
- F. Report on Bills.
- G. Deployment of Assets.
- H. Securities Lending Revenue and Budget Report.
- I. Preliminary Performance Report and Asset Allocation.



April 23, 2024 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

MPSO/Local 215, et al. v City of Milwaukee, et al; Case Nos. 2019AP001319; 2018CV001274

MPSO and Local 215 filed suit on behalf of certain duty disability retirees against the City of Milwaukee and the Employees' Retirement System alleging the defendants violated the collective bargaining agreements as it relates to the payment of the 5.8% pension offset.

See prior Reports for case history

➤ **04/03/24** The Court will issue its written decision by May 6, 2024 as it relates to the Plaintiffs' Motions for Attorney's Fees.

MPA and Kurt Lacina v. City of Milwaukee, et al; Case Nos. 2023AP000301; and 2022CV001965

Kurt Lacina alleges his DDRA was wrongfully offset by a worker's compensation permanent partial disability award by defendants.

See prior Reports for case history

➤ 10/18/23 Appellants' Reply Brief filed. Case awaiting assignment to appellate panel.

Frank Vrtochnick, et al v. City of Milwaukee, et al; Case No. 2023CV003007

Plaintiff alleges the City and the ERS breached the Milwaukee Police Association 2013-2016 collective bargaining agreement and Chapter 36 of the Milwaukee City Charter as it pertains to the inclusion of the 5.8% pension offset in the member's "base salary" for purposes of calculating the duty disability retirement allowance. The plaintiff seeks to have this current litigation classified as a Class Action to include all other similarly-situated employees hired prior to October 3, 2011 and represented by the Milwaukee Police Association.

See prior Reports for case history

➤ 02/07/24 Status conference held; Briefing schedule placed on the record. Case adjourned to May 22, 2024 at 1:30 pm to hear Defendants' Motion to Dismiss.

➤ 05/22/24 Scheduled for hearing on Defendants' Motion to Dismiss.

Benjean Lara v. City of Milwaukee, et al; Case No. 2023CV007107

Member filed Petition for Certiorari Review of Pension Board's denial of disability (duty and ordinary) retirement benefits.

See prior Reports for case history

➤ **03/29/24** Respondent's Brief in Opposition to Petition for Writ of Certiorari filed.

John Klein et al. v. City of Milwaukee et al.; Case Nos. 2022AP001401; and 2021CV004632

Plaintiffs allege the City of Milwaukee and the Employees' Retirement System improperly determined eligibility for certain retirement benefits provided for under the terms of the Global Pension Settlement and as codified in Chapter 36 of the Milwaukee City Charter.

➤ 02/11/21 Notice of Claim served upon ERS and forwarded to fiduciary carriers

➤ 07/29/22 Plaintiffs' Motion for Declaratory Judgement denied. Case dismissed.

➤ 08/15/22 Plaintiffs' Notice of Appeal filed.

➤ 12/23/22 Brief of Appellants filed.

➤ 01/23/22 Brief of Respondents filed.

➤ 02/03/23 Appellants' Reply Brief filed. Awaiting case assignment.

➤ 02/03/23 Case submitted on briefs. Pending decision.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason Rodriguez; Administrative Case No. 1443

➤ Hearing stayed pending outcome of Appellant's state workers compensation (WC) appeal hearing. First WC appeal hearing held May 10, 2022. Second WC appeal hearing pending scheduling.

James Gentry; Administrative Case No. 1522

➤ Appeal hearing held March 18, 2024. Awaiting hearing examiner's report.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Client Conferences 2024

Board Meeting: April 23, 2024

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
May 15 - 16, 2024	2024 Institutional Investor Insights (In3) New York, NY	BlackRock
June 11 – 12, 2024	“Callan College” Introduction to Investments Chicago, IL	Callan Associates
June 26 – 27, 2024	2024 Neuberger Berman Private Markets Limited Partners Annual Meetings New York, NY	Neuberger Berman
August 21 – 22, 2024 10:30 am – 1:30 pm	2024 USLF Annual Meeting Virtual	Callan Associates
September 17 – 18, 2024	2024 USLF Annual Meeting San Francisco, CA	ProLogis
September 24 – 26, 2024 10:30 am – 1:30 pm	“Callan College” Introduction to Investments Virtual	Callan Associates
October 23, 2024 8:00am – 10:30am	2024 October Workshop Chicago, IL	Callan Associates

Trustee Conferences 2024

Board Meeting: April 23, 2024

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
April 29 – May 1, 2024	Public Funds Roundtable 2024 Beverly Hills, CA	Institutional Investor
May 1, 2024	Private Commercial Real Estate Debt Panel & Networking Event The Pfister Hotel	CFA Society Milwaukee
May 5 – 8, 2024	Milken Institute 2024 Global Conference Beverly Hills, CA	Milken Institute
May 6 - 9, 2024	Portfolio Concepts and Management (Wharton) Philadelphia, PA	International Foundation of Employee Benefit Plans
May 8, 2024	2024 Madison Investment Conference Madison, WI	CFA Society Madison, SWIB, Wisconsin School of Business
May 14 – 15, 2024	10 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 18 – 19, 2024	NCPERS Accredited Fiduciary (NAF) Program and Trustee Educational Seminar (TEDS) Seattle, WA	NCPERS
May 19 – 22, 2024	Annual Conference & Exhibition (ACE) Seattle, WA	NCPERS
May 22, 2024	10 th Annual Redefining Fixed Income Forum Chicago, IL	Institutional Investor
June 5 – 7, 2024	2024 Visions, Insights, & Perspective (VIP) Infrastructure Washington, DC	Institutional Real Estate, Inc.
June 24 – 26, 2024	Institutional Investor Week Newport, RI	Institutional Investor
July 22 – 23, 2024	Alternatives Forum - ALTSCHI Chicago, IL	Markets Group

Trustee Conferences 2024

Board Meeting: April 23, 2024

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 30 – 31, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part I Boston, MA	International Foundation of Employee Benefit Plans
August 1 – 2, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part II Boston, MA	International Foundation of Employee Benefit Plans
August 18 – 20, 2024	Public Pension Funding Forum Boston, MA	NCPERS
September 9 – 11, 2024	CII Fall 2024 Conference Brooklyn, NY	Council of Institutional Investors
September 16 - 17, 2024	Investment Basics Nashville, TN	International Foundation of Employee Benefit Plans
September 17, 2024	10 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
October 8 – 9, 2024	2024 Roundtable for Consultants and Institutional Investors Chicago, IL	Institutional Investor
October 16 – 17, 2024	Pension Bridge Alternatives 2024 New York, NY	with.Intelligence
October 26 – 27, 2024	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATS) Palm Springs, CA	NCPERS
October 27 – 30, 2024	Public Safety Conference Palm Springs, CA	NCPERS
November 9 – 10, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part II San Diego, CA	International Foundation of Employee Benefit Plans

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
June 25, 2024	Aptitude	David & Keith

Class Action Income 2024 YTD

Asset Description	Date(s)	Amount
Arthrocare Corp.	1/5/2024 \$	28,400
Teva Pharmaceutical	1/8/2024 \$	1,273
Countrywide Financial	1/30/2024 \$	82
Bank of America	2/7/2024 \$	14,750
Corrections Corp. of America	2/16/2024 \$	362
Petroleo Brasileiro SA	2/27/2024 \$	81,460
Total Class Action Income Received in 2024 YTD	\$	126,328

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

Minutes of the Investment Committee Meeting
held February 8, 2024 via teleconference

The meeting was called to order at 9:02 a.m.

