

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
WEDNESDAY, APRIL 27, 2022 – 9:00 A.M.**

Special Notice: Due to the COVID-19 pandemic, 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 29, 2022.
- II. Chief Investment Officer Report.
- III. Investment Committee Report.
 - A. Approval of UBS Hedge Fund Solutions Guideline Change.
 - B. Approval of Principal Global Investors Guideline Change.
 - C. Approval of Statement of Investment Policy Update.
- IV. Administration & Operations Committee Report.
 - A. Approval of Contract Extension for Managed Medical Review Organization, Inc. (MMRO) – Disability Claims Vendor.
 - B. Approval of Draft ERS 2023 City Budget Request.
- V. New Business.
 - A. Retirements, Death Claims, and Refunds (March).
 - B. Conference Requests – April 2022 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 (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 2022 YTD.
- D. Minutes of the A&O Committee Meeting Held March 17, 2022.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, MAY 24, 2022 – 9:00 A.M.

789 N. WATER ST.

REGULAR MEETING

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held March 29, 2022.

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

Minutes of the Regular Meeting
held March 29, 2022 via teleconference during COVID-19

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

Board Members Present: Matthew Bell, Chair
James Campbell
Deborah Ford
Molly King
Nik Kovac
Aycha Sawa

Board Members Not Present: Tom Klusman (excused)
Rudolph Konrad (excused)

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

Others Present: Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., six members of the public called in to the meeting.

Regular Meeting.

Approval of Minutes.

Regular Meeting Held February 22, 2022. It was moved by Ms. Sawa, seconded by Ms. King, and unanimously carried, to approve the Minutes of the Regular Meeting Held February 22, 2022.

Chief Investment Officer Report.

As a matter of information, Board members received the March 29, 2022 Performance Update. Mr. Sauer noted the Fund as of February 28, 2022, had a value of \$6.17 billion. He said the Fund return of 1.4%, gross of fees, outperformed in all time periods shown. He noted eight out of 15 active mandates are outperforming year to date. Mr. Sauer stated the Public Equity, Fixed Income, and Absolute Return asset classes, along with the Total Fund, are outperforming their respective benchmarks year to date. Mr. Sauer said the Fund, through February 28, had seen a year-to-date change in the value of its investments of -\$47.9 million, paid benefits & expenses of \$77.7 million,

and received contributions of \$77.9 million. He noted the Fund is down slightly for the month of March through the 28th, bringing the value of the Fund to approximately \$6.16 billion. He added that the majority of benefit payments will come from the Fund's Cash Balance but \$9 million will be withdrawn from the Fund's investment with Principal for benefit payments. Staff asked about the Russia exposure and Mr. Sauer said it is very low, amounting to about 50 basis points of the Public Equity portfolio, which is one-half of 1% of the Fund's stocks. He said Russia is not anywhere else in the Portfolio.

Mr. Silber said the next Investment Committee Meeting is April 14. He said the agenda will include Callan's 2022 Work Plan for the rest of the year, phase 1 of the Public Equity Structure Review, and a Callan Asset Allocation Review, among other things. Mr. Silber concluded by stating that contract negotiations and due diligence are happening concurrently on the Hedge Fund of Funds Manager that the Investment Committee selected after the interviews in February.

Administration & Operations Committee Report.

Ms. Sawa said that at its March 17, 2022 Administration & Operations Committee Meeting, the Committee re-elected Ms. King as its Vice Chair, the financial auditor Baker Tilly kicked off the audit, and the internal auditor CliftonLarsonAllen (CLA) went through their 2022 audit and plan, IT audit presentation, and Finance and Accounting audit presentation. Ms. Sawa said two of their agenda items are before the Board today – the approval of the contract with United Mailing Services, Inc. and the approval of the Close out of the 2021 Budget. Discussion ensued.

Approval of Contract Amendment with United Mailing Services, Inc. As a matter of information, Board members received the Contract Amendment with United Mailing Services, Inc. materials. It was moved by Ms. Sawa, seconded by Mr. Kovac, and unanimously carried, to approve the Approval of Contract Amendment with United Mailing Services, Inc.

Approval of Close out of 2021 Budget. As a matter of information, Board members received the Close out of 2021 Budget materials. Discussion ensued. It was moved by Ms. King, seconded by Mr. Campbell, and unanimously carried, to approve the Approval of Close out of 2021 Budget.

New Business.

Board Rule II.C.5. – Role of Deputy Director in the Absence or Illness of the Secretary and Executive Director. Staff explained that this Board rule provides for the Deputy Director to act in the stead of the Secretary and Executive Director in the event of absence or illness. Discussion ensued.

Retirements, Death Claims, and Refunds (February). Mr. Allen presented the following activity for the month of February 2022.

Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00

Ordinary Death Benefits reported	\$67,836.90
Retired Death Benefits reported	\$31,682.56
Survivor Death – Termination Benefits reported	\$17,641.58
Refund of Member Contributions paid	\$300,521.64

It was moved by Mr. Campbell, seconded by Ms. King, and unanimously carried, to approve the Retirements, Death Claims, and Refunds (February 2022).

Conference Requests – March 2022 Board Meeting. Staff presented the Conference Requests this month.

Erich Sauer	New Hedge Fund of Funds Manager Due Diligence
Sponsor:	New Hedge Fund of Funds Manager
Location:	
Date:	April 11 – 13, 2022
Estimated Cost:	\$1,400.00

Erich Sauer,	CastleArk Due Diligence
Thomas Courtright	
Sponsor:	CastleArk
Location:	Chicago, IL
Date:	April 20, 2022
Estimated Cost:	\$250.00 total

Jerry Allen	Callan Institute 2022 Annual Conference
Sponsor:	Callan
Location:	San Francisco, CA
Date:	April 25 – 27, 2022
Estimated Cost:	\$2,500.00

David Silber,	Loomis Sayles & MFS Due Diligence; Prologis Meeting
Thomas Courtright	
Sponsor:	Loomis Sayles, MFS, Prologis
Location:	Boston, MA
Date:	May 9 – 11, 2022
Estimated Cost:	\$1,600.00 per person

Deborah Ford	NCPERS Annual Conference & Exhibition and Trustee Education Seminar
Sponsor:	NCPERS
Location:	Washington, DC
Date:	May 21 – 25, 2022
Estimated Cost:	\$4,300.00

Staff noted Ms. King also requested to attend the NCPERS Conference and Trustee Education Seminar at \$4,300.00.

It was moved by Mr. Campbell, seconded by Mr. Kovac, and unanimously carried, to approve the Conference Requests – March 2022 Board Meeting.

Medical Reports.

All Duty & Ordinary Disability Applications & Re-examinations (March). Staff presented certifications (March 2022) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Claude Hunter	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Daniel Lazarski	Approval
<u>GC – Re-examinations – Duty</u>	<u>Recommendation</u>
Albert Henry	Approval

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

Unfinished Business.

Pending and Legal Opinions and Service Requests Report. As a matter of information, Board members received the Pending Legal Opinions and Service Requests Report. Mr. McClain noted there were a couple pending legal opinions due to his being overseas on military leave. He noted there would soon be a completion of the opinions.

Pending Legislation Report. As a matter of information, Board members received the Pending Legislation Report. Staff said there were no new updates.

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.

Informational.

The following is a list of informational items:

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

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

The meeting convened in closed session at 9:43 a.m.

The meeting reconvened in open session at 10:08 a.m.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2022 YTD.

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

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

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

Mr. Bell adjourned the meeting at 10:08 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 27, 2022

Fund as of March 31, 2022

*Fund value of \$6.16b.

*Fund return of 0.3% in March, net of fees.

*Fund has outperformed benchmark in all time periods shown except for March.

*10 out of 15 active mandates outperforming YTD.

*Fixed Income and Absolute Return asset classes, along with Total Fund, outperforming their respective benchmarks YTD.

*Investment Change: -\$27.1m

*Benefits & Expenses: 115.6m

*Contributions: 81.2m

April Update (4/20/22 estimates)

*Fund return -0.8% MTD

*Fund return -1.3% YTD

*Fund value \$6.12b

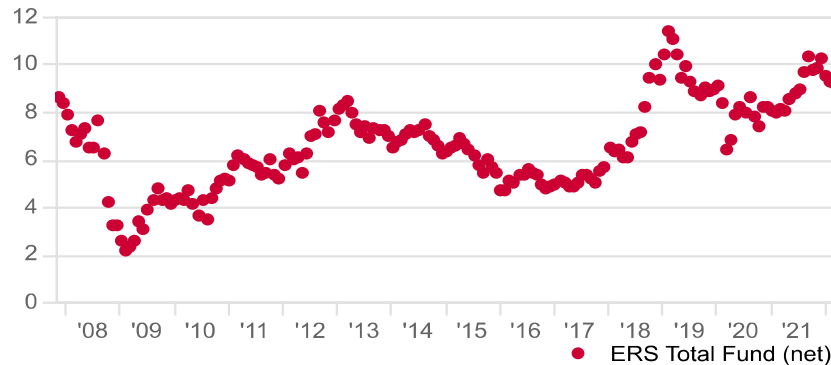
Monthly Withdrawals:

Majority of benefit payments will come from Fund's Cash Balance.

Principal \$9m

Total Fund - 10-Year Rolling Returns

11/28/1997 to 3/31/2022



Return Data

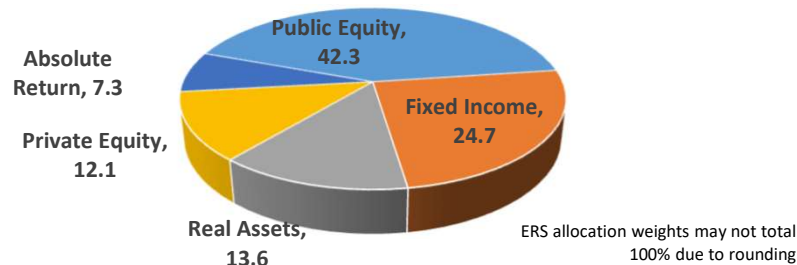
Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	0.3	-0.4	14.3	10.1	9.2	6.7	7.6
ERS Benchmark	2.1	-1.8	7.4	9.2	8.7	6.6	7.1

Total Fund - 20-Year Risk & Return Data

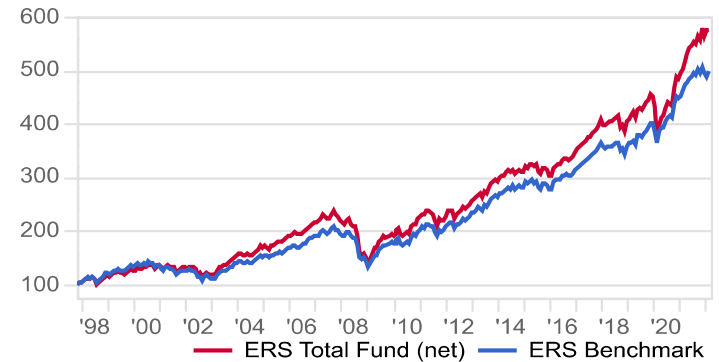
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.6	10.4	2.5	0.2	0.6	-0.2	1.1
ERS Benchmark	7.1	9.1	--	--	0.6	0.0	1.0

ERS Allocation as of March 31, 2022



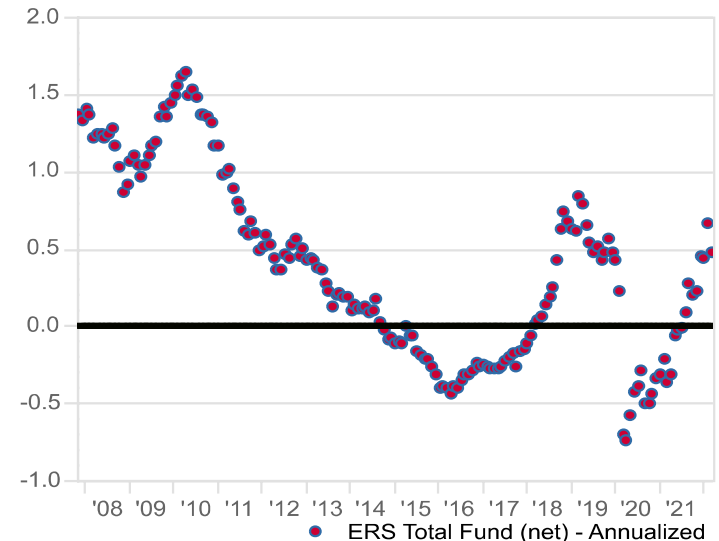
Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 3/31/2022

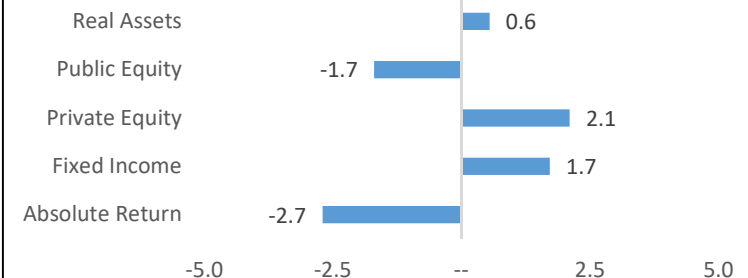


Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 3/31/2022



Asset Allocation vs Policy as of March 31, 2022



III.

INVESTMENT COMMITTEE REPORT

- A. Approval of UBS Hedge Fund Solutions Guideline Change.
- B. Approval of Principal Global Investors Guideline Change.
- C. Approval of Statement of Investment Policy Update.

Memorandum

To: CMERS Investment Committee

From: David M. Silber, CFA, CAIA

Date: April 8, 2022

Re: UBS and Principal Guideline Change; Fund Blended Benchmark Change

The purpose of this memo is to provide a high level summary of items II.-IV. on the April 14, 2022 Investment Committee agenda.

Approval of UBS Hedge Fund Solutions Guideline Change

When ERS first hired UBS to manage a Hedge Fund of One mandate, the benchmark that was selected was the 1-year LIBOR return + 400bp. LIBOR stands for London Interbank Offered Rate, and at the time it was a commonly used benchmark that was supposed to reflect what global financial institutions would charge for short-term loans. Regulations implemented after the 2008 Global Financial Crisis started a process whereby replacements for LIBOR were sought in the marketplace. ERS' Custodian, Northern Trust, notified Staff in mid-February of this year that they would no longer be able to report the 1-year LIBOR benchmark that ERS has been accustomed to using, and that they were in the process of replacing all of their LIBOR indices with a SOFR index. SOFR stands for Secured Overnight Financing Rate, and reflects the cost of borrowing cash overnight in the U.S. Treasury repurchase market. SOFR's transparency is preferable compared to how LIBOR was calculated, and Callan concurs that they are seeing many clients move to SOFR following the discontinuation of LIBOR.

With that background, and given that the ERS does not have the option to continue using the existing benchmark, Staff recommends updating the benchmark reflected in the UBS guideline effective March 1, 2022, from: 1-year LIBOR + 400bp to SOFR + 400bp.

Approval of Principal Global Investors Guideline Change

On March 18, 2022, Principal notified Staff that they were changing the benchmark used for the Diversified Real Assets strategy ERS invests in. Principal explained to Staff and Callan that the reason for the benchmark change was to better align the benchmark with the strategy's long-term strategic allocation targets. Callan noted that they have seen others in the marketplace make similar changes, and Callan's own in-house real assets team is recommending reduced allocations to TIPS amid the outlook of rising interest rates. While Principal is reflecting the benchmark change effective January 1, 2022 within their organization, Staff and Callan don't believe that ERS' reports should be changed retroactively. Staff and Callan recommend updating the benchmark currently used in the Principal guideline to match the recent change, but recommend making it effective April 1, 2022 in all ERS reports. Details of the benchmark change can be found

in the table below. While no components have been added or removed, the weights in most of the components are changing. Discussions between Staff, Callan, and Principal are ongoing to make sure the full impact of this change on the mandate's risk and return characteristics is understood. Staff will follow up with the Investment Committee regarding any notable news from these discussions.

Index allocations	Current weight	Proposed weight	Increase or Decrease
Bloomberg U.S. Treasury TIPS	35%	15%	-20%
S&P Global Infrastructure	20%	30%	10%
S&P Global Natural Resources	20%	15%	-5%
Bloomberg Commodity	15%	15%	No Change
FTSE EPRA/NAREIT Developed Market	10%	25%	15%

Approval of Statement of Investment Policy Update

The Fund's blended benchmark incorporates Principal's benchmark. As a result of this, the Fund's blended benchmark weights that ERS compares its total Fund returns to need to be tweaked to reflect the Principal benchmark change discussed previously in this memo. Principal's current target allocation is 3.9% of total Fund assets, and the component weights within this 3.9% of the Fund's benchmark are the only changes being proposed. Details of the recommended change to the Fund's blended benchmark can be seen in the table below. Similar to the Principal benchmark change discussed previously in this memo, Staff and Callan recommend making this change effective April 1, 2022.

