

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE  
789 N. WATER ST. (Employees' Retirement System)  
WEDNESDAY, SEPTEMBER 28, 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](http://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 July 27, 2022.
- B. Special Meeting Held August 24, 2022.

**II. Chief Investment Officer Report.**

- A. Approval of Statement of Investment Policy Update.

**III. Investment Committee Report.**

- A. Approval of Public Equity Structure.
- B. Approval of Real Assets Structure.
- C. Approval of Real Estate Manager Search and Candidate Profile.
- D. Approval of 2023 Private Equity Commitment Recommendation.
- E. Approval of Real Estate Investment Policy Statement Update.
- F. Approval of Statement of Investment Policy Update.

**IV. Administration & Operations Committee Report.**

- A. Renewal of Fiduciary Liability and Cyber Insurance.
- B. Renewal of Lease for 789 N. Water Street Building.
- C. Review of RFP for Financial Audit Services.

V. New Business.

- A. Presentation by Patrice Beckham and Larry Langer of Cavanaugh Macdonald Consulting regarding the Five-Year Experience Study.
- B. Renewal of City of Milwaukee Indemnification Agreement for ERS.
- C. Retirements, Death Claims, and Refunds (July and August).
- D. Conference Requests – September 2022 Board Meeting.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (E.), 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. The Board may then vote to reconvene in open session following the closed session.

E. ERS Executive Staff Compensation.

VI. Medical Reports.

- A. All Duty & Ordinary Disability Applications & Re-examinations (August and September).

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.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2022 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held July 20, 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**

**SPECIAL A&O COMMITTEE MEETING**

**WEDNESDAY, OCTOBER 19, 2022 – 9:00 A.M.**  
789 N. WATER ST.

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD**

**TUESDAY, OCTOBER 25, 2022 – 9:00 A.M.**  
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held July 27, 2022.
- B. Special Meeting Held August 24, 2022.

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

Minutes of the Regular Meeting  
held July 27, 2022 via teleconference during COVID-19

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

Board Members Present:           Matthew Bell, Chair  
  Deborah Ford  
  Molly King  
  Tom Klusman  
  Rudolph Konrad  
  Nik Kovac  
  Aycha Sawa

Board Members Not Present:       James Campbell (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., eight members of the public called in to the meeting.

**Regular Meeting.**

**Approval of Minutes.**

**Regular Meeting Held June 30, 2022.** It was moved by Ms. Sawa, seconded by Mr. Konrad, and unanimously carried, to approve the Minutes of the Regular Meeting Held June 30, 2022.

**Chief Investment Officer Report.** As a matter of information, Board members received the July 27, 2022 Performance Update. Mr. Sauer noted the Fund as of June 30, 2022, had a value of \$5.63 billion. He said June was a month with a lot of inflation as well as recession fears, which led to a risk-off environment causing the Fund to decline 4.8%, net of fees, which underperformed the benchmark by approximately 0.5%. He said the primary relative performance drivers were Real Estate, which detracted 59 basis points and is a result of the way Real Estate is reported. For the full quarter, Real Estate matched the benchmark and is doing quite well. Mr. Sauer said Loomis Sayles detracted 17 basis points, while Private Equity offset some of the underperformance by adding 27 basis points. He said the Fund's overall allocation added 13 basis points due primarily



to the Fund being underweight in stocks going in to a risk-off month where stocks went down quite a bit. Mr. Sauer commented the Fund outperformed the benchmark in all other time periods shown. He said the Fund return, through July 26th, was up 1.7% month-to-date, which brought the year-to-date return to -5.6% year to date and the Fund value to approximately \$5.74 billion. He noted nine out of the Fund's 15 active mandates are outperforming year to date, and the Public Equity, Fixed Income, and Absolute Return asset classes, along with the Total Fund, are outperforming year to date. Mr. Sauer said the Fund has seen a year-to-date change in the value of its investments of -\$343.3 million, paid benefits & expenses of \$234.6 million, and received contributions of \$94.9 million. He said \$32.8 million was received from Prologis in July according to the redemption put in which is approximately 90% of the amount requested and which will be trued up once the second quarter report is finalized.

Mr. Silber commented that constructing a portfolio that has the ability to outperform its benchmark net of fees in different types of market environments is very difficult. Even though it's very hard to do, he said that they have been able to succeed in outperforming in different markets during the past 18 months, first by exceeding the benchmark by over 600 basis points, net of fees, in 2021 when stock markets went up a lot, and now in a year like 2022 when the Fund has outperformed materially year-to-date even though stocks are down 15% to 20% so far. He said that at the upcoming September 8th Investment Committee meeting, Staff will be presenting the 2<sup>nd</sup> Quarter Performance Report that will show about 150 basis points, net of fees, of outperformance. Mr. Silber also said that Public Equity, Absolute Return, Private Equity, and Real Assets would all show outperformance during the 2<sup>nd</sup> quarter. Mr. Silber also discussed withdrawals and said they sold some stocks in January before the markets tanked. He said all the benefit payments since then have come from withdrawals from the Fixed Income and Real Assets allocations. He said at the next Investment Committee Meeting, Callan plans to have three deliverables covering topics such as Public Equity, Private Equity, and Real Estate. Mr. Silber also said they plan to have the second quarter performance report finalized, reports on due diligence trips, as well as the hedge fund's contract for the Committee's consideration. He concluded that the new Investment employee would be starting on August 1. Discussion ensued.

**Administration & Operations Committee Report.** Ms. Sawa reported that the A&O Committee met on July 20 and said the Committee's first item of business was the acceptance of the 2021 external Financial Audit by Baker Tilly. She said there was an unqualified opinion and no findings. Ms. Sawa said Mr. Gopalan did a nice presentation on the Annual Comprehensive Financial Report (ACFR), which the Committee approved. She said the Committee also approved the Annual Report of the Annuity & Pension Board, which goes out to the pension members. She concluded that the other agenda items were the Organizational/Personnel Update and proceeding with Staff recommendation for the Banking Services selection.

**Acceptance of Baker Tilly 2021 Financial Audit.** It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Acceptance of Baker Tilly 2021 Financial Audit.

**Approval of Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2021.** It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2021.

**Approval of Annual Report of the Annuity & Pension Board 84<sup>th</sup> Edition, December 31, 2021.** It was moved by Mr. Konrad, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of Annual Report of the Annuity & Pension Board 84<sup>th</sup> Edition, December 31, 2021.

**New Business.**

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

Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$17,685.69
Retired Death Benefits reported	\$9,025.64
Survivor Death – Termination Benefits reported	\$12,986.54
Refund of Member Contributions paid	\$207,230.94

It was moved by Mr. Klusman, seconded by Ms. Sawa, and unanimously carried, to approve the Retirements, Death Claims, and Refunds (June 2022).

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

Erich Sauer	Prologis Annual Conference
Sponsor:	Prologis
Location:	Miami, FL
Date:	September 20-22, 2022
Estimated Cost:	\$1,400.00

Mr. Silber also requested the following conference.

Deborah Ford, David Silber, David Walters	DFA and Brandes Due Diligence Trip
Sponsor:	DFA and Brandes
Location:	Los Angeles, CA (DFA) and San Diego, CA (Brandes)
Date:	September 13-16, 2022
Estimated Cost:	\$2,400.00 per person

It was moved by Ms. King, seconded by Mr. Konrad, and unanimously carried, to approve the Conference Requests – July 2022 Board Meeting.

**Thomas Gillespie: Review of Non-compliance with Annual Re-examination Requirement.** Mr. Petropoulos stated Staff does what it can to help members comply with the ordinance for the re-examination requirement. He stated Mr. Gillespie does not have a history of not complying but for some reason has not complied this time and has not communicated with the ERS. It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, to approve suspending the benefits for Thomas Gillespie: Review of Non-compliance with Annual Re-examination Requirement.

**Dorothy McLaurin: Review of Non-compliance with Annual Re-examination Requirement.** Mr. Petropoulos noted they received some of the materials to complete the re-exam but the Medical Council requires substantiating documentation but was unsuccessful in getting that documentation from the medical providers. Discussion ensued. It was moved by Mr. Konrad, seconded by Mr. Kovac, and unanimously carried, to approve suspending the benefits for Dorothy McLaurin: Review of Non-compliance with Annual Re-examination Requirement. Mr. Petropoulos added that should both disability members comply with the re-exams, their benefit will be reinstated. Mr. Klusman asked if the benefit payment is retroactive and Mr. Petropoulos confirmed that it is. Mr. Allen added that the duty disability retirees also continue to receive health insurance when their benefits are suspended.

**Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation.** Mr. Gopalan said three persons submitted their outside earnings form prior to payroll closing on July 21 so they will not be suspended. He said one other person submitted their forms after payroll closed so would get their July payment in August. Mr. Gopalan said 16 people would be suspended currently instead of 20. Discussion ensued. It was moved by Ms. Ford, seconded by Mr. Kovac, and unanimously carried, to approve the Approval to Suspend Disability Benefits for 16 individuals for Non-Compliance with Outside Earnings Limitation.

**Approval of August Resolution.** Staff noted this resolution allows benefit payments to be made during the August recess and until the Board reconvenes in September. Staff said the August 24 Special Meeting was called for the actuary to present the five-year experience study. It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of August Resolution.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item (G.), 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. The Board may then vote to reconvene in open session following the closed session.

#### **ERS Executive Staff Compensation.**

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

The Board convened in closed session at 9:47 a.m.

The Board reconvened in open session at 10:20 a.m.

### **Medical Reports.**

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

<u>Police – Application – Duty</u>	<u>Recommendation</u>
Benjean Lara 75% DD	Denial
Benjean Lara 90% DD	Denial
<u>Police – Application – Ordinary</u>	<u>Recommendation</u>
Benjean Lara	Denial
<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Tracy Martinez	Approval
Matthew Schulze	Approval
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Chad Stepke	Approval
Katrina Warren	Approval
<u>GC – Application – Duty</u>	<u>Recommendation</u>
Gregory Zarling 75% DD	Denial
<u>GC – Application – Ordinary</u>	<u>Recommendation</u>
Gregory Zarling	Approval
Effective Date 12/09/2019	
<u>GC – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Freddie Lewis	Approval
Angela Morales	Approval

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

## **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 the same-sex marriage legal opinion is delayed due to other time-sensitive matters related to ongoing litigation, specifically the Wisconsin Supreme Court brief regarding the 5.8% pension offset case. He added that last week there was a favorable outcome in circuit court related to the firefighters and police survivorship fund.

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

**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:

- 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) Minutes of the A&O Committee Meeting Held July 20, 2022.
- 5) Report on Bills.
- 6) Deployment of Assets.
- 7) Securities Lending Revenue and Budget Report.
- 8) Preliminary Performance Report and Asset Allocation.

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

Mr. Bell adjourned the meeting at 10:34 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.)

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

Minutes of the Special Meeting  
held August 24, 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  
  Tom Klusman  
  Rudolph Konrad  
  Nik Kovac  
  Aycha Sawa

Board Members Not Present:       James Campbell (excused)

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

Others Present: Patrice Beckham, Aaron Chochon, Larry Langer, Cavanaugh Macdonald; Jason Ellement, Jim Van Heuit, John Jackson, Mike Joecken, Callan Associates; Andrea Knickerbocker, Department of Employee Relations, City of Milwaukee; Patrick McClain, City Attorney's Office; Eric Pearson, Budget Office; Terry Siddiqui, DS Consulting, Inc.; 12 members of the public called in.

**Special Meeting**

**New Business.**

**Presentation by Patrice Beckham and Larry Langer of Cavanaugh Macdonald Consulting Regarding the Five-Year Experience Study.**

As a matter of information, Board members received from Cavanaugh Macdonald the "Experience Study Results: Economic Assumptions" and the "CMERS' Funding Policy Discussion" presentation booklets.

Ms. Beckham presented to the Board on the topics of Background of Economic Assumptions, the CMERS Experience Study, Purpose of Experience Study, Selection of Assumptions, Actuarial Standard of Practice Number 27, Economic Assumptions Building Block Method, Inflation Assumption, Historical Price Inflation, Future Inflation Expectations, Peer Group Comparison Inflation Assumptions, Recent Inflation Issues, and Selected Metrics of Expected Rates of Inflation.

Mr. Langer then gave a presentation on Investment Return Assumption, CMERS Historical Fiscal Year Returns, Peer Group Comparison, Distribution of Current Investment Return Assumptions, Change in Average and Median Investment Return Assumptions, Investment Return Assumption, Considerations for Expected Return, Recommended Investment Return Assumption, Considerations for Expected Return, Distribution of Expected Future Nominal Returns, Summary of Findings: Investment Return Assumption, Considerations in Setting Investment Return Assumption, Cost Impact of Changes, UAL Payment Increase, CMERS Total Covered Payroll, Administrative Expenses, and Summary of Recommended Economic Assumptions.

Discussions ensued throughout both presentations.

Mr. Bell called for a break at 10:50 a.m.

Mr. Bell resumed the meeting at 11:00 a.m.

Mr. Klusman made a motion to invite Callan and Cavanaugh Macdonald personnel to attend the closed session regarding the ERS Executive Staff Compensation. Ms. King seconded the motion. Ms. Ford questioned whether the Board should first have a discussion among Board members. Mr. Klusman then withdrew his motion to include Callan and Cavanaugh Macdonald personnel for closed session. Board members then decided to invite the Callan and Cavanaugh Macdonald personnel to the ERS Executive Staff Compensation closed session at the September 28, 2022 Board meeting.

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)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

### **ERS Executive Staff Compensation.**

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

The meeting convened in closed session at 12:16 p.m.

The meeting re-convened in open session at 12:54 p.m.

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

There being no further business, Mr. Bell adjourned the meeting at 12:54 p.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 - September 28, 2022

## Fund as of August 31, 2022

\*Fund value of \$5.64b.

\*Fund return of -2.3% in August, gross of fees, underperformed by approximately 2bp.

\*Primary Relative Perf. Drivers:  
Manager Selection

Blair -12bp  
Style Bias 6bp  
Primarily Gov't Fixed Income & Cash  
Overall Allocation 4bp

\*Fund has outperformed benchmark in all other time periods shown.

## Sept Update (9/21/22 estimates)

\*Fund return -2.4% MTD  
\*Fund return -8.1% YTD  
\*Fund value \$5.51b

\*9 out of 15 active mandates outperforming YTD.

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

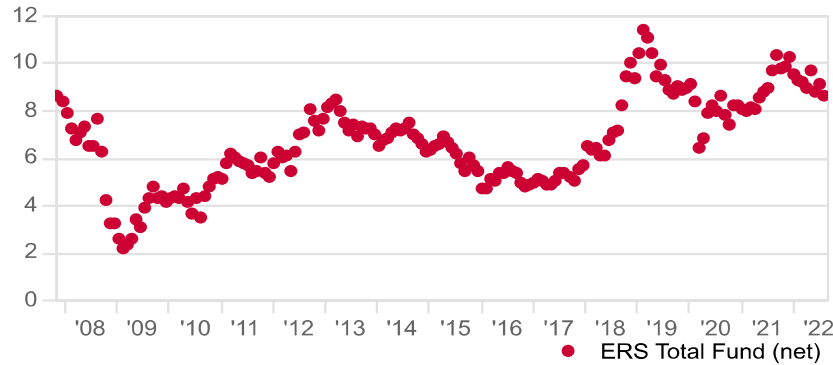
\*Investment Change: -\$491.6m  
\*Benefits & Expenses: 316.1m  
\*Contributions: 100.2m

## Monthly Withdrawals:

To be discussed at meeting

## Total Fund - 10-Year Rolling Returns

11/28/1997 to 8/31/2022



## Return Data

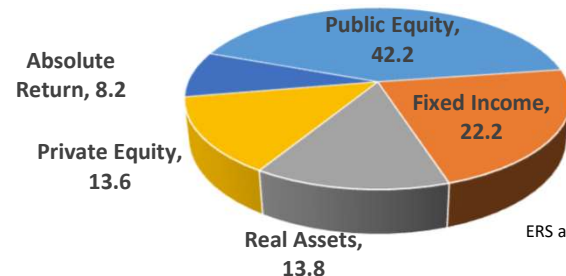
Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	-2.3	-5.9	-1.6	7.6	8.6	6.1	7.8
ERS Benchmark	-2.3	-8.5	-6.0	6.6	7.9	5.9	7.3

## Total Fund - 20-Year Risk & Return Data

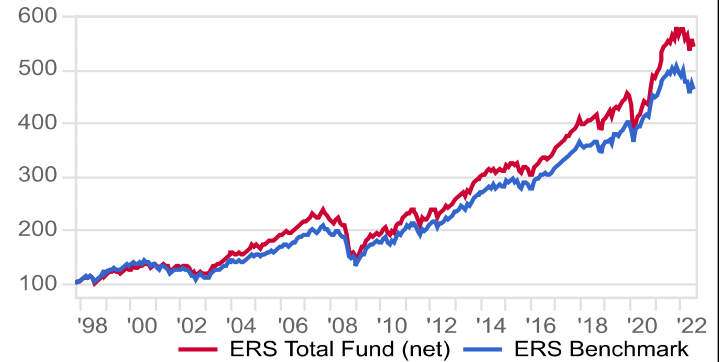
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.8	10.4	2.5	0.2	0.6	-0.1	1.1
ERS Benchmark	7.3	9.2	--	--	0.7	0.0	1.0

## ERS Allocation as of August 31, 2022



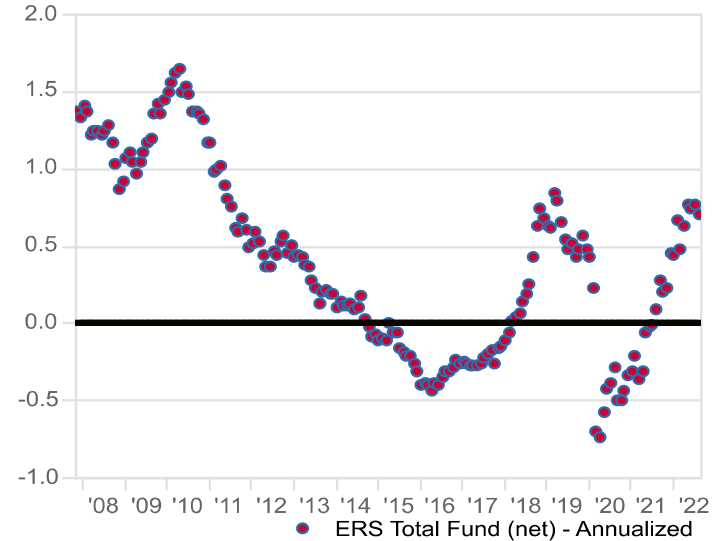
## Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 8/31/2022