Committee Members Present: Matthew Bell
 Deborah Ford
 Timothy Heling
 Molly King
 Thomas Klusman, Chair
 Rudy Konrad
 Nik Kovac
 Aycha Sawa

ERS Staff Present: Jerry Allen, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Thomas Courtright, Pension Investment Analyst
 Dan Gopalan, Chief Financial Officer
 Jan Wills, Board Stenographer

Others present: John Jackson, Mike Joecken, Adam Lozinski, Callan; Travis Gresham, City Attorney's Office; Carolyn Stittleburg, Legislative Audit Bureau; Terry Siddiqui, DS Consulting, Inc.; four members of the public called in.

Approval of Loomis Sayles Contract Amendment. Mr. Sauer reminded the Committee they recently approved a number of changes to the Loomis Sayles guidelines. He said Loomis Sayles provided an amendment they felt they needed to be able to invest in futures. He noted there are some agreements Loomis Sayles needs to execute to begin investing in futures, so they are asking for authority to do that. Mr. Sauer stated the Investment staff worked with Mr. Gresham to negotiate with them. He said Mr. Gresham worked with Loomis Sayles to get the language in a place he was comfortable with. Mr. Gresham noted that initially, Loomis proposed contract items that were boilerplate that were too broad. He said that the amendment in front of the Committee is in a place where Loomis is more exacting about the goal and the provided authority that we are giving to Loomis. Mr. Gresham said with those guardrails in place, we are in a safer spot than when we started. He said there are risks involved when handing authority over. Mr. Gresham said there are some listed investment vehicles and places where the Board is handing over certain authority but that is in furtherance to the already-agreed management strategy. Mr. Sauer concluded that Staff is comfortable with the amendment and recommended going forward with approval.

It was moved by Ms. King, seconded by Mr. Konrad and unanimously carried, to approve the Approval of Loomis Sayles Contract Amendment.

Approval of MFS Investment Management Guideline Waiver. Mr. Sauer said MFS had informed Staff that the position in Microsoft in their portfolio had appreciated enough to reach their guideline limit which is the greater of 7% or benchmark weight plus 3%. He said when that happens, the manager reaches out to Staff to recommend a course of action. Mr. Sauer noted MFS is requesting to have a waiver specific to Microsoft that would allow the position to continue to appreciate up to a maximum of index weighting plus 5%. He said this was similar to something the Board allowed previously with Polen for a couple of their stocks, allowing appreciation from 10% to 12% in that instance. Mr. Sauer said MFS, in their memo, stated why they like Microsoft. He said Staff had talked with Callan about this and it is recommended that this waiver be approved. Discussion ensued.

It was moved by Mr. Konrad, seconded by Mr. Heling and unanimously carried, to approve the Approval of MFS Investment Management Guideline Waiver.

Mr. Klusman advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate 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 Investment Committee may then vote to reconvene in open session following the closed session.

It was moved by Ms. Sawa, and seconded by Mr. Bell to convene in closed session. The motion carried by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Heling, Klusman, Konrad, and Kovac. NOES: None.

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

The Committee reconvened in open session at 10:01 a.m.

Approval of Recommendation regarding Public Equity Investment Manager. It was moved by Mr. Konrad, seconded by Ms. Ford and unanimously carried, to approve the Approval of Recommendation regarding Public Equity Investment Manager.

Callan 2024 Capital Markets Assumptions and Asset Allocation Review Presentation. As a matter of information, Committee members received the Callan 2024 Capital Markets Assumptions booklet. Mr. Joecken stated every year Callan does a 10-year projection of capital market assumptions. He said Mr. Lozinski will talk about the capital markets assumptions and how they affect the ERS' portfolio and target asset allocations. Mr. Lozinski spoke with the Committee about the process overview, current market conditions, special focus on inflation, inflation vs. interest rates, 2024 expectations, fixed income, equity, alternatives, and a detailed 2024 projections and resulting portfolio returns. Discussion ensued.

The chair called for a break at 10:49 a.m.

The chair resumed the meeting at 10:56 a.m.

Due Diligence Reports.

Reams Asset Management. As a matter of information, Committee members received a memo regarding the Reams Asset Management due diligence visit that Messrs. Sauer and Walters made on September 13, 2023. Mr. Sauer noted Reams' personnel changes and said Bob Crider moved from managing director and co-founder of the firm to a senior advisor role, Dimitri Silva replaced him on the investment committee and was promoted to managing director, Dan Spurgeon's position as president was eliminated and his duties were assumed by Ed Rick of Reams' parent company Raymond James Investment Management. Mr. Sauer said Chang Shin who was chief compliance officer left the firm and his role was integrated into Raymond James Investment Management. He noted Reams will have an individual, full-time, in its Indianapolis office who reports to Raymond James' Chief Compliance Officer and will eventually be named the Chief Compliance Officer of Reams and will focus solely on portfolio compliance. Mr. Sauer said personal trading, advertising and marketing compliance, social media, e-mail, and text message monitoring will be centralized at Raymond James' office. He said Neil Aggarwal was hired to lead the securitized products team after Stephen Vincent retired in April 2023. Mr. Sauer concluded that Staff feels comfortable in its role as a Core Plus Fixed Income Manager for the ERS.

Apogem Capital. As a matter of information, Committee members received a memo regarding the Apogem Capital due diligence visit that Messrs. Sauer and Courtright made on August 23, 2023. Mr. Sauer stated the ERS invested with PA Capital and Apogem was created through a combination of PA Capital, GoldPoint and Madison Capital. He said the Private Equity process, begun with PA Capital, remains in place, along with the key professionals. Mr. Sauer said they have additional resources available through the business combination. He said in Private Equity they added 10 junior analyst and associate-level employees who can monitor existing funds or analyze new funds. Mr. Sauer said they gained an in-house legal team, but because of the nature of Private Equity, they still utilize outside expert attorneys. He said the in-house legal team will now interface with the outside legal team, so the Apogem Private Equity professionals can focus on investments. Mr. Sauer noted with the new resources, they were able to hire a head of IT and an in-house fund administration group that allows Apogem to have day-to-day oversight of the valuations of all the underlying investments they have. He said that Chris Stringer who was president of PA Capital and long-time head of Private Equity there, retained that title and was interim CEO of Apogem until a permanent CEO, John Niedner, a former Madison Capital employee, was brought in. Mr. Sauer said Chris Stringer has a newly-created title of president and will remain head of Private Equity. He said the CEO John Niedner has a lot of responsibilities of reporting up to New York Life Investment Management and Chris Stringer will continue to focus on Private Equity. Mr. Sauer concluded that \$30 million was approved for Fund XI in the 2023 Pacing Study and Staff is comfortable with Apogem.