Index allocations	Current weight	Proposed weight	Increase or Decrease
ACWI IMI	44%	44%	No Change
Bloomberg U.S. Aggregate	23%	23%	No Change
90-Day T-bill + 3%	10%	10%	No Change
Russell 3000 + 2% (1 Qtr. Arrears)	10%	10%	No Change
NFI-ODCE (1 Qtr. Arrears)	9.1%	9.1%	No Change
Bloomberg U.S. Treasury TIPS	1.365%	0.585%	-0.78%
S&P Global Infrastructure	0.78%	1.17%	0.39%
S&P Global Natural Resources	0.78%	0.585%	-0.195%
Bloomberg Commodity	0.585%	0.585%	No Change
FTSE EPRA/NAREIT Developed Market	0.39%	0.975%	0.585%

Fund:	CMERS Low Beta LLC
Managing Member:	UBS Alternative and Quantitative Investments <u>Hedge Fund</u>
Role:	<u>Solutions</u> LLC Hedge Fund of Funds Strategy

Investment Objectives

The Investment Manager will attempt to construct a broad based neutral portfolio with exposure to a number of hedge fund strategies

The Fund seeks to target limited beta to equity markets over an economic cycle (3-5 years), as measured relative to the MSCI World Index USD.

Time Horizon	Performance Standard
	<u>Index</u>
Less than one market cycle (rolling 3-year periods).	Exceed (after fees) the 1-year London Interbank Offered Rate <u>Secured Overnight Financing Rate (LIBORSOFR)</u> by 400 basis points.
One market cycle (rolling 5-year periods).	

Investment Guidelines

Strategies and Anticipated Allocation Ranges

Equity Hedged: (0-50%)

- The Fund will retain flexibility to invest in managers who may exhibit either long or short bias to risky assets depending on market environment provided downside risk is seen to be adequately restrained. Sub-strategies currently include: Fundamental and Equity Event.

13F Strategy: (0-5%)

- The Fund is permitted to invest in a Portfolio Fund managed by the Investment Manager which pursues the Investment Manager's "13F Strategy," an equity trading strategy that seeks to replicate the aggregate performance characteristics of a portfolio of equity securities held by a select number of Submanagers which have listed them on their respective filings under SEC Form 13F. The 13F Strategy shall be considered a subset of Equity Hedged such that the allocation range for the 13F Strategy and Equity Hedge together shall be (0-50%).

Credit / Income (0-50%)

- Credit: These strategies in aggregate are subject to a guideline of no more than 50% of the total portfolio. The Fund will retain flexibility to invest in managers who may exhibit either

Fund:	CMERS Low Beta LLC
Managing Member:	UBS Hedge Fund Solutions LLC
Role:	Hedge Fund of Funds Strategy

Investment Objectives

The Investment Manager will attempt to construct a broad based neutral portfolio with exposure to a number of hedge fund strategies

The Fund seeks to target limited beta to equity markets over an economic cycle (3-5 years), as measured relative to the MSCI World Index USD.

Time Horizon	Performance Standard
	<u>Index</u>
Less than one market cycle (rolling 3-year periods).	
One market cycle (rolling 5-year periods).	Exceed (after fees) the Secured Overnight Financing Rate (SOFR) by 400 basis points.

Investment Guidelines

Strategies and Anticipated Allocation Ranges

Equity Hedged: (0-50%)

- The Fund will retain flexibility to invest in managers who may exhibit either long or short bias to risky assets depending on market environment provided downside risk is seen to be adequately restrained. Sub-strategies currently include: Fundamental and Equity Event.

13F Strategy: (0-5%)

- The Fund is permitted to invest in a Portfolio Fund managed by the Investment Manager which pursues the Investment Manager's "13F Strategy," an equity trading strategy that seeks to replicate the aggregate performance characteristics of a portfolio of equity securities held by a select number of Submanagers which have listed them on their respective filings under SEC Form 13F. The 13F Strategy shall be considered a subset of Equity Hedged such that the allocation range for the 13F Strategy and Equity Hedge together shall be (0-50%).

Credit / Income (0-50%)

- Credit: These strategies in aggregate are subject to a guideline of no more than 50% of the total portfolio. The Fund will retain flexibility to invest in managers who may exhibit either long or short bias to risky assets depending on market environment provided downside risk is seen to be adequately restrained.

- Sub-strategies currently include: Distressed, Corporate Long/Short, Structured Products and will not exceed 40% of the total portfolio.
- Income: The Fund will retain flexibility to invest in managers that participate in reinsurance strategies. Reinsurance strategies will not exceed 10% of the portfolio.

Relative Value: (0-60%)

- The Fund is permitted to invest in all Relative Value strategies, including: Quantitative Equity, Merger Arbitrage, Capital Structure/Volatility Arbitrage, Fixed Income Relative Value (FIRV), and Agency MBS.

Trading: (0-40%)

- The Fund is permitted to invest in all Trading strategies, including Global Macro, Commodities and Systematic CTAs. Sub-strategies currently include: Systematic, Global Macro, Commodities.

Other: (0-10%)

- This category contains investment approaches that are outside of the mainstream hedge fund strategies (Equity Hedged, Credit, Relative Value, and Trading). The category includes other alternative strategies, such as tactical asset allocation/risk parity, private equity, and real estate dealings, as well as new niche investment approaches that do not fit into any of the other mainstream strategies.

Multi-Strategy:

- The Fund is permitted to invest in Multi-Strategy managers, which include allocations to a combination of strategies. These offerings are often the result of commonalties in the research and trading talent required for successful execution of the strategies. These funds allocate capital opportunistically among strategies believed to offer a suitable risk-adjusted return profile going forward.
- Applicable guidelines for multi-strategy managers will be monitored on a look-through basis to the underlying Strategies and will count toward the specified limits above.

Investments in Portfolio Funds Managed by Affiliates of the Investment Manager

Investments in Portfolio Funds managed by affiliates of the Investment Manager will be capped at 20% and would be limited to Customized Baskets ("CBs"), Managed Accounts ("MAs") or other Special Purpose Vehicles ("SPVs") where the Investment Manager may seek to attain certain exposures pursuant to the investment objectives of the Fund and where such exposure may otherwise not be accessible to the Fund. In the event such investments are implemented, the Investment Manager will not charge the Fund additional management fees or performance fees within the CBs, MAs or SPVs. Aside from such investments in CBs, MAs or SPVs, no investments will be made to UBS affiliates (e.g. O'Connor).

Diversification

The Investment Manager will determine the appropriate number of Portfolio Funds in its sole discretion. However, the number will typically range between 15-39 Portfolio Funds, excluding co-investments, unless otherwise agreed by the Fund.

Liquidity Considerations

The Investment Manager will seek to invest in Portfolio Funds with a mix of different liquidity profiles. However, the Investment Manager will seek to maintain:

- At least 70% of the net asset value of the Fund to be allocated to Portfolio Funds with stated liquidity terms (with penalties) that allow for redemption within 1 year.
- Up to 30% of the net asset value of the Fund may be allocated to Portfolio Funds with stated liquidity terms that allow for redemption greater than a 1 year hard lock up. Up to 1/3 of these Portfolio Funds (approximately 10% of the Fund) may have a hard lock up of greater than 2 years, but no more than 3 years unless they fall into the category of Portfolio Funds with no predefined redemption period. The latter shall also fall inside the 10% limitation.
- An investor gate can cause a position to fall into multiple liquidity buckets. For example, a 1/8th quarterly liquidity fund would have 50% of its position in the "within 1 year " bucket and the remainder in the "greater than 1 year bucket", none of which would fall into the greater than 2 year bucket.

The above terms do not include audit withholds imposed by Portfolio Funds. The Fund acknowledges and understands that disbursements of any withheld amounts could take between 12 and 18 months to receive and will not be counted toward the above liquidity considerations.

From time to time, a manager may segregate certain securities from its Portfolio Fund and establish a “side pocket” structure and/or share class, which may have less liquid characteristics. The Investment Manager will attempt to limit the Fund’s exposure to side pocket holdings. However, the ultimate side pocket exposure will be at the discretion of the each underlying manager.

Leverage

The Investment Manager does not expect to employ leverage above and beyond what may be undertaken by the underlying Portfolio Funds. The Fund indicated it is able to provide additional cash with sufficient notice for operating purposes such as funding short term subscriptions or coverage for FX currency hedging.

Investment Manager Bespoke Structures/Co-Investments

The Fund is eligible to participate in A&Q bespoke structures and co-investments with full discretion of the Investment Manager.

Investment Eligibility

The Fund may invest in both US tax transparent funds and/or offshore vehicles.

Tail/Overlay Hedging

The Fund is eligible to participate in A&Q Tail/Overlay Program (TAU).

New Issues

The Fund is eligible to participate in new issues, and as such the Fund may invest in the new issues eligible share classes, if deemed appropriate.

Fund: Principal Diversified Real Asset CIT (“Principal DRA CIT”)
Manager: Principal Global Investors Trust
Role: Real Assets Strategy

Objectives and Guidelines

Investment Objectives

Time Horizon	Market Cycle approximately 3-5 years
Performance Standard	3-5% over CPI over a market cycle
Index	Custom Index:
	1535% Barclays U.S. TIPS Index
	3020% S&P Global Infrastructure Index
	1520% S&P Global Natural Resources Index
	15% Bloomberg Commodity Total Return Index
	2510% FTSE EPRA/NAREIT Developed Market Index

Investment Guidelines

The Principal DRA CIT is a collective investment trust for which Principal Global Investors Trust Company (f/k/a Union Bond & Trust Company) (“Trust Company”), an Oregon banking corporation acts as Trustee (the “Trustee”) pursuant to the Declaration of Trust as may be amended from time to time. The Principal DRA CIT is only available to certain retirement, pension, profit sharing, stock bonus and similar plans and their individual participants. The Trust Company has retained Principal Global Investors, LLC (“PGI”) to serve as the investment advisor for the Principal DRA CIT. PGI is an affiliate of the Trust Company.

Objective: The investment objective of the Principal DRA CIT is to seek a long-term total return in excess of CPI by 3-5%.

Main Strategies and Risks

The Principal DRA CIT seeks to achieve its investment objective by allocating its assets among numerous investment categories including, but not limited to the following: inflation-indexed bonds, securities of real estate companies, commodity futures, fixed-income securities, foreign currency, securities of natural resource companies, master limited partnership (“MLPs”), publicly-listed infrastructure companies, floating rate debt, securities of global agriculture companies, and securities of global timber companies. The Principal DRA CIT is allowed to utilize derivative instruments.

The Trustee, as authorized in the Declaration of Trust, has hired PGI to serve as investment advisor for the Principal DRA CIT. PGI develops recommendations for the Principal DRA CIT's strategic asset allocation, which are executed by multiple sub-advisors. The allocations will vary from time to time and the Principal DRA CIT may add additional investment

Fund: Principal Diversified Real Asset CIT (“Principal DRA CIT”)
Manager: Principal Global Investors Trust
Role: Real Assets Strategy

Objectives and Guidelines

Investment Objectives

Time Horizon	Market Cycle approximately 3-5 years
Performance Standard	3-5% over CPI over a market cycle
Index	Custom Index: 15% Barclays U.S. TIPS Index 30% S&P Global Infrastructure Index 15% S&P Global Natural Resources Index 15% Bloomberg Commodity Total Return Index 25% FTSE EPRA/NAREIT Developed Market Index

Investment Guidelines

The Principal DRA CIT is a collective investment trust for which Principal Global Investors Trust Company (f/k/a Union Bond & Trust Company) (“Trust Company”), an Oregon banking corporation acts as Trustee (the “Trustee”) pursuant to the Declaration of Trust as may be amended from time to time. The Principal DRA CIT is only available to certain retirement, pension, profit sharing, stock bonus and similar plans and their individual participants. The Trust Company has retained Principal Global Investors, LLC (“PGI”) to serve as the investment advisor for the Principal DRA CIT. PGI is an affiliate of the Trust Company.

Objective: The investment objective of the Principal DRA CIT is to seek a long-term total return in excess of CPI by 3-5%.

Main Strategies and Risks

The Principal DRA CIT seeks to achieve its investment objective by allocating its assets among numerous investment categories including, but not limited to the following: inflation-indexed bonds, securities of real estate companies, commodity futures, fixed-income securities, foreign currency, securities of natural resource companies, master limited partnership (“MLPs”), publicly-listed infrastructure companies, floating rate debt, securities of global agriculture companies, and securities of global timber companies. The Principal DRA CIT is allowed to utilize derivative instruments.

The Trustee, as authorized in the Declaration of Trust, has hired PGI to serve as investment advisor for the Principal DRA CIT. PGI develops recommendations for the Principal DRA CIT's strategic asset allocation, which are executed by multiple sub-advisors. The allocations will vary from time to time and the Principal DRA CIT may add additional investment

categories.

In recommending strategic allocations and sub-advisors to implement the allocations, PGI considers, among other things, quantitative measures, such as past performance, expected levels of risk and returns, expense levels, diversification of existing funds, and style consistency. In addition, qualitative factors such as organizational stability, investment experience, consistency of investment process, risk management processes, and information, trading, and compliance systems of the underlying investment option's sub-advisor are also evaluated. The Trustee considers the recommendations provided by PGI and determines whether to use cash flows or asset transfers or both to achieve the target weights established from time to time for underlying investment options.

Trustee makes this representation solely as of the date of The Employees' Retirement System of the City of Milwaukee ("ERS") initial investment in the collective investment trust and solely with respect to the current version of this Investment Policy. For avoidance of doubt, Trustee expressly disclaims any amendment or revision of this Investment Policy.

STATEMENT OF INVESTMENT POLICY

Updated ~~April~~December 20221

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**

789 N. Water Street, 3rd Floor
Milwaukee, WI 53202
(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval

TOTAL FUND

OBJECTIVES AND GUIDELINES

Investment Objectives

Time Horizon	Performance Standard		Index
		Universe	
	Less than one market cycle (rolling 3-year periods).	Rank in upper 50% of a Peer Group ¹	
	One market cycle (rolling 5-year periods).	Rank in upper 40% of a Peer Group. ¹	Exceed the return on a benchmark Index by 1%. ² Have volatility of +/- 2.5% tracking error to the benchmark Index. ²

Investment Guidelines

- The investment guidelines governing each asset class/manager will together constitute the Total Fund guidelines.
- The Board is responsible for the overall asset allocation of the Fund. Each manager will be responsible for adhering to the guidelines for its portion of Fund assets only.

¹ As measured by a universe of similarly managed funds.

² As measured by a composite index designed to track the target asset allocation.

From:	1/1/00 – 4/30/06	5/1/06 – 6/30/08	7/1/08 – 9/30/10	10/1/10 – 12/31/12	1/1/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15	1/1/16 – 6/30/16	7/1/16 – 12/31/16	1/1/17 – 3/31/18	4/1/18 – 12/31/18	1/1/19 – 12/31/19	1/1/20 – 3/31/21	4/1/21 – 3/31/22 Present	4/1/22 – Present
To:															
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%
BC Agg.	30%	28%	28%	28%	28%	28%	28%	25%	22%	22%	25%	25%	26%	23%	23%
NFI-ODCE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%
15% Barclays TIPS / 30% S&P Global Infrastructure / 15% Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%
35% Barclays TIPS / 20% S&P Global Infrastructure / 20% Global Natural Resources / 10% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	3%	3%	3.3%	3.3%	3.3%	3.9%	-
Russell 3000 + 3% (1 Qtr Arrears)	-	-	-	-	2%	2%	2%	4%	4%	5%	5%	8%	-	-	-
40% ACWI / 40% Barclays TIPS / 20% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	3%	-	-	-	-	-	-	-
Russell 3000	50%	45%	45%	33%	31%	31%	28%	-	-	-	-	-	-	-	-
MSCI EAFE (net)	15%	20%	20%	22%	22%	22%	20%	-	-	-	-	-	-	-	-
ACWI (net)	-	-	-	-	-	10%	10%	-	-	-	-	-	-	-	-
NCREIF (NPI 1 Qtr Arrears)	-	-	7%	7%	7%	7%	-	-	-	-	-	-	-	-	-
MSCI World (net)	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI)	5%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF INVESTMENT POLICY
Updated April 2022

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**
789 N. Water Street, 3rd Floor
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(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval

TOTAL FUND

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Investment Objectives

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To:															
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%
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NFI-ODCE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%
15% Barclays TIPS / 30% S&P Global Infrastructure / 15% Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%
35% Barclays TIPS / 20% S&P Global Infrastructure / 20% Global Natural Resources / 10% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	3%	3%	3.3%	3.3%	3.3%	3.9%	-
Russell 3000 + 3% (1 Qtr Arrears)	-	-	-	-	2%	2%	2%	4%	4%	5%	5%	8%	-	-	-
40% ACWI / 40% Barclays TIPS / 20% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	3%	-	-	-	-	-	-	-
Russell 3000	50%	45%	45%	33%	31%	31%	28%	-	-	-	-	-	-	-	-
MSCI EAFE (net)	15%	20%	20%	22%	22%	22%	20%	-	-	-	-	-	-	-	-
ACWI (net)	-	-	-	-	-	10%	10%	-	-	-	-	-	-	-	-
NCREIF (NPI 1 Qtr Arrears)	-	-	7%	7%	7%	7%	-	-	-	-	-	-	-	-	-
MSCI World (net)	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI)	5%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-

IV.

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

- A. Approval of Contract Extension for Managed Medical Review Organization, Inc. (MMRO) – Disability Claims Vendor.
- B. Approval of Draft ERS 2023 City Budget Request.

**THIRD AMENDMENT TO THE CONTRACT BETWEEN
THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
AND
MANAGED MEDICAL REVIEW ORGANIZATION, INC.**

THIS THIRD AMENDMENT ("Third Amendment") to the Contract ("Contract") between the Employees' Retirement System of the City of Milwaukee (ERS) and Managed Medical Review Organization, Inc. (CONTRACTOR) is made effective September 1, 2022.