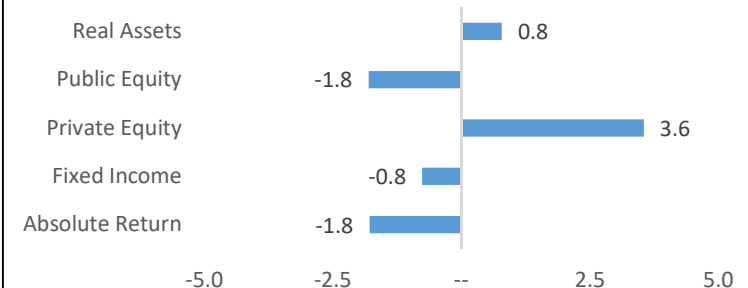


## Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 8/31/2022



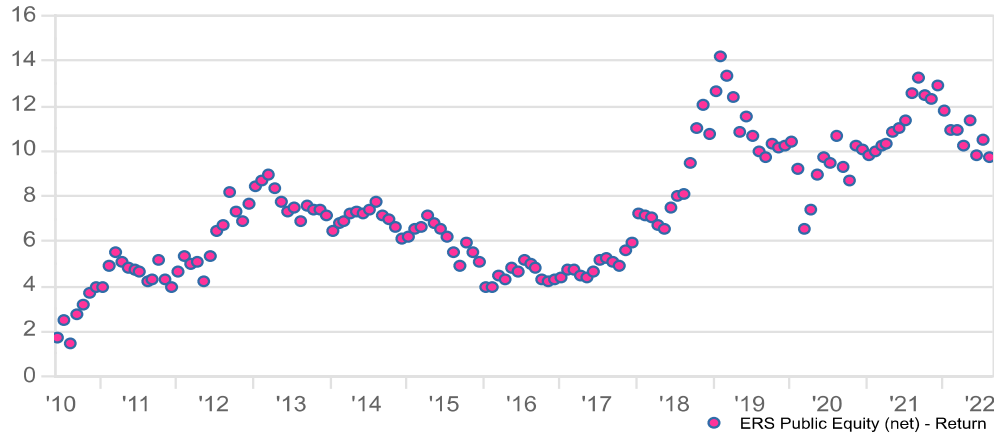
## Asset Allocation vs Policy as of August 31, 2022



# Milwaukee Employees' Retirement System - September 28, 2022

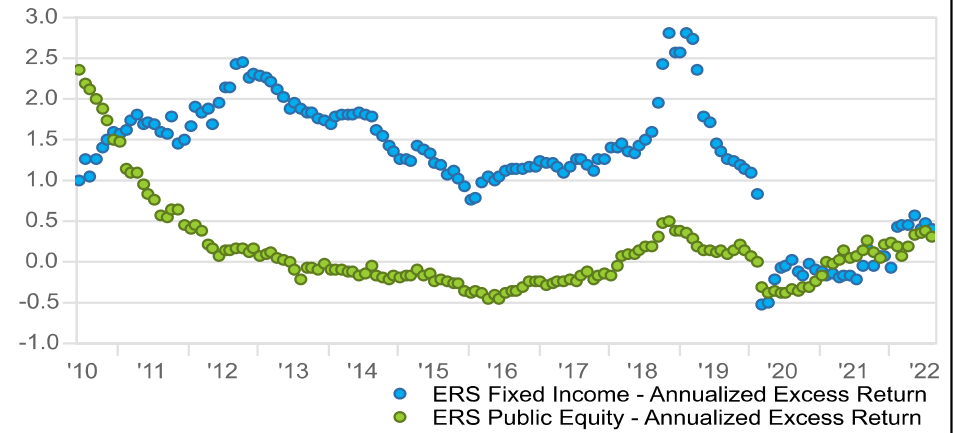
## Public Equity - 10-Year Rolling Returns

06/30/2000 to 8/31/2022



## Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 8/31/2022

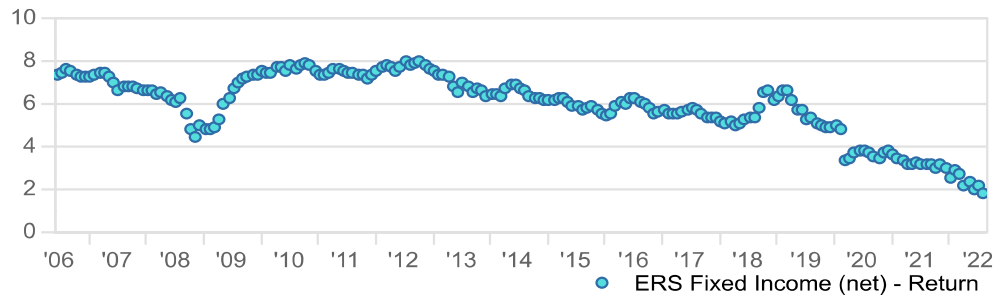


## Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	-3.9	-17.0	-15.7	7.5	10.0	6.2	8.5
Public Equity (net)	-3.9	-17.1	-16.0	7.1	9.7	5.8	8.1
Public Equity Benchmark	-3.6	-17.8	-16.2	6.8	9.4	5.8	7.9
MSCI ACWI IMI NR USD	-3.6	-17.8	-16.2	6.8	8.7	5.2	8.1

## Fixed Income - 10-Year Rolling Returns

06/28/1996 to 8/31/2022

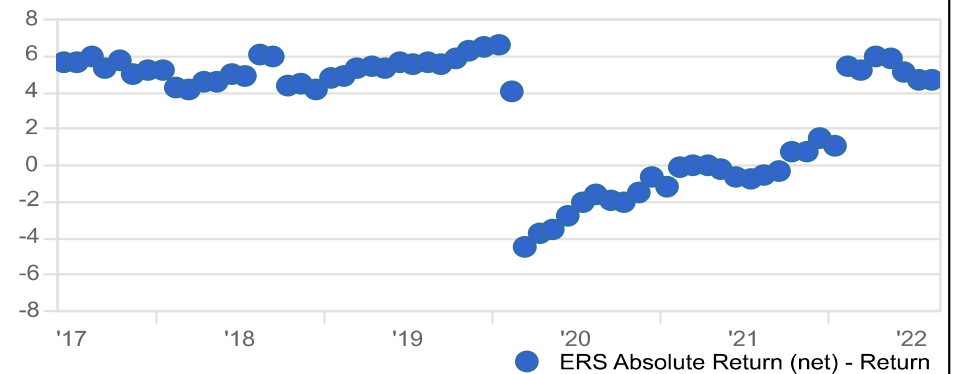


## Risk Adjusted Returns (6/30/14 - 8/31/22)

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	7.0	15.2	0.4	-25.3
Fixed Income (net)	1.4	6.1	0.1	-12.6
Absolute Return (net)	5.3	10.2	0.4	-27.1

## Absolute Return - 3-Year Rolling Returns

06/30/2014 to 8/31/2022



## Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	-2.6	-5.4	-6.1	0.8	1.9	4.1	4.8
Fixed Income (net)	-2.6	-5.4	-6.2	0.6	1.8	4.0	4.7
Bbg US Govt Bond TR USD	-2.8	-10.8	-11.5	0.5	1.4	3.1	3.4

## Return Data

	1 Month	YTD	1 Year	3 Year	5 Year	7 Year
Absolute Return (net)	0.6	19.5	24.1	4.7	5.1	5.5
90-Day T-Bill + 3%	0.5	2.7	3.8	3.6	4.1	3.9

# Memorandum

**To:** CMERS Annuity and Pension Board

**From:** David M. Silber, CFA, CAIA

**Date:** September 22, 2022

**Re:** Approval of Statement of Investment Policy Update (Item II.A on Board Agenda)

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The purpose of item II.A. on the Board Agenda is to update the Fund's Statement of Investment Policy to:

- 1.) Reflect the new Public Equity structure that was approved at the September Investment Committee meeting, and;
- 2.) Make an Interim change effective from now through February 1, 2023 to the Fixed Income Minimum range for the purpose of providing Staff with additional flexibility when it raises cash to fund the recently approved Goldman Sachs/Aptitude Absolute Return mandate and to fund monthly benefit payments to Plan beneficiaries.

## **New Public Equity Structure**

At its September 8, 2022 meeting, the Investment Committee approved Structure 2 within Callan's Public Equity Structure Review Phase 2 presentation. While the new Structure will not lead to any terminations or new searches, it does tweak some of the allocations between existing mandates. The red-line edits within the Public Equity section of the attached page reflect the updates that need to be made within the Fund's Statement of Investment Policy to incorporate these tweaks.

## **Reducing the Fixed Income Minimum range from 20% to 19% on an Interim basis**

As a result of market movements in 2022, the Fund is underweight its targets to liquid asset classes like Public Equity and Fixed Income and overweight its targets to less liquid asset classes like Private Equity and Real Assets. Furthermore, the Fund has significant cash needs in the near term (as much as \$330 million between now and year-end) that require Staff to redeem money from existing investment managers in order to fund the recently approved \$170 million Goldman Sachs/Aptitude mandate and to pay approximately \$160 million in benefit payments.

Staff has already coordinated a number of redemption requests from existing investment managers, including those in the less liquid Real Assets and Absolute Return asset classes. In addition, Staff expects the Fund to receive a meaningful actuarial contribution from the City in January 2023. However, the Fund will not receive the cash from these sources in time to cover much of the near-term cash needs previously outlined. Given this, Staff, with the support of Callan, recommend lowering the

Minimum range permitted for the Fixed Income allocation from 20% to 19% on an Interim basis, with the following footnote added:

\*Fixed Income Minimum range lowered on an Interim basis from 20% to 19% at the September 2022 Board meeting for the purpose of providing Staff with additional flexibility to fund a new Absolute Return strategy and to make monthly benefit payments to beneficiaries. Absent further action, the Minimum Fixed Income range will revert back to 20% on February 1, 2023.

As currently constructed, the 20% Minimum range allowable for the Fund's Fixed Income allocation may force Staff to sell Stocks for its upcoming cash needs. A compelling argument can be made that selling Stocks that are down approximately 17% or more year-to-date to pay benefits and to fund a new Absolute Return mandate is not a good idea for a long-term investor like CMERS. While I want to reserve the right to make that argument in the future if necessary, the proposal today is to view this solely as a cash flow timing issue. The Fund considers Cash to be part of its Fixed Income allocation, and Staff anticipates a large amount of cash to come into the Fund from varying sources over the next 5 months. The practical impact of this change is that it provides Staff with more options between now and February 1, 2023 to consider as it fulfills its obligation to raise cash as allowed within the Fund's Statement of Investment Policy.

## TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund. The following asset allocation policy reflects interim Maximum and Minimum ranges for the Fixed Income and Absolute Return allocations, respectively, that were approved by the Board at its September 2021 meeting.

<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	7.88.0%		
Active Large Cap	5.05.2%		
Active Mid/Small Cap	7.06.8%		
Total Domestic Equity	19.820.0%	15.816.0%	23.824.0%
Total International Equity	15.416.0%	12.413.0%	18.419.0%
Total Global Equity	8.88.0%	4.84.0%	12.812.0%
<b>Total Public Equity</b>	<b>44%</b>	<b>39%</b>	<b>49%</b>
<u>Fixed Income</u>			
Cash	1%	0%	2.0%
Passive Fixed Income	5.5%		
Core Opportunistic Fixed Income	16.5%		
<b>Total Fixed Income</b>	<b>23%</b>	<b>19.20%*</b>	<b>30%**</b>
<u>Real Assets</u>			
Private Real Estate	9.7%		
Public Diversified Real Assets	3.3%	1.3%	5.3%
<b>Total Real Assets</b>	<b>13%</b>	<b>10%</b>	<b>16%</b>
<u>Private Equity</u>	10%	7%	15%
<u>Absolute Return</u>	10%	— 6%**	15%
<b>Total</b>	<b>100%</b>		

\*Fixed Income Minimum range lowered on an Interim basis from 20% to 19% at the September 2022 Board meeting for the purpose of providing Staff with additional flexibility to fund a new Absolute Return strategy and to make monthly benefit payments to beneficiaries. Absent further action, the Minimum Fixed Income range will revert back to 20% on February 1, 2023.

\*\*Reflects Interim Maximum and Minimum ranges approved by the Board at its September 2021 meeting.

**TARGET ALLOCATIONS**

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<b><u>Public Equity</u></b>	<b><u>Target</u></b>	<b><u>Minimum</u></b>	<b><u>Maximum</u></b>
Domestic Equity			
Passive Large Cap	7.8%		
Active Large Cap	5.0%		
Active Mid/Small Cap	7.0%		
Total Domestic Equity	<b>19.8%</b>	<b>15.8%</b>	<b>23.8%</b>
Total International Equity	<b>15.4%</b>	<b>12.4%</b>	<b>18.4%</b>
Total Global Equity	<b>8.8%</b>	<b>4.8%</b>	<b>12.8%</b>
<b>Total Public Equity</b>	<b>44%</b>	<b>39%</b>	<b>49%</b>
<b><u>Fixed Income</u></b>			
Cash	1%	0%	2.0%
Passive Fixed Income	5.5%		
Core Opportunistic Fixed Income	16.5%		
<b>Total Fixed Income</b>	<b>23%</b>	<b>19%*</b>	<b>30%**</b>
<b><u>Real Assets</u></b>			
Private Real Estate	<b>9.7%</b>		
Public Diversified Real Assets	<b>3.3%</b>	<b>1.3%</b>	<b>5.3%</b>
<b>Total Real Assets</b>	<b>13%</b>	<b>10%</b>	<b>16%</b>
<b><u>Private Equity</u></b>	<b>10%</b>	<b>7%</b>	<b>15%</b>
<b><u>Absolute Return</u></b>	<b>10%</b>	<b>6%**</b>	<b>15%</b>
<b><u>Total</u></b>	<b><u>100%</u></b>		

\*Fixed Income Minimum range lowered on an Interim basis from 20% to 19% at the September 2022 Board meeting for the purpose of providing Staff with additional flexibility to fund a new Absolute Return strategy and to make monthly benefit payments to beneficiaries. Absent further action, the Minimum Fixed Income range will revert back to 20% on February 1, 2023.

\*\*Reflects Interim Maximum and Minimum ranges approved by the Board at its September 2021 meeting.

### III.

#### INVESTMENT COMMITTEE REPORT

- A. Approval of Public Equity Structure.
- B. Approval of Real Assets Structure.
- C. Approval of Real Estate Manager Search and Candidate Profile.
- D. Approval of 2023 Private Equity Commitment Recommendation.
- E. Approval of Real Estate Investment Policy Statement Update.
- F. Approval of Statement of Investment Policy Update.



# Fund Structure Alternatives

Managers	Current 6/30/22		Benchmarks	Target		Structure 1		Structure 2		Structure 3	
	\$ mm	%		\$ mm	%	\$ mm	%	\$ mm	%	\$ mm	%
US Equity	1,070.3	45.87%		1,060.6	45.45%	1,049.9	45.00%	1,049.9	45.00%	1,049.9	45.00%
NT S&P 500	289.7	12.42%	S&P 500	286.3	12.27%	206.6	8.86%	206.6	8.86%	175.1	7.51%
BR Russell 1000 Value	141.4	6.06%	Russell 1000 Value	137.9	5.91%	206.5	8.85%	206.5	8.85%	227.5	9.75%
DFA Large Cap Value	140.7	6.03%	Russell 1000 Value	137.9	5.91%	147.5	6.32%	147.5	6.32%	147.5	6.32%
Polen Large Cap Growth	140.0	6.00%	S&P 500	137.9	5.91%	128.6	5.51%	116.0	4.97%	116.0	4.97%
Earnest Mid Cap Core	103.7	4.44%	Russell Mid Cap	106.1	4.55%	106.0	4.55%	106.0	4.55%	106.0	4.55%
DFA Small Cap Value	174.1	7.46%	Russell 2000 Value	169.7	7.27%	169.6	7.27%	182.2	7.81%	204.2	8.75%
CastleArk Small Cap Growth	80.6	3.46%	Russell 2000 Growth	84.8	3.64%	85.0	3.65%	85.0	3.65%	73.5	3.15%
International Equity	841.5	36.07%		848.4	36.36%	816.6	35.00%	816.6	35.00%	816.6	35.00%
Brandes Value	337.5	14.47%	MSCI EAFE	339.4	14.55%	307.5	13.18%	307.5	13.18%	318.1	13.63%
William Blair Growth	259.1	11.10%	MSCI All Country World ex USA	254.5	10.91%	246.2	10.55%	234.0	10.03%	210.3	9.01%
DFA Small Cap	166.4	7.13%	MSCI EAFE Small Cap	169.7	7.27%	169.9	7.28%	169.9	7.28%	182.9	7.84%
AQR Emerging Markets	78.5	3.37%	MSCI Emerging Markets	84.8	3.64%	93.1	3.99%	105.3	4.52%	105.3	4.52%
Global Equity	421.5	18.06%		424.2	18.18%	466.6	20.00%	466.6	20.00%	466.6	20.00%
BlackRock Global	245.9	10.54%	MSCI All Country World	254.5	10.91%	280.0	12.00%	256.7	11.00%	303.3	13.00%
MFS Global	175.6	7.53%	MSCI All Country World	169.7	7.27%	186.7	8.00%	210.0	9.00%	163.3	7.00%
Total Public Equity	2,333.2	100.00%		2,333.2	100.00%	2,333.2	100.00%	2,333.2	100.00%	2,333.2	100.00%
Portfolio Construction											
Number of Managers		13	13		13		13		13		
% Active Management		82%	82%		82%		82%		83%		
Developed/Emerging (%)*			ACWI IMI								
Developed		88.3	88.2		88.0		87.6		87.9		
Emerging		11.7	11.8		12.0		12.4		12.1		
Capitalization (%)**											
Small		9.0	14.6		14.7		15.1		15.9		
Micro		1.7	3.2		3.2		3.3		3.6		
Fees											
Fees (bps)		n/a	38		38		38		38		
Active Characteristics**											
Z Score		0.00	-0.13		-0.15		-0.16		-0.21		
Tracking Error (%)		0.00	1.60		1.62		1.67		1.82		
* Most recent 5 years											
** 7-year average of rolling 3-year periods											

## Memorandum

**To:** City of Milwaukee Employees' Retirement System  
**From:** Callan LLC  
**Date:** September 8, 2022  
**Subject:** Infrastructure implementation update and real estate search

CMERS approved a 2% allocation to infrastructure in 2021. After education and investigation of the investment alternatives, Callan and Staff recommended to the Board that CMERS pause implementation and track development of the manager universe.

Since that time, Callan and Staff have evaluated portfolio structuring alternatives with and without infrastructure. Considerations included:

- the structure of the existing real assets portfolio which includes private real estate and the diversified real assets strategy managed by Principal which together cover a broad range of real assets;
- current manager concentration and sector concentration in the real estate portfolio compared to targets;
- the continued implementation challenges of infrastructure including the complexity of the infrastructure sector and the timeframe for CMERS to invest in the sector and build a diversified portfolio; and
- the relative ease of adding investment(s) in the real estate portfolio that would further diversify the portfolio.

Callan and Staff recommend forgoing an infrastructure allocation and investing the allocation in real estate.

Further, Callan and Staff recommend conducting a search for an open end real estate strategy that invests in property sectors with non-cyclical demand drivers that are less linked to GDP such as self-storage, life sciences, alternative housing, medical office, and traditional multifamily. A client profile and search parameters are included as an attachment to this memo.

The real assets target in the Investment Policy Statement ("IPS") is 13% with an allowable range of 10% to 16%. The chart below summarizes prior discussions and illustrates the proposed IPS target:

	2021	2022	2022
	April Real Assets Structure Study	June IPS Update	September Proposal
Core Real Estate	7.7%	9.1%	9.7%
Non-Core Real Estate	0.0%	0.0%	0.0%
Total Real Estate	7.7%	9.1%	9.7%
Principal DRA	3.3%	3.9%	3.3%
Infrastructure	2.0%	0.0%	0.0%
<b>Total Real Assets</b>	<b>13.0%</b>	<b>13.0%</b>	<b>13.0%</b>

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## Client Profile

### 1. Client Name & Background

City of Milwaukee Employees' Retirement System has been a retainer client since 2017.

### 2. Type of Plan

Public defined benefit plan.

### 3. Rationale for the Search

The client is seeking to add a manager that diversifies the existing manager structure and sectors by allocating to defensive/alternative sectors with non-cyclical demand drivers.