Principal Global Investors. As a matter of information, Committee members received a memo regarding the Principal due diligence visit that Messrs. Silber and Courtright made on September 12, 2023 and October 21, 2023. Mr. Courtright stated that Principal has managed a diversified real assets strategy for the ERS since January 2016. He said May Tong came on board in March 2022 and was named lead portfolio manager, after Jake Anonson departed. Mr. Courtright said Marc Dummer became *de facto* lead portfolio manager after Jake Anonson had departed, but then took a lateral role to be a lead client portfolio manager and be more client-facing to deal with marketing or business development issues with clients. He noted Kelly Grossman, a

long-time portfolio manager, and did a lot of the risk analytics responsibilities, made a lateral move to become head of investment analytics. Mr. Courtright stated the two remaining portfolio managers continue to be on the team alongside May Tong. He said May Tong has expanded the access of global macro research experts and has made technological enhancements. Mr. Courtright stated May Tong also bifurcated the Manager Selection team into two primary groups, the Investment Oversight Platform Group and the Manager Alpha Research and Selection Group. He commented that there have been very few changes in strategy and philosophy and they are on pace since inception. Mr. Courtright concluded that since inception, performance is quite good at 5.6% versus the custom blended benchmark of 5.3%.

Mr. Klusman commended the Investment Staff on the thoroughness of their due diligence reports as it helps the Committee to understand the managers' strategies, length of time with the ERS, people movement, and trends and developments.

CMERS 4th Quarter 2023 Performance Update. As a matter of information, Committee members received from Staff the CMERS 4th Quarter 2023 Performance Report. Mr. Sauer noted the 4th quarter was a strong quarter. At the end of November and beginning of December, the market got the idea that the Fed was probably done raising interest rates and expected interest rate cuts would be coming in early 2024, causing stocks and bonds to rally. He said Public Equity was up 11.1%, the Bloomberg U.S. Aggregate was up 6.8%, the Real Assets blended benchmark was at 0.3%, Private Equity is benchmarked the prior quarter Russell 3000+2% is down -2.7%, and the Absolute Return benchmark 90-Day T-Bill+3% stays fairly constant and is at 2.1%. He stated the Fund's benchmark return for the quarter is 6.2%. Mr. Sauer discussed the Relative Performance Expectations and said they look at Biases built into the portfolio. He noted the biggest one having an impact was the Value Equity Bias with the Russell 3000 Value up 9.8%, but did not keep pace with the Russell 3000 Growth which was up 14.1%. Mr. Sauer stated the rest of the Biases were in their favor with the Small Cap Equity Bias up 14% versus large cap with 12%, Fixed Income Credit with Loomis Sayles versus the Bloomberg US Aggregate at 7.7% versus 6.8%, Private Equity outperformed the benchmark, but with those added up, it was not enough to overcome the drag from the Value bias so the Fund was up 6.0% versus 6.2% for the benchmark. Mr. Sauer said the Fund underperformed in the quarter and the one-year, but still had a strong 10% for the 1-Year and is outperforming for the 5-Year, 7-Year, 10-Year, and 15-Year time periods, which, he said, is added value to the Fund over time. Mr. Sauer discussed 4th Quarter Attribution and noted the main driver of underperformance was the Fund's Allocation. He said Public Equities were down a bit going into the November rally and when stocks are down, it pushes the allocation underweight and the overweight to Private Equity was a drag as well and it is harder to change over shorter time periods. He said because the Private Equity benchmark was negative, the overweight to that shows as a detractor. Mr. Sauer stated there was solid manager performances in the quarter and Loomis Sayles, Reams, William Blair outperformed and Private Equity outperformed their benchmarks. He noted this was partially offset by real estate manager JP Morgan which underperformed and detracted 14 basis points. Mr. Sauer added that for Style Bias, the US Government Fixed Income was a detractor. Discussing full year attribution, he stated the majority of growth returns were from the Magnificent Seven growth story throughout the year meaning the Value and Small Cap Bias went against the Fund and was a detractor. Mr. Sauer said it masked strong manager performance with Brandes adding 67 basis points, DFA Strategies adding 33 basis points, Morgan Stanley adding 24 basis points, Polen added 22 basis points, and Loomis Sayles added 21 basis points. He discussed the 2023 Market Value Change and noted there were total outflows of \$489 million,

received contributions of \$190 million, and a capital market gain of \$546 million, allowing the Fund to grow a bit. Regarding notable CMERS Manager Events, Mr. Sauer said Polen announced in January that Damon Ficklin, a Portfolio Manager, would be re-joining Polen's Focus Growth strategy that they manage for the Fund. He added that Brandon Ladoff, a Portfolio Manager and Head of Sustainable Investing would be joining the Global Growth strategy. Mr. Sauer talked about the Public Equity Performance and said that it was 60 basis points under the benchmark which was a good outcome, all things considered. He said it had solid outperformance over a long time period versus the benchmark. He said Mr. Silber has put a lot of work and thought into how the Public Equity portfolio was constructed which paid off in relative results versus the benchmark over the past 10 years. Mr. Sauer mentioned Public Equity performance standouts and said that Polen was up 38.1% and outperformed their benchmark by 11.8%, Brandes was up 31% and outperformed their benchmark by 12.8%, DFA U.S. Small Cap was up 21% and outperformed their benchmark by 6.4%. He said the only outlier was CastleArk which had significant underperformance for the full year, but had bounced back in 2024. Mr. Sauer discussed Fixed Income, noting it was a strong quarter and the full-year return was a strong return. He said Reams was up 6.6% and outperformed 1.1% and Loomis Sayles was up 8.4% and outperformed 2.9% for the full year. Mr. Sauer next discussed Private Equity and said even though it was a tough year compared to the way Staff benchmarked it in 2023, Staff is happy with how it has shaped up and is performing. He noted there was heavy Capital Call activity in the second quarter, normalized in Q3, and the Managers are expecting Capital Call activity to be more normalized in 2024 with distributions picking up again to help the cash flow. Mr. Sauer provided a Performance Update and said as of February 7, the ERS Total Fund Market Value is at \$5.88 billion. He said for January, the Fund was estimated to be down 0.3% versus a flat benchmark at 0.0%. Mr. Sauer noted month-to-date for February, the Fund is up 0.2% versus the 0.4% benchmark and year-to-date through February 7, 2024, the ERS Fund is down 0.1% versus the 0.4% benchmark.

Mr. Silber thanked Mr. Sauer for the update and said for the five-year number, we are looking at a Fund that has a 9.1% return, is outperforming its benchmark net of fees by an annualized 86 basis points, and ranks near-the-top quartile according to the Northern Trust peer universe. In addition, every single asset class – Stocks, Bonds, Absolute Return, Private Equity, and Real Assets, is outperforming over the 5-year time period. He said the five-year period started on January 1, 2019 so that means a dollar invested in the Fund five years ago, generated a return that exceeded the majority of other public funds according to the Northern Trust and Callan peer universes. Mr. Silber looked at the numbers for the 10-year period and said a similar conclusion can be drawn about the Fund and the Fund's asset classes during the past 10-years as well.

Mr. Klusman commended Staff, including Callan, that they are doing a fantastic job and compared to the Wisconsin Retirement System (WRS), the Fund last year had a 10% return versus the WRS' 11.4% return, but when the economy had a bad year in 2022, the Fund was down about 6.5%, while the WRS was down about twice that at almost 13%. He looked at 2021 when everyone had a strong year and the Fund had an 18.9% return and the WRS had a 16.9% return. Mr. Klusman looked at the five-year returns and said the ERS Fund had only a .1% difference against the WRS. He said the ERS Fund beat them by .1% for the 10-year time frame. Mr. Klusman added that Staff picked the right managers and monitored the managers. Mr. Klusman added that the Fund in 2023 had \$198 million in and \$498 million out, and said that's \$300 million and the Fund grew a lot during 2023. Mr. Allen said they have a chart with a longer time frame of 23 years and would

include a chart for the next Investment Committee meeting. Mr. Silber thanked Mr. Sauer and Mr. Courtright and said he was proud of the team and what they put together in all the reports.