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

WHEREAS, ERS and CONTRACTOR desire to amend the Contract term for an additional three years (3 years) and change certain fees.

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: "March 1, 2016 through August 31, 2025."
2. The maximum compensation as set forth in the heading of the contract entitled "Maximum Amount of Compensation Not to Exceed" is amended to read "\$500,000."
3. Any and all confidentiality agreements entered into pursuant to Exhibit B are hereby extended until August 31, 2025.
4. The document entitled "Milwaukee ERS Disability Retirement Claims Management Services" located in Exhibit E is replaced with the attached new "Milwaukee ERS Disability Retirement Claims Management Services Effective September 1, 2022."
5. These changes constitute the entire Third Amendment to the Contract. All other covenants, provisions, terms and conditions of the Contract shall remain unchanged.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

MANAGED MEDICAL REVIEW
ORGANIZATION, 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:

Office of the City Attorney Date

Milwaukee ERS Disability Retirement Claims Management Services Effective September 1, 2022

APPENDIX B: COST PROPOSAL – FEES WORKSHEET

MONTHLY ADMINISTRATIVE FEE	Not Applicable
-----------------------------------	----------------

FIXED COST PER CLAIM		
DISABILITY CLAIM TYPE	ESTIMATED CLAIM	PER CLAIM RATE
Monthly Administrative Fee	Not Applicable	Not Applicable
New Claims¹	Average 30	\$690.00 per claim
Periodic Claim Review¹	Average 136	\$690.00 per claim
Appeal Claim Review¹	Not Applicable	\$690.00 per claim
Medical Assessments²³⁴		
Orthopedic	\$1,750.00 – \$1,950.00 per exam	
Psychiatry	\$1,850.00 – \$2,075.00 per exam	
Neurology	\$1,750.00 – \$1,950.00 per exam	
Internal Medicine	\$1,650.00 – \$1,850.00 per exam	
Occupational Medicine	\$1,750.00 – \$1,950.00 per exam	
All other Specialties	Quoted at time of scheduling	
No Shows and Late Cancellation Fees	Quoted at Time Scheduling	
Functional Capacity Evaluation (FCE)	\$1,250.00 per exam	
IMPLEMENTATION COSTS		RATE
New Program Implementation <ul style="list-style-type: none"> • Program Start-up • Workflow Development • Program Policy Consultation 		\$WAIVED
Customized Web Portal		\$WAIVED
PROFESSIONAL TESTIMONY		PER HOUR
Testimony – Physician Medical Consultant or Medical Director		\$445.00 per hour

¹ The stated Per Claim Rate includes claim files up to 300 pages in length. An additional fee of \$75.00 will be charged for each increment of up to 100 pages in excess of 300 pages. This pricing is based on the sample Medical Record Summary Report provided herein as Exhibit 4 – Sample Summary Report.

² Only used if applicable to the circumstances of the claim.

³ IME/IPE Costs listed in this proposal include medical record review, up to 150 pages. Medical record review in excess of 150 pages are subject to additional costs which will be provided to CMERS at time of scheduling.

⁴ There will be IME Addendum Report charges for additional medical records requested to be reviewed after the IME report or for additional questions posed after the IME/IPE report has been finalized.



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

April 13, 2022

Members of the Administration & Operations Committee
Annuity and Pension Board
789 North Water Street, Suite 300
Milwaukee WI 53202

Dear Committee Members:

Re: Draft ERS 2023 City Budget Request

The ERS is required to submit the 2023 budget request to the City by May 10, 2022. We have completed estimating these needs for 2023 and have drafted details for your consideration.

This budget request was developed by reviewing the 2021 actual experience and the 2022 adopted budget and adjusting for anticipated changes in activity. Salaries were estimated using current and potential rates of pay, including several positions that we have requested pay range reclassifications.

Major approximate changes we anticipate in the O&M Budget in 2023 compared to 2022 can be summarized as follows:

- Increase of \$389,251 for Salaries
- Increase of \$218,930 for Fringe Benefits
- Decrease of \$2,000 for General Office Expenses
- Increase of \$23,000 for Facility Rent & Property Services
- Decrease of 3,000 for Non-vehicle Equipment Rental
- Decrease of \$114,000 for Professional Services
- Increase of \$99,000 for Information Technology Services
- Increase of \$329,000 for Other Operating Services
- Increase of \$1,438,000 for Equipment

Enclosed for your input and approval is a draft of the 2023 budget request for the Employees' Retirement System. We have also enclosed, for your information, a schedule showing the amounts we recommend as requested by the City for non-Trust activity.

Sincerely,

Daniel Gopalan, CPA
ERS Chief Financial Officer

Employees' Retirement System - City of Milwaukee

Summary of 2023 Draft Budget Request as compared to 2022 Adopted Budget and 2021 Actual Expenditures

2021 Actuals			2022 Adopted Budget	2023 Requested Draft	Variance with Current Authority	Primary Details Resulting in Variance to the 2020 Adopted Budget
\$	3,415,177	Total Salaries	\$ 3,598,228	\$ 3,987,479	\$ 389,251	The increase is due to new positions and projected raises after DER
	1,395,387	Fringe Benefits (Budget Rate)	1,655,185	1,874,115	218,930	This line item is dependent on the Salaries Expense. The Budgeted Fringe rate is calculated by the Comptroller's Office.
		Operating Expenditures				
	186,824	General Office Expense	213,000	211,000	(2,000)	Decreased in postage and mailings to members
	1,979	Other Operating Supplies	5,000	5,000	-	
	533,753	Facility Rent & Property Services	612,000	635,000	23,000	Increase projected due to new lease for 789 Building
	19,770	Non-vehicle Equipment Rental	28,000	25,000	(3,000)	Decreased to reflect increase of copier usage and maintenance fees
	8,929,249	Professional Services	12,234,000	12,120,000	(114,000)	Reduction in projected legal fees and lower RE investment consulting fees.
	778,736	Information Technology Services	1,432,000	1,531,000	99,000	Increase is attributable to IT infrastructure maintenance and software renewal cycle.
	637,670	Other Operating Services	1,034,400	1,363,400	329,000	Increase in training costs, and increase related to cyber insurance
\$	11,087,981	Total Operating Expenditures	\$ 15,558,400	\$ 15,890,400	\$ 792,300	
		Equipment Purchases				
	379,683	Equipment	598,000	2,036,000	1,438,000	IT infrastructure upgrades and Filenet upgrade
\$	379,683	Total Equipment Purchases	\$ 598,000	\$ 2,036,000	\$ 1,438,000	
\$	16,278,228	Total Regular O&M	\$ 21,409,813	\$ 23,787,994	\$ 2,378,181	
\$	16,278,228	Total All ERS	\$ 21,409,813	\$ 23,787,994	\$ 2,378,181	

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Employees' Retirement System

Analysis of 2023 Operating Expenditure and Equipment Draft Budget Request as compared to 2022 Authority and 2021 Actual Expenditures

2021 Actuals		2021 Adopted Budget	2022 Adopted Budget	2023 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2022 Adopted Budget
General Office Expense						
149,447	Postage & Mailing	145,000	168,000	165,000	(3,000)	Reduced due to prior years utilization trend
14,656	Subscriptions, Publications	15,000	15,000	16,000	1,000	Slight increase based upon 2021 costs
14,137	Supplies-Forms	15,000	15,000	15,000	-	
8,584	Supplies-Office	20,000	15,000	15,000	-	
186,824	Total General Office Expense	195,000	213,000	211,000	(2,000)	
Other Operating Supplies						
1,979	Computer Parts	5,000	5,000	5,000	-	
1,979	Total Other Operating Supplies	5,000	5,000	5,000	-	
Facility Rent & Property Services						
393,600	Office Space	465,000	424,000	450,000	26,000	789 Lease is up in 2023
87,431	Telephone	128,000	123,000	120,000	(3,000)	Reduced due to prior years utilization trend
35,946	Electricity	33,000	32,000	32,000	-	
11,344	Property & Liability Insurance	15,000	15,000	15,000	-	
5,431	Building Machinery Maintenance	17,000	18,000	18,000	-	
533,753	Total Facility Rental & Property Serv	658,000	612,000	635,000	23,000	
Non-vehicle Equipment Rental						
19,770	Copier-Lease & Repair	26,000	28,000	25,000	(3,000)	New vendor, expect costs to be reduced
19,770	Total Non-vehicle Equipment Rental	26,000	28,000	25,000	(3,000)	
Professional Services						
168,769	Actuary Services	125,000	125,000	125,000	-	
556,833	Asset Management	514,000	514,000	484,000	(30,000)	Reduced due to prior years utilization trend
199,668	Audit	250,000	250,000	250,000	-	
300,000	Custody	300,000	300,000	300,000	-	
12,796	Memberships	18,000	18,000	15,000	(3,000)	Reduced due to prior years utilization trend
88,804	City Attorney	270,000	200,000	200,000	-	
7,190,448	Investment Manager Fees	8,680,000	10,000,000	10,033,000	33,000	Investment assets are larger, this will increase manager fees
28,206	Legal Services	240,000	200,000	115,000	(85,000)	Reduced due to prior years utilization trend
97,923	Medical-Council	130,000	145,000	145,000	-	
141,832	Medical-Exams And Reviews	310,000	310,000	275,000	(35,000)	Reduced due to prior years utilization trend
26,471	Other Professional Services	64,000	50,000	50,000	-	
117,500	Reporting Services	120,000	122,000	128,000	6,000	Small increase due to higher costs for reporting tools
8,929,249	Total Professional Services	11,021,000	12,234,000	12,120,000	(114,000)	
Information Technology Services						
705,790	Systems Support	1,229,000	1,048,000	1,140,000	92,000	Increase due to Filenet upgrade
64,451	Software Upgrades & Maintenance	342,000	233,000	274,000	41,000	Increase due to Software subscription renewals
8,494	Hardware Upgrades & Maintenance	135,000	151,000	117,000	(34,000)	Decrease due to Infrastructure maint. & where we are in the replacement cycle
778,736	Total Information Technology Services	1,706,000	1,432,000	1,531,000	99,000	
Other Operating Services						
262	Meeting Expenses	2,000	2,000	2,000	-	
5,427	Board Training	30,000	30,000	50,000	20,000	Expect more in-person training for 2023

Employees' Retirement System

Analysis of 2023 Operating Expenditure and Equipment Draft Budget Request as compared to 2022 Authority and 2021 Actual Expenditures

2021 Actuals		2021 Adopted Budget	2022 Adopted Budget	2023 Draft Request	Variance with Current Authority	Primary Details Resulting in Variance to the 2022 Adopted Budget
-	Due Diligence	20,000	20,000	20,000	-	
276	Office Repairs	5,000	5,000	5,000	-	
454,548	Fiduciary Insurance	780,000	700,000	955,000	255,000	This line item includes deductible of \$500k
7,583	Printing Services (MPR)	18,000	18,000	18,000	-	
69	Pool Autos	400	400	400	-	
21,806	Miscellaneous Services	28,700	29,000	29,000	-	
1,897	Staff Training	59,000	50,000	90,000	40,000	Expect more in-person training for 2023
28,802	Temporary Services	100,000	60,000	60,000	-	
117,000	Indirect Cost	112,000	120,000	134,000	14,000	This line item is based upon Salaries amount
637,670	Total Other Operating Services	1,155,100	1,034,400	1,363,400	329,000	
	Equipment					
379,683	Equipment	875,000	598,000	2,036,000	1,438,000	Filenet upgrade
379,683	Total Equipment	875,000	598,000	2,036,000	1,438,000	
11,467,664	Grand Total	15,641,100	16,156,400	17,926,400	1,770,000	

Employees' Retirement System - City of Milwaukee
2023 Non-Trust Recommendations for City Budget

			2021 Adopted Budget	2022 Adopted Budget	2023 Budget Request	Recommendation Over (Under) Current Authority
2021 Actuals						
Non Trust Line Items Estimated by ERS						
\$	58,006	PABF Payroll	\$ 83,250.00	\$ 78,000.00	\$ 49,000.00	\$ (29,000.00)
	10,000	PABF Lump-Sum Supplement Contribution	10,000	10,000	10,000	\$ -
	71,000,000	Employers' Retirement Fund - Employer's Pension Contribution*	71,000,000	71,000,000	-	\$ (71,000,000.00) *
	4,507,962	Group Life Insurance Premium	4,560,000	4,560,000	4,742,400	\$ 182,400.00 #
	24,543	Retirees' Benefit Adjustment Fund	40,000	32,000	25,000	\$ (7,000.00)
Total Non ERS Estimates			\$ 75,693,250	\$ 75,680,000	\$ 4,826,400	\$ (70,853,600)

* Pending Actuarial Valuation

Upcoming RFP for Group Life in May 2022 will determine 2023 rates

V.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (March).
- B. Conference Requests – April 2022 Board Meeting.

Board Report - March 2022

Retirements

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	REYNOLDS	CASSANDRA	9/14/2018	MAX	MMSD
Regular	Service	KOSTICH	MICHAEL	5/28/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	NEGRON	WILMA	8/27/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BROOKS	MELANIE	10/15/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	LISTON	JESSIE	12/22/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Early	YANG	MAIYIA	2/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MARTINEZ	PHILLIP	2/2/2022	100	PARKING
Regular	Service	WELCH	NEIL	2/3/2022	50	DPW-OPS-SANITATION
Regular	Service	ANDERER	JOSEPH	2/4/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	DANIELS	WILLIE	2/5/2022	100	CITY OF MILWAUKEE
Regular	Deferred	WOLAK	MICHAEL	2/5/2022	50	MMSD
Regular	Early	REDD	BERTHA	2/5/2022	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	CARDENAS	RUBEN	2/5/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WALKER	STEVEN	2/5/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Early	RODRIGUEZ	NOEL	2/6/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	NEELEY	JOHN	2/7/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	TYSON	MARILYN	2/9/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	CARPENTER	RONALD	2/12/2022	MAX	DPW-WATER-BUSINESS
Regular	Service	TENDER	DONNA	2/12/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	GARNER	DEXTER	2/13/2022	100	CITY OF MILWAUKEE
Regular	Deferred	STEPNIEWSKI	CHERYL	2/13/2022	100	DPW - WATER DEPARTMENT
Regular	Service	SLOAN	WENDELL	2/14/2022	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	MONFRE	RAYMOND	2/20/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MORRIES	KEYELLIA	2/22/2022	25	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SCHMIDT	CAROL	2/22/2022	MAX	HACM
Regular	Deferred	MARSHALL	GREGG	2/23/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	DANES	GREGG	2/25/2022	MAX	FIRE - FIREFIGHTING
Regular	Service	EASTERN	DARRYL	2/25/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	PESCHECK	CARLTON	2/26/2022	62	DPW-WATER-DISTRIBUTION
Regular	Deferred	SCHLABOWSKE	DAVID	2/28/2022	100	DPW-INFRASTRUCTURE-TRANSPORT
Regular	Service	JABER	NADER	2/28/2022	50	DPW - SEWER - ENVIRONMENTAL
Regular	Service	LEWIS	ALTON	2/28/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Conversion (Duty Disability to Regular)	BLACKMON	IRVING	3/1/2022	50	MILWAUKEE FIRE DEPARTMENT
Regular	Involuntary Separation	ZIMMERMAN	MARK	3/1/2022	MAX	LIBRARY - NEIGHBORHOOD SRVC
Regular	Service	FOWLER	PAUL	3/1/2022	100	DPW-OPS-FLEET SERVICES
Regular	Service	HARRIS	CLAUDETTE	3/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	JOHNSON	DONALD	3/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KLOSS	PETER	3/1/2022	100	DPW-INFRASTRUCTURE-BRIDGES & BLDGS