### 4. Size of Total Plan

Approximately \$5.6 billion as of June 30, 2022.

### 5. Assets to Be Allocated

Assets to be allocated are anticipated to be approximately \$30 million to \$60 million.

### 6. Custodian/Recordkeeper

Northern Trust

### 7. Search Timeframe & Number of Candidates

Callan will provide the committee with 4-6 candidates to review at the November 10 board meeting.

## Client Profile (continued)

### 8. Current Portfolio

	March 31, 2022		December 31, 2021	
	Market Value	Weight	Market Value	Weight
<b>Total Core Funds</b>	<b>\$575,425,617</b>	<b>9.35%</b>	<b>\$527,767,651</b>	<b>8.49%</b>
Prologis Targeted U.S. Logistics Fund	139,800,750	2.27%	124,870,593	2.01%
LaSalle Property Fund	109,474,797	1.78%	97,207,323	1.56%
Morgan Stanley Prime Property Fund	181,552,950	2.95%	169,661,562	2.73%
JP Morgan Strategic Property Fund	144,597,120	2.35%	136,028,173	2.19%
<b>Non-Core Funds</b>	<b>\$23,548,940</b>	<b>0.38%</b>	<b>\$36,519,395</b>	<b>0.59%</b>
Almanac Realty Securities VII	9,427,274	0.15%	8,718,758	0.14%
Drawbridge Realty Partners Holdings	-	-	13,289,438	0.21%
Standard Life European Real Estate Club	16,279	0.00%	15,043	0.00%
Greenfield Multi-State Partners	6,465	0.00%	11,091	0.00%
M&G Real Estate Debt Fund II	64,726	0.00%	352,035	0.01%
Fortress Japan Opportunity Fund II	692,707	0.01%	672,462	0.01%
Fortress Japan Opportunity Domestic Fund	419,055	0.01%	423,934	0.01%
H/2 Special Opportunities Fund II	153,431	0.00%	157,537	0.00%
Colony Investors VIII	18,400	0.00%	18,700	0.00%
CPI Capital Partners Asia Pacific	287,175	0.00%	296,340	0.00%
Stockbridge Real Estate Fund II	204,459	0.00%	1,204,497	0.02%
Walton Street Real Estate Fund V	1,029,932	0.02%	1,108,020	0.02%
Apollo CPI Europe I	247,868	0.00%	255,857	0.00%
RREEF Global Opportunity Fund II	148,053	0.00%	149,242	0.00%
Bryanston Retail Opportunity Fund	10,796,694	0.18%	9,810,018	0.16%
Walton Street Real Estate Fund III	36,422	0.00%	36,422	0.00%
<b>CMERS Total Real Estate</b>	<b>\$598,974,557</b>	<b>9.73%</b>	<b>\$564,287,046</b>	<b>9.07%</b>
<b>CMERS Total Fund</b>	<b>\$6,156,069,941</b>	<b>100.0%</b>	<b>\$6,218,053,846</b>	<b>100.0%</b>

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## Candidate Profile

### 1. Manager Type

The City of Milwaukee Employees' Retirement System is seeking a Core/Core Plus Real Estate manager.

### 2. Investment Style

Core/Core Plus Real Estate strategy benchmarked to the NFI-ODCE that is complementary to the existing manager lineup.

### 3. Managed Assets

The anticipated size of the allocation is approximately \$30 million to \$60 million.

### 4. Professional Staff

Stable organization with a commitment to the product and the personnel to execute investment and other non-investment activities of the firm. The Firm will have sufficient and knowledgeable client service personnel. Portfolio Manager Structure & Experience

The investment team must have experience investing over multiple real estate cycles with at least ten years of experience. Continuity of the team working on the product is another key attribute sought in this search. If key investment personnel for the active strategy do not satisfy these criteria, the firm must have other professionals on staff that are major contributors to the performance record being evaluated.

### 5. Investment Vehicle

Open end commingled fund.

### 6. Historical Performance & Risk Criteria

Performance over multiple cumulative, annual and rolling periods will be evaluated relative to the appropriate peer group and index. Risk-adjusted measures and holdings-based portfolio characteristics will also be considered.

### 7. Qualities Specifically Sought

- Established, stable organization with strong financial position
- Focus on institutional investors
- Disciplined, understandable, and time-tested investment process with risk controls
- Low turnover of personnel

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## Candidate Profile (continued)

- Consistent and strong track record over multiple cycles
- Commitment to client service
- Product must have a competitive structure and fees relative to its peers

### 8. Qualities To Be Avoided

- Concentrated client base
- Candidates currently involved in a merger, acquisition, or recent transaction impacting the firm's senior executives
- Excessive recent personnel turnover
- High fees and lack of investor protections and governance.

### 9. Specific Client Requests & Additional Considerations

None.

## Summary

- **Program Summary:** The private equity program has four managers, with two core managers targeting a total of 70% of the exposure, and two specialty managers targeting 30% of the portfolio. The core managers provide exposure across all key strategy types and both U.S. and Non-U.S. exposure, capturing the institutional private equity opportunity set broadly. The secondary manager enhances the portfolio's liquidity profile, and the small buyout manager is broadening the portfolio's market capitalization exposure and targeting return enhancement.
- **Funding Summary:** Using the June 30, 2022 total plan value and March 31, 2022 private equity values, CMERS' private equity exposure is 14.1%. The exposure remains within the strategic range of 7% to 15%, and is expected to revert to the 10% target over time.
- **Performance Summary:** Performance has been excellent. All of the four managers' and the total portfolio's since-inception returns are above the Refinitiv/Cambridge database's median benchmarks.
- **Recommendations:** Based on the pacing analysis results, CMERS Staff and Callan recommend the following commitments totaling \$145 million for 2023 be approved to continue dollar-cost-average across vintage years.
  - Abbott Annual Program 2023: \$30 million
  - Mesirow Partnerships Fund IX: \$100 million
  - Apogem Private Equity Fund X: \$15 million (this amount is in addition to the \$15 million previously approved in 2020 to this vehicle, for a total of vehicle commitment of \$30 million)



**REAL ESTATE INVESTMENT POLICY STATEMENT**  
**~~June~~September 2022**

**THE EMPLOYEES' RETIREMENT  
SYSTEM OF THE CITY OF MILWAUKEE**  
789 N. Water Street, 3<sup>rd</sup> Floor  
Milwaukee, WI 53202  
(414) 286-3557

## **I. PURPOSE**

The purpose of this statement of Real Estate Investment Policy is to formalize the City of Milwaukee Employees' Retirement System's ("CMERS") investment objectives, policies, and procedures with respect to the real estate asset class. This statement is an extension of the CMERS overall Statement of Investment Policy.

## **II. INVESTMENT OBJECTIVE AND CONSIDERATIONS**

### **A. Purpose of Real Estate Allocation**

CMERS allocates a portion of its total assets to real estate for the following benefits:

1. Enhance the diversification of the CMERS overall investment portfolio due to real estate's low correlation with stocks and bonds;
2. Provide high current income and a rate of return that falls between stocks and bonds;
3. Lower the volatility of the total investment portfolio considering real estate returns have historically exhibited lower volatility than other public equity asset classes; and
4. Provide a hedge against unanticipated inflation.

### **B. Major Considerations**

Major considerations impacting the structure of the real estate portfolio include:

1. Liquidity
2. Staffing
3. Investment decision-making process
4. Diversification

### **C. Asset Allocation**

CMERS has a current target allocation of 13% to Real Assets and 9.71% to Private Real Estate. CMERS Statement of Investment Policy permits a minimum allocation to Real Assets, defined as Private Real Estate and Public Diversified Real Assets, of 10% and a maximum allocation to Real Assets of 16%.

### **D. Return Objectives**

CMERS seeks to achieve total net returns equivalent to the net returns of the NCREIF Fund Index Open-End Diversified Core Equity Index Value-Weighted Net ("NFI-ODCE" or "ODCE") as a minimum return for the total real estate portfolio over rolling five-year periods.

## **III. Portfolio Composition**

CMERS's real estate allocation will be 100% invested in Core and Core plus strategies. The portfolio will primarily be invested in Core strategies, with Core Plus used as a complement. Investment in Non-Core strategies will not be pursued. Non-Core funds that are currently in the portfolio will be liquidated by the managers at their discretion and according to the provisions established in the documents governing each fund.

Core/Core Plus and Non-Core strategies are defined as follows:

<b>Strategy</b>		<b>Leverage</b>
<b>Core/Core Plus</b>	<p>Existing, operational assets that are substantially leased (greater than 80%) that are core quality properties located in major markets.</p> <p>Core strategies are typically concentrated in the four main property types: office, apartment, retail and industrial, but may include mixed-use properties, self-storage, and hotels.</p> <p>Core Plus strategies may have greater exposure to property types beyond the four main property types, including mixed-use, self-storage, hotels, senior housing, and student housing.</p> <p>Total return derived from income and appreciation, with income accounting for at least 60% of the total return.</p>	<p>Core strategies generally have leverage of less than 35%.</p> <p>Core Plus strategies may have higher leverage, up to 50%, but typically 35-40%.</p>
<b>Non-Core Value-Add</b>	<p>Institutional quality properties located in major and secondary markets with improvement needs or opportunities to add value through asset management initiatives.</p> <p>Includes office, apartment, retail, industrial, as well as more specialized property types such as mixed-use properties, hotels, senior housing, self-storage and student housing, among others.</p> <p>Return balanced between appreciation and income, with some initial income that grows over time as value-add strategy is implemented.</p>	May include the use of leverage up to 65%
<b>Non-Core Opportunistic</b>	<p>Properties, property portfolios or real estate companies offering recapitalization, turnaround, development, market arbitrage opportunities or other specialized approaches.</p> <p>Return primarily derived from appreciation.</p>	Leverage is utilized and often is not limited

#### **IV. PERMISSIBLE INVESTMENTS**

##### **A. Investment Types**

To achieve the benefits of investing in real estate, investments for CMERS will consist of equity and equity-oriented ownership in commercial real estate.

##### **B. Investment Structures**

This Policy authorizes the use of investment structures that provide legal protections to CMERS commensurate with the investment opportunity subject to legal review. Investments in real estate will be made through collective investment vehicles.

Collective investment vehicles, also known as commingled funds, are generally categorized into two sub-structures: Open-end and Closed-end. Open-end commingled funds are infinite life vehicles which provide periodic liquidity by allowing the investor to contribute capital contributions or redeem capital, typically on a quarterly basis. Closed-end funds are finite life vehicles where the timing of capital contribution and distributions are at the discretion of the manager.

Investment will be made exclusively using open-end funds.

CMERS will not purchase individual properties directly.

#### **V. RISK MANAGEMENT**

The primary risks associated with equity real estate investments are investment manager risk, vintage year risk, concentration risk (manager, property type, and geographic), leverage, loss of principal and liquidity risks. The following are risk management strategies:

##### **A. Portfolio Composition**

Focusing investment in Core/Core Plus open-end funds is a primary mechanism to manage liquidity risk, leverage and loss of principal.

##### **B. Diversification**

###### **1. Manager Diversification**

Diversification by manager will be used to limit manager concentration risk. To control manager exposure, the allocation to a single real estate manager is limited to no more than 35% of the real estate portfolio. Generally, the upper limit will only be considered for managers with substantial assets under management. Lower amounts will be appropriate for managers with single product lines and small assets under management. Manager concentration will be calculated by aggregating the total real estate assets invested by CMERS across all real estate strategies managed by the manager.

## **2. Vehicle Diversification**

To mitigate the impact of the failure of a single investment vehicle on total real estate performance, CMERS will limit its investment in any single open-end fund to 35% of the total real estate portfolio.

## **3. Property Type and Location Diversification**

The portfolio will be broadly diversified by property type and by location. Diversification is expected to track, but not match, the diversification of the ODCE benchmark across the major property sectors (office, retail, industrial, apartments, and other) and regions (East, South, West, Midwest). The portfolio will be invested primarily in the U.S.; however up to 5% of the portfolio may be invested outside the U.S.

Each individual manager will determine the diversification of its portfolio. Most have targets relative to the ODCE benchmark weightings.

To achieve a broadly diversified portfolio, CMERS will have a preference for funds that are diversified by property type and location; however, single-sector funds may be considered.

## **4. Vintage Year Diversification**

CMERS recognizes that real estate is cyclical and will pace its investment into the market across vintage years to the extent new allocations are made.

### **C. Liquidity Profile**

Funds with a concentrated investor base will be avoided because they potentially reduce CMERS's ability to exercise its governance rights and/or limit liquidity.

Similarly, for liquidity management, CMERS's investment in any single commingled fund may not exceed 20% of the total net asset value of the open-end fund.

### **D. Leverage Limitations**

CMERS will target portfolio-wide leverage of 25% of CMERS's aggregate real estate portfolio, with a maximum of 35%. CMERS will control the overall leverage amounts by investing in Funds with leverage profiles consistent with this Policy objective.

At the underlying investment vehicle level, leverage will be limited to the levels set within the investment vehicle's governing documents.

In the event that the portfolio-level and/or the style-level leverage constraint is breached due to a contraction in market values, Staff and Consultant will notify the Board and make a recommendation for action or exception.

## E. Currency

Investments are expected to be made primarily in vehicles which invest in real estate in the U.S. Although non-U.S. investments are expected to be limited, CMERS accepts the currency risks inherent in the geographic exposures of the investment vehicles. Real estate managers may or may not hedge currency risk at the vehicle-level, but currency will not be hedged at the CMERS real estate portfolio level. Where possible, CMERS will make investments and receive distributions in U.S. dollars.

## VI. Summary of Policy Targets and Limits

Policy Parameter	Policy Guidelines
Allocation to Real Estate	Target of 9.74% of total plan assets
Real Assets Range	10% - 16%, includes both Private Real Estate and Public Diversified Real Assets
Permissible Investments	Equity and equity-like investments in commercial real estate
Investment Vehicle <ul style="list-style-type: none"><li>Open-end Funds</li></ul>	Open-end funds exclusively for any new allocations Legacy Non-Core closed-end funds are in wind down
Investment Styles <ul style="list-style-type: none"><li>Core/Core Plus Private</li><li>Non-Core Private</li></ul>	100%; Focus on Core No new investments; 0% long term target Legacy Non-Core portfolio is in wind down
Manager Exposure	Maximum of 35% to a manager
Single Investment Exposure	Maximum of 35% of the real estate allocation to a single open-end fund
Property Types <ul style="list-style-type: none"><li>Office</li><li>Industrial</li><li>Retail</li><li>Apartment</li><li>Other</li></ul>	The portfolio will be broadly diversified and measured against ODCE property type weightings. Focus will be on the four main property types (office, retail, industrial, apartments) and other (which can include but not limited to life sciences, self-storage, etc.)
Locations <ul style="list-style-type: none"><li>East</li><li>South</li><li>West</li><li>Midwest</li><li>Non-U.S.</li></ul>	The portfolio will be broadly diversified and measured against ODCE regional weightings  Non-U.S. – Up to 5% of the portfolio
Leverage	Maximum of 35% for the real estate portfolio; Target of 25% Core ≤ 35% Core Plus ≤ 50% Legacy Non-Core Funds will have leverage according to the levels allowed in their respective governing documents

**VII. Benchmark**

Each investment will be benchmarked against the NCREIF Fund Index Open-End Diversified Core Equity Index Value Weighted (“NFI-ODCE” or “ODCE”), Net of Fees. Peer Groups may also be used to evaluate performance.

**VIII. Valuation**

Investments will be valued by the underlying investment managers using the methodology approved with the selection of the particular investment. Managers are expected to conform to the real estate information standards promulgated by NCREIF.

**IX. Program Management**

The Board, Staff, and Consultant’s roles will be consistent with those described in the Statement of Investment Policy.

**X. Compliance With Policy**

Until the Non-Core portfolio is fully liquidated, the portfolio will have areas of non-compliance. The Core portfolio will be managed to comply with the Policy. New investments and strategic decisions shall be in compliance with the Policy.

**STATEMENT OF INVESTMENT POLICY**  
Updated ~~June~~ September 2022

**THE EMPLOYEES' RETIREMENT  
SYSTEM OF THE CITY OF MILWAUKEE**  
789 N. Water Street, 3<sup>rd</sup> Floor  
Milwaukee, WI 53202  
(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval



## TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund. The following asset allocation policy reflects interim Maximum and Minimum ranges for the Fixed Income and Absolute Return allocations, respectively, that were approved by the Board at its September 2021 meeting. ~~For Real Assets, the target weights below reflect what Callan used in its 2020 ALM Study.~~

<b><u>Public Equity</u></b>	<b><u>Target</u></b>	<b><u>Minimum</u></b>	<b><u>Maximum</u></b>
Domestic Equity			
Passive Large Cap	8.0%		
Active Large Cap	5.2%		
Active Mid/Small Cap	6.8%		
Total Domestic Equity	<b>20.0%</b>	<b>16.0%</b>	<b>24.0%</b>
Total International Equity	<b>16.0%</b>	<b>13.0%</b>	<b>19.0%</b>
Total Global Equity	<b>8.0%</b>	<b>4.0%</b>	<b>12.0%</b>
<b>Total Public Equity</b>	<b>44%</b>	<b>39%</b>	<b>49%</b>
<b><u>Fixed Income</u></b>			
Cash	1%	0%	2.0%
Passive Fixed Income	5.5%		
Core Opportunistic Fixed Income	16.5%		
<b>Total Fixed Income</b>	<b>23%</b>	<b>20%</b>	<b>30%</b>
<b><u>Real Assets</u></b>			
Private Real Estate	<del>9.71%</del>		
Public Diversified Real Assets	<del>3.39%</del>	<del>1.39%</del>	<del>5.39%</del>
<b>Total Real Assets</b>	<b>13%</b>	<b>10%</b>	<b>16%</b>
<b><u>Private Equity</u></b>	<b>10%</b>	<b>7%</b>	<b>15%</b>
<b><u>Absolute Return</u></b>	<b>10%</b>	<b>6%</b>	<b>15%</b>
<b><u>Total</u></b>	<b><u>100%</u></b>		

## TOTAL FUND

## OBJECTIVES AND GUIDELINES

Investment Objectives

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

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.

<sup>1</sup> As measured by a universe of similarly managed funds.

<sup>2</sup> 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	4/1/22 – 9/30/22	10/1/22 – Present
To:																
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%	44%
Bloomberg U.S. Agg.	30%	28%	28%	28%	28%	28%	28%	25%	22%	22%	25%	25%	26%	23%	23%	23%
NFI-ODCE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%	9.7%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%	10%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%	10%
15% Bloomberg U.S. Barclays TIPS / 30% S&P Global Infrastructure / 15% S&P Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%	3.39%
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. Renewal of Fiduciary Liability and Cyber Insurance.
- B. Renewal of Lease for 789 N. Water Street Building.
- C. Review of RFP for Financial Audit Services.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF  
MILWAUKEE

# Fiduciary & Cyber Liability

## Board Insurance Summary

Policy Term November 1, 2022 – November 1, 2023

*Prepared September 22, 2022*





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# Disclaimer

This renewal proposal document is furnished as a matter of information for your convenience. It only summarizes the proposed policies, and does not reflect all of the terms, conditions, and exclusions of said policies. Moreover, the information contained herein reflects proposed coverage as of the effective dates of the proposed policies and does not include subsequent changes. This document does not alter, amend, or extend the coverage afforded by the insurance policies themselves.

As respects coverage placed on claims made contracts, coverage is provided for claims first made against the Insured during the policy period. Any claim made against an Insured must be reported during that policy period. Hays Companies highly recommends ensuring all events which trigger the definition of Claim within the policy, even if they are under the retention/deductible, are reported to the current insurance carrier under the current policy period prior to expiration.