Value Add Analysis. As a matter of information, Committee members received the Value Add Analysis document. Mr. Silber noted they put the analysis together every year and they have 29 years of data. He said the ERS spends so much time as an organization and so many resources determining what managers will be selected, whether they will beat the benchmarks, whether they are going to be passive or active, and whether they are adding value investing in Private Equity versus Stocks or Hedge Funds versus Bonds. Mr. Silber went over the slides and said that over 29 years, the Fund has a value add of about \$1.1 billion, which means the Fund has \$1.1 billion more in it, net of fees, as a result of successfully selecting managers who have outperformed low-cost liquid passive benchmarks. This amount includes the net of fee outperformance that the Private Equity allocation has generated above Stock returns, and the net of fee outperformance that the Hedge Fund allocation has generated above Bond returns. He said in the last 10 years about \$400 million has been added. Mr. Silber explained that an asset class breakdown of these results was included within the analysis. Discussion ensued.

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

There being no further business, Mr. Klusman adjourned the meeting at 11:53 a.m.

Bernard J. Allen
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.)

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

Minutes of the Special Administration and Operations Committee Meeting
held March 20, 2024 via teleconference

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

Committee Members Present: Molly King
Thomas Klusman
Aycha Sawa, Chair

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

Others Present: Erin Scharlau, Legislative Audit Bureau; Terry Siddiqui, DS Consulting, Inc.

Election of Vice Chair. Ms. Sawa asked for nominations for Vice Chair. Mr. Klusman nominated Ms. King for Vice Chair. Ms. Sawa seconded Mr. Klusman's nomination. Ms. Sawa asked three more times if there were any other nominations for Vice Chair. Ms. Sawa, hearing no objections, stated Ms. King was elected Vice Chair of the Administration & Operations Committee. Ms. King thanked the Committee and accepted the position to continue serving the people.

Ms. King left the meeting at 9:05 a.m.

Approval of Close out of 2023 Budget. As a matter of information, Committee members received from Mr. Gopalan a memo of the "Final 2023 Payment to the City and 2023 Budget to Actual Expenditures." Mr. Gopalan stated the memo summarizes the Close out of the 2023 Budget. He said ERS has an intergovernmental agreement with the City that covers the payment of ERS' administrative expenses. He said the City pays all of ERS' expenses and then ERS reimburses, on a monthly basis, the City for those expenses that are attributable to the ERS Trust Fund. Mr. Gopalan said the ERS' total expenses as of December 31, 2023 were \$18,238,432.20. He said included in that amount is \$516,089.47 of non-trust expenses, which are expenses incurred by ERS, but relate to non-pension items such as Group Life or Retiree Health. He stated the remaining \$17,832,324.83 represents the amount incurred by the ERS Trust for 2023. Mr. Gopalan said the ERS has reimbursed the City \$16,634,00, leaving a balance due to the City of \$1,198,342.83. He said this final amount payable to the City is comprised of costs which occurred in December and paid in January after the close of the fiscal year. Mr. Gopalan said he is looking for a motion to approve the \$1,198,342.83 payable to the City. Discussion ensued.

It was moved by Ms. Sawa, and seconded by Mr. Klusman, to approve the Approval of Close out of 2023 Budget.

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

Organizational/Personnel Update. Mr. Sauer said they are making good progress on the Pension Investment Analyst – Sr. position. He stated he and Mr. Silber interviewed 11 people virtually and brought in four candidates for in-person interviews. Mr. Sauer said they extended an offer to one local candidate so far and he accepted. He stated the person who accepted is a CFA charterholder and has many years of experience following stock and bond managers. Mr. Sauer said the candidate would be starting in early April. He said he and Mr. Silber expect to fill the second Pension Investment Analyst – Sr. position from one of the other three candidates interviewed, but they have not completed that yet. Mr. Sauer noted they will make an offer to at least one candidate, have it accepted, and have a full team in the next few months. Discussion ensued. Mr. Allen stated that Ms. Johnson is working with DER to fill the Fiscal Services Assistant position and there are some internal candidates for that. Mr. Gopalan added that the Fiscal Services Assistant position was posted with the City as a Promotional vacancy and that the vacancy should be closed at the end of March. Discussion ensued.

Ms. Sawa stated this would be her last Administration & Operations Committee meeting. Mr. Allen stated she would be missed.

It was moved by Mr. Klusman, and seconded by Ms. Sawa to adjourn the meeting.

Ms. Sawa adjourned the meeting at 9:18 a.m.

Bernard J. Allen
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.)

**Fiscal Year
2024
Department
Employees' Retirement System**

**City of Milwaukee
Departmental
Appropriation Budget Balances**

As of: 2024-04-30

	Budget	2024-1	2024-2	2024-3	Year to Date Expended	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>							
Employee Salaries & Wages	5,002,345.00	-	-	-	-	-	5,002,345.00
Base Pay-Salary & Wage	-	236,445.99	349,712.62	337,178.99	923,337.60	-	(923,337.60)
Overtime Premium	-	65.67	46.60	-	112.27	-	(112.27)
Time Paid Not Worked	-	123,944.27	19,059.21	34,707.82	177,711.30	-	(177,711.30)
Employee Salaries & Wages	\$ 5,002,345.00	360,455.93	368,818.43	371,886.81	\$ 1,101,161.17	\$ -	\$ 3,901,183.83
Fringe Benefits Applied	2,251,055.00	-	-	-	-	-	2,251,055.00
Fringe Benefits Applied	-	124,252.37	183,773.99	88,129.53	396,155.89	-	(396,155.89)
Applied Employee Benefits	\$ 2,251,055.00	124,252.37	183,773.99	88,129.53	\$ 396,155.89	\$ -	\$ 1,854,899.11
Operating Expenditures	16,305,400.00	-	-	-	-	-	16,305,400.00
Office Supplies	-	349.31	969.71	123.32	1,442.34	-	(1,442.34)
Printed Forms	-	-	-	625.55	625.55	-	(625.55)
Magazines, Subscription	-	479.46	472.43	3,257.62	4,209.51	-	(4,209.51)
Postal and Mailing Services	-	130.00	12,219.29	13,567.05	25,916.34	-	(25,916.34)
Electricity	-	-	3,839.62	3,331.16	7,170.78	-	(7,170.78)
Other Operating Supply	-	1,450.00	769.65	601.92	2,821.57	-	(2,821.57)
Building Rental	-	75,773.06	52,700.39	39,288.27	167,761.72	-	(167,761.72)
Printing & Dupl Machine Rental	-	1,126.29	-	4,056.58	5,182.87	-	(5,182.87)
Consulting	-	16,921.68	47,549.15	48,145.48	112,616.31	-	(112,616.31)
Medical, Surgical & Lab	-	5,500.00	30,315.35	8,875.67	44,691.02	-	(44,691.02)
Administrative Charges	-	14,136.29	50,936.16	33,792.26	98,864.71	-	(98,864.71)
Other Professional Services	-	(1,233,143.40)	573,608.34	460,628.42	(198,906.64)	-	198,906.64
Systems Support	-	-	27,965.00	71,590.00	99,555.00	-	(99,555.00)
IT Infrastructure	-	-	6,170.00	7,362.00	13,532.00	-	(13,532.00)
Telephone, Communications	-	5,721.23	4,245.76	9,976.28	19,943.27	-	(19,943.27)
Travel & Subsistence	-	5,667.01	1,973.23	851.19	8,491.43	-	(8,491.43)
Printing Services	-	-	840.70	223.83	1,064.53	-	(1,064.53)
Insurance-Non Health	-	11,569.00	-	-	11,569.00	-	(11,569.00)
Other Misc Services	-	14,121.84	210.00	2,194.71	16,526.55	-	(16,526.55)
Operating Expenditures	\$ 16,305,400.00	(1,080,198.23)	814,784.78	708,491.31	\$ 443,077.86	\$ -	\$ 15,862,322.14
All Equipment	713,000.00	-	-	-	-	-	713,000.00
Computer Server & Components	-	10,194.14	37,375.00	-	47,569.14	-	(47,569.14)
Total Equipment	\$ 713,000.00	10,194.14	37,375.00	-	\$ 47,569.14	\$ -	\$ 665,430.86
Total Regular Class	\$ 24,271,800.00	(585,295.79)	1,404,752.20	1,168,507.65	\$ 1,987,964.06	\$ -	\$ 22,283,835.94
<i>Other Departmental Appropriations:</i>							
Pol Pension Lump-Sum Sup Cont	2,000.00	-	-	2,000.00	2,000.00	-	-
PABF Payroll	12,000.00	-	1,000.00	1,000.00	2,000.00	-	10,000.00
Group Life Insurance Premium	4,200,000.00	-	696,585.42	338,945.41	1,035,530.83	-	3,164,469.17
Retiree's Benefit Adjustment	25,000.00	1,467.22	-	2,578.33	4,045.55	-	20,954.45
Other Classes	\$ 4,239,000.00	1,467.22	697,585.42	344,523.74	\$ 1,043,576.38	\$ -	\$ 3,195,423.62
Total Dept Appropriations	\$ 28,510,800.00	(583,828.57)	2,102,337.62	1,513,031.39	\$ 3,031,540.44	\$ -	\$ 25,479,259.56