Board Report -March 2022

Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	FRIAS	LUIS	2/2/2022	3/31/2022	\$ 111,383.04
Ordinary Death	LOPEZ	MARIA	1/19/2022	3/31/2022	\$ 96,435.12
Ordinary Death	NEWTON	BETH	9/21/2021	3/31/2022	\$ 132,346.59
Ordinary Death	THAO	SENG	11/19/2021	3/31/2022	\$ 1,798.32
Retiree Death-Termination	BARTELT	WALTER	2/11/2022	3/31/2022	\$ 1,676.68
Retiree Death-Termination	BORKOWICZ	CLARA	3/9/2021	3/31/2022	\$ 283.95
Retiree Death-Termination	BORTMANN	LEONARD	2/6/2022	3/31/2022	\$ 364.16
Retiree Death-Termination	BOYDEN	ROB	1/18/2022	3/31/2022	\$ 828.44
Retiree Death-Termination	CARRARA	ROBERT	2/17/2022	3/31/2022	\$ 891.77
Retiree Death-Termination	CHIPMAN	ELLEN	2/17/2022	3/31/2022	\$ 288.88
Retiree Death-Termination	CORTTE	CHARLES	3/10/2022	3/31/2022	\$ 1,430.24
Retiree Death-Termination	DE LEON	JUAN	2/11/2022	3/31/2022	\$ 665.42
Retiree Death-Termination	GROSSMAN	CATHERINE	1/25/2022	3/31/2022	\$ 239.38
Retiree Death-Termination	HALL	ROMONIA	2/3/2022	3/31/2022	\$ 108.08
Retiree Death-Termination	HARRIS	CATHERINE	11/1/2021	3/31/2022	\$ 17.74
Retiree Death-Termination	HASELOW	DOUGLAS	1/9/2022	3/31/2022	\$ 1,956.22
Retiree Death-Termination	HUTCHENS	GLENN	2/17/2022	3/31/2022	\$ 1,264.62
Retiree Death-Termination	KAINE	JENNIFER	9/11/2021	3/31/2022	\$ 474.95
Retiree Death-Termination	KEES	GEORGE	6/27/2021	3/31/2022	\$ 1,726.17
Retiree Death-Termination	KOEHLER	PHILLIP	3/10/2022	3/31/2022	\$ 1,317.48
Retiree Death-Termination	LEPPIEN	JEAN	1/28/2022	3/31/2022	\$ 230.76
Retiree Death-Termination	LUFKIN	MARK	6/28/2021	3/31/2022	\$ 646.42
Retiree Death-Termination	MICHALSKI	DELORES	1/13/2022	3/31/2022	\$ 148.18
Retiree Death-Termination	MUENCH	DAVID	2/17/2022	3/31/2022	\$ 687.57
Retiree Death-Termination	PETERS	MILDRED	2/9/2022	3/31/2022	\$ 220.60
Retiree Death-Termination	RAINEY	ORA	12/28/2020	3/31/2022	\$ 992.00
Retiree Death-Termination	REIFSCHNEIDER	KAREN	2/21/2022	3/31/2022	\$ 1,536.15
Retiree Death-Termination	SCHAEFER	LORETTA	1/21/2022	3/31/2022	\$ 595.37
Retiree Death-Termination	SCHRECK	BARBARA	12/15/2021	3/31/2022	\$ 1,845.97
Retiree Death-Termination	STOEHLKER	GERTRUD	2/14/2022	3/31/2022	\$ 93.40
Retiree Death-Termination	STREHLOW	DELORES	3/7/2022	3/31/2022	\$ 87.34
Retiree Death-Termination	STROHMAYER	JAMES	1/5/2022	3/31/2022	\$ 600.67

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Termination	WEHR	JANET	1/25/2022	3/31/2022	\$ 1,357.94
Retiree Death-Termination	WICKER	MARY	4/16/2021	3/31/2022	\$ 598.95
Surv Death-Termination	BORKOWICZ	CLARA	3/9/2021	3/31/2022	\$ 131.72
Surv Death-Termination	CHIPMAN	ELLEN	2/17/2022	3/31/2022	\$ 897.36
Surv Death-Termination	ENGEL	JOAN	1/23/2022	3/31/2022	\$ 947.17
Surv Death-Termination	GUERRA	BEVERLY	1/11/2022	3/31/2022	\$ 858.24
Surv Death-Termination	HALL	E	2/6/2022	3/31/2022	\$ 142.78
Surv Death-Termination	KANE	DIANE	2/6/2022	3/31/2022	\$ 432.65
Surv Death-Termination	KEES	GEORGE	6/27/2021	3/31/2022	\$ 1,673.66
Surv Death-Termination	LEPAK	CARMELLA	11/25/2021	3/31/2022	\$ 551.53
Surv Death-Termination	MC CAIGUE	JEANETTE	1/18/2022	3/31/2022	\$ 1,655.97
Surv Death-Termination	POSEY	BETTY	2/8/2022	3/31/2022	\$ 480.14
Surv Death-Termination	REIFSCHNEIDER	KAREN	2/21/2022	3/31/2022	\$ 2,105.18
Surv Death-Termination	RIEDER	ELISE	1/7/2021	3/31/2022	\$ 95.58
Surv Death-Termination	SCHAEFER	LORETTA	1/21/2022	3/31/2022	\$ 1,826.95
Surv Death-Termination	SCHRECK	BARBARA	12/15/2021	3/31/2022	\$ 556.22
Surv Death-Termination	TURNER	ANNIE	12/19/2021	3/31/2022	\$ 982.06
Surv Death-Termination	WALLNER	BRUCE	11/26/2021	3/31/2022	\$ 275.50
Surv Death-Termination	WICKER	MARY	4/16/2021	3/31/2022	\$ 775.57

TOTAL \$ 379,526.85

Retiree Death-Cont Opt	ABUYA	SANDRA	3/1/2022	3/1/2022
Retiree Death-Cont Opt	BRACKINRIDGE	JAMES	2/8/2022	3/1/2022
Retiree Death-Cont Opt	EHLERT	ROBERT	3/6/2022	3/1/2022
Retiree Death-Cont Opt	MANKE	PENNY	3/7/2022	3/1/2022
Retiree Death-Cont Opt	MCCABE	MICHAEL	2/22/2022	3/1/2022
Retiree Death-Cont Opt	SCIBEK	MATTHEW	3/3/2022	3/1/2022
Retiree Death-Cont Opt	THOMAS	GOTRY	2/26/2022	3/1/2022
Retiree Death-Cont Opt	VOELZ	MARK	3/6/2022	3/1/2022
Retiree Death-Cont Opt	WILLIAMS	RENELL	5/10/2021	3/1/2022
Retiree Death-Cont Opt	ZIGAN	DENNIS	3/8/2022	3/1/2022

Board Report - March 2022

Withdrawals

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	BOONE	SHANNON	3/31/2022 \$	11,349.61
Administrative Withdrawal	HENDERSON	SAMMIE	3/31/2022 \$	2,372.85
Administrative Withdrawal	HUOTARI	ERIC	3/31/2022 \$	3,703.30
Administrative Withdrawal	IVORY	NICOLE	3/31/2022 \$	1,059.66
Administrative Withdrawal	JACKSON	CHAVANDALYN	3/31/2022 \$	41.22
Administrative Withdrawal	JOYCE	JOHNPIERO	3/31/2022 \$	2,034.30
Administrative Withdrawal	MCGAIR	SARAH	3/31/2022 \$	1,043.23
Administrative Withdrawal	MITCHELL	DEANNA	3/31/2022 \$	1,694.46
Administrative Withdrawal	SOSA	SHERLY	3/31/2022 \$	3,537.28
Administrative Withdrawal	TORRES	JERRY	3/31/2022 \$	113.22
Administrative Withdrawal	YOUNES	ZEINAB	3/31/2022 \$	718.40
Full Refund	BIRKLEY	DANNY	3/31/2022 \$	7,901.79
Full Refund	CARR	STEVEN	3/31/2022 \$	7,521.37
Full Refund	CHASTEK	AMY	3/31/2022 \$	21,232.47
Full Refund	DAVIS	BOBBY	3/31/2022 \$	6,400.23
Full Refund	SALINAS	MICHAEL	3/31/2022 \$	7,825.37
Full Refund	SUTTON	SHYKEIMA	3/31/2022 \$	3,090.05
Full Refund	TALLY	JOHN	3/31/2022 \$	42,337.14
Full Refund	WASHINGTON	ARIANA	3/31/2022 \$	3,328.03
Member Only Refund	BATTLE	SHANEIKA	3/31/2022 \$	1,647.99
Member Only Refund	BEGEL	ALLISON	3/31/2022 \$	3,980.68
Member Only Refund	BLAIN	KENYA	3/31/2022 \$	540.82
Member Only Refund	BORY	HEATHER	3/31/2022 \$	1,820.13
Member Only Refund	BROOKS	KATIE	3/31/2022 \$	426.54
Member Only Refund	BYRD	ROBERT	3/31/2022 \$	4,968.79
Member Only Refund	CAMPBELL	TIAWANDA	3/31/2022 \$	831.50
Member Only Refund	CARMONA-RODRIGUEZ	MARIGSA	3/31/2022 \$	1,094.57
Member Only Refund	CHEN	JIE	3/31/2022 \$	2,609.44
Member Only Refund	COFFEY	BRENDAN	3/31/2022 \$	524.88
Member Only Refund	COOPER	LEIGHTON	3/31/2022 \$	2,993.51
Member Only Refund	COVARRUBIAS	JUAN	3/31/2022 \$	1,394.44
Member Only Refund	CROFT	ASHLEY	3/31/2022 \$	567.70
Member Only Refund	DINKINS	TAMEIKA	3/31/2022 \$	617.10

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	DZIB	QUETZSALLY	3/31/2022 \$	1,033.08
Member Only Refund	FINNEGAN	SUSAN	3/31/2022 \$	1,845.38
Member Only Refund	FLAHERTY	MITCHELL	3/31/2022 \$	5,972.31
Member Only Refund	GALVAN	LUIS	3/31/2022 \$	3,333.68
Member Only Refund	GARCIA	JAVIER	3/31/2022 \$	2,989.68
Member Only Refund	GAST	DELIA	3/31/2022 \$	987.27
Member Only Refund	GRANDBERRY	MYIE	3/31/2022 \$	824.97
Member Only Refund	HAIRE	YOLANDA	3/31/2022 \$	2,011.90
Member Only Refund	HIDDE-TRIPP	SAMANTHA	3/31/2022 \$	962.04
Member Only Refund	JACKSON	CHAVANDALYN	3/31/2022 \$	320.94
Member Only Refund	JENKINS	TAMELITA	3/31/2022 \$	1,200.01
Member Only Refund	JONES	LATESHA	3/31/2022 \$	1,550.14
Member Only Refund	JORDAN	LAQUIDA	3/31/2022 \$	939.53
Member Only Refund	LAMPLEY	TANISHA	3/31/2022 \$	1,690.35
Member Only Refund	LUBARSKY	ANTHONY	3/31/2022 \$	10,247.03
Member Only Refund	MAY	MACHESNY	3/31/2022 \$	1,298.78
Member Only Refund	MITCHELL	PAULINE	3/31/2022 \$	807.90
Member Only Refund	MONTGOMERY	MARCUS	3/31/2022 \$	3,677.37
Member Only Refund	PADRO	ALEXIS	3/31/2022 \$	2,189.96
Member Only Refund	PLACEK	THERESA	3/31/2022 \$	2,333.71
Member Only Refund	PRADA	ROSMY	3/31/2022 \$	2,073.67
Member Only Refund	PURIFOY	CRYSTAL	3/31/2022 \$	2,300.81
Member Only Refund	RAMIREZ	VERONICA	3/31/2022 \$	2,265.32
Member Only Refund	RAMOS	MILDRED	3/31/2022 \$	1,895.59
Member Only Refund	SMITH	YVONNE	3/31/2022 \$	1,134.22
Member Only Refund	THAO	LILLIAN	3/31/2022 \$	3,249.48
Member Only Refund	THOMPSON	TERESA	3/31/2022 \$	1,035.01
Member Only Refund	WAH	NAW PAW	3/31/2022 \$	2,954.79
Member Only Refund	WALKER	CYNTHIA	3/31/2022 \$	4,398.22
Member Only Refund	WATTS	GREGORY	3/31/2022 \$	2,172.98
Member Only Refund	WILLIAMS	VANESSA	3/31/2022 \$	716.78
Member Only Refund	WORTHAM	ROCHELLE	3/31/2022 \$	493.74
TOTAL				\$ 222,228.71

Conference Requests – April 2022 Board Meeting

David Silber	Roundtable for Consultants & Institutional Investors
Sponsor:	Institutional Investor
Location:	Chicago, IL
Date:	June 20-22, 2022
Estimated Cost:	\$1,000.00

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 : 04/13/2022
Approved by Executive Director	Pension Board Meeting Date 04/27/2022	TIME RAN : 13:27

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>
524	LOMEN, MAURYA	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		02/01/2021	
130	VAN ROO, SCOTT	FIRE LIEUTENANT	FIRE	DD 75%	Re-Examination	Approved	Approved		02/01/2021	
672	GILLUM, DE RONN	POLICE OFFICER	MILWAUKEE POLICE DEPT.	DD 75%	Re-Examination	Approved	Approved		06/27/2006	

Number of Cases: 3

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.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number: 1 OF 1
	Medical Council Approvals Report	DATE RAN : 04/01/2022
	Board Meeting: 04/27/2022	TIME RAN : 15:10

<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>
ALFERI, JOSEPH	OPERATIONS DRIVER/WORKER	DPW-OPERATIONS	Duty Disability 75%	Re-Examination	02/28/2007	04/01/2022
BROWN, DEWAYNE	OPERATION DRIVER WORKER	DEPARTMENT OF PUBLIC WORK	Ordinary Disability	Application	07/22/2021	04/01/2022
BROWN, SHARODNICK	EDUCATIONAL ASST - PARA	MPS	Ordinary Disability	Re-Examination	10/10/2018	04/01/2022
COLE, CAMILLE	SENIOR HUMAN RESOURCES	HACM	Ordinary Disability	Re-Examination	09/23/2019	04/01/2022
HALL, JULIE	FIRE PARAMEDIC	MFD	Duty Disability 75%	Re-Examination	11/01/2020	04/01/2022
MCKNIGHT, DARVIN	OPERATIONS DRIVER/WORKER	DPW - OPERATIONS	Ordinary Disability	Re-Examination	05/28/2018	04/01/2022
SKENADORE, AMY	POLICE DISTRICT ADMIN AS	MPD	Ordinary Disability	Application	08/04/2021	04/01/2022
SPRINGFIELD, JEWEL	OPERATIONS DRIVER/WORKER	DPW-SANITATION	Ordinary Disability	Re-Examination	06/26/2012	04/01/2022
WILDER, DEMERTHA	BLDG SERVICE HELPER I	MPS	Ordinary Disability	Re-Examination	12/13/2013	04/01/2022

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.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM 1	Page Number:	1 OF 1
	Medical Council Denials Report	DATE RAN :	04/01/2022
	Board Meeting: 04/27/2022	TIME RAN :	15:10

<u>Case Number</u>	<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>
1519	BROWN, DEWAYNE	OPERATION DRIVER WORKER	DEPARTMENT OF PUBLIC WORK	DD 75%	Application	07/27/2021	04/01/2022

Number of Cases: 1

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 27, 2022 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

- 12/23/21 Review of Board Rule II.A.2 (Annuity & Pension Board Ex-Officio Trustee)**
The Pension Board requested City Attorney's Office to review prior legal opinion and city ordinances in conjunction with Board Rule II. A. 2 and advise whether the Deputy Comptroller may serve and vote as a member of the Pension Board in the absence or inability of the Comptroller to serve as an ex-officio member of the Board.
04/27/22 On Pension Board Agenda for approval.
- 01/28/22 Same Sex Spouse Retirees**
The Employees' Retirement System received an inquiry from a retiree as it relates to a post-retirement election of a same gender spouse survivor where state law was found to unconstitutionally prohibit same gender marriages previous to the retirement of the retiree.
- 03/01/22 Annuity & Pension Board Direct Hires**
The City Attorney's Office is asked to revise the Inter-Governmental Cooperation Agreement between the ERS/APB and City of Milwaukee that would authorize the Board to directly hire employees who are not subject to the City's Salary Ordinance.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

- 12/16/21 Contract for Banking Services**
ERS staff requests assistance of legal counsel in drafting and negotiating a contract for banking services with vendor.
- 01/14/22 Contract for Office Space**
ERS staff requests the services of the City Attorney's in the negotiation and drafting of a contract for office space.
- 04/06/22 MMRO Contract Amendment**
City Attorney's Office asked to review terms of proposed third amendment to contract for disability retirement claims management services with Managed Medical Review Organization, Inc.
04/11/22 City Attorney completed its review and approves of proposed amendment with MMRO.
04/27/22 On Pension Board Agenda.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

02/14/22

Hedge Fund Investment Manager

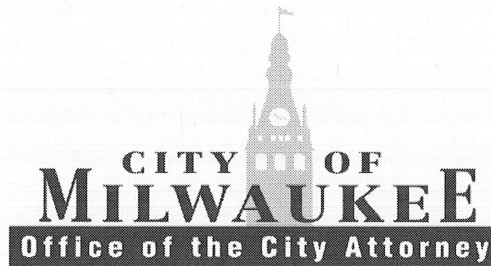
ERS Investment staff requests legal counsel to assist with the negotiation and drafting of an investment manager agreement with a newly-selected hedge fund manager.

03/11/22 Matter referred to Reinhart Boerner Van Deuren S.C. by City Attorney's Office.

TEARMAN SPENCER
City Attorney

CELIA M. JACKSON
Special Deputy City Attorney

ODALO J. OHIKU
ROBIN A. PEDERSON
YOLANDA Y. MCGOWAN
TODD FARRIS
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PATRICK J. MCCLAIN
ELLENY B. CHRISTOPOULOS
HANNAH R. JAHN
JULIE P. WILSON
JAMES M. CARROLL
MEIGHAN M. ANGER
ALEXANDER R. CARSON
ALEX T. MUELLER
ALEXANDER COSSI
LISA A. GILMORE
NICHOLAS R. SINRAM
TAVISS K. SMITH
KATHERINE A. HEADLEY
ANTHONY JACKSON
JOHN D. MCNALLY
STACY J. MILLER
Assistant City Attorneys

April 25, 2022

Mr. Bernard J. Allen
Executive Director
City of Milwaukee Employees' Retirement System
789 North Water Street
Suite 300
Milwaukee, WI 53202
(414) 286-3557

Re: Annuity & Pension Board Ex Officio Trustee

Dear Mr. Allen:

In an opinion dated September 17, 1959, we affirmed the authority of the Deputy Comptroller to serve as a voting member of the Annuity and Pension Board ("Board") when the Comptroller is absent or otherwise unable to fulfill their duties as an ex officio trustee. In a letter dated December 23, 2021, you indicated that there has been a renewed question regarding this issue, and have asked for a supplemental opinion. We therefore take this opportunity to reaffirm our prior opinion.