## IMPORTANT NOTE

These quotations are conditioned upon there being no material change in risk between the date of this proposal and the inception date of the proposed coverage. In the event of such change, the underwriter(s) may, at their sole discretion, modify or withdraw the quotation. The coverage afforded hereunder may not be accepted after the quotation expiration date set forth above.

Hays Companies Inc highly recommends ensuring all events which trigger the definition of Claim within the policy, even if they are under the retention/deductible, be reported to the current insurance carrier under the current policy period to expiration.

# Fiduciary Liability Premium Summary

FIDUCIARY LIABILITY				
INSURER	PROGRAM LIMITS	NOVEMBER 1, 2021 – NOVEMBER 1, 2022 PREMIUM	NOVEMBER 1, 2022 – NOVEMBER 1, 2023 PREMIUM	% CHANGE
Primary (Hudson)	Primary \$10M with \$500,000 Retention	\$99,857*	\$104,658*	Up \$4,801 or 4.8%
1st Excess (RLI)	\$10M x/s Primary	\$77,675**	\$81,759**	Up \$4,084 or 5.3%
2nd Excess (Chubb)	\$10M x/s Underlying \$20M	\$54,573***	\$57,291***	Up \$2,718 or 5.0%
3rd Excess (Axis)	\$10M x/s Underlying \$30M	\$45,450^	\$47,545^	Up \$2,095 or 4.6%
Non-Indemnifiable (RLI)	\$10M x/s Underlying \$40M	\$39,900^^	\$40,794^^	Up \$894 or 2.2%
<b>Total Policy Year Premium All Layers:</b>		<b>\$317,455</b>	<b>\$332,047</b>	Up \$14,592 or 4.6%

Waiver of Recourse Premium included above by policy is; \*\$100 / \*\*\$200 / \*\*\*\$200 / ^\$200 / ^^Included in first layer

## Marketing Results:

- No change in insurers
- No change in limits or deductibles
- No change in coverage
- Average premium increase of 4.6% is significantly below average renewal increases of 10-15% for clean accounts.



## Fiduciary Liability

### Program Description

The current ERS fiduciary liability insurance program provides a \$50,000,000 annual aggregate limit of liability which includes \$10,000,000 of Non-Indemnifiable Coverage, which is specifically carried to protect the Trustees. The primary policy is subject to a \$500,000 retention (\$0 as respects non-indemnifiable claims). The limit of \$50,000,000 is achieved through a layered approach. The current and the proposed insurers by policy remain the same, as follows:

Program Layers	Expiring Program Insurers
Primary \$10MIL	Hudson Insurance Company, a subsidiary of Odyssey Re Holdings Corp. (Euclid Specialty Managers)
1 <sup>st</sup> Excess \$10MIL	RLI Insurance Company
2 <sup>nd</sup> Excess \$10MIL	Federal Insurance Company (Chubb)
3 <sup>rd</sup> Excess \$10MIL	Axis Insurance Company
4 <sup>th</sup> Excess (Non-Indemnifiable Losses Only) \$10MIL	RLI Insurance Company

*The above companies are high quality insurers with excellent AM Best ratings, evidenced on the ratings page.*

### Marketing Effort

- Outside marketing was not completed in the 2022 policy term because of the exceptional renewal results from the incumbent insurers, and the lack of competitive options identified last year.
- Last year we approached 16 markets.
  - 4 markets provided pricing indications that were significantly higher than the incumbents
  - 12 markets declined because they could not compete on price, the program was too large for their appetite, or the market was not offering coverage to public entities.

### Analysis of Results

- A 4.6% rate increase result is better than anticipated given the recent results we have seen elsewhere in the marketplace and is better than initial renewal indications. Increases of 10-15% are still very common for the best risks.
- All program participants continued to offer their expiring \$10MM program limit layers, which is also better than anticipated. The Fiduciary Liability market continues to pull back on capacity due to the litigation activity within this space. Reductions to \$5MM per layer are very common.
- Coverage has been quoted per expiring which is what was expected from the markets this year. Most markets made the program changes they required at the last renewal.

### Coverage Changes

- None

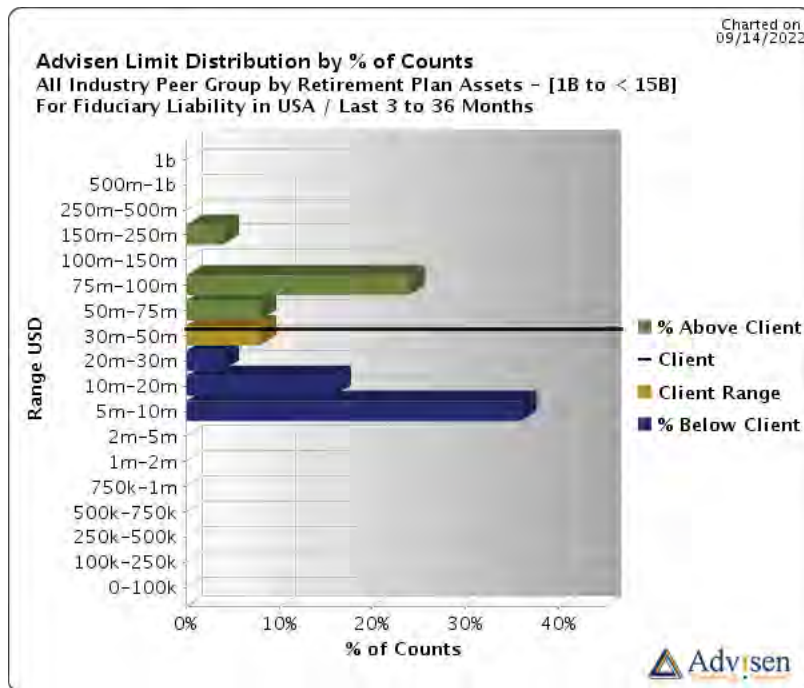
### Binding Subjectivities

- None

# Fiduciary Benchmarking - Limit

## Advisen Peer Group for City of Milwaukee ERS

Coverage Type:	Fiduciary Liability – Limit Benchmarking
Company Type / Industries:	All
Retirement Plan Asset Size:	\$1 Billion to \$15 Billion
Number of Respondents:	25
Limit	\$50,000,000



### Advisen Limit Distribution by % of Counts

All Industry Peer Group by Retirement Plan Assets – [1B to < 15B]  
For Fiduciary Liability in USA / Last 3 to 36 Months

Client: 50M		
% Below or Equal to Client: 64.0		
% Above Client: 36.0		
Range USD	% of Counts	Cumulative %
150m-250m	4.0	100.0
75m-100m	24.0	96.0
50m-75m	8.0	72.0
30m-50m	8.0	64.0
20m-30m	4.0	56.0
10m-20m	16.0	52.0
5m-10m	36.0	36.0
Program Count: 25		



The Client's Limit of USD 50,000,000, when compared to the Single Peer Group - All, is in the Middle of the range.

The chart above illustrates the percentage of program counts that are within each limit range.

# Cyber Liability Premium Summary

CYBER LIABILITY			
INSURER	NOVEMBER 1, 2021 – NOVEMBER 1, 2022 PREMIUM	NOVEMBER 1, 2022 – NOVEMBER 1, 2023 PREMIUM	NOTES
Chubb	<b>\$26,543</b> <u>\$1M with \$100,000 Retention</u>	<b>\$33,438</b> <u>\$1M with \$100,000 Retention</u>	Premiums noted for Lloyds of London and Starr include Surplus lines tax. The overall premium increase is 21.2%
Underwriters at Lloyd's, London (MGU: Emergln Risk)	<b>\$63,345</b> <u>\$2.5M excess of Primary \$1M</u>	<b>\$80,501</b> <u>\$2.5M excess of Primary \$1M</u>	
Starr Surplus Lines Insurance Company	<b>\$46,762</b> <u>\$1.5M excess of \$3.5M</u>	<b>\$51,662</b> <u>\$1.5M excess of \$3.5M</u>	
<b>TOTAL</b>	<b>\$136,650</b>	<b>\$165,601</b>	

## Marketing Results:

- No change in insurers
- No change in limits or deductibles
- Primary Insurer has made some updates to their form. Most updates have a minimal impact, with the exception of the Neglected Software Exploit Endorsement, which is explained on the next page. Although a reduction in coverage, this can easily be managed by CMERS, and we recommend staying with Chubb due to the overall quality of their program.
- Average premium increase of 21.2% is significantly below average renewal increases of 50%+ for clean accounts.
- The results above are better than indication of \$172,938 originally presented 9/21/22 to the committee.

## Cyber Liability

### Program Description

The cyber liability policy was first put into place November 1, 2019. Employees' Retirement System of the City of Milwaukee ("ERS") currently purchases a \$5,000,000 cyber liability program subject to a \$100,000 retention.

Program Layers	Expiring Program Insurers
Primary \$1MIL	Chubb
1 <sup>st</sup> Excess \$2.5MIL	Underwriters at Lloyd's, London (MGU: EmergIn Risk)
2 <sup>nd</sup> Excess \$1.5MIL	Starr Surplus Lines Insurance Company

*The above companies are high quality insurers with excellent AM Best ratings, evidenced on the ratings page.*

### Analysis of Results

- Premium increases of 50%+ are still very common for organizations that have been major targets of Ransomware including Public Entities and Manufacturers.
- Insurers continue to require significant increases in deductibles, and they are offering lower limits, leading to more layered programs. Insurers have added new features like Coinsurance which add cost sharing into the claims in addition to deductibles.
- The total premium increase for the renewal cyber program of 21.2% is a good result for the current marketplace.
- In 2021 we marketed to 29 insurers. This year we marketed to 20. The incumbents provided the best responses.

### Coverage Changes

- Chubb is making some mandatory changes to coverage on the renewal. After our review, we have determined that most of these endorsements will have little or no impact to CMERS.
- Chubb is also adding their Neglected Software Exploit Endorsement - adds coinsurance and sub-limits for Neglected Software Exploits (a cyber incident involving the exploitation of a vulnerability in End of Life software or software that has been listed as a Common Vulnerability and Exposure (CVE) by NIST and has a patch fix or mitigation technique available but has not been applied)

Sub-Limited Coverage Extension for <b>Neglected Software Exploits</b>		
Period of Neglect	Coinsurance	Limit of Insurance per Policy Period
0 – 45 days	0%	\$1,000,000
46 – 90 days	5%	\$500,000
91 – 180 days	10%	\$250,000
181 – 365 days	25%	\$100,000
Longer than 365 days	50%	\$50,000

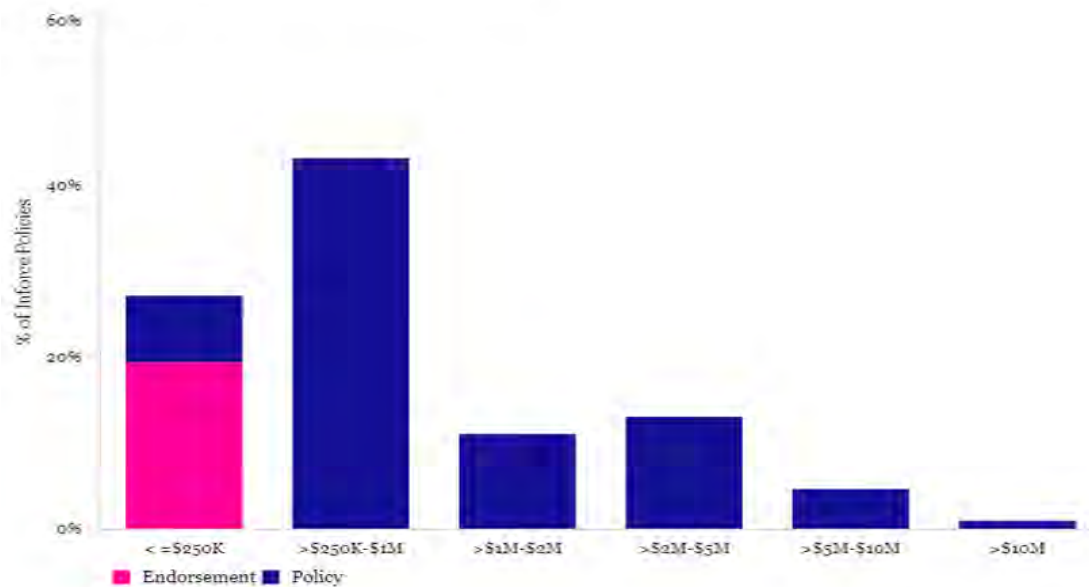
- Media Liability now excludes claims for the unauthorized use of musical works or compositions.
- The excess policies will no longer drop down and provide excess coverage for non-panel response provider coverage. Chubb provides a \$500,000 sublimit if a non-panel firm is used. Many insurers do not provide coverage if a non-panel firm is used. The excess insurers will no longer follow this sublimit. The expiring program provides a total limit of \$2.5M for non-panel response providers.

# Cyber Benchmarking

Chubb Cyber Index, Accessed 9/14/2022

## Inforce Primary Limits Distribution

Global, Public Entity and All Revenue Sizes



CHUBB

## Estimated Incident Costs



Refine Number of Records Compromised

### Estimated Total Cyber Incident Costs

**\$3,359,750**

Compromised Records: 68,000

Incident Investigation*	\$352,800
Crisis Management*	\$454,100
PCI*	\$25,000
Fines/Penalties*	\$175,050
Ransomware	\$1,000,000
Data Restoration	\$352,800
Business Interruption	\$1,000,000

CHUBB

\*In partnership with  
**NetDiligence**

# Market Security Analysis

Insurer	Line of Coverage	AM Best Rating	Financial Strength Rating Outlook	Credit Rating Outlook
Hudson Insurance Company	Fiduciary	A / XV	Stable	Stable
RLI Insurance Company	Fiduciary	A+ / XIII	Stable	Stable
Federal Insurance Company (Chubb)	Fiduciary	A++ / XV	Stable	Stable
AXIS Insurance Company	Fiduciary	A / XV	Stable	Stable

For more information see the Best Ratings System page provided at the end of this proposal, or go to the web and visit: <http://www.ambest.com/ratings/index.html>

# Notice of Carrier Financial Status

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Hays Companies, Inc., and its parent company, Brown & Brown, Inc. (collectively “Brown & Brown”) do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer entity. We endeavored to place your coverage with an insurance carrier with an AM Best Company financial rating of “A-” or better.\* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of a company or otherwise predict whether the financial condition of a company might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of insurance coverage. Accordingly, this will serve as notice of the following with regard to the placement of the insurance indicated below and with regard to any subsequent renewal of such insurance:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance carriers holding an “A-” or better rating from AM Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.
- The financial condition of insurance companies may change rapidly and that such changes are beyond the control of Brown & Brown.
- You have had the ability to review the financial information for this carrier as found in one or more of the following sources: a state department of insurance website, AM Best Company website, carrier or a carrier website.
- You have had an opportunity to consider the information provided regarding your insurance quote and insurance placement and review it with your accountants, legal counsel and advisors.

# Market Security Explanation

## Ratings

A++, A+	Superior
A and A-	Excellent
B++, B+	Good
B and B-	Fair
C++, C+	Marginal
C and C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

## Rating Modifiers

U	Under Review
The rating may change in the near term typically within 6 months. Generally this is event driven, with positive, negative or developing implications.	

## Rating Outlooks

Assigned to an Interactive Financial Strength Rating (A++ to D) to indicate its potential direction over an intermediate term, generally defined as 12 to 36 months.

## Adjusted Policyholder's Surplus (\$000's)

Class I	Up	to	1,000
Class II	1,000	to	2,000
Class III	2,000	to	5,000
Class IV	5,000	to	10,000
Class V	10,000	to	25,000
Class VI	25,000	to	50,000
Class VII	50,000	to	100,000
Class VIII	100,000	to	250,000
Class IX	250,000	to	500,000
Class X	500,000	to	750,000
Class XI	750,000	to	1,000,000
Class XII	1,000,000	to	1,250,000
Class XIII	1,250,000	to	1,500,000
Class XIV	1,500,000	to	2,000,000
Class XV	2,000,000	or	Greater

## Opinion Outlooks (In Addition to Rating)

### Positive:

Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.

### Negative:

Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.

### Stable:

Indicates low likelihood of a rating change



Learn more from  
**AMBest.com**

"Understanding Best's Ratings" can  
be found at

[www.ambest.com/ratings/index.html](http://www.ambest.com/ratings/index.html)



# Consumer Disclosure

## Disclosure of Sources of Compensation

**Compensation.** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage and may include additional fees charged by the intermediary.

**Questions and Information Requests.** Should you have any questions, or require additional information, please contact this office at (612) 333-3323 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>



# About Us



- Hays Companies was founded in 1994
- Became part of the Brown & Brown Team in 2018
- Full-service insurance brokerage consultancy specializing in:
  - Employee Benefits
  - Property & Casualty
  - Risk Management Consulting
  - Private Client Group
  - National Programs
  - Wholesale Brokerage
- Over 490,000 clients
- 1,300+ insurer relationships

**300+**  
LOCATIONS

**5th**  
**Largest**  
**INSURANCE**  
**BROKERAGE**  
in the nation according to  
Business Insurance Magazine



**11,000+**  
TEAMMATES

**BRO**  
**PUBLICLY**  
**TRADED**



**\$2.613B**  
ANNUAL REVENUE



- Passionate consultants & unrivaled expertise
- A culture built on discipline and customer focus
- Our customers are our purpose
- Authentic and experienced team in whom you can place your trust
- Proactive, responsive service with a sense of urgency





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**LISA A. GILMORE**  
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**TAVISS K. SMITH**  
**KATHERINE A. HEADLEY**  
**ANTHONY JACKSON**  
**STACY J. MILLER**  
**MICHAEL RADAVICH**  
**JORDAN SCETTLE**  
**THERESA MONTAG**  
**TYLER M. HELSEL**  
**NANCY A. DOMINSKI**  
**RYAN J. HARRINGTON**  
Assistant City Attorneys

September 15, 2022

Employees' Retirement System  
Annuity and Pension Board Members  
789 North Water Street  
Suite 300  
Milwaukee, WI 53202

**RE: First Amendment to Lease Agreement**

Dear Board Members:

Attached to this letter is an amendment that extends the Employees' Retirement System's current lease at 789 North Water Street until March 1, 2030. The City Attorney's Office has reviewed and approved the form of the amendment.

If you have any further questions concerning this matter, please do not hesitate to contact this office.

Very truly yours,

A handwritten signature in dark ink that reads "Jordan Schettle". The signature is fluid and cursive, with a large initial "J".

**JORDAN M. SCETTLE**  
Assistant City Attorney



FIRST AMENDMENT TO WATER STREET INVESTMENT LEASE

This FIRST AMENDMENT TO WATER STREET INVESTMENT LEASE ("First Amendment") is made and entered effective the 28th day of September, 2022 ("Effective Date"), by and between Druml Marine LLC ("Landlord"), a Wisconsin limited liability company, successor in interest to Water Street Investment LLC and K&K McKinney Properties LLC, and the City of Milwaukee Employees' Retirement System, a Wisconsin body corporate and politic ("Tenant"). Landlord and Tenant are each a "Party"; together, they are the "Parties."