Monthly Board Report

31-Mar-24

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	135,319,455.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	135,319,455.20 2.24%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	207,796,073.30 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	207,796,073.30 3.43%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	401,372.56 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	401,372.56 0.01%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,686.79 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,686.79 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	170,813,032.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	170,813,032.90 2.82%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	5,195,520.76 2.96%	170,429,406.80 97.04%	0.00 0.00%	0.00 0.00%	0.00 0.00%	175,624,927.50 2.90%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	255,791,990.40 100.00%	0.00 0.00%	255,791,990.40 4.23%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	191,165,984.30 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	191,165,984.30 3.16%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	28,625,005.48 33.31%	0.00 0.00%	61,987,765.37 72.14%	0.00 0.00%	-4,684,207.33 -5.45%	85,928,563.52 1.42%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	210,097,173.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	210,097,173.90 3.47%
MILWAUKEE-LOOMIS SAYLE CME01	5,125,979.60 1.12%	0.00 0.00%	8,308,972.29 1.81%	445,534,199.00 96.97%	0.00 0.00%	469,510.90 0.10%	459,438,661.80 7.59%
MILWAUKEE-BRANDES INT'L EQUITY CME03	6,604,112.19 1.95%	0.00 0.00%	330,780,061.70 97.59%	0.00 0.00%	1,977,713.34 0.58%	-416,673.81 -0.12%	338,945,213.40 5.60%
MILWAUKEE-REAMS CME04	87,867,083.71 12.14%	0.00 0.00%	0.00 0.00%	832,911,757.20 115.11%	0.00 0.00%	-197,207,680.10 -27.25%	723,571,160.80 11.95%
MILWAUKEE-BLAIR CME05	2,336,675.79 0.98%	0.00 0.00%	236,173,632.60 98.84%	0.00 0.00%	924,644.33 0.39%	-488,923.60 -0.20%	238,946,029.20 3.95%
MILWAUKEE-MFS CME12	4,219,999.33 2.01%	0.00 0.00%	205,436,285.40 97.77%	0.00 0.00%	415,037.35 0.20%	41,281.71 0.02%	210,112,603.80 3.47%

Monthly Board Report

31-Mar-24

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-POLEN 2644553	0.00 0.00%	1,632,895.90 1.30%	123,688,490.30 98.70%	0.00 0.00%	0.00 0.00%	0.00 0.00%	125,321,386.20 2.07%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	178,545,065.40 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	178,545,065.40 2.95%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	263,255,623.40 96.55%	0.00 0.00%	0.00 0.00%	9,400,000.00 3.45%	272,655,623.40 4.50%
MILWAUKEE-PUBLIC EQUITY 2697782	0.00 0.00%	1.70 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1.70 0.00%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	112,991,292.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	112,991,292.00 1.87%
MILWAUKEE-APTITUDE / 4479682 4479682	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	189,171,098.30 100.00%	0.00 0.00%	189,171,098.30 3.12%
MILWAUKEE-INV TRAN CME08	10.09 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	10.09 0.00%
MILWAUKEE - DFA US LCV CME15	555,343.53 0.36%	0.00 0.00%	153,970,274.90 99.61%	0.00 0.00%	0.00 0.00%	53,484.41 0.03%	154,579,102.80 2.55%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	457,682,150.81 100.00%	0.00 0.00%	457,682,150.81 7.56%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	749,525,265.00 100.00%	0.00 0.00%	749,525,265.00 12.38%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	409,733,089.50 100.00%	0.00 0.00%	0.00 0.00%	409,733,089.50 6.77%

Monthly Board Report

31-Mar-24

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
Total for consolidation	106,709,204.24	171,176,938.39	2,563,451,369.19	1,750,166,811.07	1,655,487,899.53	-192,833,207.82	6,054,159,014.57
% for consolidation	1.76%	2.83%	42.34%	28.91%	27.34%	-3.19%	100.00%

Please note that this report has been prepared using best available data. This report may also contain information provided by third parties, derived by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction - Northern Trust assumes no responsibility for the accuracy, timeliness or completeness of any such information. Northern Trust assumes no responsibility for the consequences of investment decisions made in reliance on information contained in this report. If you have questions regarding third party data or direction as it relates to this report, please contact your Northern Trust relationship team.