Since the inception of the City of Milwaukee Employees' Retirement System in 1937, the City Comptroller has been a statutorily-designated, ex officio trustee of the Board. *See* Sec. 7(2)(b), Ch. 396, L. 1937; Milwaukee City Charter ("MCC") § 36-15-2-b. This appointment is recognized in Annuity and Pension Board Rule II(A)(2), which provides that Board membership includes the "City Comptroller, ex officio, or, in case of sickness or absence, his or her deputy."

The recognition of the Deputy Comptroller's ability to serve in place of the Comptroller appropriately reflects both the ex officio nature of the Comptroller's appointment and the Deputy Comptroller's statutory authority. The phrase "ex



Mr. Bernard J. Allen
April 25, 2022
Page 2

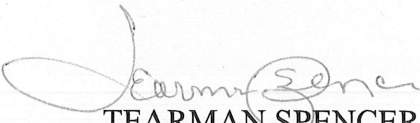
officio” translates literally to “from the office,” and is used to denote a membership, authority, or obligation that attaches to the holder of a particular office. *Ex Officio*, Black's Law Dictionary (11th ed. 2019). A “member ex officio” is therefore a “member who serves on a board or committee by virtue of holding an office, and whose membership will therefore pass with the office to his or her successor.” *Member Ex Officio*, Black's Law Dictionary (11th ed. 2019).

The City Comptroller is an elected officer of the city. MCC § 2-01. Wisconsin state law expressly authorizes 1st class cities to create a “deputy” position for any public office. Wis. Stat. § 62.51(3). The Milwaukee City Charter, in turn, allows certain city officers, including the City Comptroller, to appoint a deputy “for whose acts [the principal] shall ... be responsible.” MCC § 3-15. “Such deputies, after taking the oath of office required to be taken by their principals, may respectively perform all the duties imposed by law or the ordinances of the city, on said principals respectively; and shall likewise be subject to the same liabilities and penalties.” *Id.*

The Deputy Comptroller is therefore expressly authorized to carry out the duties of the City Comptroller. Because membership on the Annuity and Pension Board is a statutory duty of the City Comptroller, the Deputy Comptroller is lawfully empowered to carry out that duty in the Comptroller’s absence. We therefore reaffirm our prior opinion, and again conclude that the Deputy Comptroller may serve as a voting member of the Annuity and Pension Board when the Comptroller is absent or otherwise unable to fulfill their duties as an ex officio trustee.

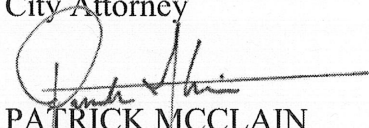
We trust this opinion has addressed the question set forth in your letter. Should you have any further questions or concerns, please do not hesitate to contact the undersigned.

Very truly yours,



TEARMAN SPENCER

City Attorney



PATRICK MCCLAIN
Deputy City Attorney

1054-2022-360:407193



April 27, 2022 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.

Employees' Retirement System – Executive Director's Report

April 2022

I. Personnel Update

- A. ERS is working with DER to fill the following positions: Pension Investment Analyst – Sr. and ERS Network Security Administrator. A new Records Technician II will be starting on 4/11/22.

II. Member Services

- A. New retirees on payroll in March - 42; 39 are currently anticipated for the April payroll.
- B. There was a New Employee Orientation for DPW on 3/24/22 and 3 attended. There was a New Employee Orientation for a new Fire Recruit Class on 4/4/22 and 23 attended.
- C. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	27
Death - Ordinary	93
Disability - Duty	388
Disability - Ordinary	584
Retirement	12,648
Separation	37
Total Annuitants	13,777
Active	10,755
Deferred	3,062
Total Population	27,594

III. Financial Services

- A. The 2023 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 MPA settlement retro payments are starting to be calculated. We hope to have all of the retro payments completed by 6/30/22.
- D. The 2nd round of Outside Earnings letters will be going out to members who have not responded to the 1st letter. The 2nd letters will be mailed out later this month.

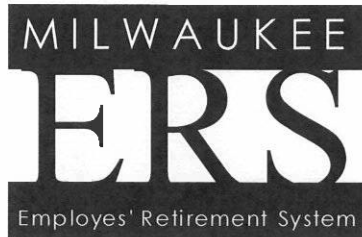
IV. Information Services

- A. Proof of Concept (POC) for FileNet to BAW Upgrade in progress.
- B. Struts Upgrade and Modernize MERITS Website in progress.
- C. Network Infrastructure Upgrade in progress.
- D. Vulnerability Assessment - 2021 completed.
- E. Perforce Repository Upgrade completed.

- F. IP Address Review and Cleanup – 2021 in progress.
- G. DNS Review and Cleanup – 2021 in progress.
- H. AD Review and Cleanup – 2021 in progress.
- I. Firewall Review and Cleanup – 2021 in progress.
- J. SAN Firmware and DSM Upgrade in progress.
- K. MERITS-WebSphere Application Server Upgrade in progress.
- L. Backup Exec Upgrade in progress.
- M. PC Firmware Upgrade completed.
- N. FileNet P8-WebSphere Application Server Upgrade in progress.
- O. Altiris/Symantec IT Management Suite Upgrade in progress.

V. Administration

- A. As requested by DER in connection with their city wide market pay study for business operations positions, a copy of the ERS response is attached for reclassification of certain ERS positions, especially Chief Investment Officer and Deputy Chief Investment Officer, along with 2018 survey data **from the McLagen firm, the nation's leading public pension** plan compensation consultants. The reclassification request if approved by DER, CSC, and the Common Council, would also require amendment of the Salary Ordinance to have any real impact for the Chief Investment Officer position because the pay range for that position has been frozen for 10 years due to the Salary Ordinance cap on pay at the level of the **mayor's salary.**



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

April 5, 2022

Ms. Andrea Knickerbocker
Dept. of Employee Relations
City of Milwaukee
200 E Wells St. Rm 706
Milwaukee, WI 53202

Dear Ms. Knickerbocker:

Attached are the following items requested in your e-mail message dated, March 17, 2022:

1. A list of Business Operations titles at ERS
2. A list of Human Resources titles at ERS
3. An up-to-date and signed job description for each listed title.
4. A Job Classification Request Form for the Chief Investment Officer position and Deputy Chief Investment Officer position and a others

I would also like to note on behalf of the Annuity & Pension Board that pursuant to Chapter 36 of the Milwaukee City Charter the administration of the ERS resides with the Board and that it is an IRS tax-qualified retirement plan fiduciary with a duty of loyalty to exclusively serve the interests of ERS members and beneficiaries. This fiduciary duty under the Wisconsin law of trusts requires the highest standard of care under our legal system.

Further, it is well established that ERS is a City agency by state law under the governance of the Board (it is not a City department). The ERS is essentially a specialized financial institution, unlike any other City government operation and competes for talent in the financial services employment market. Over many years the realities of the employment markets have created tension for the Board's ability to faithfully operate the pension system in accordance with its fiduciary duty due to constraints of the Salary Ordinance. Please see the attached compensation survey data c. 2018 compiled by the McLagen firm, the nation's leading public pension fund compensation consultant.

This situation is particularly acute with respect to the Board's obligation to prudently oversee the investment of the approximately \$6 Billion of ERS trust assets, as well as its financial reporting, accounting and information technology systems and has the potential to have profound and dire implications for City finances, if not remedied soon.

If the Board is not able to attract and retain competent staff in the disciplines mentioned above, the potential adverse impact on the City budget is tens of millions of dollars annually in additional City pension contributions beyond that already projected. It should also be noted, that outsourcing these functions, though possible, would cost vastly more than the current insourced positions. Outsourcing the Chief Investment Officer position alone would cost approximately \$10 million annually.

To remedy this situation, the Board is requesting a market study be performed of the pay ranges for ERS

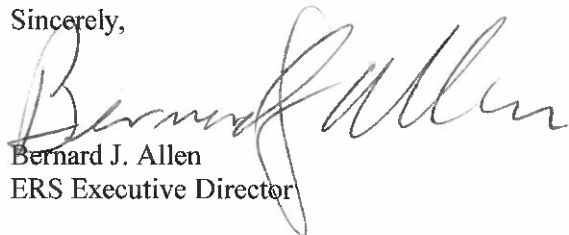
officer positions, including Executive Director, Deputy Director, Chief Investment Officer, Deputy Chief Investment Officer, ERS Chief Financial Officer, Chief Technology Officer and also, Deputy Director – Disability, ERS Operations Director and Retirement Services Manager. In a couple of instances, due to the Salary Ordinance cap on compensation above the mayor's pay, the pay range has not been updated for 10 years and both inflation and the cost of employee benefit contribution increases have substantially eroded the purchasing power of a compensation structure that has not only been frozen for many years but set far below competitive levels to begin with (see attached survey data).

Your March 17, 2022 message mentions that the first priority for the market study is for paraprofessionals and administrative support staff. ERS staff is prepared to assist DER in obtaining market compensation survey data for public pension fund officers this year while DER proceeds with the first phase of its market studies as indicated in your e-mail message.

To this end attached is a compensation survey instrument prepared by the National Council of Public Employee Retirement Systems (NCPERS) that will soon be conducted with results reported this fall. NCPERS has approx. 400 member public pension plans.

It is very important that together we resolve this long-standing compensation problem before the Board meets in the fall to determine the City's pension contributions requirements for the next 5 years. The City pension contribution requirements are in large part dependent upon the Board's confidence level in its ability to attain its long-term expected investment return. The Board's confidence level in turn depends on the prospects for retaining its highly skilled, experienced and credentialed investment and executive staff in order to do so. The most critical aspect of retaining these officials is addressing their long standing pay freeze. Please contact me if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bernard J. Allen", written over a horizontal line.

Bernard J. Allen
ERS Executive Director

Enclosures

Compensation Data for US Public Pensions

Benchmarking against direct peers adds transparency and confidence in management's pursuit to set compensation structures and set targets.

	2017 Total Cash USD (000's)		
	25th Percentile	Median	75th Percentile
Overall Management			
CIO	265.0	350.5	532.8
COO/CAO	140.2	195.2	258.6
Executive Director	199.9	264.6	344.8
Investment Team			
Team Leader - General Inv.	193.8	257.5	357.6
Team Leader - Alternate Inv.	219.4	257.5	372.6
Team Leader - Traditional Inv.	172.6	274.1	326.9
Sr Manager	150.7	182.5	283.3
Sr Analyst	103.7	122.9	176.4
Analyst	81.5	91.6	108.7
Finance & Accounting			
CFO/Head of Finance	124.5	161.6	199.3
Legal			
Chief Legal Officer	132.9	192.9	274.9

Average bonus paid by peer group funds

Role	Bonus Range
Head of Asset Class	40-50%
Senior Portfolio Manager I	40-45%
Senior Portfolio Manager II	30-35%
Intermediate Portfolio Manager	20-25%
Research Analysts	10-15%

*McLagan data

Source: McLagan, "2018 Pension Funds Compensation Survey" October 9, 2018



2022 PUBLIC RETIREMENT SENIOR STAFF COMPENSATION STUDY - DRAFT 5

Please share your information for these key positions to support the staff attraction and retention efforts of funds across the nation. If the position title is different from the general position title provided, please use the position that is the closest to that position. If you do not have one of these positions, please skip that position and continue with the others.

If the same staff administer more than one pension fund, then please respond for the largest of the funds. If an individual serves multiple roles, please indicate "multiple roles" and provide data for the most senior role they serve. These data will be aggregated. To protect your confidentiality, individual plan information will not be shared.

Please enter your ID number from the cover email:

Plan name:

Questions about your fund (your responses will be confidential)

1. What type of employees/beneficiaries does your fund serve? **(Please mark all that apply.)**

☐ Local (township/city/village) ☐ County ☐ Public safety ☐ State ☐ Educational ☐ Other

2. Please provide approximate numbers for the areas below:

How many active and retired individuals participate in your pension fund?

How many approved staff positions does your fund have?

How many funds/retirement systems do staff administer?

How many approved staff positions does your investments area have?

3. What are your total actuarial assets as of the end of your last fiscal year?

☐ Under \$1 billion ☐ \$1-5 billion ☐ \$5-\$10 billion ☐ \$10-\$50 billion ☐ \$50-\$100 billion ☐ More than \$100 billion

Does your fund manage assets inhouse?

☐ Yes - All Assets ☐ Partially - Passive ☐ Partially - Active ☐ Partially - Alternatives ☐ No

4. Who approves/oversees policies and practices for each of the following areas?

The pension fund

The state/municipality/plan sponsor

Budget

☐☐

Employment

☐☐

Staff benefits/HR

☐☐

Staff Wages

☐☐

5. What types of health and other benefits does your pension plan/employer provide to fund staff? **(Please mark all that apply.)**

☐ None, does not sponsor (skip to Q15) ☐ Voluntary Employees' Beneficiary Association (VEBA) ☐ Life insurance
☐ Traditional health plan (HMO, PPO, POS, etc.) ☐ Dental benefit ☐ Parking
☐ Supplemental gap health plan ☐ Vision benefit ☐ Private office
☐ Healthcare subsidy ☐ Defined benefit plan ☐ Flexible schedule
☐ Health Savings Account (HSA) ☐ Defined contribution plan ☐ Remote working option
☐ Deferred compensation plan ☐ Other (specify below)

7. What other benefits/perks do you provide that are especially popular with your senior staff?

8. How is your fund's current ability to attract and retain skilled employees as your staff leave?

☐ Significant problem

☐ Expect to become a problem soon

☐ Starting to become a problem

☐ No problem

POSITION INFORMATION

9. Executive Director/CEO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ Full time

☐ Part time

☐ Outsourced

Multiple roles?

☐ Yes

☐ No

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

10. Deputy Executive Director/Deputy CEO/COO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ Full time

☐ Part time

☐ Outsourced

Is this a union-represented position?

☐ Yes

☐ No

Multiple roles?

☐ Yes

☐ No

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

11. Chief Financial Office/CFO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ Full time

☐ Part time

☐ Outsourced

Is this a union-represented position?

☐ Yes

☐ No

Multiple roles?

☐ Yes

☐ No

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

12. Chief Technology Officer/CTO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time* ☐ *Part time* ☐ *Oursourced*

Is this a union-represented position?

☐ *Yes* ☐ *No*

Multiple roles?

☐ *Yes* ☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

13. General Counsel

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time* ☐ *Part time* ☐ *Oursourced*

Is this a union-represented position?

☐ *Yes* ☐ *No*

Multiple roles?

☐ *Yes* ☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

14. Chief Investment Officer/CIO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time* ☐ *Part time* ☐ *Oursourced*

Is this a union-represented position?

☐ *Yes* ☐ *No*

Multiple roles?

☐ *Yes* ☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

15. Deputy Chief Investment Officer/Deputy CIO

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time*

☐ *Part time*

☐ *Oursourced*

Is this a union-represented position?

☐ *Yes*

☐ *No*

Multiple roles?

☐ *Yes*

☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

16. Chief Compliance Officer

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time*

☐ *Part time*

☐ *Oursourced*

Is this a union-represented position?

☐ *Yes*

☐ *No*

Multiple roles?

☐ *Yes*

☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

17. Member Services Director/Benefits Administrator

Current base annual salary:

Maximum additional bonus/incentive in addition to base salary:

How many years has the current incumbent served in this position?

Position type

☐ *Full time*

☐ *Part time*

☐ *Oursourced*

Is this a union-represented position?

☐ *Yes*

☐ *No*

Multiple roles?

☐ *Yes*

☐ *No*

Which additional roles does this position cover?

Briefly, what are the key duties (optional)?

CONTACT INFORMATION

18. Please print your name and email for access to the interactive comparison dashboard and potential follow-up questions:

This concludes the study. Thank you for your time and cooperation.

Basic Website Metrics

	2021										2022		
	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Visits	5,542	5,405	4,842	4,479	4,188	4,592	4,678	5,442	5,180	4,728	5,053	4,698	5,107
Users	4,050	4,029	3,816	3,440	3,203	3,566	3,533	4,015	3,813	3,667	3,810	3,551	3,375
Page Views	17,353	15,863	13,287	11,539	11,411	11,868	12,240	16,046	13,712	12,305	13,532	12,267	13,227
Pages/ Visit	3.13	2.93	2.74	2.58	2.72	2.58	2.62	2.95	2.65	2.60	2.68	2.61	2.59
Ave. Visit	2:40	2:19	2:07	2:07	2:10	2:10	2:23	2:35	2:10	2:09	2:18	2:10	2:10

VIII.

INFORMATIONAL

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (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 2022 YTD.
- D. Minutes of the A&O Committee Meeting Held March 17, 2022
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.



April 27, 2022 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 have 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****

- **02/09/22** Notice of Motion, Motion and Brief in Support of Motion for Attorney Fees filed by legal counsel for MPSO.
- **03/15/22** Motion hearing scheduled for May 11, 2022 at 1:30 pm.

James Miller and Marion Holley v. City of Milwaukee, et al; Case Nos. 2020AP001346; 2019CV008924

Claimants allege the City of Milwaukee failed to advise two former police employees in deferred status that upon return to active employment as general city employees, their retirement eligibility would be reclassified under the terms set forth in Chapter 36 for General City members.

****See prior Reports for case history****

- 02/11/22 Circuit Court Order for Summary Judgment. Case closed.