WHEREAS, the Parties entered into a Lease Agreement, dated July 1, 2007 (the "Lease"), for the premises located at 789 North Water Street, Milwaukee, Wisconsin 53202 (the "Building") on the third floor, known as Suite 300, and the fourth floor known as the Server Room, or Suite 440 (the "Premises"); and

WHEREAS, the Parties desire to amend the Lease; and

NOW, THEREFORE, in consideration of the agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. LANDLORD PARTY. The Landlord is now known as Druml Marine LLC, a Wisconsin limited liability company, with a mailing address of 10425 West North Avenue, Suite 245, Milwaukee, Wisconsin 53226.
2. PREMISES. The Third Floor Premises, as defined in the Lease, will be deemed to contain 16,481 Rentable Square Feet. The Server Room, as defined in the Lease, will be deemed to contain 488 Rentable Square Feet per BOMA 2017 Method A calculations by Kahler Slater dated 9/14/2021. The total Rentable Square Footage of the Premises will be 16,969 Rentable Square Feet.
3. TERM. The Lease Term will be extended seven (7) years and will run from March 1, 2023 until midnight on March 1, 2030.
4. BASE RENT. The base rent rate beginning March 1, 2023 will be Two Hundred Forty-Six Thousand Fifty Dollars and 50/100 (\$246,050.50) annually at the rate of Twenty Thousand Five Hundred Four Dollars and 21/100 (\$20,504.21) per month, or Fourteen Dollars and Fifty/100 (\$14.50) per Rentable Square Foot. The annual base rent shall be adjusted on each twelve-month anniversary of March 1 of each year, to an amount equal to 102.75% of the base rent payable immediately prior to that anniversary.
5. NOTICE.
  - a. The following shall replace the language in Section 20, Subsection A, of the Lease:  
  
All rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to the Landlord at the Landlord's address provided in this Section.
  - b. Landlord's contact information in Section 20 of the Lease shall be amended to the following:  
  
LANDLORD:  
  
Druml Marine LLC  
10425 W. North Avenue, Suite 245  
Milwaukee, WI 53226
6. PROPORTIONATE SHARE. The last sentence of Section 21, Subsection M, of the Lease, shall be amended to now read as the following: For purposes hereof, the numerator is 16,969 and the denominator is 68,096 and Tenant's Proportionate Share is 24.9%.
7. PARKING. Section 27 Parking will be removed in its entirety.
8. USE OF CONFERENCE FACILITIES AND FITNESS ROOM. Section 28 Use of Conference Facilities will be removed in its entirety and replaced with the following:

28. Use of Conference Facilities and Fitness Room. Landlord to allow Tenant to utilize the common area conference room and fitness room located on the fourth floor of the Building. Tenant's use of the conference room shall be subject to reasonable scheduling with Landlord. Prior scheduling for Tenant's use of the fitness room and other common areas shall not be required by Landlord. There is no additional cost to Tenant for use of the rooms other than related common area operating costs.

9. SEVERABILITY. If any term or provision of this First Amendment is held invalid or unenforceable, then the remaining terms and provisions of this First Amendment shall be affected thereby, but each remaining term and provision shall be valid.
10. OTHER TERMS AND CONDITIONS. Except as specifically modified or amended herein, all other terms and conditions of the Lease, as amended by this First Amendment, shall remain in full force and effect. In the event of a conflict between the terms and conditions of the Service Contract and the terms and conditions of this First Amendment, the terms of this First Amendment shall control.
11. PUBLIC RECORDS. The Landlord understands that Tenant is bound by the Wisconsin Public Records Law, and as such, all of the terms of the Lease and this First Amendment are subject to and conditioned on the provisions of Wis. Stat. § 19.21, et seq. Landlord acknowledges that it is obligated to assist Tenant in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of the Lease and this First Amendment. Except as otherwise authorized, those records shall be maintained for a period of seven (7) years after receipt of final payment under the Lease.
12. COUNTERPARTS. This First Amendment may be executed in counterparts.

The Parties have executed this First Amendment effective as of the Effective Date.

LANDLORD  
Druml Marine LLC

By: \_\_\_\_\_

Name: Daniel B. Druml

Title: Sole Member

TENANT:  
Employees' Retirement System of the City of Milwaukee

By: \_\_\_\_\_

Name: Bernard J. Allen

Title: Executive Director

CHAIRMAN, ANNUITY & PENSION BOARD:  
Employees' Retirement System of the City of Milwaukee

By: \_\_\_\_\_

Name: Matthew P. Bell

Title: Chairman



# ERS Lease Extension 789 N Water, Suite 300

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July 27, 2022

For preliminary discussion

# General Information

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- ERS started renting space at 789 N. Water in 2007 after moving out from City Hall. We occupy the 3<sup>rd</sup> floor, a small server room on the 4<sup>th</sup> floor, and have use of a conference room on the 4<sup>th</sup> floor that is shared with other tenants. This is considered a Class A office space.
- The current lease is set to expire March 1, 2023, with one option to extend for 5 years remaining
- Area Leased: 16,296 square feet (total)
- Current Rate is \$25,080.77 per month that includes \$15,230.74 (base) plus \$9,850.03 (common area maintenance (CAM) charge). This is an effective rate of \$18.47/sq ft/year.



# Aggregate Market Comparison

Landlord's Proposed Rate: \$22.71/sq ft/year

Source	Downtown East	Downtown Overall	Milwaukee Overall
CBRE Q4-2021 (All Classes)	\$26.34	\$23.36	\$20.19*
Commercial Café 2020 (All Classes)			\$25.10
Commercial Café 2020 (Class A)			\$28.79
Cushman Wakeman Q4-2021 (Class A)	\$29.14	\$28.32	\$24.18
Cushman Wakeman Q4-2021 (All Classes)	\$28.63	\$26.68	\$20.07
<b>AVERAGE</b>	<b>\$28.04</b>	<b>\$26.12</b>	<b>\$24.54</b>

Rates are per square foot per year

\*includes suburbs

# Nearby Market Comparison

Landlord's Proposed Rate: \$22.71/sq ft/year

Location	Estimated Rate	Availability
833 E Michigan	\$23.00	At least 2 floors with >18,000 sq ft available in 2 to 10 months
US Bank Center	\$20.00 - \$23.00	At least 1 floor with > 17,000 sq ft available
511 N Broadway	\$22.00 - \$24.00	At least 2 floors with > 28,000 sq ft available
735 N Water	\$23.00	At least 2 floors with >24,000 sq ft each available
411 E Wisconsin	\$18.00	About 24,000 sq ft available
Associated Bank Building	\$18.50	About 19,000 sq ft available
BMO Tower	\$20.00	Several floors available with >25,000 sq ft
Chase Tower	\$13.00	Over 100,000 sq ft available, but unclear how many floors; 1 floor is about 22,000 sq ft
250 E Wisconsin	\$14.00	Insufficient availability
330 E Kilbourn	\$14.00	At least 2 floors with > 19,000 sq ft available in 4 months

Rates are per square foot per year



# Additional Information

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- DPW has advised the ERS that they currently do not have space available in the City Hall complex (including the Municipal Building), and do not anticipate any availability for a few years. They will also be conducting a space study in the coming year(s).
- ERS rents space for a DR Site at Two Park Place (TPP), the current rent for which is \$6,188 per month for 3,300 sq ft. This is an effective rate of \$22.50 / sq ft / year. This lease is in effect until March 31, 2025.

# Pros and Cons of Staying at 789

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## Staying

- No additional cost incurred for moving, setup, etc.
- Infrastructure is already in place, so no disruption in services
- Landlord will provide additional upgrades to our facility (such as security)
- Space requirements are adequate with the office open for visitors

## Moving

- Lower rate may be available
- Depending upon distance from CH, may cause some challenges to services such as mail, meetings, network connectivity to CH, etc.
- Infrastructure will need to be relocated for substantial cost (IT and office setup)



# Technology Infrastructure Considerations

## Data Center

- Power (floor may need reinforcement to hold UPS)
- HVAC, including redundancy
- Networking and telecom lines
- Security
- Fire suppression and emergency power cut-off
- Space for 4 racks of equipment

## Telecom

- Redundant ISP lines
  - Connections needed to City, Internet, Disaster Recovery Site (Madison)
- Hardwire connection to City campus (may require trenching to street which will involve construction costs)
  - Needed for City applications (e.g. time entry, etc.)

## Office Setup

- Wiring for network
  - Wi-fi study will be needed to ensure proper coverage
- Phones
  - Option 1: Connect to City Hall (may require trenching)
  - Option 2: New equipment to connect via ISP (single point of failure introduced)
  - Option 3: Port all phone numbers (or use new numbers, if City does not relinquish existing 286 numbers) using cellular network – divest from City
- Sufficient power for cubes/offices

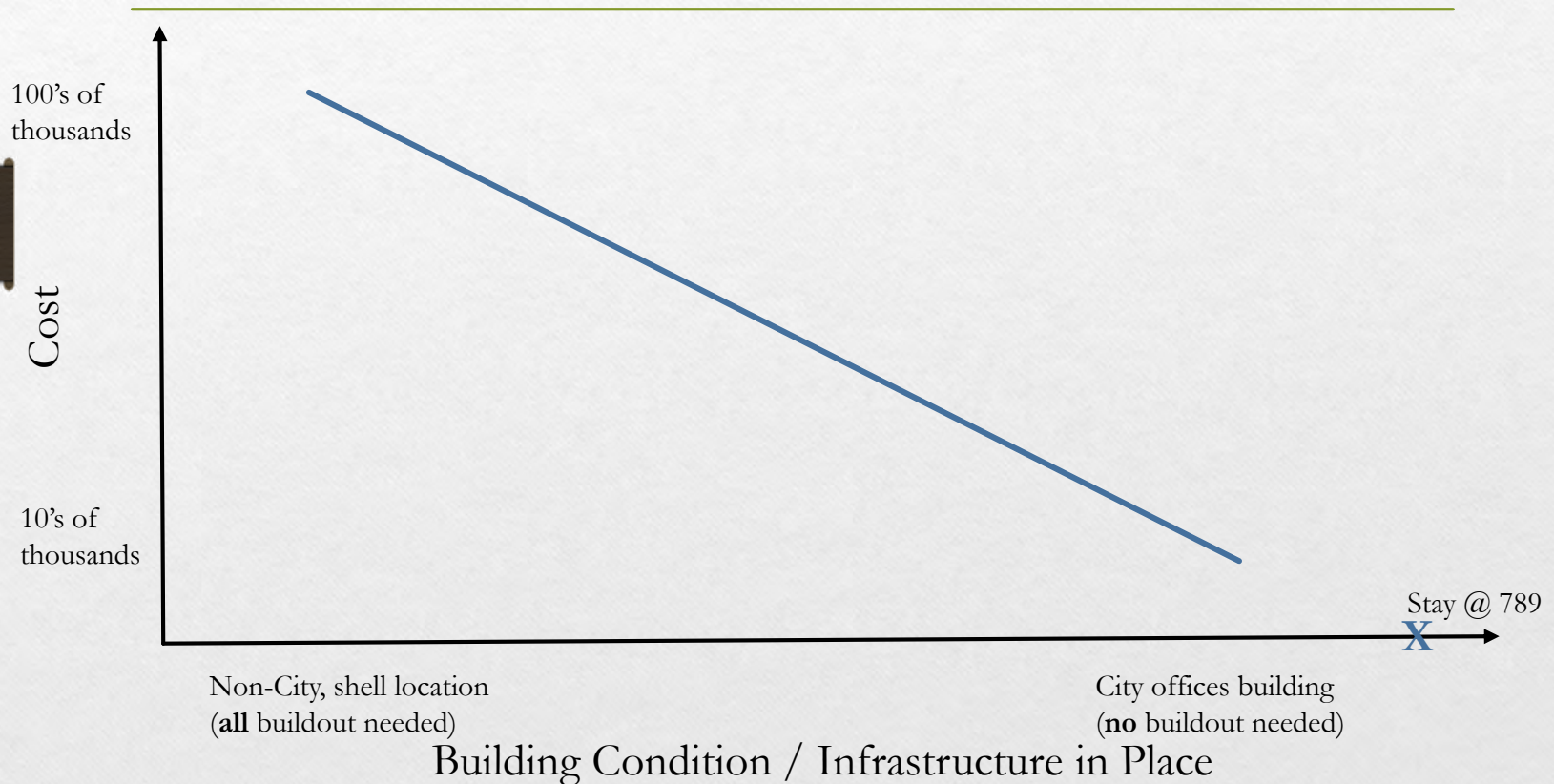
## Business Continuity/Disaster Recovery

If we use TPP as the main office with no other physical site:

- Loss of an office location for use in case of a disaster; a DR site would no longer exist for activities such as physical mail/paper processing, meetings/counseling sessions, staff synergies, etc. if the main office is lost
- BC will rely on working from home (virtual office), adding costs for staff equipment and services, plus infrastructure considerations, and will require a plan/contingency to obtain physical space for limited activities
- Data center relocation will require new space at TPP
- Loss of a BC/DR site increases our risk for continuity of operations, lowers our standard of care, and may detrimentally impact our insurability

**Costs will vary based upon the location and infrastructure of the new site**

# Technology Infrastructure Moving Cost





# Options

---

- Continue to lease space at 789 N. Water Street, Suite 300 at the proposed rate of \$22.71/sq ft/year (new 7 year lease)
- Exercise the option to renew the current for 5 years (terms/rates TBD but more expensive)
- Continue to work with DPW to relocate ERS to City Hall, if that is a viable option (not expected for 5 to 7 years)

# Appendix

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(screenshots of information sources)



# Aggregate Market Rates

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- See following slides

# Source: CB Richard Ellis

FIGURES | MARKET SECTOR | Q4 2021

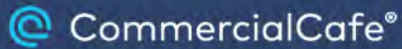
FIGURE 7: Milwaukee Market Office Statistics

Submarket	Market Rentable Area (SF)	Vacancy Rate (%)	Availability Rate (%)	Q4 2021 Net Absorption (SF)	Year-to-date 2021 Net Absorption (SF)	Overall Gross Avg. Asking Lease Rate (\$/SF/Yr)
Downtown East	9,206,550	15.1	21.9	85,690	51,382	26.34
Downtown West	4,254,766	20.8	28.4	(19,830)	282,440	19.36
Third Ward/Walker's Point	2,646,221	7.9	14.0	1,252	(107,053)	22.76
<b>CBD Subtotal</b>	<b>16,107,537</b>	<b>15.4</b>	<b>22.3</b>	<b>67,112</b>	<b>226,769</b>	<b>23.36</b>
Milwaukee North Shore	2,566,042	18.1	20.8	9,758	5,230	13.80
Milwaukee Northwest	1,899,780	20.2	34.0	9,426	(75,463)	17.25
Milwaukee Central	785,789	1.9	8.7	0	10,152	14.79
Mayfair/Wauwatosa	3,648,681	15.8	21.1	(17,468)	(126,712)	20.66
West Allis	1,902,917	11.0	22.8	(1,645)	(144,557)	17.22
Milwaukee Southwest	832,056	12.7	15.1	19,148	23,575	15.71
Milwaukee Southeast	1,017,160	23.1	25.4	(1,484)	75,525	22.16
Brookfield	5,855,042	15.4	22.6	(8,172)	(89,965)	19.86
Waukesha/Pewaukee	2,763,237	9.8	16.6	22,819	5,321	19.99
Waukesha North	1,482,879	8.4	8.9	5,128	(925)	18.86
Waukesha South	622,568	14.8	16.8	0	(23,069)	12.48
North Suburban	2,124,540	11.6	17.3	(3,623)	(67,516)	16.80
South Suburban	1,786,610	7.4	10.5	(5,734)	1,409	15.42
<b>Suburban Subtotal</b>	<b>27,287,301</b>	<b>13.8</b>	<b>19.8</b>	<b>28,153</b>	<b>(406,995)</b>	<b>18.32</b>
<b>TOTAL</b>	<b>43,394,838</b>	<b>14.4</b>	<b>20.8</b>	<b>95,265</b>	<b>(180,226)</b>	<b>20.19</b>

Source: CBRE Research, Q4 2021.



Source: Commercial Cafe



For Lease ▾ For Sale ▾ Commercial Real Estate Coworking

Add a Listing Log In

## Milwaukee Office Rent Price & Sales Report

### 2020 Office Space Rent & Sales

**\$25.10**  
2020 Avg. Asking Rent

**18.02%**  
2020 Office Vacancy Rate

**\$53M**  
2020 Total Office Sales

**\$49.72**  
Avg. Sale Price/SF

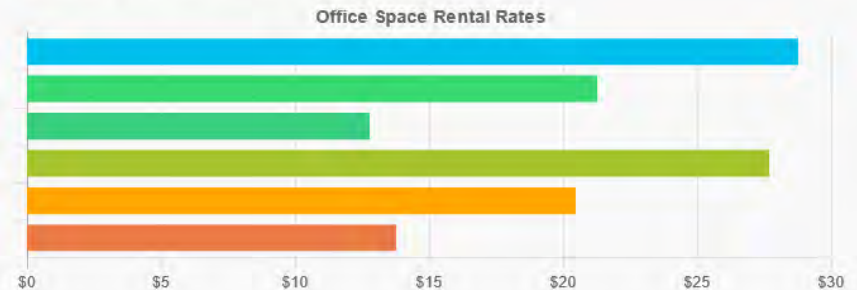
Milwaukee office price per square foot in 2020 was \$25.10 on average. The local office market recorded an average vacancy rate of 18.02% across all asset classes combined. The 10 transactions that closed here throughout 2020 amounted to a total sale volume of \$53M. Milwaukee office space commanded an average sale price per square foot of \$49.72.

### Average Rent by Office Class

#### 2020 Average Office Rent per Square Foot

● Milwaukee Class A Office Space	\$28.79
● Milwaukee Class B Office Space	\$21.28
● Milwaukee Class C Office Space	\$12.80
● Wisconsin Class A Office Space	\$27.72
● Wisconsin Class B Office Space	\$20.47
● Wisconsin Class C Office Space	\$13.78

#### Milwaukee, WI Office Asking Rents by Class



Source: Commercial Cafe

## Milwaukee Office Rent Price & Sales Report

### 2020 Office Space Rent & Sales

**\$25.10**

2020 Avg. Asking Rent

**18.02%**

2020 Office Vacancy Rate

**\$53M**

2020 Total Office Sales

**\$49.72**

Avg. Sale Price/SF

Milwaukee office price per square foot in 2020 was \$25.10 on average. The local office market recorded an average vacancy rate of 18.02% across all asset classes combined. The 10 transactions that closed here throughout 2020 amounted to a total sale volume of \$53M. Milwaukee office space commanded an average sale price per square foot of \$49.72.