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**Employees' Retirement System
Securities Lending Income and Expenses: 2024
As of March 2024**

Date	Income From Lending	Amounts Expended		Balance
		Fees	Administrative Transfers	
Balance 12-31-23				\$852,821.09
01/04/24	3,652.42	-	-	856,473.51
01/16/24	236,817.30	47,355.57	-	1,045,935.24
01/16/24	-	-	853,000.00	192,935.24
02/05/24	3,207.34	-	-	196,142.58
02/15/24	184,406.58	36,874.56	-	343,674.60
03/03/24	1,136.58	-	-	344,811.18
03/15/24	68,717.08	13,738.41		399,789.85
Current Totals	\$497,937.30	\$97,968.54	\$853,000.00	\$399,789.85

Note: Expenses for Board Travel/Education, Computer Equipment, Publications and Consulting are now paid from the Operations/Management account

MERS PERFORMANCE ESTIMATES
March 31, 2024

Account	2023 Return	Jan 2024	Feb 2024	Mar 2024	1st Quarter 2024
Northern Trust S&P 500 Index	26.30%	1.68%	5.34%	3.22%	10.55%
S&P 500	<u>26.29%</u>	<u>1.68%</u>	<u>5.34%</u>	<u>3.22%</u>	<u>10.56%</u>
Difference	0.01%	0.00%	0.00%	0.00%	-0.01%
BlackRock Russell 1000 Value Index	11.51%	0.10%	3.69%	5.00%	8.99%
Russell 1000 Value	<u>11.46%</u>	<u>0.10%</u>	<u>3.69%</u>	<u>5.00%</u>	<u>8.99%</u>
Difference	0.05%	0.00%	0.00%	0.00%	0.00%
DFA US Large Cap Value	12.49%	0.70%	4.26%	6.27%	11.56%
Russell 1000 Value	<u>11.46%</u>	<u>0.10%</u>	<u>3.69%</u>	<u>5.00%</u>	<u>8.99%</u>
Difference	1.03%	0.59%	0.57%	1.27%	2.58%
Polen	38.59%	4.10%	3.86%	-0.36%	7.73%
S&P 500	<u>26.29%</u>	<u>1.68%</u>	<u>5.34%</u>	<u>3.22%</u>	<u>10.56%</u>
Difference	12.30%	2.42%	-1.48%	-3.58%	-2.83%
Earnest	17.75%	-0.73%	4.01%	4.76%	8.17%
Russell MidCap	<u>17.23%</u>	<u>-1.42%</u>	<u>5.59%</u>	<u>4.34%</u>	<u>8.60%</u>
Difference	0.52%	0.70%	-1.57%	0.42%	-0.43%
CastleArk	10.67%	0.58%	8.12%		8.75%
Russell 2000 Growth	<u>18.66%</u>	<u>-3.21%</u>	<u>5.56%</u>		<u>2.17%</u>
Difference	-7.99%	3.79%	2.57%		6.58%
DFA US Small Cap Value	21.83%	-3.21%	1.82%	5.14%	3.61%
Russell 2000 Value	<u>14.65%</u>	<u>-4.54%</u>	<u>3.27%</u>	<u>4.38%</u>	<u>2.90%</u>
Difference	7.18%	1.33%	-1.45%	0.76%	0.71%
Brandes	31.52%	-0.36%	0.60%	5.03%	5.27%
MSCI EAFE	<u>18.24%</u>	<u>0.58%</u>	<u>1.83%</u>	<u>3.29%</u>	<u>5.78%</u>
Difference	13.29%	-0.94%	-1.23%	1.74%	-0.52%
William Blair	15.90%	0.03%	4.18%	2.52%	6.83%
MSCI ACWI ex US	<u>16.21%</u>	<u>-0.98%</u>	<u>2.55%</u>	<u>3.22%</u>	<u>4.81%</u>
Difference	-0.31%	1.01%	1.63%	-0.70%	2.02%
DFA Int'l Small Cap Value	17.56%	-1.51%	1.43%	5.42%	5.32%
MSCI EAFE Small Cap	<u>13.16%</u>	<u>-1.65%</u>	<u>0.38%</u>	<u>3.72%</u>	<u>2.40%</u>
Difference	4.40%	0.14%	1.05%	1.70%	2.92%
AQR	17.92%	-2.25%	6.43%	2.02%	6.14%
MSCI EM	<u>9.83%</u>	<u>-4.64%</u>	<u>4.76%</u>	<u>2.48%</u>	<u>2.37%</u>
Difference	8.09%	2.39%	1.67%	-0.46%	3.77%
BlackRock Global Alpha Tilts	23.33%	0.25%	4.60%	4.05%	9.12%
MSCI ACWI	<u>22.20%</u>	<u>0.59%</u>	<u>4.29%</u>	<u>3.14%</u>	<u>8.20%</u>
Difference	1.13%	-0.33%	0.31%	0.91%	0.92%
MFS	21.34%	-0.02%	4.33%	2.07%	6.48%
MSCI ACWI	<u>22.20%</u>	<u>0.59%</u>	<u>4.29%</u>	<u>3.14%</u>	<u>8.20%</u>
Difference	-0.87%	-0.60%	0.04%	-1.07%	-1.72%
BlackRock Gov't Bond Index	4.26%	-0.18%	-1.29%	0.58%	-0.90%
Bloomberg Gov't Bond	<u>4.09%</u>	<u>-0.27%</u>	<u>-1.30%</u>	<u>0.64%</u>	<u>-0.93%</u>
Difference	0.17%	0.09%	0.01%	-0.05%	0.04%
Reams	6.76%	-0.26%	-1.30%	0.94%	-0.63%
Bloomberg US Aggregate	<u>5.53%</u>	<u>-0.27%</u>	<u>-1.41%</u>	<u>0.92%</u>	<u>-0.78%</u>
Difference	1.23%	0.02%	0.11%	0.01%	0.14%
Loomis Sayles	8.53%	0.08%	-0.68%	1.24%	0.63%
Bloomberg US Aggregate	<u>5.53%</u>	<u>-0.27%</u>	<u>-1.41%</u>	<u>0.92%</u>	<u>-0.78%</u>
Difference	3.00%	0.35%	0.73%	0.32%	1.41%
UBS	6.80%	1.42%	-0.05%	1.04%	2.42%
SOFR + 4%	<u>9.02%</u>	<u>0.81%</u>	<u>0.74%</u>	<u>0.74%</u>	<u>2.31%</u>
Difference	-2.21%	0.61%	-0.79%	0.30%	0.11%
Aptitude	5.24%	1.52%	1.60%	1.60%	4.80%
SOFR + 4%	<u>9.02%</u>	<u>0.81%</u>	<u>0.74%</u>	<u>0.74%</u>	<u>2.31%</u>
Difference	-3.78%	0.72%	0.86%	0.86%	2.50%
Principal	3.31%	-2.41%	0.15%	4.03%	1.68%
Blended Benchmark	<u>4.31%</u>	<u>-2.68%</u>	<u>-0.62%</u>	<u>4.08%</u>	<u>0.67%</u>
Difference	-1.00%	0.27%	0.77%	-0.05%	1.01%
Baird	5.46%	0.46%	-0.02%	0.52%	0.96%
Bloomberg Govt/Credit 1-3 Year	<u>4.61%</u>	<u>0.39%</u>	<u>-0.36%</u>	<u>0.40%</u>	<u>0.42%</u>
Difference	0.85%	0.07%	0.34%	0.13%	0.54%
Total MERS	9.98%	-0.12%	1.04%	1.88%	2.82%

The calculation for the Fund's total rate of return is based on the Modified Dietz method. Although periodic cash flows (i.e., contributions, redemptions) are not time weighted, they are accounted for in the Fund's total rate of return. Therefore, this estimated rate of return may vary slightly from the rate of return reported by the custodian.

The returns shown are gross of fees (except Total MERS, DFA International Small Cap Value, William Blair International Growth, AQR, Principal, UBS, and Aptitude)
 CastleArk performance runs through February 14, 2024.