Faith Wooden v. City of Milwaukee, et al; Case No. 2022CV001119

Widow of a deceased public safety employee filed a Petition for Certiorari Review of the Annuity & Pension Board's Decision denying the petitioner's Application for Accidental Death Benefits.

- **02/23/22** ERS served with Summons and Petition for Certiorari Review.
- **02/28/22** Letter to City Attorney's Office requesting legal representation. Reported new claim to fiduciary carriers of ERS/APB.
- **03/14/22** Notice of Retainer, Answer and Affirmative Defense filed by Defendants/Respondents.

MPA and Kurt Lacina v. City of Milwaukee, et al; Case No. 2022CV001965

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

- **03/28/22** Summons and Complaint filed.
- **04/04/22** ERS served with pleadings.
- **04/05/22** Letter to City Attorney's Office requesting legal representation. New claim reported to fiduciary carriers.

Part 2. ERS Administrative Appeal Hearings through the City Attorney**Jason Rodriguez; Administrative Case No. 1443**

Status: Hearing stayed pending outcome of Appellant's state workers compensation appeal hearing scheduled for May 10, 2022. Status conference ordered for mid-May. Date pending.

Sandrah Crawford; Administrative Case No. 1457

Status: Judge Moroney appointed as new Hearing Examiner. Stay of hearing granted to allow Appellant to retain legal counsel. Status Conference to be scheduled for May, 2022.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel**ERS v Allianz Global Investors U.S. LLC, et al; Case No. 20-CV-08642**

Lawsuit against defendants alleging negligence and breach of contractual and fiduciary duties arising from misconduct and gross mismanagement of two investment funds (i.e., AllianzGI Structured Alpha 1000 Plus LLC and Allianz GI Structured Alpha U.S. Fixed Income 250 LLC.

See prior Reports for case history

- **02/28/22** Stipulation of Voluntary Dismissal filed.



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

April 5, 2022

500946

CAOLegalAssignments@milwaukee.gov

TEARMAN SPENCER, CITY ATTORNEY
200 E WELLS ST RM 800
MILWAUKEE WI 53202

**RE: MPA and KURT LACINA v. CITY OF MILWAUKEE, et al
SUMMONS AND COMPLAINT
CASE No. 2022CV001965**

Dear Mr. Spencer:

Please find attached Summons and Complaint electronically filed with the Milwaukee County Circuit Court on March 28, 2022 by Cermele & Matthews, SC, on behalf of their clients, Kurt Lacina and the Milwaukee Police Association. The Employees' Retirement System (ERS) was served with the document on April 4, 2022.

We respectfully request that if your office has no conflict of interest, you respond on our behalf as legal counsel for the Employees' Retirement System and the Annuity and Pension Board.

If you have any questions, please do not hesitate to contact the undersigned at 286-5454. Thank you for your assistance in this matter.

Sincerely,



Bernard J. Allen
Executive Director

BJA:km

Encl.

cc: Celia Jackson, Special Deputy City Attorney (w/encl)
Hudson Insurance Company (w/encl)
RLI Insurance Company (w/encl)
Federal Insurance Company (w/encl)
AXIS Insurance Company (w/encl)
Annuity and Pension Board (w/encl)
Hays Companies, Inc. (w/encl)

STATE OF WISCONSIN**CIRCUIT COURT****MILWAUKEE****Milwaukee Police Association et al vs. City of Milwaukee et al** **Electronic Filing Notice**

Case No. 2022CV001965

Class Code: Declaratory Judgment

FILED**03-28-2022****George L. Christenson****Clerk of Circuit Court****2022CV001965****Honorable Pedro Colon-18****Branch 18**

CITY OF MILW. EMPLOYES RETIREMENT SYS. ANNUITY PEN...
SUITE 300
789 NORTH WATER STREET
MILWAUKEE WI 53202

Case number 2022CV001965 was electronically filed with/converted by the Milwaukee County Circuit Court office. The electronic filing system is designed to allow for fast, reliable exchange of documents in court cases.

Parties who register as electronic parties can file, receive and view documents online through the court electronic filing website. A document filed electronically has the same legal effect as a document filed by traditional means. Electronic parties are responsible for serving non-electronic parties by traditional means.

You may also register as an electronic party by following the instructions found at <http://efiling.wicourts.gov/> and may withdraw as an electronic party at any time. There is a \$20.00 fee to register as an electronic party. This fee may be waived if you file a Petition for Waiver of Fees and Costs Affidavit of Indigency (CV-410A) and the court finds you are indigent under §814.29, Wisconsin Statutes.

If you are not represented by an attorney and would like to register an electronic party, you will need to enter the following code on the eFiling website while opting in as an electronic party.

Pro Se opt-in code: 189df1

Unless you register as an electronic party, you will be served with traditional paper documents by other parties and by the court. You must file and serve traditional paper documents.

Registration is available to attorneys, self-represented individuals, and filing agents who are authorized under Wis. Stat. 799.06(2). A user must register as an individual, not as a law firm, agency, corporation, or other group. Non-attorney individuals representing the interests of a business, such as garnishees, must file by traditional means or through an attorney or filing agent. More information about who may participate in electronic filing is found on the court website.

If you have questions regarding this notice, please contact the Clerk of Circuit Court at 414-278-4120.

Milwaukee County Circuit Court
Date: March 28, 2022

FILED
03-28-2022
George L. Christenson
Clerk of Circuit Court
2022CV001965
Honorable Pedro Colon-18
Branch 18

STATE OF WISCONSIN**CIRCUIT COURT****MILWAUKEE COUNTY**

MILWAUKEE POLICE ASSOCIATION,

Local 21, IUPA, AFL-CIO,
By Itself and on behalf of its Members,
6310 West Bluemound Road
Milwaukee, WI 53213, and

KURT J. LACINA

4715 Larch Avenue
Glenview, IL 60025,

Plaintiffs,

Case Code: 30701

Case Type: Declaratory Judgment

vs.

CITY OF MILWAUKEE,

200 East Wells Street
Milwaukee, Wisconsin 53202, and

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

789 North Water Street
Suite 300
Milwaukee, WI 53202,

Defendants.

SUMMONS

THE STATE OF WISCONSIN

To each person named above as defendant:

You are hereby notified that the plaintiffs named above have filed a lawsuit or other legal

action against you. The complaint, which is attached, states the nature and basis of the legal action.

Within 20 days of receiving this summons, you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the complaint. The court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the court, whose address is Milwaukee County Courthouse, 901 North Ninth Street, Milwaukee, Wisconsin 53233, and to Cermele & Matthews, S.C., plaintiff's attorneys, whose address is 6310 West Bluemound Road, Suite 200, Milwaukee, Wisconsin 53213. You may have an attorney help or represent you.

If you do not provide a proper answer within 20 days, the court may grant judgment against you for the award of money or other legal action requested in the complaint, and you may lose your right to object to anything that is or may be incorrect in the complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated in Milwaukee, this 28th day of March, 2022.

CERMELE & MATTHEWS, S.C.
Attorneys for Plaintiffs, Milwaukee Police
Association and Kurt J. Lacina

Mailing Address:
6310 West Bluemound Road
Suite 200
Milwaukee, WI 53213
(414)276-8750
(414)276-8906 Facsimile
jon@cermelelaw.com

Electronically Signed by Jonathan Cermele
Jonathan Cermele
State Bar No. 1020228

FILED
03-28-2022
George L. Christenson
Clerk of Circuit Court
2022CV001965
Honorable Pedro Colon-18
Branch 18

STATE OF WISCONSIN**CIRCUIT COURT****MILWAUKEE COUNTY****MILWAUKEE POLICE ASSOCIATION,**

Local 21, IUPA, AFL-CIO,
By Itself and on behalf of its Members,
6310 West Bluemound Road
Milwaukee, WI 53213, and

KURT J. LACINA

4715 Larch Avenue
Glenview, IL 60025,

Plaintiffs,

vs.

Case Code: 30701

Case Type: Declaratory Judgment

CITY OF MILWAUKEE,

200 East Wells Street
Milwaukee, Wisconsin 53202, and

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

789 North Water Street
Suite 300
Milwaukee, WI 53202,

Defendants.

COMPLAINT

The above named plaintiffs, by their attorneys, Jonathan Cermele and Cermele & Matthews, S.C., as and for a claim against the above-named defendants, alleges and shows to the court as follows:

PARTIES

1. Plaintiff, MILWAUKEE POLICE ASSOCIATION, Local 21, IUPA, AFL-CIO, ("MPA"), is a labor organization within the meaning of §111.70(1)(h), Stats., with offices located at 6310 West Bluemound Road, Milwaukee, Wisconsin, 53213 and which, pursuant to the Wisconsin Municipal Employment Relations Act ("MERA"), §111.70, Stats., *et seq.*, has been recognized by the City of Milwaukee as the exclusive bargaining representative for certain non-supervisory police officers of the Milwaukee Police Department ("MPD"), all of whom are employees of the City of Milwaukee and members/beneficiaries of the Milwaukee Employee Retirement System ("ERS") created under Chapter 396 of the Laws of 1937 and Chapter 441 of the Laws of 1947 and codified by means of Chapter 36 of the Milwaukee City Charter.

2. The MPA has an interest in ensuring that its members are afforded the rights to which they are entitled under the CBA, as well as the City Charter as it affects the Employee's Retirement System. *Milwaukee Dist. Council 48 v. Milwaukee County*, 2001 WI 65, 244 Wis.2d 333, 627 N.W.2d 866.

3. As City employees and ERS members, each and every one of the MPA's roughly 1,400 members have a right to benefits and entitlements as specified by the City Charter, and to ensure that the Employee's Retirement Service and its Annuity & Pension Board adhere to the City Charter when determining and processing such benefits and entitlements.

4. As the exclusive representative of employees who are specifically interested in the subject matter of this litigation, and as a result of having a duty to represent and advise its members on matters related to those matters, the MPA possesses a tangible interest in knowing the law as it may impact its members.

5. Plaintiff, KURT J. LACINA ("Lacina") is currently an adult resident of Illinois, and was employed by the City of Milwaukee as a police officer prior to his retirement on duty disability. During his employment with the City of Milwaukee, Lacina was a MPA member.

6. The defendant, CITY OF MILWAUKEE ("City"), is a political subdivision organized and existing under the laws of the State of Wisconsin, with its principal place of business, main offices, and mailing address located at 200 East Wells Street, Milwaukee, Wisconsin, 53202. The City is the employer of all MPA members.

7. The defendant, Employee's Retirement System for the City of Milwaukee ("ERS"), is an entity created by means of the Milwaukee City Charter, and maintained to specifically assure and guarantee the payment of retirement and other benefits to persons covered by the City Charter, including those persons who have been determined by the ERS to be entitled to Duty Disability Retirement ("DDR"). The ERS's principal place of business, main offices, and mailing address is 789 North Water Street, Suite 300, Milwaukee, Wisconsin, 53202

NATURE OF THE ACTION

8. Plaintiffs re-allege and re-assert paragraphs 1 through 7 above, as if fully set forth herein.

9. This action is brought under §806.07, Stats., Wisconsin's Uniform Declaratory Judgment Act, and seeks a declaration as to the rights and obligations of the parties under Chapter 36 of the City Charter that the City/ERS's ability to "offset" worker's compensation payments from DDR benefits are limited to: 1) the same "disability," and; 2) sums which are payable, as opposed to having already been paid.

FACTS

10. Plaintiffs re-allege and re-assert paragraphs 1 through 9 above, as if fully set forth herein.

11. Lacina was employed as a police officer with the City until he was granted a Duty Disability Retirement ("DDR") effective March 21, 2013.

12. At all times material hereto, Lacina was a member of the Milwaukee Police Association ("MPA").

13. The basis for Lacina's DDR was a mental injury suffered on January 21, 2008.

14. Lacina was previously denied DDR on the basis of a physical injury for that same date.

15. Prior to the ERS granting Lacina's mental injury DDR, the State of Wisconsin Department of Workforce Development Worker's Compensation Division ("DWD") awarded Lacina numerous benefits stemming from his physical injuries on January 21, 2008, including \$52,400.00 in Permanent Partial Disability ("PPD") benefits.

16. All payments for the physical injuries associated with the January 21, 2008 event had been paid prior to Lacina being granted DDR based on his mental injury.

17. The City's Charter (§36-12) contains a provision that allows the City to offset PPD awards for the "same disability" if a DDR is granted.

18. That same provision limits offsets to sums that have not yet been paid, by using the phrase "may be paid or payable."

19. The City/ERS has previously taken the position that such an offset can only occur if the "disability" for which DDR is granted is the same "disability" for which worker's compensation

payment are made.

20. As his mental injury DDR stems from the same date of injury as his award of worker's compensation benefits for his physical injuries, Lacina sought clarification regarding the offset from the City in 2016.

21. In a letter dated June 16, 2016, the City confirmed that because Lacina's DDR was for a mental injury, and the worker's compensation payments had been made for his physical injuries, no offset was appropriate.

22. Almost four years later, the City Attorney's Office issued a new legal opinion claiming that while the DDR was for mental injury, the offset should still apply and it would be applied effective immediately.

23. The City had not sought an offset for the worker's compensation payments associated with Lacina's physical injuries at any time between the effective date of his DDR (March 21, 2013) and the City attorney's April 20, 2020 opinion.

24. Officer Lacina was then left with two options: 1) pay the City \$52,400.00 immediately, or; 2) agree to have his DDR payments reduced to reflect \$52,400.00 less in payments over time. Lacina was not given any option or ability to appeal the City's legal opinion or offset determination.

25. The City and ERS thereafter began reducing Lacina's monthly benefits in the amount of \$61.50 per month; thereby resulting in financial harm and a loss of DDR benefits to Lacina.

CLAIM

26. Plaintiffs re-allege and re-assert paragraphs 1 through 25 above, as if fully set forth herein.

27. The City's/ERS's decision to reduce Lacina's DDR benefits is in error, as the authority to offset is limited to what is identified in Milwaukee City Charter §36-12. That provision only allows for an offset for worker's compensation payments "which may be paid or payable" (as opposed to those which have already been paid), and the entirety of the worker's compensation payments at issue had been paid in full prior to the date the City/ERS began their offset.

28. The City's/ERS's decision to reduce Lacina's DDR benefits is also in error, as the ability offset is further limited to worker's compensation payment(s) made on "account of the same disability," whereas the worker's compensation payments at issue were made for disability associated with a physical injury, and not the mental "disability" which formed the basis for Lacina's DDR.

WHEREFORE, plaintiffs pray that this Court:

1. Grant declaratory relief under §806.04, Wis. Stats., declaring that Defendant's ability to offset worker's compensation payments is limited to:
 - A. Those which are "payable" (as opposed to those which have been "paid.")
 - B. Those provided for the same "injury" (as opposed to date of injury).
2. Make Lacina whole for any and all amounts defendants improperly offset from his DDR benefits.
3. Award Plaintiffs their costs in this action, as allowed under §806.10, Wis. Stats.
4. Award such other relief as may be deemed just, equitable and appropriate.

Dated at Milwaukee, this 28th day of March, 2022.