### 2020 Office Vacancy Rates in Milwaukee

Submarket	Asking Rents	Vacancy Rates
Milwaukee South	\$29.58	7.27%
Downtown	\$26.71	18.78%
West Allis	\$25.33	7.81%
Wauwatosa	\$20.77	10.49%
Milwaukee Northeast	\$18.61	17.42%
Park Place	\$18.61	36.49%

Data provided by Commercial Edge



Source: Cushman Wakefield

2021 MILWAUKEE OFFICE MARKETBEAT | JANUARY 26, 2022

## Milwaukee Office Marketbeat | Q4

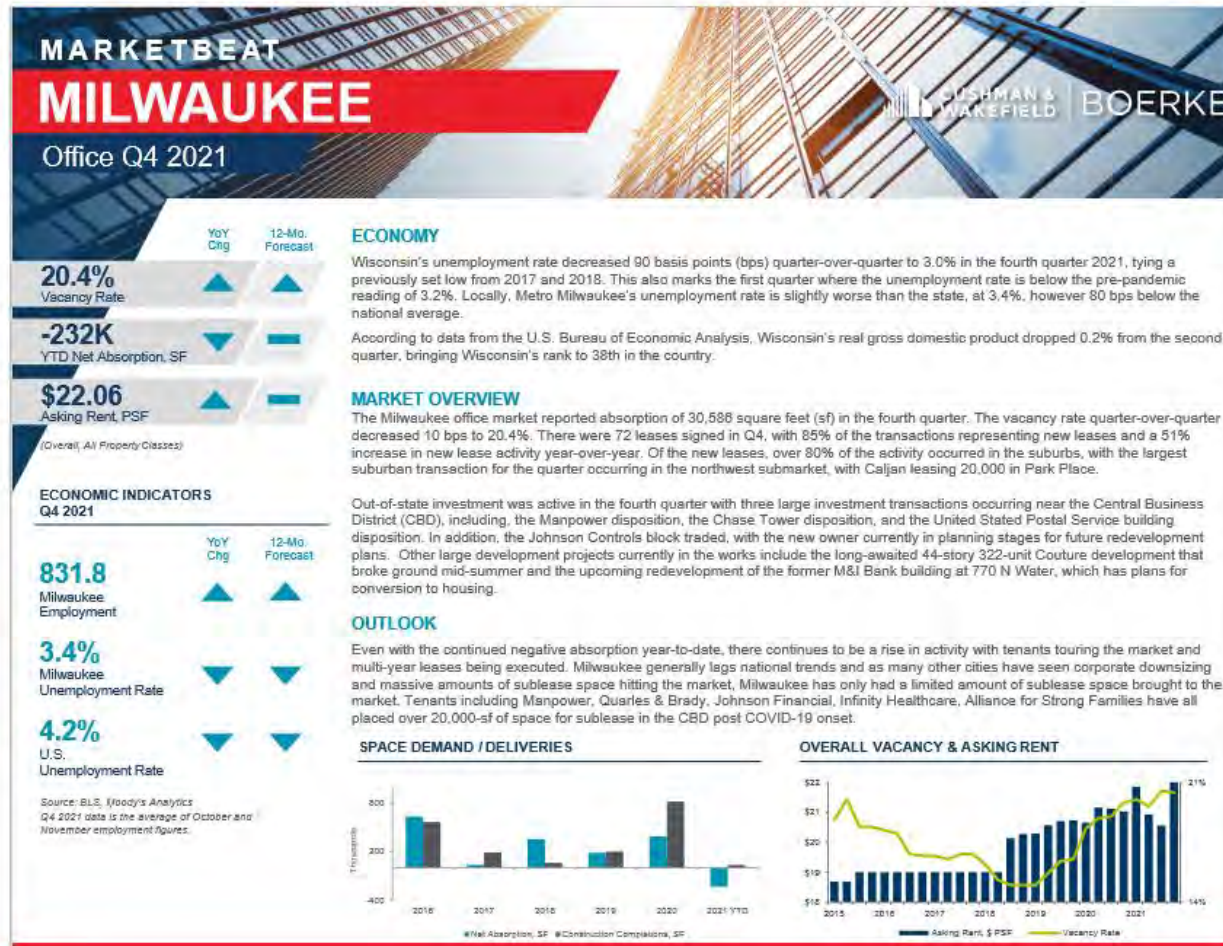
MARKETBEAT										
MILWAUKEE										
Office Q4 2021										
MARKET STATISTICS										
SUBMARKET	INVENTORY (\$F)	SUBLET VACANT (\$F)	DIRECT VACANT (\$F)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (\$F)	YTD OVERALL NET ABSORPTION (\$F)	YTD LEASING ACTIVITY (\$F)	UNDER CMSTR (\$F)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown East	7,687,744	0	1,259,281	16.4%	20,826	-96,717	268,505	0	\$28.63	\$29.14
Downtown West	3,511,631	0	938,868	26.7%	-28,320	-25,811	94,680	0	\$19.30	\$19.11
<b>CBD TOTALS</b>	<b>11,199,375</b>	<b>0</b>	<b>2,198,149</b>	<b>19.6%</b>	<b>-7,494</b>	<b>-122,528</b>	<b>363,185</b>	<b>0</b>	<b>\$25.56</b>	<b>\$26.32</b>
Mayfair / Wauwatosa	2,973,252	0	613,212	20.6%	-4,721	-97,610	122,087	0	\$21.34	\$24.61
North Shore	1,952,981	0	571,948	29.3%	23,036	-25,558	60,296	0	\$16.51	\$23.61
Northwest	1,735,002	0	357,351	20.6%	15,852	36,511	105,003	0	\$19.73	\$21.61
Southeast	421,346	0	220,946	52.4%	0	14,775	23,573	0	\$16.04	N/A
Southwest	354,606	0	79,025	22.3%	-6,435	-2,373	24,567	0	\$15.44	\$15.19
Third Ward / Walker's Point	2,239,336	0	359,873	16.1%	-8,276	6,066	33,679	0	\$26.28	\$26.28
West Allis	2,041,155	0	393,834	19.3%	19,949	28,980	56,783	0	\$18.01	N/A
<b>MILWAUKEE SUBURBAN TOTALS</b>	<b>11,718,178</b>	<b>0</b>	<b>2,688,188</b>	<b>22.2%</b>	<b>36,406</b>	<b>-39,219</b>	<b>426,872</b>	<b>0</b>	<b>\$26.97</b>	<b>\$24.18</b>
Ozaukee	608,436	0	77,794	12.8%	-1,456	10,664	18,027	0	\$15.13	\$12.50
Brookfield	4,093,266	0	847,838	20.7%	-21,727	-66,473	174,224	186,000	\$20.31	\$22.08
Waukesha / Pewaukee	2,623,265	0	438,855	16.8%	21,858	-14,145	219,351	0	\$19.41	\$20.61
<b>MILWAUKEE OUTLYING TOTALS</b>	<b>7,324,867</b>	<b>0</b>	<b>1,366,487</b>	<b>18.8%</b>	<b>-1,326</b>	<b>-88,964</b>	<b>412,162</b>	<b>0</b>	<b>\$18.34</b>	<b>\$21.62</b>
<b>CBD</b>	<b>11,199,375</b>	<b>0</b>	<b>2,198,149</b>	<b>19.6%</b>	<b>-7,494</b>	<b>-122,528</b>	<b>363,185</b>	<b>0</b>	<b>\$25.56</b>	<b>\$26.32</b>
<b>Suburban</b>	<b>19,043,145</b>	<b>0</b>	<b>3,961,676</b>	<b>20.8%</b>	<b>36,080</b>	<b>-109,173</b>	<b>838,074</b>	<b>186,000</b>	<b>\$19.37</b>	<b>\$22.74</b>
<b>MILWAUKEE TOTALS</b>	<b>30,242,520</b>	<b>0</b>	<b>6,159,825</b>	<b>20.4%</b>	<b>30,586</b>	<b>-231,701</b>	<b>1,201,259</b>	<b>186,000</b>	<b>\$22.84</b>	<b>\$24.63</b>



Source: Cushman Wakefield

2021 MILWAUKEE OFFICE MARKETBEAT | JANUARY 26, 2022

## Milwaukee Office Marketbeat | Q4



# Nearby Market Rates

---

- See following slides














## 833 East | 833 E Michigan St

79,305 SF of 5-Star Office Space Available in Milwaukee, WI

- Ideal location in the heart of Milwaukee with easy access to the Interstate.
- Higher than the average ceiling heights (9'6") for Class A Office Buildings.
- State of the art amenities offered to all tenants such as shared conference rooms and Fitness Center.
- Lots of Natural light with panoramic views of both Lake Michigan and the downtown skyline.

### ALL AVAILABLE SPACES(7)

Display Rental Rate as [\\$/SF/YR](#) 

SPACE	SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
4th Fl, Ste 400	18,357 SF	Negotiable	Upon Request	Office	Full Build-Out	Feb 2023 
6th Floor 	1,500-7,342 SF	Negotiable	Upon Request	Office	Shell Space	60 Days 
7th Fl, Ste 700	1,500-2,794 SF	Negotiable	Upon Request	Office	Shell Space	60 Days 
8th Fl, Ste 800	1,500-2,744 SF	Negotiable	Upon Request	Office	Shell Space	60 Days 
9th Floor	18,985 SF	Negotiable	Upon Request	Office	-	60 Days 
9th Fl, Ste 900	2,993 SF	Negotiable	Upon Request	Office	Full Build-Out	60 Days 
11th Fl, Ste 1100	26,090 SF	Negotiable	Upon Request	Office	Full Build-Out	Jul 2023 





## CityCenter | 735 N Water St

105,229 SF of 4-Star Office Space Available in Milwaukee, WI

- Excellent regional access with convenience to I-794, I-94, and I-43.

## ALL AVAILABLE SPACES(22)

Display Rental Rate as

\$/SF/YR ▾

SPACE	SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
2nd Fl, Ste 200	3,900-9,458 SF	Negotiable	\$23.00 /SF/YR	Office	Full Build-Out	30 Days ▾
3rd Fl, Ste 300	15,178-24,505 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
4th Fl, Ste 400	13,000-24,505 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
7th Fl, Ste 701	777 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
7th Fl, Ste 710	1,158 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
7th Fl, Ste 715	730 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
7th Fl, Ste 727	1,714 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
7th Fl, Ste 728	928 SF	3-5 Yrs	\$23.00 /SF/YR	Office	-	Now ▾
8th Fl, Ste 802	2,338 SF	Negotiable	\$23.00 /SF/YR	Office	-	Now ▾
8th Fl, Ste 807	1,381 SF	3-5 Yrs	\$23.00 /SF/YR	Office	-	Now ▾

[+ View 12 More](#)



## Huron Building | 511 N Broadway

57,614 SF of 4-Star Office Space Available in Milwaukee, W



### HIGHLIGHTS

- Unrivaled location in Milwaukee's CBD, namely its Historic Financial ("HiFi") district & is adjacent to the Historic Third Ward
- Impeccable views of Downtown, Lake Michigan & the Milwaukee River
- High profile signage opportunities & convenient freeway access
- Class A amenities & finishes as well as bespoke tenant buildouts

### ALL AVAILABLE SPACES(2)

Display Rental Rate as \$/SF/YR

SPACE	SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
6th Floor	5,000-28,807 SF	Negotiable	\$22.00 /SF/YR	Office	Shell Space	Now
7th Floor	5,000-28,807 SF	Negotiable	\$22.00 /SF/YR	Office	Shell Space	Now



[SERVICES](#)[EXPERTS](#)[PROPERTIES](#)[RESEARCH](#)[LOCATIONS](#)

1 of 1



411 E Wisconsin Avenue Milwaukee, WI 53202

## 411 E Wisconsin Avenue

Office | For Lease: 588 - 24,002 SF

[VIEW WEBSITE >](#)

[SHARE](#) [PRINT](#)

[VIEW DOCUMENTS](#)

FOR LEASE

**\$18** / RSF USD

Get More Info



SERVICES

EXPERTS

PROPERTIES

RESEARCH

LOCATIONS

FOR LEASE

1 of 1



111 E Kilbourn Avenue

## Associated Bank River Center

Office | For Lease: 3,674 - 19,422 SF

 SHARE  PRINT

[VIEW DOCUMENTS](#)

FOR LEASE

**\$18.50** / SF USD

Get More Info





## BMO Tower | 790 N Water St

142,105 SF of 5-Star Office Space Available in Milwaukee, WI

### ALL AVAILABLE SPACES(7)

Display Rental Rate as

\$/SF/YR ▾

SPACE		SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
12th Floor		2,500-14,111 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
18th Floor		2,500-25,800 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
19th Floor		2,500-25,800 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
20th Floor		2,500-25,800 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
21st Floor		2,500-25,800 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
22nd Floor		2,500-11,159 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾
23rd Floor		2,500-13,635 SF	Negotiable	Upon Request	Office	Shell Space	Now ▾



## FOR LEASE

111 E. Wisconsin Ave.  
Milwaukee, WI 53202

Chase Tower serves as an iconic part of downtown Milwaukee, centrally located on the corner of Wisconsin Avenue and Water Street. The building is connected to the citywide skywalk system and offers immediate access to the Milwaukee Riverwalk. Substantial renovations are planned for 2022, bringing upgraded tenant space and market leading amenities to one of the most distinguished buildings in the city.

### BUILDING OVERVIEW



**Total Building Size**  
477,772 SF



**Total Floors**  
22



**Class**  
A



**Total Available**  
107,930 SF



**Lease Rate**  
\$13.00/RSF Net



## 250 E Wisconsin Ave

Coworking Space Available in Milwaukee, WI



### ALL AVAILABLE SPACE(1)

Display Rental Rate as \$/SF/YR ▾

SPACE	SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
18th Fl, Ste 1800	100-5,000 SF	Negotiable	Upon Request	Office	Full Build-Out	TBD ▾







? Help

## 330 Kilbourn | 330 E Kilbourn Ave

202,590 SF of 4-Star Space Available in Milwaukee, WI

### ALL AVAILABLE SPACES(22)

Display Rental Rate as [\\$/SF/YR](#) ▾

SPACE	SIZE	TERM	RATE	SPACE USE	CONDITION	AVAILABLE
1st Fl, Ste 100 (Tower I&II) 	7,822 SF	Negotiable	\$13.00 /SF/YR	Retail	Shell Space	Now ▾
1st Fl, Ste 150 (Tower I)	6,851 SF	Negotiable	\$13.00 /SF/YR	Office	Full Build-Out	Now ▾
2nd Fl, Ste 200 (Tower II)	27,505 SF	Negotiable	\$13.00 /SF/YR	Office	-	Jul 2022 ▾
2nd Fl, Ste 222 (Tower I)	6,636 SF	Negotiable	\$13.00 /SF/YR	Office	Full Build-Out	Now ▾
2nd Fl, Ste 225 (Tower I)	14,657 SF	Negotiable	\$13.00 /SF/YR	Office	-	Jul 2022 ▾
3rd Fl, Ste 300 (Tower I) 	20,002 SF	Negotiable	\$13.00 /SF/YR	Office	Shell Space	Now ▾
3rd Fl, Ste 375 (Tower II)	19,822 SF	Negotiable	\$13.00 /SF/YR	Office	-	Jul 2022 ▾
4th Fl, Ste 400 (Tower I)	9,504 SF	Negotiable	\$13.00 /SF/YR	Office	-	30 Days ▾
4th Fl, Ste 450 (Tower II)	19,822 SF	Negotiable	\$13.00 /SF/YR	Office	-	Jul 2022 ▾
6th Fl, Ste 625 (Tower I)	5,217 SF	Negotiable	\$13.00 /SF/YR	Office	Spec Suite	Now ▾



	Current	New - Year 1	Increase %	
Area (sq ft)	16,296	16,969	4%	
Rent Rate	11.22	14.50	29%	
Monthly Charge	15,230.74	20,504.21	35%	
Annual Charge	182,768.88	246,050.50	35%	
CAM Rate	7.25	7.31	1%	CAM sq ft rate back calculated from amount provided on 6/17 email
Monthly Charge	9,850.03	10,342.59	5%	
Annual Charge	118,200.36	124,111.08	5%	
Total Monthly	25,080.77	30,846.80	23%	
Total Annual (Mar 2023 to Feb 2024)	300,969.24	370,161.58	23%	
\$/Sq. Ft.	18.47	21.81	18%	
\$/orig. Sq.Ft.	18.47	22.71	23%	

**7 year term provided in the proposal with 3% annual escalator**

	Annual Rent	Running Total
Total Annual (Mar 2024 - Feb 2025); Year 2	381,266.43	751,428.01
Total Annual (Mar 2025 - Feb 2026); Year 3	392,704.42	1,144,132.43
Total Annual (Mar 2026 - Feb 2027); Year 4	404,485.55	1,548,617.98
Total Annual (Mar 2027 - Feb 2028); Year 5	416,620.12	1,965,238.10
Total Annual (Mar 2028 - Feb 2029); Year 6	429,118.72	2,394,356.82
Total Annual (Mar 2029 - Feb 2030); Year 7	441,992.28	2,836,349.11

**Request for Proposal  
for Financial Auditing Services to be provided to the  
Employees' Retirement System of the City of Milwaukee  
on behalf of the Annuity and Pension Board**

---

Required for use and Issued by the:  
**Employees' Retirement System (ERS)**  
Of the City of Milwaukee

All proposals will be emailed to:

[RFP@cmers.com](mailto:RFP@cmers.com)  
Employees' Retirement System  
City of Milwaukee  
789 N Water Street, Suite 300  
Milwaukee, Wisconsin 53202

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**Proposals must be received at the above address no later than 4:45 P.M., C.S.T.,  
on Wednesday, November 23, 2022.**

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For information, questions should be e-mailed to [RFP@cmers.com](mailto:RFP@cmers.com). The deadline for questions is 4:45 P.M., C.S.T., on Monday, November 7, 2022.

**Please note: The Annuity and Pension Board reserves the right to reject any and all proposals that are not received nor completed as specified within this document. The Annuity and Pension Board also reserves the right to accept or reject any and all proposals or not proceed with any action, to waive any informalities in proposals, and to accept only those proposals that are in the best interest of the ERS. The ERS will incur no liability for the cost of proposal preparation.**

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## Appendices

- Appendix A: ERS Member Handbook
- Appendix B: Proposer Information Worksheet
- Appendix C: Proposer References
- Appendix D: Designation of Confidential and Proprietary Information
- Appendix E: Sample Contract
- Appendix F: ERS Parties in Interest List and Policy

## 1 Introduction

The Employees' Retirement System of the City of Milwaukee (ERS) invites qualified independent Certified Public Accountants, licensed to practice in the State of Wisconsin, to submit proposals to annually conduct an audit of its financial records for the years ending December 31, 2023 through December 31, 2027, in accordance with the specification listed below:

### 1.1 Objectives

The objectives of this RFP are to:

- Convey the ERS' requirements to qualified proposers.
- Understand the Proposer's approach, organizational and personnel qualifications, previous experience, fees, and ability to meet the ERS' needs in an expert and expedient manner.
- Establish the basis for a contract with an independent professional services firm to fulfill the RFP requirements.

### 1.2 ERS Overview

The Employees' Retirement System (ERS) of the City of Milwaukee (City) manages the City's \$5.9 billion pension fund. The ERS was created by an act of the Wisconsin Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries. The Annuity and Pension Board (Board) governs the ERS in accordance with City Charter and serves as trustee of the ERS funds. The Board is comprised of appointed as well as elected members. The ERS' executive director is responsible for daily operations and also serves as secretary for the Board.