ACTUAL ALLOCATIONS

March 31, 2024

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 207,796,073	3.48%
	BlackRock (Russell 1000 Value)	3.45%	\$ 210,097,174	3.52%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 417,893,247	7.00%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 125,321,386	2.10%
	DFA (Russell 1000 Value)	2.46%	\$ 154,579,103	2.59%
	Sub-Total Active Large Cap Equity	4.40%	\$ 279,900,489	4.69%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.20%	\$ 175,624,928	2.94%
	CastleArk (Russell 2000 Growth)	0.00%	2	0.00%
	DFA (Russell 2000 Value)	3.05%	\$ 191,165,984	3.20%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 366,790,914	6.15%
Total Domestic		17.55%	\$ 1,064,584,650	17.84%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 338,945,213	5.68%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 238,946,029	4.00%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 170,813,033	2.86%
	AQR (MSCI EM)	1.76%	\$ 112,991,292	1.89%
Total International		13.65%	\$ 861,695,567	14.44%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 272,655,623	4.57%
	MFS (MSCI ACWI)	3.51%	\$ 210,090,757	3.52%
Total Global		7.80%	\$ 482,746,380	8.09%
Total Public Equity		39.00%	\$ 2,409,026,597	40.36%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 304,088,330	5.10%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 281,047,617	4.71%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 63,171,001	1.06%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 101,218,317	1.70%
Total Private Equity		12.00%	\$ 749,525,265	12.56%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 3,158,551,862	52.92%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash				
		1.00%	\$ 135,723,525	2.27%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 409,733,089	6.87%
	Active Fixed Income	12.83%	\$ 723,572,706	12.12%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 459,438,662	7.70%
	Sub-Total Active Fixed Income	20.78%	\$ 1,183,011,368	19.82%
	Total Fixed Income		29.00%	\$ 1,728,467,982
Absolute Return				
		3.00%	\$ 192,008,231	3.22%
		4.00%	\$ 258,452,227	4.33%
Total Absolute Return		7.00%	\$ 450,460,458	7.55%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 2,178,928,440	36.51%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 111,591,136	1.87%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 144,358,834	2.42%
	LaSalle (NFI-ODCE)	2.30%	\$ 106,093,550	1.78%
	Prologis (NFI-ODCE)	1.30%	\$ 79,820,986	1.34%
	Harrison Street (NFI-ODCE)	0.90%	-	0.00%
	Sub-Total Private Real Estate - Core	9.70%	\$ 441,864,506	7.40%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 10,376,185	0.17%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 178,545,065	2.99%
TOTAL REAL ASSETS		13.00%	\$ 630,785,756	10.57%
TOTAL ERS			\$ 5,968,266,059	100.00%
Total City Reserve Fund		R. W. Baird	85,928,564	

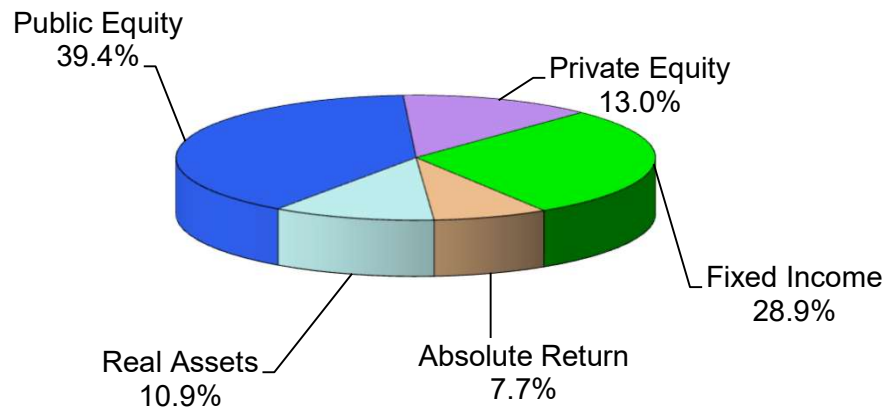
PROJECTED TARGET ALLOCATIONS

Apr 16, 2024

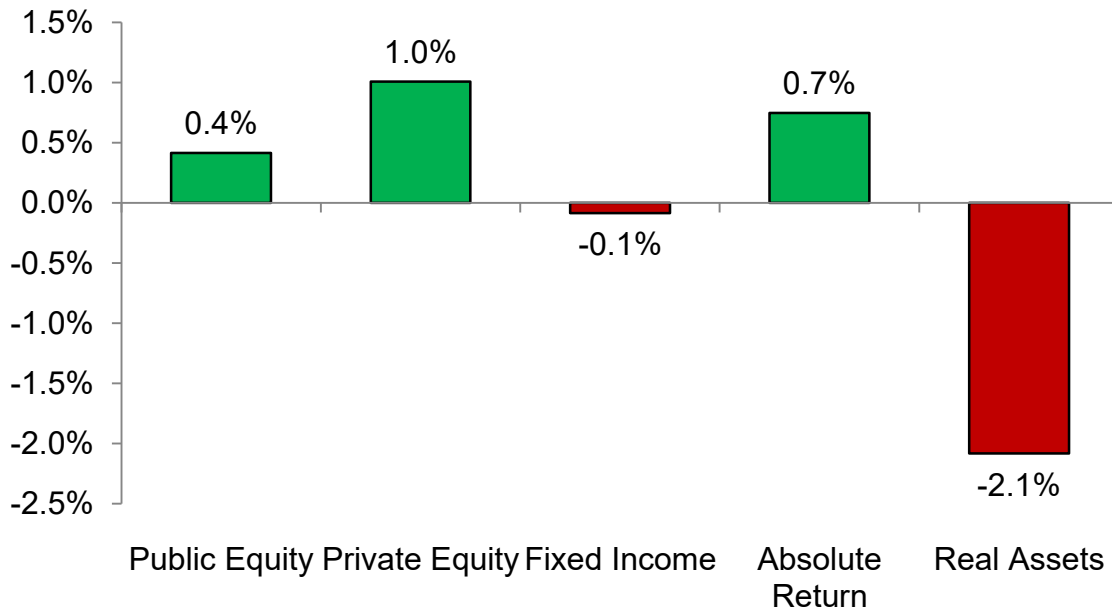
		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 199,880,343	3.44%
	BlackRock (Russell 1000 Value)	3.45%	\$ 199,081,512	3.42%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 398,961,855	6.86%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 121,406,144	2.09%
	DFA (Russell 1000 Value)	2.46%	\$ 146,875,860	2.53%
	Sub-Total Active Large Cap Equity	4.40%	\$ 268,282,005	4.61%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.20%	\$ 165,069,815	2.84%
	DFA (Russell 2000 Value)	3.05%	\$ 178,132,073	3.06%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 343,201,888	5.90%
Total Domestic		17.55%	\$ 1,010,445,748	17.38%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 323,359,871	5.56%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 227,980,559	3.92%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 165,384,329	2.84%
	AQR (MSCI EM)	1.76%	\$ 109,470,009	1.88%
Total International		13.65%	\$ 826,194,768	14.21%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 254,187,948	4.37%
	MFS (MSCI ACWI)	3.51%	\$ 201,019,375	3.46%
Total Global		7.80%	\$ 455,207,323	7.83%
Total Public Equity		39.00%	\$ 2,291,847,839	39.42%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 304,928,330	5.24%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 287,254,917	4.94%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 63,171,001	1.09%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 100,903,713	1.74%
Total Private Equity		12.00%	\$ 756,257,961	13.01%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 3,048,105,800	52.42%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash				
		1.00%	\$ 132,250,210	2.27%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 400,302,950	6.88%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 702,719,262	12.09%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 445,998,471	7.67%
	Sub-Total Active Fixed Income	20.78%	\$ 1,148,717,733	19.76%
Total Fixed Income		29.00%	\$ 1,681,270,893	28.91%
Absolute Return				
	Aptitude (SOFR + 4%)	3.00%	\$ 192,008,231	3.30%
	UBS (SOFR + 4%)	4.00%	\$ 258,452,227	4.44%
Total Absolute Return		7.00%	\$ 450,460,458	7.75%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 2,131,731,351	36.66%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 108,323,454	1.86%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 144,358,834	2.48%
	LaSalle (NFI-ODCE)	2.30%	\$ 105,169,098	1.81%
	Prologis (NFI-ODCE)	1.30%	\$ 80,778,838	1.39%
	Harrison Street (NFI-ODCE)	0.90%	\$ 12,500,000	0.21%
	Sub-Total Private Real Estate - Core	9.70%	\$ 451,130,224	7.76%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 10,370,133	0.18%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 173,297,504	2.98%
TOTAL REAL ASSETS		13.00%	\$ 634,797,862	10.92%
TOTAL ERS			\$ 5,814,635,012	100.00%
Total City Reserve Fund		R. W. Baird	85,782,749	