CERMELE & MATTHEWS, S.C.
Attorneys for Plaintiffs Milwaukee
Police Association and Kurt J. Lacina

Electronically Signed by Jonathan Cermele

Jonathan Cermele
State Bar No. 1020228

Mailing Address:

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NO DOCUMENT WAS LEGALLY SERVED ON
THIS DATE AT 3:00 PM
3/28/2022

CRIMINAL
JULY 1, 2022

Client Conferences 2022

Board Meeting: April 27, 2022

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
May 2 – 4, 2022	Annual Institutional Symposium 2022 Austin, TX and Virtual	Dimensional Fund Advisors
May 11, 2022 11:30 am - Noon	How to Navigate Private Equity Fees and Terms Virtual	Callan Associates
May 11, 2022	2022 AQR Chicago Forum Chicago, IL	AQR
June 22 – 23, 2022	2022 Neuberger Berman Private Markets Limited Partners Annual Meeting New York, NY	Neuberger Berman
July 26 – 27, 2022	“Callan College” Introduction to Investments San Francisco	Callan Associates
September 20 – 21, 2022	2022 USLF Annual Investor Meeting Miami, FL	ProLogis
September 20 – 22, 2022 10:30 am – 1:30 pm	“Callan College” Introduction to Investments Virtual	Callan Associates

Trustee Conferences 2022

Board Meeting: April 27, 2022

DATE(S)			
May 1 – 4, 2022	25 th Global Conference 2022 Los Angeles, CA	Milken Institute	
May 3 – 4, 2022	11 th Annual Risk & Liquidity Forum Philadelphia, PA	Institutional Investor	
May 10, 2022 3:00pm – 5:30pm	Framework for ESG Investing and Risk Assessment of Digital Assets Green Bay, WI	CFA Society of Milwaukee	
May 10, 2022 Noon – 1:00 pm	Distinguished Speaker Series: Thomas J. Lee, CFA Chicago, IL	CFA Society of Chicago	
May 10 – 11, 2022	8 th Annual Redefining Fixed Income Forum Chicago, IL	Institutional Investor	
May 11, 2022	Private Credit Forum Chicago, IL	Institutional Investor	
May 11, 2022 Noon – 1:00 pm	Geopolitics for Investors – Joachim Klement Virtual	CFA Society of Madison	
May 12, 2022 2:00 pm – 5:00 pm	14 th Annual SecureFutures Investment Conference – Cathie Wood & David Herro Milwaukee, WI	SecureFutures, CFA Society of Milwaukee	
May 18, 2022	8 th Annual Midwest Institutional Forum Chicago, IL	Markets Group	
May 21 – 22, 2022	Trustee Educational Seminar (TEDS); NCPERS Accredited Fiduciary (NAF) Program Washington, DC	NCPERS	
May 22 – 25, 2022	Annual Conference & Exhibition (ACE 2022) Washington, DC	NCPERS	
June 1, 2022	2022 Madison Investment Conference Madison, WI	CFA Society of Madison, SWIB, Wisconsin School of Business	
June 6 – 7, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pensions Part I Santa Monica, CA	International Foundation of Employee Benefit Plans	

Trustee Conferences 2022

Board Meeting: April 27, 2022

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
June 7 – 9, 2022	2022 Visions, Insights & Perspectives (VIP) Infrastructure Austin, TX	Institutional Real Estate, Inc.
June 8 – 9, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pensions Part II Santa Monica, CA	International Foundation of Employee Benefit Plans
June 20 – 22, 2022	Roundtable for Consultants & Institutional Investors Chicago, IL	Institutional Investor
June 28, 2022	IREI : Live – A Global Look at Office Virtual	Institutional Real Estate, Inc.
July 21, 2022	ALTSCHI Chicago, IL	Markets Group
August 21 – 23, 2022	Public Pension Funding Forum Los Angeles, CA	NCPERS
August 23, 2022	Private Equity Chicago Forum Chicago, IL	Markets Group
August 30, 2022	IREI : Live – A Global Look at Multifamily Virtual	Institutional Real Estate, Inc.
September 14, 2022	6 th Annual Midwest Institutional Real Estate Investor Forum Chicago, IL	Markets Group
September 15, 2022	8 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 21 – 23, 2022	CII Fall 2022 Conference Boston, MA	Council of Institutional Investors
September 23 - 24, 2022	Certificate Series – Investment Basics Washington DC	International Foundation of Employee Benefit Plans

Trustee Conferences 2022

Board Meeting: April 27, 2022

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 22 – 23, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pension Part II Las Vegas, NV	International Foundation of Employee Benefit Plans
October 22 – 23, 2022	NCPERS Accredited Fiduciary (NAF) Program Nashville, TN	NCPERS
October 23 – 26, 2022	2022 Public Safety Conference Nashville, TN	NCPERS

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
May 9-11, 2022	Loomis Sayles, MFS, Prologis (Boston, MA)	David and Tom
July or August, 2022	William Blair, JP Morgan (Chicago, IL)	Erich and Tom
August or September, 2022	AQR, UBS, Morgan Stanley (New York, NY and Greenwich, CT)	Erich
September 2022	DFA and Brandes (Santa Monica and San Diego, CA)	David

Class Action Income 2022 YTD

Asset Description	Date(s)	Amount
Foreign Exchange Benchmark Rates Antitrust Litigation	1/18/2022 \$	4,007
First Solar	2/4/2022 \$	14,395
Foreign Exchange Benchmark Rates Antitrust Litigation	2/28/2022 \$	150
LIBOR-Based Securities Litigation	2/28/2022 \$	871
AAC Holdings, Inc.	3/22/2022 \$	79
Total Class Action Income Received in 2022 YTD		\$ 19,503

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

Minutes of the Administration and Operations Committee Meeting
held March 17, 2022 via teleconference during COVID-19

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

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

ERS Staff Present: Bernard Allen, Executive Director
Melody Johnson, Deputy Director
Jeff Shober, Chief Technology Officer
Daniel Gopalan, Chief Financial Officer
David Silber, Chief Investment Officer
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Jason Coyle, Darlene Middleman, Baker Tilly; David Anderson, Ray Emry, Bill Judd, Dan Ludwig, CliftonLarsonAllen (CLA); Terry Siddiqui, DS Consulting Partners, Inc., no member of the public called in to the meeting.

Election of Vice Chair. Ms. Sawa asked for a nomination for Vice Chair. Mr. Klusman nominated Ms. King for Vice Chair of the Administration & Operations Committee Meeting. Ms. Sawa asked three more times for any further nominations. Ms. Sawa seconded the nomination. There being no further nominations, nominations were closed and Ms. King was unanimously elected Vice Chair.

Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session of the following item (II.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility and in Section 19.85 (1)(f), when considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Administration & Operations Committee may then vote to reconvene in open session following the closed session.

Baker Tilly Financial Audit. As a matter of information, Committee members received the Baker Tilly 2021 Audit Planning document dated December 31, 2021 for the ERS. It was moved by Mr. Klusman and seconded by Ms. King, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 9:04 a.m.

The Committee reconvened in open session at 9:16 a.m.

Ms. Sawa advised that the Administration & Operations (A&O) Committee may vote to convene in closed session on the following item (III.), as provided in Section 19.85(1)(i), Wisconsin State Statutes, for considering all matters related to acts by businesses under s. 560.15 which, if discussed in public could adversely affect the business, its employees or former employees. The Committee may then vote to reconvene in open session following the closed session.

CliftonLarsonAllen (CLA) IT Vulnerability Audit Report Presentation – 2021. It was moved by Ms. King and seconded by Mr. Klusman, to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. King and Sawa; Mr. Klusman. NOES: None.

The Committee convened in closed session at 9:18 a.m.

The Committee reconvened in open session at 9:35 a.m.

CliftonLarsonAllen (CLA) Finance and Accounting Audit Report Presentation – 2021. As a matter of information, Committee members received the CLA Accounting and Financial Reporting Process Audit document as well as the Internal Audit Update and 2021 Cybersecurity Assessments documents. Mr. Emry noted the ERS audit plan for 2021 was completed. Mr. Emry said the process review consisted of invoice review and approval, account reconciliation, and financial statement compilation and review. He noted no control deficiencies were found. Discussion ensued.

Approval of Contract Amendment with United Mailing Services, Inc. Ms. Fowler noted there was nothing unique about this contract as the contract was only being extended and included the not to exceed amount for the additional years. She said an RFQ had also been completed for competitive pricing. Discussion ensued.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of Contract Amendment with United Mailing Services, Inc.

Results of RFQ for Disability Claims Processing Services. Ms. Turk noted the RFQ was sent to three firms. She said one firm could not provide one of the services and gave an hourly rate instead of the per claim price requested. She noted that Staff was pleased with working with MMRO. Discussion ensued.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Results of RFQ for Disability Claims Processing Services.

Approval of Close out of 2021 Budget. Mr. Gopalan presented to the Committee the Final 2021 Payment to the City and 2021 Budget to Actual Expenditures. Discussion ensued.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of Close out of 2021 Budget.

IT Projects Portfolio. As a matter of information, Committee members received the IT Projects and Ticket Statistics, as well as the IT Portfolio. Mr. Shober discussed individual items on the reports.

Organizational/Personnel Update. Ms. Johnson said the ERS Network Administrator title was changed to the ERS Network Security Administrator with more emphasis being on security now and also being able to recruit at a higher pay range. She also noted for the Pension Investment Analyst – Sr. position, eight applicants had applied. Ms. Johnson said the Records Technician II position is also open and the ERS is working with DER to fill that position. Staff added the last two open positions were because of resignations.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to adjourn the meeting.

There being no further business, Ms. Sawa adjourned the meeting at 10:27 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
2022
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2022-03-31

Class/ Budget	2022-1	2022-2	2022-3	Year to Date Expended	Year to Date reEncumbrances	Year to Date Encumbrances	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>								
Employee Salaries & Wages	3,583,222.00	-	-	-	-	-	-	3,583,222.00
Base Pay-Salary & Wage	-	179,295.09	234,035.61	236,138.18	649,468.88	-	-	(649,468.88)
Overtime Premium	-	304.88	193.65	42.97	541.50	-	-	(541.50)
Other Worked Compensation	-	-	484.43	-	484.43	-	-	(484.43)
Time Paid Not Worked	-	89,142.97	19,875.09	17,848.60	126,866.66	-	-	(126,866.66)
Employee Salaries & Wages	\$ 3,583,222.00	268,742.94	254,588.78	254,029.75	\$ 777,361.47	\$ -	\$ -	\$ 2,805,860.53
Fringe Benefits Applied	1,648,282.00	-	-	-	-	-	-	1,648,282.00
Fringe Benefits Applied	-	92,498.35	120,738.99	121,823.67	335,061.01	-	-	(335,061.01)
Applied Employee Benefits	\$ 1,648,282.00	92,498.35	120,738.99	121,823.67	\$ 335,061.01	\$ -	\$ -	\$ 1,313,220.99
Operating Expenditures	15,558,400.00	-	-	-	-	-	-	15,558,400.00
Office Supplies	-	45.90	(92.34)	(478.35)	(524.79)	-	-	524.79
Magazines, Subscription	-	28.17	(368.64)	(276.53)	(617.00)	-	-	617.00
Postal and Mailing Services	-	3.95	9,649.31	9,490.48	19,143.74	-	-	(19,143.74)
Building Rental	-	62,153.52	31,076.76	31,567.83	124,798.11	-	-	(124,798.11)
Printing & Dupl Machine Rental	-	2,754.43	1,159.99	2,379.75	6,294.17	-	-	(6,294.17)
Consulting	-	(87,916.66)	68,966.27	43,662.05	24,711.66	-	-	(24,711.66)
Medical, Surgical & Lab	-	203.30	3,044.84	1,718.63	4,966.77	-	-	(4,966.77)
Administrative Charges	-	(3,763.00)	54,211.57	21,620.82	72,069.39	-	-	(72,069.39)
Other Professional Services	-	(1,149,043.22)	936,365.43	397,073.43	184,395.64	-	-	(184,395.64)
Systems Support	-	-	48,377.00	22,057.00	70,434.00	-	-	(70,434.00)
IT Infrastructure	-	-	51,900.00	-	51,900.00	-	-	(51,900.00)
Infrastructure	-	-	502.96	-	502.96	-	-	(502.96)
Telephone, Communications	-	244.11	4,424.11	4,793.15	9,461.37	-	-	(9,461.37)
Travel & Subsistence	-	-	(2,321.20)	(218.97)	(2,540.17)	-	-	2,540.17
Printing Services	-	-	-	35.66	35.66	-	-	(35.66)
Insurance-Non Health	-	12,724.00	-	-	12,724.00	-	-	(12,724.00)
Other Misc Services	-	762.25	443.56	12,420.79	13,626.60	-	-	(13,626.60)
Operating Expenditures	\$ 15,558,400.00	(1,161,803.25)	1,207,339.62	545,845.74	\$ 591,382.11	\$ -	\$ -	\$ 14,967,017.89
All Equipment	598,000.00	-	-	-	-	-	-	598,000.00
Total Equipment	\$ 598,000.00	-	-	-	\$ -	\$ -	\$ -	\$ 598,000.00
Total Regular Class	\$ 21,387,904.00	(800,561.96)	1,582,667.39	921,699.16	\$ 1,703,804.59	\$ -	\$ -	\$ 19,684,099.41
<i>Other Departmental Appropriations:</i>								
Pol Pension Lump-Sum Sup Cont	10,000.00	-	10,000.00	-	10,000.00	-	-	-
PABF Payroll	55,000.00	4,577.60	4,577.63	4,077.01	13,232.24	-	-	41,767.76
Group Life Insurance Premium	4,560,000.00	-	779,888.80	373,340.13	1,153,228.93	-	-	3,406,771.07
Retiree's Benefit Adjustment	32,000.00	1,560.77	2,434.36	1,889.92	5,885.05	-	-	26,114.95
Other Classes	\$ 4,657,000.00	6,138.37	796,900.79	379,307.06	\$ 1,182,346.22	\$ -	\$ -	\$ 3,474,653.78
Total Dept Appropriations	\$ 26,044,904.00	(794,423.59)	2,379,568.18	1,301,006.22	\$ 2,886,150.81	\$ -	\$ -	\$ 23,158,753.19

Monthly Board Report

31-Mar-22

Account number COMALL

CITY OF MILW ALL ACCTS

Page 1 of 3

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-TOWNSEND CASH 2602846	0.00 0.00%	1,144,322.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1,144,322.20 0.02%
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	74,265,986.86 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	74,265,986.86 1.19%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	332,088,511.50 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	332,088,511.50 5.34%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	164,454.78 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	164,454.78 0.00%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,500.58 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,500.58 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	186,003,303.30 100.08%	0.00 0.00%	0.00 0.00%	-152,520.64 -0.08%	185,850,782.70 2.99%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	1,796,891.37 1.53%	115,598,638.70 98.47%	0.00 0.00%	0.00 0.00%	0.00 0.00%	117,395,530.10 1.89%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	446,558,352.30 100.00%	0.00 0.00%	446,558,352.30 7.18%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	198,062,604.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	198,062,604.60 3.18%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	21,332,459.73 26.38%	0.00 0.00%	61,037,696.00 75.47%	0.00 0.00%	-1,492,501.75 -1.85%	80,877,653.98 1.30%
MILWAUKEE-CASTLEARK 2697782	0.00 0.00%	842,762.24 0.89%	93,535,032.35 98.59%	0.00 0.00%	0.00 0.00%	495,136.97 0.52%	94,872,931.56 1.53%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	161,110,859.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	161,110,859.00 2.59%
MILWAUKEE-LOOMIS SAYLE CME01	11,707,564.78 2.59%	0.00 0.00%	16,943,089.17 3.76%	421,885,472.10 93.51%	0.00 0.00%	630,949.39 0.14%	451,167,075.50 7.25%
MILWAUKEE-BRANDES INT'L EQUITY CME03	8,156,959.62 2.24%	0.00 0.00%	355,373,646.10 97.44%	0.00 0.00%	1,171,570.52 0.32%	-401.60 0.00%	364,701,774.60 5.86%
MILWAUKEE-REAMS CME04	15,125,918.53 2.55%	0.00 0.00%	0.00 0.00%	660,828,000.30 111.23%	3,767,342.44 0.63%	-85,601,437.64 -14.41%	594,119,823.60 9.55%

Northern Trust

Generated from Northern Trust periodic data on 31-Mar-22

Monthly Board Report

31-Mar-22

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-BLAIR CME05	6,259,772.48 2.39%	0.00 0.00%	255,378,712.40 97.38%	0.00 0.00%	589,532.34 0.22%	12,260.21 0.00%	262,240,277.40 4.22%
MILWAUKEE-MFS CME12	2,017,808.05 1.04%	0.00 0.00%	190,757,389.10 98.77%	0.00 0.00%	363,407.10 0.19%	0.00 0.00%	193,138,604.30 3.10%
MILWAUKEE-POLEN 2644553	0.00 0.00%	2,362,762.23 1.53%	152,687,562.20 98.74%	0.00 0.00%	0.00 0.00%	-409,228.67 -0.26%	154,641,095.80 2.49%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	264,014,036.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	264,014,036.00 4.24%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	289,018,286.70 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	289,018,286.70 4.65%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	91,162,238.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	91,162,238.00 1.47%
MILWAUKEE - DFA US LCV CME15	560,227.82 0.35%	0.00 0.00%	160,141,752.40 99.71%	0.00 0.00%	0.00 0.00%	-92,768.40 -0.06%	160,609,211.80 2.58%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	557,115,794.35 100.30%	-1,672,094.66 -0.30%	555,443,699.65 8.93%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	741,681,706.00 100.00%	0.00 0.00%	741,681,706.00 11.92%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	401,669,345.80 100.00%	0.00 0.00%	0.00 0.00%	401,669,345.80 6.46%

Monthly Board Report

31-Mar-22

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	43,828,251.28	101,912,139.99	2,861,875,661.52	1,545,420,514.20	1,755,597,705.05	-88,282,606.79	6,220,351,665.31
% for consolidation	0.70%	1.64%	46.01%	24.84%	28.22%	-1.42%	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: 2022
As of March 31, 2022

Date	<u>Amounts Expended</u>			Balance
	Income From Lending	Fees	Administrative Transfers	
Balance 12-31-21				552,798.88
01/05/22	31.37	-	-	552,830.25
01/18/22	74,337.11	14,861.98	-	612,305.38
01/27/22	-	-	553,000.00	59,305.38
02/03/22	34.21	-	-	59,339.59
02/15/22	66,588.79	13,312.68	-	112,615.70
03/03/22	8.13	-	-	112,623.83
03/15/22	64,746.65	12,942.80		164,427.68
Current Totals	\$205,746.26	\$41,117.46	\$553,000.00	\$164,427.68