### 1.3 ERS Background

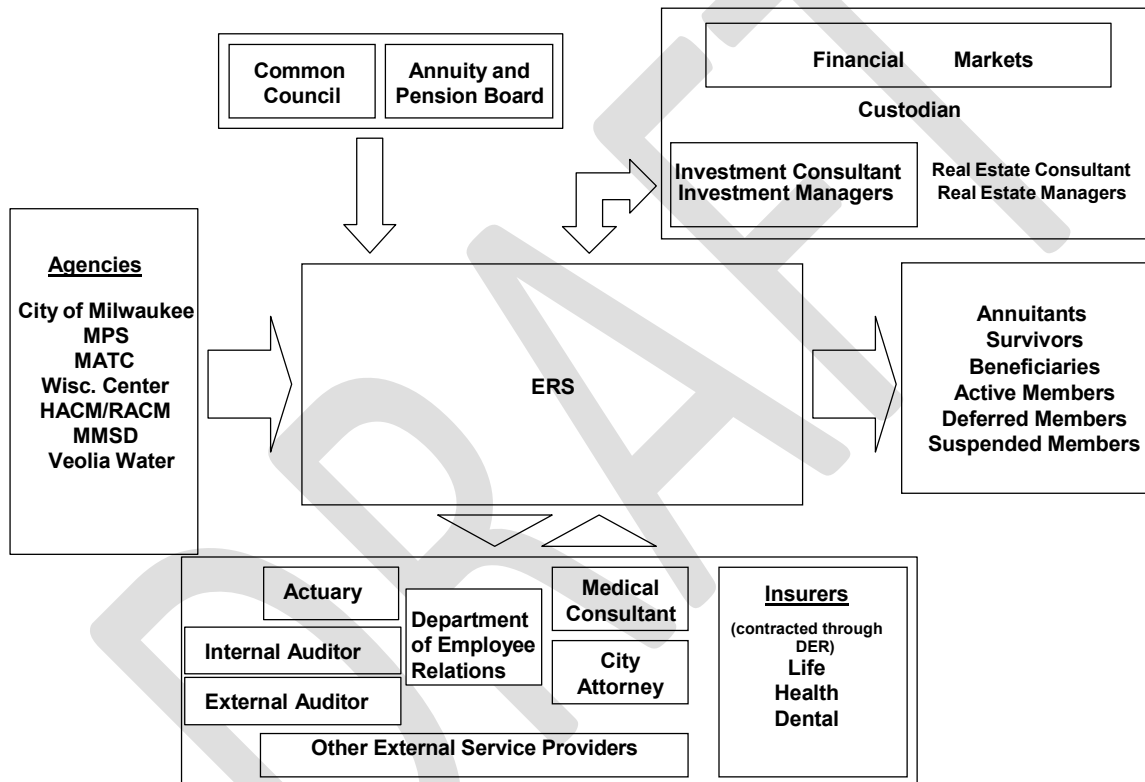
The ERS provides a wide variety of benefits to its members and their beneficiaries, including:

- Service retirement benefits
- Disability retirement benefits
- Separation benefits
- Death benefits
- Survivorship options
- Group life insurance
- Retiree health and COBRA dental insurance programs

The ERS covers approximately 15,000 active and deferred employees from the City of Milwaukee and its participating City agencies. Approximately 14,000 retirees, survivors, and beneficiaries receive monthly pension payments.

The Board and the Common Council provide oversight of the ERS and help to ensure that the ERS provides an appropriate level of service to its customers. The ERS receives data from six sources, including the City and its agencies. These agencies provide the information required to calculate and administer insurance and pension benefits. The following represents the ERS as an enterprise model:

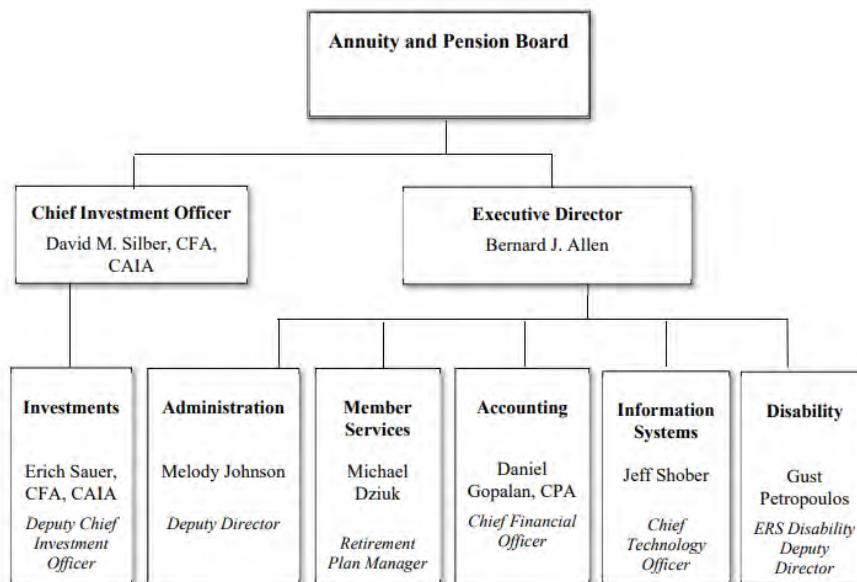
## ERS Enterprise Relationship Model



## 1.4 Current Organization

The ERS executive-level organization chart follows:

**Employees' Retirement System Organization Chart**



## 1.5 Current Operations

1. The ERS utilizes a custom comprehensive pension administration software system called, MERITS (Milwaukee Employees' Retirement Information Technology System).
2. The assets that the ERS manages consist of fixed income and equity investments (including private equity and hedge funds), real estate, index funds, infrastructure and cash equivalents.
3. All investment decisions are made by outside investment managers subject to written objectives and guidelines as established by the Board.
4. The custodian of the ERS' fund assets is the Northern Trust Company, Chicago, Illinois.
5. The ERS demand deposit accounts are maintained through Wells Fargo Bank, N.A., Milwaukee, Wisconsin.
6. The ERS' actuary is Cavanaugh McDonald Consulting, Omaha, Nebraska.
7. The internal audit firm for the ERS is CliftonLarsonAllen.
8. The City Attorney (an elected official) serves as the statutory legal counsel for the ERS and the Board
9. The most recent financial audit of the ERS was performed during 2022 for the period

ending December 31, 2021, by Baker Tilly Virchow Krause LLP. The ERS received an unqualified audit opinion.

Many detailed documents about the ERS are available on our website [www.cmers.com](http://www.cmers.com), including copies of the 2021 financial statements and audit report, governing regulations, meeting minutes and board rules.

#### 1.6 Description of ERS Records

1. The ERS maintains its financial records on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).
2. The ERS utilizes Sage 300, general ledger accounting software to maintain financial records.
3. Member records are being stored in an electronic format within MERITS.
4. The ERS processes the pension payroll using MERITS.
5. Custodian investment statements and transaction reports are available on-line or in printed form.

#### 1.7 ERS Provided Assistance

1. All financial statements will be prepared by the ERS in accordance with GAAP as set forth by GASB and any other applicable pronouncements of accounting standard setting bodies. The ERS shall prepare the necessary notes, schedules and exhibits to the financial statements that provide for adequate disclosure as required by generally accepted governmental accounting principles and standard setting bodies.
2. ERS submits its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers' Association for consideration of the Certificate of Achievement in Financial Reporting Program. This award requires ERS to go above and beyond the minimum requirements of GAAP and GASB. For more information about the Certificate, please see <https://www.gfoa.org/coa-award>.
3. Staff of the ERS will assist in preparing all necessary documenting worksheets and schedules for the auditor's consideration. The auditors will have use of the ERS staff for typing of confirmations and representation letters and also access to equipment for photocopying of documents. The ERS also agrees to provide office space, computer time and material during the engagement fieldwork.
4. The City Attorney will provide letters concerning contingent liabilities and potential litigation. In the event the Board has engaged outside counsel for legal representation, the Board's outside counsel will provide a response to the audit firm's request for litigation disclosure.

## 2 Scope of Work

1. A financial and compliance audit for the years ending December 31, 2023 through December 31, 2027, with the purpose of expressing an opinion of the Board with respect to the financial statements and all notes is required. The audit opinions are to be delivered to the Board within 60 days of completion of audit fieldwork or at a later date by mutual agreement. Audit fieldwork shall commence within 30 days of the ERS notifying the audit firm of completion of statements but not before April 16<sup>th</sup> following the year of examination or at a later date by mutual agreement.
2. The examination shall be conducted in accordance with generally accepted governmental auditing standards and include such tests and other auditing procedures that the auditor deems necessary under the circumstances.
3. The examination shall include a review of the ERS's actuarial report including testing of actuarial assumptions for reasonableness.
4. The audit shall include procedures to test compliance with legal requirements imposed by statute, ordinance, resolution and contract. Such tests will be sufficient to determine whether the ERS is in conformance with significant compliance requirements that could have a material effect upon the ERS' financial position.
5. The audit shall include an evaluation of the ERS internal controls to assess the extent the controls can be relied upon to ensure accurate information and compliance with laws and regulations. Specific areas to be reviewed include agency contributions, member document completeness, payroll processing, benefit calculations, retro calculations and any other areas the auditor feels are sensitive to internal control issues.
6. The audit firm shall retain work papers and reports for a minimum of three years from the conclusion of the audit engagement or longer if requested by the Board. The audit firm shall make work papers available to the Board and the ERS upon request.
7. The audit firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing significance.
8. The audit firm shall provide assistance to the ERS for application of GASB 67 and 68 and all current and relevant GASB Statements.
9. The audit firm shall annually provide the ERS a minimum of eight hours of accredited continuing professional education to the ERS staff subject to review and approval of the Chief Financial Officer by January 31<sup>st</sup> of each year.
10. The audit firm shall be available for technical advice on matters related to the financial statements prepared by the ERS.



11. The audit firm shall conduct audit entrance and exit conferences with the ERS to discuss audit approach and any subsequent findings and recommendations. Information regarding audit adjustments will be brought to the attention of management prior to the exit conference. At the conclusion of the audit, the ERS staff will review draft copies of the required reports before such reports are presented to the Board.
12. At the conclusion of the audit and within 60 days of completion of audit fieldwork or at a later date by mutual agreement, a representative of the audit firm shall appear before the Board to present the audited financial statements and audit report.
13. The audit report should be issued within six months of ERS' fiscal year-end, which is December 31<sup>st</sup>.

### 2.1 Deliverables

The ERS is seeking a Vendor that will perform its duties under the negotiated agreement with the care, skill, prudence and diligence under the circumstances then prevailing; all in accordance with applicable federal and state law, and the ERS policies, guidelines and procedures. In consideration of the above, the Vendor shall perform such work as is required to accomplish the following general objectives:

1. For the years ending December 31, 2023 through December 31, 2027, conduct an annual audit of each of the ERS-prepared Statements of Fiduciary Net Position and the related Statements of Changes in Fiduciary Net Position, including footnote disclosures and supplementary information for each year end.
2. For the years ending December 31, 2023 through December 31, 2027, issue a standalone audited opinion on the Schedules of Employer Allocations and Pension Amounts by Employer, and the accompanying Notes to the Schedules of Employer Allocations and Pension Amounts by Employer.
3. Conduct each audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
4. Express an opinion as to whether all "Required Supplementary Information" and supporting schedules and exhibits as prescribed by the GASB or any other accounting standard setting body is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole is required. Required Supplementary Information may include but is not limited to the Schedule of Changes in the Net Pension Liability, Schedules of Net Pension Liability and Investment Returns, Schedule of Employer Contributions and Notes to the Required Supplementary Information. Supporting schedules may include but are not limited to the Schedule of Administrative Expenses, Schedule of

Investment Expenses, Schedule of Payments to Consultants and various reports concerning investment activities and policies, asset allocations, actuarial information, and other statistics. This report is due at the completion of the audit and before report presentation to the Board as specified in Section 2.

5. Express an opinion in writing, on each set of the ERS-prepared financial statements listed above, at the conclusion of each audit on their conformity with accounting principles generally accepted in the United States of America.
6. A management letter summarizing audit findings and recommendations affecting the financial statements, internal controls, accounting and accounting systems is required. This report is to be addressed to the Executive Director and delivered to the ERS prior to report presentation to the Board as specified in Section 2.
7. Printed and bound copies (35 copies) of the ERS' general purpose financial statements with audit report are to be delivered to the ERS prior to report presentation to the Board as specified in Section 2.

### 3 RFP Evaluation Process

#### 3.1 Selection Process

All proposals will be evaluated by the Board to determine the extent to which a proposal meets the ERS' and Annuity and Pension Board requirements set forth above. This assessment will also include an evaluation of the cost proposal.

The ERS may require oral presentations in person or by telephone. Proposals should be complete on their face. The ERS reserves the right to request clarifying information at any point.

#### 3.2 Evaluation Team

The Annuity and Pension Board and/or its designees will review, evaluate and verify information submitted by Proposers. The Board will review the RFP submittals in accordance with the submittal requirements and evaluation criteria set forth below. The Board will evaluate all proposals and make a final selection and recommend that the executive director begin negotiating a contract.

#### 3.3 Questions

Any questions concerning this RFP may be submitted by e-mail to Mary Turk at [RFP@cmers.com](mailto:RFP@cmers.com). The deadline for questions is 4:45 P.M., CST, on Monday, November 7, 2022. The ERS will transmit responses via e-mail to questions received for Proposers who have acknowledged an interest in responding to this RFP by 4:45 P.M., CST on November 14, 2022. Proposer may not rely on any representations from the ERS or Annuity and Pension Board members other than the responses provided through the above-described procedure.

#### 3.4 Calendar of Events

<u>Event</u>	<u>Date</u>
• Advertise Search*	October 31, 2022
• Issue RFP*	October 31, 2022
• Questions to the ERS	November 7, 2022
• Response to Questions	November 14, 2022
• Proposal Submittal	November 23, 2022
• Board Presentation *	December 15, 2022
• Selection of Vendor*	December 15, 2022
• Contract or hire date	As Soon as Possible

\* Indicates proposed tentative schedule

## **Procurement Modification**

The ERS reserves the right to change the Calendar of Events or modify any part of the procurement process, prior to the date fixed for submission of the Proposals, by issuance of an addendum to all participating Proposers. The ERS also reserves the right to cancel or reissue the procurement in whole or in part, and for any reason, at the sole discretion of the ERS at any time prior to execution of a contract. In the event it becomes necessary to revise any part of the procurement, Proposers will be notified via email.

### **3.5 Proposal Evaluation**

The Annuity and Pension Board will evaluate all submitted proposals along the following criteria including, but not limited to:

- Proposer experience and references 40%
- Approach, work plan, presentation 30%
- Cost 30%

## 4 Proposal Requirements

The emailed response to the proposal (formatted for standard 8 1/2" x 11" letter-size paper) will contain, at a minimum, the following sections:

### A. Letter of Transmittal

The letter of transmittal should briefly and concisely (limited to two pages) state the proposer's understanding of the work to be performed. The letter should make a commitment to meet the time frame suggested and include the names of those authorized to make representations on behalf of the proposer and the all inclusive maximum contract fee for which this work will be performed.

### B. Title Page

The title page should include "Request for Proposal – Employees' Retirement System, 2023-2027 Audits", proposal date, the name of the proposer's firm, local address, telephone number, contact person and effective period of the proposal.

### C. Table of Contents

The table of contents should include a clear identification of the material presented according to section and page number.

### D. General Proposal Contents

(As detailed in Section 5 below)

A copy of the proposal should be e-mailed to Mary Turk at [RFP@cmers.com](mailto:RFP@cmers.com).

The Annuity and Pension Board reserves the right to accept any submittal and/or any part or parts thereof and/or reject any or all submittals. The Annuity and Pension Board will be the sole judge as to compliance with the instructions contained in this RFP. The ERS reserves the right to seek clarification of submitted information during the evaluation process including, but not limited to, Proposer financial stability, Dun & Bradstreet reports, pending or current lawsuits, previous engagement experience, and results of past awards to the Proposer by the ERS and/or the City of Milwaukee.

The ERS reserves the right to retain all proposals and accompanying documentation submitted and to use any ideas contained in proposals regardless of whether that proposal is selected. Proposals retained shall become the property of the ERS and will not be returned. Submission of a proposal constitutes acceptance of all conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed and expressly accepted in the subsequent contract between the firm and the ERS.

## 5 General Proposal Contents

The proposals will consist of two parts, a proposal and a cost proposal. The required content is described below.

### 5.1 Proposal Content Details

All proposals will comply with the requirements identified in this document. Although Proposers are encouraged to provide any information that may be pertinent to their ability to meet the ERS' needs, generic boilerplate is discouraged.

#### 5.1.1 Proposer Overview

Proposers will describe their history, scope of operations, organization, size, and any other relevant information that the Proposer chooses to include. At a minimum, the Proposer will provide basic information about its organization, including:

- name of firm and ownership structure (Partnership, Sole-proprietorship, corporation, etc.)
- number of years in business;
- nature of business/ scope of services offered;
- headquarters location;
- location from which the project described in the proposal will be staffed and managed;
- number of full-time employees, contract employees, and total employees.

Also complete Appendix B: Proposer Information Worksheet

#### 5.1.2 Proposer Requirements

Proposers will summarize their understanding of the requirements set forth in this RFP, describe their proposed approach to satisfying the ERS' conditions and requirements, and present a work plan and schedule for the proposal.

Proposers will clearly identify and describe any and all assumptions made in preparing their proposal.

#### 5.1.3 Project Organization and Staffing

Proposers will describe their staffing based on the project approach and work plan described in their proposals. Proposers will address the following:

- 5.1.3.a. Describe their governmental practice and list major governmental clients, locally, regionally, and nationally.
- 5.1.3.b. Indicate which services are specialties or areas of greatest expertise, and describe how expertise is maintained and expanded.
- 5.1.3.c. Describe ability to research various technical questions related to investment accounting treatments of new and/or complex investment instruments.

- 5.1.3.d. State size of firm, size of firm's audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.
- 5.1.3.e. Indicate the following about each anticipated assigned staff: if registered or licensed to practice as a certified public accountant in Wisconsin; experience and proficiency in financial audits of public pension fund investment activities and government financial statement reviews.
- 5.1.3.f. Provide resumes of all staff to be assigned to this engagement.
- 5.1.3.g. Describe their public positions on emerging and key FASB, GASB, AICPA, or other pertinent legislative initiatives affecting the ERS that could be viewed as significant and/or controversial to the environment in which the ERS operates (discuss and provide examples of publications it has published in these areas).
- 5.1.3.h. Discuss their ability to provide advice and consulting services regarding international tax issues (such services would be provided on an as-needed basis and would be separately reimbursed).
- 5.1.3.i. Discuss their ability to provide ongoing educational materials and opportunities to its clients regarding key FASB, GASB, or other pertinent issues.
- 5.1.3.j. Provide their most recent PCAOB inspection report.

#### 5.1.4 Engagement Management

The ERS Chief Financial Officer will serve as the contact for audit requests and ensure the successful Proposer receives complete and timely information. Proposers will address the following:

- 5.1.4.a. Outline their basic audit approach and areas of audit emphasis.
- 5.1.4.b. Outline their planning approach, including time frames for planning, discussion items, interim control testing, etc.
- 5.1.4.c. Document the role that the partner(s) play during the planning phase to ensure that the financial reporting model and basic financial statement content is addressed prior to fieldwork.
- 5.1.4.d. Describe their process for independently valuing investments, including alternative asset classes.
- 5.1.4.e. Provide proposed engagement letters.



### 5.1.5 Client Relationships and References

Proposer will describe (1) the types of clients with which it conducts the majority of its business, (2) its goal(s) in servicing its clients and (3) the type of relationship it prefers to have with its clients. Proposers will submit the names of at least three references. References will be persons with substantial knowledge of the Proposer's performance on projects that are similar in scope to the Proposer's proposal, and who do not have any financial interest in the Proposer. Appendix C contains a reference form indicating the minimum required information.

### 5.1.6 Independence and Conflicts of Interest

Proposer will address the following:

- 5.1.6.a Answer if the firm is independent of the ERS as defined by generally accepted auditing standards and Government Auditing Standards.
- 5.1.6.b. Explain in detail any potential for conflict of interest which would be created by its representation of the ERS.
- 5.1.6.c. Include any activities of affiliated or parent organizations as well as other client relationships which may inhibit services to the ERS.
- 5.1.6.d. Indicate for each staff that will be planning, directing, conducting and reporting on these projects whether they are free from personal or external impairment to independence.

### 5.1.7 Pending Litigation or Other Disciplinary Actions

Proposer will answer the questions in the following section require a yes, no or N/A response. If the answer is yes, Proposer will provide an explanation and/or indicate the current status.