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Current Policy Benchmark



YTD Market Value Change

December 31, 2023 Market Value including City Reserve & PABF Accounts			\$ 5,797,273,012
Monthly Cash Outflows thru	<u>April 16, 2024</u>		
Retiree Payroll Expense		\$ (116,611,163)	
PABF Payroll Expense		\$ (3,500)	
Expenses Paid		\$ (5,377,343)	
GPS Benefit Payments		\$ (2,369,572)	
Sub-Total Monthly Cash Outflows			\$ (124,361,578)
Monthly Cash Inflows thru	<u>April 16, 2024</u>		
Contributions		\$ 216,749,502	
PABF Contribution		\$ 4,000	
Sub-Total Monthly Contributions			\$ 216,753,502
Capital Market Gain/(Loss)			<u>\$ 10,752,826</u>
Value including City Reserve & PABF Accounts as of	<u>April 16, 2024</u>		<u>\$ 5,900,417,762</u>
Less City Reserve Account ¹			\$ 85,782,749
Less PABF Fund ²			\$ 2,693
Net Projected ERS Fund Value as of	<u>April 16, 2024</u>		<u><u>\$ 5,814,632,319</u></u>

1 The City Reserve Account balance equals the market value currently held in the Baird account.

2 PABF Fund balance equals the market value currently held in the PABF account.

2024 ESTIMATED MONTHLY CASH FLOWS

Revised 4/17/2024

(in 000's)

	<u>12/31/2023</u>	<u>1/31/2024</u>	<u>2/29/2024</u>	<u>3/31/2024</u>	<u>4/30/2024</u>	<u>5/31/2024</u>	<u>6/30/2024</u>	<u>7/31/2024</u>	<u>8/31/2024</u>	<u>9/30/2024</u>	<u>10/31/2024</u>	<u>11/30/2024</u>	
Beginning Cash Account Balance													
Townsend Cash Account	-	-	-	-									
Cash Contribution Account	-	-	-	-									
Milwaukee Cash Account	46,059	179,092	167,742	134,564									
Total Cash Available	46,059	179,092	167,742	134,564									
Less: Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500									
Cash Available for Other Outflows	6,559	139,592	128,242	95,064									
For Monthly Cash Outflows of:													
	<u>Jan-2024</u>	<u>Feb-2024</u>	<u>Mar-2024</u>	<u>Apr-2024</u>	<u>May-2024</u>	<u>Jun-2024</u>	<u>Jul-2024</u>	<u>Aug-2024</u>	<u>Sep-2024</u>	<u>Oct-2024</u>	<u>Nov-2024</u>	<u>Dec-2024</u>	<u>Total 2024</u>
Retiree Payroll Expense	(40,300)	(39,713)	(39,957)	(40,509)	(40,608)	(40,707)	(40,806)	(40,906)	(41,005)	(41,105)	(41,206)	(41,306)	(488,127)
Normal Retirement Payroll	(39,242)	(38,947)	(39,410)	(39,509)	(39,608)	(39,707)	(39,806)	(39,906)	(40,005)	(40,105)	(40,206)	(40,306)	(476,757)
Retiree Lump Sum Payments	(1,058)	(765)	(546)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(11,370)
Real Estate Capital Calls	-	-	(23)	(12,500)	-	-	-	-	-	-	-	-	(12,523)
Private Equity Capital Calls	(2,149)	(3,464)	(6,173)	(13,013)	-	-	-	-	-	-	-	-	(24,799)
Expenses Paid through City	(2,023)	(2,156)	(1,198)	-	(2,023)	(2,023)	(2,023)	(2,023)	(2,023)	(2,023)	(2,023)	(2,023)	(21,561)
PABF Payroll	(1)	(3)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(8)
Sub-Total Monthly Cash Outflows	(44,472)	(45,336)	(47,351)	(66,022)	(42,631)	(42,730)	(42,830)	(42,929)	(43,029)	(43,129)	(43,229)	(43,330)	(547,018)
For Monthly Cash Inflows:													
Sponsoring Agency and Employee Contribution	2,710	2,721	2,049	3,726	2,735	2,742	2,749	4,133	2,762	2,769	2,776	2,783	34,655
Real Estate Distributions	1,920	-	92	4,054	-	-	-	-	-	-	-	-	6,067
Private Equity Distributions	904	3,891	11,310	315	-	-	-	-	-	-	-	-	16,420
Miscellaneous Income	163	950	790	755	95	95	95	95	95	95	95	95	3,419
Security Lending Transfer	853	-	-	-	-	-	-	-	-	-	-	-	853
City and Agency Required Contribution	205,954	987	-	-	-	-	-	-	-	-	-	-	206,941
PABF Inflow	-	1	-	3.0	1	1	1	1	1	1	1	1	8
Sub-Total Monthly Cash Inflows	212,505	8,551	14,242	8,853	2,830	2,837	2,844	4,229	2,858	2,865	2,872	2,879	268,362
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	168,033	(36,785)	(33,110)	(57,170)	(39,801)	(39,893)	(39,986)	(38,700)	(40,171)	(40,264)	(40,357)	(40,451)	(278,655)
Net Monthly Cash Surplus (Need)	174,592	102,807	95,132	37,895	(39,801)	(39,893)	(39,986)	(38,700)	(40,171)	(40,264)	(40,357)	(40,451)	90,802
Monthly Cash Withdrawals (Additions)													
AQR													
BlackRock Global Alpha Tilts			9,400										
BlackRock Russell 1000 Value Index													
BlackRock US Government Bond Index	(54,000)												
Brandes													
CastleArk													
Dimensional Fund Advisors US Large Cap													
Dimensional Fund Advisors International													
Dimensional Fund Advisors US Small Cap													
Earnest													
Loomis Sayles													
MFS													
Northern Trust S&P 500 Index			7,400										
Polen			4,500										
Principal													
Reams													
Transition Account		25,435	33										
UBS A&Q	19,000												
Goldman/Aptitude			(12,000)										
William Blair													
Sub-Total Monthly Cash Withdrawals	(35,000)	25,435	9,333										
Estimated Month-End Cash Balance													
Cash Available	139,592	128,242	104,464	37,895									
Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500									
Total Cash Estimated on Hand For Next Month	179,092	167,742	143,964	77,395									