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

MERS PERFORMANCE ESTIMATES
March 31, 2022

Account	2021 Return	Jan 2022	Feb 2022	Mar 2022	1st Quarter 2022
Northern Trust S&P 500 Index	28.69%	-5.17%	-2.99%	3.72%	-4.58%
S&P 500	<u>28.71%</u>	<u>-5.17%</u>	<u>-2.99%</u>	<u>3.71%</u>	<u>-4.60%</u>
Difference	-0.01%	0.00%	0.00%	0.01%	0.02%
BlackRock Russell 1000 Value Index	25.18%	-2.35%	-1.16%	2.82%	-0.76%
Russell 1000 Value	<u>25.16%</u>	<u>-2.33%</u>	<u>-1.16%</u>	<u>2.82%</u>	<u>-0.74%</u>
Difference	0.02%	-0.02%	0.00%	0.00%	-0.02%
DFA US Large Cap Value	27.52%	-1.34%	-0.25%	1.94%	0.32%
Russell 1000 Value	<u>25.16%</u>	<u>-2.33%</u>	<u>-1.16%</u>	<u>2.82%</u>	<u>-0.74%</u>
Difference	2.36%	0.99%	0.91%	-0.88%	1.06%
Polen	24.84%	-9.04%	-7.00%	1.95%	-13.76%
S&P 500	<u>28.71%</u>	<u>-5.17%</u>	<u>-2.99%</u>	<u>3.71%</u>	<u>-4.60%</u>
Difference	-3.86%	-3.87%	-4.01%	-1.76%	-9.16%
Ernest	26.09%	-4.71%	-1.52%	0.71%	-5.49%
Russell MidCap	<u>22.58%</u>	<u>-7.37%</u>	<u>-0.72%</u>	<u>2.56%</u>	<u>-5.68%</u>
Difference	3.50%	2.66%	-0.80%	-1.85%	0.19%
CastleArk	12.30%	-15.26%	-0.41%	0.37%	-15.30%
Russell 2000 Growth	<u>2.83%</u>	<u>-13.40%</u>	<u>0.44%</u>	<u>0.46%</u>	<u>-12.63%</u>
Difference	9.46%	-1.86%	-0.85%	-0.09%	-2.67%
DFA US Small Cap Value	40.61%	-2.53%	2.17%	1.44%	1.02%
Russell 2000 Value	<u>28.27%</u>	<u>-5.83%</u>	<u>1.65%</u>	<u>1.96%</u>	<u>-2.40%</u>
Difference	12.34%	3.30%	0.52%	-0.52%	3.42%
Brandes	14.37%	2.28%	-2.10%	-2.78%	-2.65%
MSCI EAFE	<u>11.26%</u>	<u>-4.83%</u>	<u>-1.77%</u>	<u>0.64%</u>	<u>-5.91%</u>
Difference	3.10%	7.11%	-0.33%	-3.42%	3.26%
William Blair	12.75%	-11.99%	-3.67%	0.45%	-14.84%
MSCI ACWI ex US	<u>8.29%</u>	<u>-3.67%</u>	<u>-1.97%</u>	<u>0.25%</u>	<u>-5.33%</u>
Difference	4.46%	-8.32%	-1.70%	0.20%	-9.51%
DFA Int'l Small Cap Value	15.90%	-1.68%	-0.33%	-0.59%	-2.58%
MSCI EAFE Small Cap	<u>10.10%</u>	<u>-7.32%</u>	<u>-1.27%</u>	<u>-0.04%</u>	<u>-8.53%</u>
Difference	5.80%	5.64%	0.94%	-0.55%	5.95%
AQR	0.24%	-1.45%	-3.16%	0.95%	-3.66%
MSCI EM	<u>-2.54%</u>	<u>-1.89%</u>	<u>-2.99%</u>	<u>-2.26%</u>	<u>-6.97%</u>
Difference	2.78%	0.44%	-0.17%	3.21%	3.31%
BlackRock Global Alpha Tilts	18.72%	-4.79%	-3.04%	2.60%	-5.28%
MSCI ACWI	<u>18.54%</u>	<u>-4.91%</u>	<u>-2.58%</u>	<u>2.17%</u>	<u>-5.36%</u>
Difference	0.18%	0.12%	-0.46%	0.43%	0.08%
MFS	19.56%	-5.60%	-3.59%	2.81%	-6.43%
MSCI ACWI	<u>18.54%</u>	<u>-4.91%</u>	<u>-2.58%</u>	<u>2.17%</u>	<u>-5.36%</u>
Difference	1.02%	-0.69%	-1.01%	0.64%	-1.07%
BlackRock Gov't Bond Index		-1.78%	-0.66%	-3.07%	-5.42%
Bloomberg Gov't Bond		<u>-1.87%</u>	<u>-0.66%</u>	<u>-3.09%</u>	<u>-5.53%</u>
Difference		0.09%	0.00%	0.02%	0.11%
Reams	-1.22%	-2.01%	-0.81%	-2.79%	-5.52%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-2.15%</u>	<u>-1.12%</u>	<u>-2.78%</u>	<u>-5.93%</u>
Difference	0.32%	0.14%	0.31%	-0.01%	0.41%
Loomis Sayles	2.14%	-2.60%	-1.46%	-1.79%	-5.74%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-2.15%</u>	<u>-1.12%</u>	<u>-2.78%</u>	<u>-5.93%</u>
Difference	3.69%	-0.45%	-0.34%	0.99%	0.19%
UBS	8.12%	0.73%	-0.02%	0.67%	1.38%
SOFR + 4% *	<u>4.27%</u>	<u>0.02%</u>	<u>0.10%</u>	<u>0.33%</u>	<u>0.45%</u>
Difference	3.86%	0.71%	-0.12%	0.34%	0.93%
Principal	17.58%	-0.35%	1.64%	4.48%	5.82%
Blended Benchmark	<u>15.87%</u>	<u>0.59%</u>	<u>2.39%</u>	<u>3.74%</u>	<u>6.84%</u>
Difference	1.72%	-0.94%	-0.75%	0.74%	-1.02%
Baird	-0.20%	-0.48%	-0.33%	-0.90%	-1.70%
Bloomberg Govt/Credit 1-3 Year	<u>-0.47%</u>	<u>-0.72%</u>	<u>-0.44%</u>	<u>-1.36%</u>	<u>-2.49%</u>
Difference	0.27%	0.24%	0.11%	0.46%	0.79%
Total MERS	18.89%	-2.11%	1.39%	0.30%	-0.44%

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, and UBS)

* The benchmark for UBS is SOFR + 4% as of March 1, 2022. Prior to March 1, 2022, the benchmark was One Year LIBOR + 4%.

ACTUAL ALLOCATIONS

March 31, 2022

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	5.40%	\$ 332,088,512	5.39%
	BlackRock (Russell 1000 Value)	2.60%	\$ 161,110,859	2.62%
	Sub-Total Passive Large Cap Equity	8.00%	\$ 493,199,371	8.01%
Active Large Cap Equity	Polen (S&P 500)	2.60%	\$ 154,641,096	2.51%
	DFA (Russell 1000 Value)	2.60%	\$ 160,609,212	2.61%
	Sub-Total Active Large Cap Equity	5.20%	\$ 315,250,308	5.12%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.00%	\$ 117,395,530	1.91%
	CastleArk (Russell 2000 Growth)	1.60%	\$ 94,872,932	1.54%
	DFA (Russell 2000 Value)	3.20%	\$ 198,062,605	3.22%
	Sub-Total Active Mid/Small Cap Equity	6.80%	\$ 410,331,066	6.66%
Total Domestic		20.00%	\$ 1,218,780,744	19.79%
International				
Active International Equity	Brandes (MSCI EAFE)	6.40%	\$ 364,701,775	5.92%
	William Blair (MSCI ACWI ex US)	4.80%	\$ 262,240,277	4.26%
	DFA (MSCI EAFE Small Cap)	3.20%	\$ 185,850,783	3.02%
	AQR (MSCI EM)	1.60%	\$ 91,162,238	1.48%
Total International		16.00%	\$ 903,955,073	14.68%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.80%	\$ 289,018,287	4.69%
	MFS (MSCI ACWI)	3.20%	\$ 193,138,604	3.14%
Total Global		8.00%	\$ 482,156,891	7.83%
Total Public Equity		44.00%	\$ 2,604,892,708	42.30%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 348,380,435	5.66%
	Mesirov (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 298,758,505	4.85%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 29,541,276	0.48%
	Private Advisors (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 69,351,490	1.13%
Total Private Equity		10.00%	\$ 746,031,706	12.12%
TOTAL EQUITY (Public Equity + Private Equity)		54.00%	\$ 3,350,924,414	54.42%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 75,577,264	1.23%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.92%	\$ 401,669,346	6.52%
	Reams (Bloomberg US Aggregate)	7.04%	\$ 594,119,824	9.65%
	Loomis Sayles (Bloomberg US Aggregate)	7.04%	\$ 451,167,075	7.33%
Sub-Total Active Fixed Income		14.08%	\$ 1,045,286,899	16.98%
Total Fixed Income		23.00%	\$ 1,522,533,509	24.73%
Absolute Return				
	Hedge Fund of Funds Manager	3.00%	\$ -	0.00%
	UBS (SOFR + 4%)	7.00%	\$ 449,550,295	7.30%
Total Absolute Return		10.00%	\$ 449,550,295	7.30%
TOTAL FIXED INCOME & ABSOLUTE RETURN		33.00%	\$ 1,972,083,804	32.03%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	3.03%	\$ 144,596,038	2.35%
	Morgan Stanley (NFI-ODCE)	3.03%	\$ 181,552,951	2.95%
	LaSalle (NFI-ODCE)	1.52%	\$ 97,207,318	1.58%
	Prologis (NFI-ODCE)	1.52%	\$ 124,861,883	2.03%
	Sub-Total Private Real Estate - Core	9.10%	\$ 548,218,190	8.90%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 22,502,488	0.37%
Public Real Assets	Principal (Blended Benchmark)	3.90%	\$ 264,014,036	4.29%
TOTAL REAL ASSETS		13.00%	\$ 834,734,714	13.56%
TOTAL ERS			\$ 6,157,742,932	100.00%
Total City Reserve Fund			\$ 80,877,654	

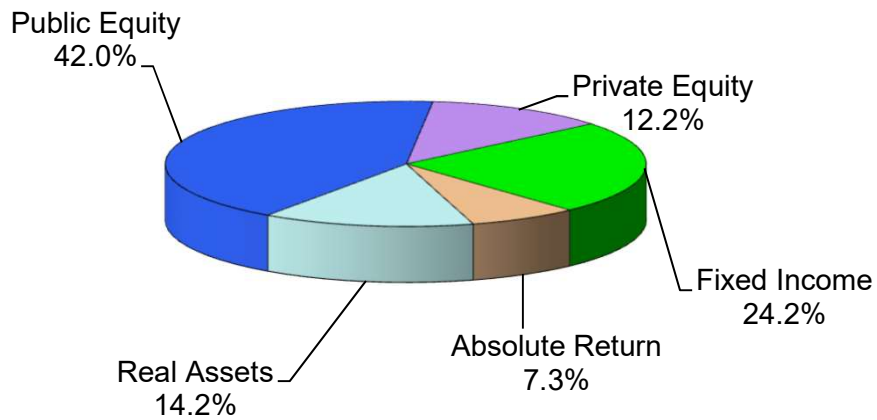
PROJECTED TARGET ALLOCATIONS

Apr 20, 2022

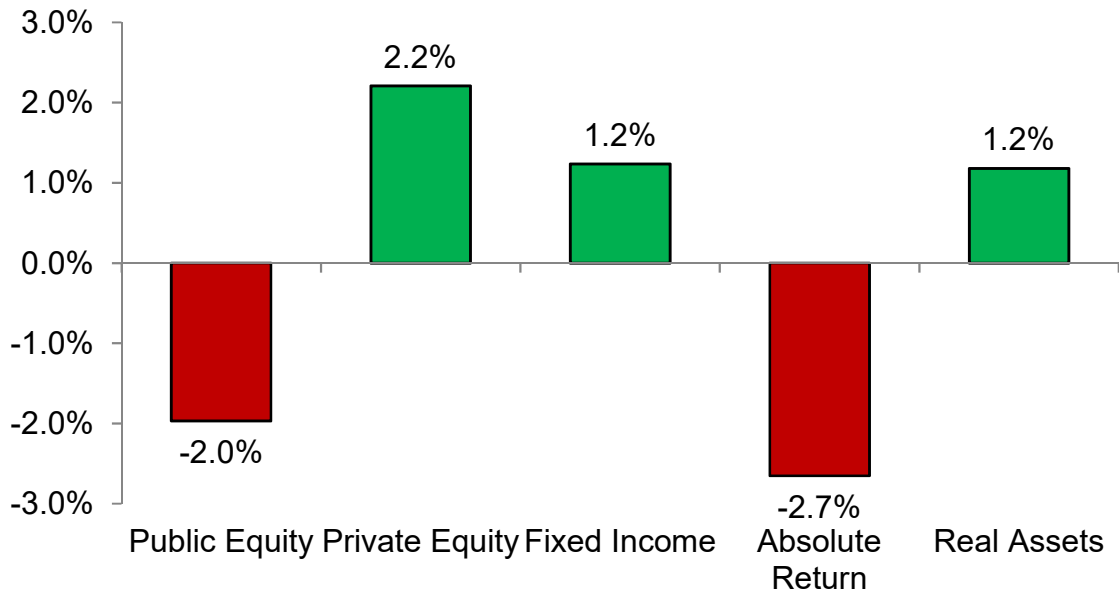
		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	5.40%	\$ 327,069,833	5.35%
	BlackRock (Russell 1000 Value)	2.60%	\$ 163,576,268	2.67%
	Sub-Total Passive Large Cap Equity	8.00%	\$ 490,646,101	8.02%
Active Large Cap Equity	Polen (S&P 500)	2.60%	\$ 145,528,825	2.38%
	DFA (Russell 1000 Value)	2.60%	\$ 163,286,673	2.67%
	Sub-Total Active Large Cap Equity	5.20%	\$ 308,815,498	5.05%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.00%	\$ 117,880,769	1.93%
	CastleArk (Russell 2000 Growth)	1.60%	\$ 94,118,907	1.54%
	DFA (Russell 2000 Value)	3.20%	\$ 201,833,496	3.30%
	Sub-Total Active Mid/Small Cap Equity	6.80%	\$ 413,833,172	6.76%
Total Domestic		20.00%	\$ 1,213,294,771	19.83%
International				
Active International Equity	Brandes (MSCI EAFE)	6.40%	\$ 361,605,278	5.91%
	William Blair (MSCI ACWI ex US)	4.80%	\$ 251,737,107	4.11%
	DFA (MSCI EAFE Small Cap)	3.20%	\$ 186,743,438	3.05%
	AQR (MSCI EM)	1.60%	\$ 87,617,111	1.43%
Total International		16.00%	\$ 887,702,934	14.51%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.80%	\$ 282,785,184	4.62%
	MFS (MSCI ACWI)	3.20%	\$ 187,811,446	3.07%
Total Global		8.00%	\$ 470,596,630	7.69%
Total Public Equity		44.00%	\$ 2,571,594,335	42.03%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 348,380,435	5.69%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 298,758,505	4.88%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 29,541,276	0.48%
	Private Advisors (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 70,151,981	1.15%
Total Private Equity		10.00%	\$ 746,832,197	12.21%
TOTAL EQUITY (Public Equity + Private Equity)		54.00%	\$ 3,318,426,532	54.24%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 74,794,470	1.22%
Passive Fixed Income	BlackRock (Bloomberg US Government)	5.50%	\$ 391,391,986	6.40%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.90%	\$ 575,404,845	9.40%
	Loomis Sayles (Bloomberg US Aggregate)	6.60%	\$ 441,043,551	7.21%
	Sub-Total Active Fixed Income	16.50%	\$ 1,016,448,396	16.61%
Total Fixed Income		23.00%	\$ 1,482,634,851	24.23%
Absolute Return				
	Hedge Fund of Funds Manager	3.00%	\$ -	0.00%
	UBS (SOFR + 4%)	7.00%	\$ 449,550,295	7.35%
Total Absolute Return		10.00%	\$ 449,550,295	7.35%
TOTAL FIXED INCOME & ABSOLUTE RETURN		33.00%	\$ 1,932,185,146	31.58%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	3.03%	\$ 144,596,038	2.36%
	Morgan Stanley (NFI-ODCE)	3.03%	\$ 181,552,950	2.97%
	LaSalle (NFI-ODCE)	1.52%	\$ 109,445,720	1.79%
	Prologis (NFI-ODCE)	1.52%	\$ 140,719,342	2.30%
	Sub-Total Private Real Estate - Core	9.10%	\$ 576,314,050	9.42%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 22,475,671	0.37%
Public Real Assets	Principal (Blended Benchmark)	3.90%	\$ 268,788,570	4.39%
TOTAL REAL ASSETS		13.00%	\$ 867,578,291	14.18%
TOTAL ERS			\$ 6,118,189,969	100.00%
Total City Reserve Fund	R. W. Baird		80,661,872	

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Current Policy Benchmark



YTD Market Value Change

December 31, 2021 Market Value including City Reserve & PABF Accounts			\$ 6,260,134,748
Monthly Cash Outflows thru	<u>April 20, 2022</u>		
Retiree Payroll Expense		\$ (110,771,632)	
PABF Payroll Expense		\$ (23,232)	
Expenses Paid		\$ (4,333,842)	
GPS Benefit Payments		\$ (2,138,149)	
Sub-Total Monthly Cash Outflows			\$ (117,266,855)
Monthly Cash Inflows thru	<u>April 20, 2022</u>		
Contributions		\$ 82,762,560	
PABF Contribution		\$ 23,733	
Sub-Total Monthly Contributions			\$ 82,786,293
City Reserve Fund Contribution			\$ 40,000,000
Capital Market Gain/(Loss)			<u>\$ (66,802,344)</u>
Value including City Reserve & PABF Accounts as of	<u>April 20, 2022</u>		<u>\$ 6,198,851,841</u>
Less City Reserve Account ¹			\$ 80,661,872
Less PABF Fund ²			\$ 2,501
Net Projected ERS Fund Value as of	<u>April 20, 2022</u>		<u><u>\$ 6,118,187,468</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.