- 5.1.7.a Has there been any significant litigation against your firm in the past three years?
- 5.1.7.b. Is there any current litigation against your firm pending?
- 5.1.7.c. Were there material issues raised in the firm's most recent external quality control review?
- 5.1.7.d. Has there been any inquiry or investigation related to your firm by governmental or professional authorities in the past three years?
- 5.1.7.e. Has any disciplinary action been taken against the firm during the past three years by state regulatory bodies or professional organizations?

5.1.7.f. Is there currently any disciplinary action pending against the firm by state regulatory bodies or professional organizations?

#### 5.1.8 Exceptions to RFP Requirements

List any exceptions to the specifications included in this RFP and provide alternative language. Failure to list exceptions will be construed as acceptance of the specification(s) should a contract be awarded.

#### 5.1.9 Disclosure of Proposal Information

All information concerning the proposals and the evaluation process will become part of the public record at the time that the notice(s) of award is issued. Any restrictions on the use of the data contained in a Proposer's response to this RFP must be clearly stated per Appendix D, Designation of Confidential and Proprietary Information. Proprietary information submitted in response to this RFP will be handled in accordance with the Wisconsin Public Records Law."

#### 5.2 Cost Proposal Content Details

The Cost Proposal will be clearly identified on a separate sheet with the words "Cost Proposal" at the top of the page. All-inclusive, guaranteed fixed fees submitted for the proposed contract shall be guaranteed for a period not less than five years from the effective date of the contract.

The Cost Proposal will provide a total estimated price for all work and all deliverables proposed. The fee for work performed shall be based upon the number of hours proposed at the fixed fee. Advice and services on specific accounting, internal auditing, financial, and other issues are expected to be included as part of the fixed fee and will not be separately reimbursed. Front loading of fees is not permitted. In no case will the negotiated fee for a project be higher than the fee contained in the proposal.

The Cost Proposal shall include attendance costs and the cost of lodging, meals and refreshments provided at any client conferences offered by the contractor and attended by the ERS staff or Board members.

Cost Proposals will conform to the following requirements:

- The Cost Proposal will be signed by an officer authorized to commit to the Proposal.
- The Proposer should provide a detailed description of its cost proposal for its services.

The Proposer should ensure that the cost information presented is complete and all-inclusive.

## **6 Miscellaneous**

### **6.1 Contract for Services**

The selected Proposer will be expected to execute a contract for services with the ERS. The Proposer's proposal and this RFP will be attachments to the contract for services. Any situations of conflicting language will be governed by the following priorities:

- Contract for services
- Proposer's proposal
- This RFP

A sample contract is attached as Appendix E.

### **6.2 Proof of Insurance**

The Successful Proposer shall, at its own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. The successful Proposer shall furnish evidence in the form of a Certificate of Insurance, and a copy shall be forwarded to the Agency within fifteen (15) days of the notification as the Successful Proposer. A contract with the Successful Proposer will not be executed until insurance coverage has been verified. A Certificate of Insurance shall be forwarded to ERS annually.

## 7 Indemnification and Insurance Requirements

### 7.1 Indemnification

Notwithstanding any references to the contrary in the contract documents, the CONTRACTOR will assume full liability for all of its acts in the performance of the Contract. The CONTRACTOR will save and indemnify and keep harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors against all liabilities, judgments, costs, and expenses which may be claimed against the ERS in consequence of the granting of the Contract to the CONTRACTOR, or which may result from negligence and/or willful acts of the CONTRACTOR, or the agents, employees or workmen of the CONTRACTOR in any respect whatever. If judgment is recovered, whether in suits of law or in equity, against the ERS by reason of the negligence and/or willful acts or by acts of commission of the CONTRACTOR, such persons, firms or corporations carrying out the provisions of the Contract for the CONTRACTOR, the CONTRACTOR assumes full liability for such judgment not only as to the amount of damages, but also the cost, attorneys fees or other expenses resulting there from.

### 7.2 Insurance Requirements

Contractor and its subcontractor will verify that the following types and amounts of insurance coverage are in effect. In the absence of the required insurance coverages, the contractor and its subcontractor will provide proof that it has the financial ability to respond for all loss and expense costs which arise from or are connected with claims of tort, statutes and benefits under the State of Wisconsin Workers' Compensation Law and/or vicarious liability for employees.

Certificates of insurance which verify that the following coverages are in effect will be provided prior to the start of the project and annually thereafter.

#### **Types of Coverage**

#### **Coverage Amounts**

##### Workers' Compensation and Employers' Liability:

Bodily Injury by accident	Each accident	\$100,000
Bodily Injury by disease	Each employee	\$100,000
	Policy limit	\$500,000

To Include:

Other states coverage.

##### General Liability:

Bodily Injury/Property Damage	Each occurrence	\$1,000,000
	Each aggregate	\$1,000,000
	Products/completed operations aggregate	\$1,000,000

Personal Injury	Aggregate	\$1,000,000
-----------------	-----------	-------------

To Include:

Personal Injury form should include libel, slander, discrimination, invasion of the right of privacy, humiliation, mental anguish and emotional distress. Contractual liability for risks assumed in the agreement.

Automobile Liability:

Bodily Injury/Property Damage	Each accident	\$1,000,000
-------------------------------	---------------	-------------

To Include:

Coverage is to apply for the operation of any vehicle.

Umbrella Liability:

Bodily Injury/Property

Damage/Personal Injury	Each occurrence	\$5,000,000
	General aggregate	\$5,000,000
	Products/completed operations aggregate	\$5,000,000

Professional Liability:

Wrongful Act	Each claim	\$15,000,000
	Aggregate	\$15,000,000

To Include:

If the policy provides claims made coverage, contractor shall certify that the retroactive date will not change during the term of the contract or will warrant that the extended reporting period option will be exercised without cost to the ERS if the retro date is changed.

- Contractor must warrant that evidence of professional liability coverage will be provided ERS during the term of the contract and for three years after the end of the contract.
- ERS is to be an additional insured with respect to all of the proceeding coverage except Workers; Compensation, Employer's Liability and Professional Liability.
- Insurance certificates shall be in the Industry Standards Accord form.
- Certificates should confirm that 90 days written notice will be provided to the ERS prior to termination, non-renewal or modification in the terms of the coverage.
- All policies must be issued by insurance companies whose A.M. Best rating is A-VIII or higher.
- Additional insured status under the General Liability, Workers's Compensation and Umbrellas Liability shall be primary and non-contributory with regard to ERS.
- The General Liability, Automobile Liability, Workers's Compensation and Umbrellas Liability shall contain a waiver of subrogation in favor of ERS.

## 8 Other Requirements

### A. Conflict of Interest

No officer, employee, or agent of the City of Milwaukee or the ERS who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which the contract awarded to the successful PROPOSER pertains, shall have any personal interest, direct or indirect, in the contract. No member of the governing body of the City or ERS and no other public official the City who exercises any functions or responsibilities in the review or approval of the carrying out of the contract shall have any personal interest, direct or indirect, in the contract.

The PROPOSER covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services if a contract is awarded to PROPOSER. The PROPOSER further covenants that in the performance of the contract, no person having any conflicting interest shall be employed. An interest on the part of the PROPOSER or its employee must be disclosed to the ERS.

### B. Audit

At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records with respect to all matters covered by the contract, and PROPOSER shall permit the ERS to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by the contract, if the contract is awarded to PROPOSER.

### C. Public Records Law

PROPOSER understands that the ERS is bound by the Wisconsin Public Records Law, and as such, all of the terms of the RFP, proposal, and the contract awarded to the successful PROPOSER are subject to and conditioned on the provisions of Wis. Stats. sec. 19.21 et. seq. PROPOSER acknowledges that it is obligated to assist the ERS in retaining and producing records that are subject to the Wisconsin Public Records Law, (including, but not limited to any records produced or collected by PROPOSER under this Agreement, pursuant to Wis. Stats. §19.36(3)), and that the failure to do so shall constitute a material breach of the contract, and that the PROPOSER must defend and hold the ERS harmless from liability due to its fault under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years.

### D. Choice of Law/Venue

The contract awarded to the successful PROPOSER, and all questions arising in

connection with such contract shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Venue for any action arising out of or in any way related to the contract shall be exclusively in the City of Milwaukee for matters arising under state law and in federal district court in the eastern district of Wisconsin for matters arising under federal jurisdiction.

E. Prompt Payment Policy

It is the ERS's policy to pay all invoices within 30 days. If the ERS does not make payment within 45 days after receipt of properly completed documentation supporting payment, the ERS shall pay simple interest beginning with the 31st calendar day at the rate of one percent per month (unless the amount due is subject to a good-faith dispute, and, before the 45th day of receipt, notice of the dispute is sent to the contractor in accordance with the notice provisions in the contract). If there are subcontractors, consistent with s. 66.0135(3), Wis. Stats., the prime contractor must pay the subcontractors for satisfactory work within seven days of the prime contractor's receipt of payment from the ERS, or seven days from receipt of a properly submitted and approved invoice from the subcontractor, whichever is later. If the prime contractor fails to make timely payment to a subcontractor, the contractor shall pay interest at the rate of 12 percent per year, compounded monthly, beginning with the 8th calendar day.



## 9 Organization of Proposal Submittal

- Letter of Transmittal
- Title page
- Table of contents
- Proposer Overview (include Appendix B)
- Proposer Requirements
- Project Organization and Staffing
- Engagement Management
- Client Relationships and References (include Appendix C)
- Independence and Conflicts of Interest
- Pending Litigation or Other Disciplinary Actions
- Cost Proposal
- Designation of Confidential and Proprietary Information form, if desired (see Appendix D)

## 10 Proposal Submission

The proposal will be submitted in PDF format via email no later than **4:45 P.M., C.S.T., on Wednesday, November 23, 2022:**

[RFP@cmers.com](mailto:RFP@cmers.com)

Employees' Retirement System  
City of Milwaukee  
789 N Water Street, Suite 300  
Milwaukee, Wisconsin 53202

## **Appendix A: ERS Member Handbook**

The ERS Member Handbook may be found on the ERS website at:

[www.cmers.com](http://www.cmers.com)

Click “Library”

Under “Member Handbook”

Click on “Read More”

Click “Member Handbook”

## Appendix B: Proposer Information Worksheet

1. Company name: \_\_\_\_\_  
Street address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_  
FEIN number: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_  
Toll-free telephone: ( ) \_\_\_\_\_

2. Contact Person For Questions About Your Proposal  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Telephone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_  
Email: \_\_\_\_\_

3. Form of Business or Organization  
*Check (X) applicable category and complete supplementary information if required.*  
Sole proprietorship \_\_\_\_\_ Partnership \_\_\_\_\_  
Non-profit \_\_\_\_\_ Government \_\_\_\_\_  
Corporation \_\_\_\_\_ State of incorporation: \_\_\_\_\_  
Subsidiary \_\_\_\_\_ Of whom: \_\_\_\_\_

4. Size of Business  
*Submit audited annual financial statement for most recent year.*  
Annual gross revenues: \$ \_\_\_\_\_  
Annual net revenues: \$ \_\_\_\_\_  
Primary Sources of Revenues (type of service): \_\_\_\_\_

5. Special Business Status

*Check (X) applicable category and identify certifying organization.*

Not applicable \_\_\_\_\_

Minority Owned Business Enterprise (MBE) \_\_\_\_\_

Women Owned Business Enterprise (WBE) \_\_\_\_\_

Disadvantaged Business Enterprise (DBE) \_\_\_\_\_

By whom certified: \_\_\_\_\_

6. Affirmative Action Statement

*Proposers may be required to submit an Affirmative Action statement. If such a statement is required, whom in your organization should we contact?*

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_ FAX: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

## Appendix C: Proposers References

Name of Proposer: \_\_\_\_\_

Provide at least three (3) references for engagements in which your organization and the employees you are proposing were involved. Please use additional space, if required, to adequately complete the below required information.

1. Company or organization: \_\_\_\_\_

Street address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Contact person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone no.: (\_\_\_\_) \_\_\_\_\_

Were you a prime contractor? \_\_\_\_\_ or subcontractor? \_\_\_\_\_

If you were not prime, who was? \_\_\_\_\_

Description of engagement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Services furnished: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Assigned personnel (name, role): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Company or Organization: \_\_\_\_\_

Street address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Contact person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone no.: (\_\_\_\_) \_\_\_\_\_

Were you a prime contractor? \_\_\_\_\_ or subcontractor? \_\_\_\_\_

If you were not prime, who was? \_\_\_\_\_

Description of engagement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Services furnished: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Assigned personnel (name, role): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Company or Organization: \_\_\_\_\_

Street address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Contact person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone no.: (\_\_\_\_) \_\_\_\_\_

Were you a prime contractor? \_\_\_\_\_ or subcontractor? \_\_\_\_\_

If you were not prime, who was? \_\_\_\_\_

Description of engagement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Services furnished: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Assigned personnel (name, role): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Appendix D: Designation of Confidential and Proprietary Information

Please note: prices always become public information when proposals are opened, and therefore, cannot be kept confidential.

The attached submitted material includes proprietary and confidential information that qualifies as a trade secret, as provided in Section 19.36(5), Wisconsin Statutes, or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this proposal be treated as confidential material and not be released without our written approval.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in Section 134.90(1)(c), Wisconsin Statutes, as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process to which all of the following apply: 1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. 2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request that the following pages not be released: (indicate section, page number, and topic). \_\_\_\_\_

In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality.

Failure to include this form in the proposal may mean that all information provided as part of the proposal will be open to examination and copying. The City considers other markings of confidential in the proposal document to be insufficient. The undersigned agrees to hold the City harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Company name: \_\_\_\_\_

Authorized representative: \_\_\_\_\_  
signature

Authorized representative: \_\_\_\_\_  
printed

Date: \_\_\_\_\_



V.

NEW BUSINESS

- A. Presentation by Patrice Beckham and Larry Langer of Cavanaugh Macdonald Consulting regarding the Five-Year Experience Study.
- B. Renewal of City of Milwaukee Indemnification Agreement for ERS.
- C. Retirements, Death Claims, and Refunds (July and August).
- D. Conference Requests – September 2022 Board Meeting.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (E.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employe over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

- E. ERS Executive Staff Compensation.



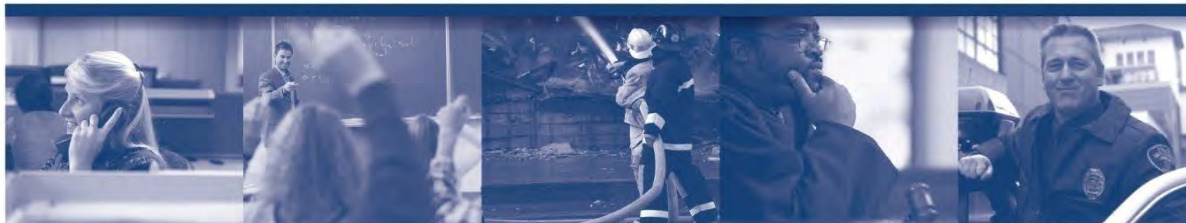
**Cavanaugh Macdonald**  
CONSULTING, LLC

*The experience and dedication you deserve*

# City of Milwaukee Employee's Retirement System Board Presentation

## Experience Study Results: Demographic Assumptions

**Presented By: Cavanaugh Macdonald Consulting**  
**September 28, 2022**



# CMERS Experience Study



- Performed every five years for CMERS
  - Last study covered calendar years 2012 through 2016
  - Investment return assumption reviewed when CMC assumed actuarial duties (early 2019)
  - Current study covers calendar years 2017 through 2021
  - Only four years of experience were available
  
- Monitor all actuarial assumptions and methods used in the valuation process
  
- Timeline:
  - August – discuss economic assumptions.
  - September – discuss demographic assumptions.
  - October – discuss stable contribution policy.
  - ***No Board action until all results have been presented.***
  - January 1, 2023 valuation – based on new assumptions

- Pension funding is a long-term proposition with expected benefit payments for current members spanning 80+ years
- Assumptions have a significant impact on the calculation of liabilities and actuarial contribution rates
  - Future benefit payments are dependent on a number of contingent events that are unknown
  - Actuaries use assumptions to estimate the timing, duration and amount of future benefit payments and then calculate their current value (present value)
  - Assumptions will impact the allocation of costs (contributions) so usually set neither overly conservative or aggressive
- Assumptions are just that – assumptions. If actual experience differs from the assumptions over time, the costs (contributions) will differ also.

# Actuarial Assumptions



- No “correct” assumptions
  - Blend of both art and science
  - There is a range of reasonable assumptions for every assumption
  - Professional judgment involved
- Assumptions are long-term estimates
  - Experience emerges short term and is measured in each experience study
  - Year to year and period to period fluctuations are expected
- Can create challenges in interpreting data and assigning credibility to it, especially with smaller datasets

# Purpose of Experience Study



- Assumptions are critical to the calculation of liabilities. Must ensure they are best estimates of future experience.
- Experience study is the basis for analyzing and evaluating the existing actuarial methods and assumptions and developing recommended changes, if needed.
- Actuary's role is to make recommendations for each assumption
  - As fiduciaries, the Board is responsible for the selection of actuarial assumptions
  - Board can adopt all, none, or some of actuary's recommendations
- Assumptions and methods do not affect the true cost of the plan, which is the actual benefit payments paid from the trust.
  - Assumptions and methods will influence the timing and amount of contributions.

# Experience Studies



- Compare actual experience during study period with expected results, based on current assumptions
- Past experience provides strong guidance for some assumptions (like mortality) and weak guidance for others (like investment return)
- Both science and art
  - Objective (science): number crunching of actual and expected numbers of members and rates of occurrence
  - Subjective (art): interpreting the information and deciding on appropriate changes



# Types of Assumptions

## What Are They?

### Economic

- Price Inflation
- Investment Return
- Wage Growth
- COLA
- Interest Crediting Rate on EE Contr
- Payroll Growth/UAAL payment increase

### Demographic

- Retirement Rates
- Promotional/Step Pay Increases
- Disability
- Turnover
- Mortality

## Who Selects Them?

### Economic

- Board
- Actuary
- Other Advisors

### Demographic

- Mostly Actuary
- Board Approves



Our focus today is on the demographic assumptions.

# Measuring Demographic Experience



- Compare what actually happened to individual members with what was expected to happen based on the actuarial assumptions
- Assess “*credibility*” – amount of weight assigned to the recent experience
  - Length of study period
  - Unusual events during study period
  - Size of the group
- Key evaluation tool is actual decrements/expected decrements (called *Actual/Expected* or *A/E ratio*)
  - “Decrement” is a change in the member’s status (e.g., retirement, termination, death)

# Measuring Demographic Experience (Count vs Liability Basis)



## Count Basis

- **Step 1:** Determine number of members changing membership status (decrements) during study period, tabulated by groupings that may include age, duration, gender and plan
- **Step 2:** Determine number of members expected to change status by multiplying membership statistics (called exposures) by the expected rates of decrement
- **Step 3:** Compare number of actual decrements to number of expected decrements, called the Actual to Expected Ratio (expressed as %)

## Liability Basis

- Same steps as Count Basis, but results are based on the estimated liability (salary and service) of members instead of the count of members

# Measuring Demographic Experience (Example)



- 10 members eligible to retire at age 62
- Actuarial assumption is 10% retire at age 62

<u>Count</u>	<u>Salary</u>	<u>Service</u>	<u>Liability Weighted</u>
8	\$ 20,000	5	\$ 800,000
<u>2</u>	80,000	20	<u>3,200,000</u>
10			4,000,000

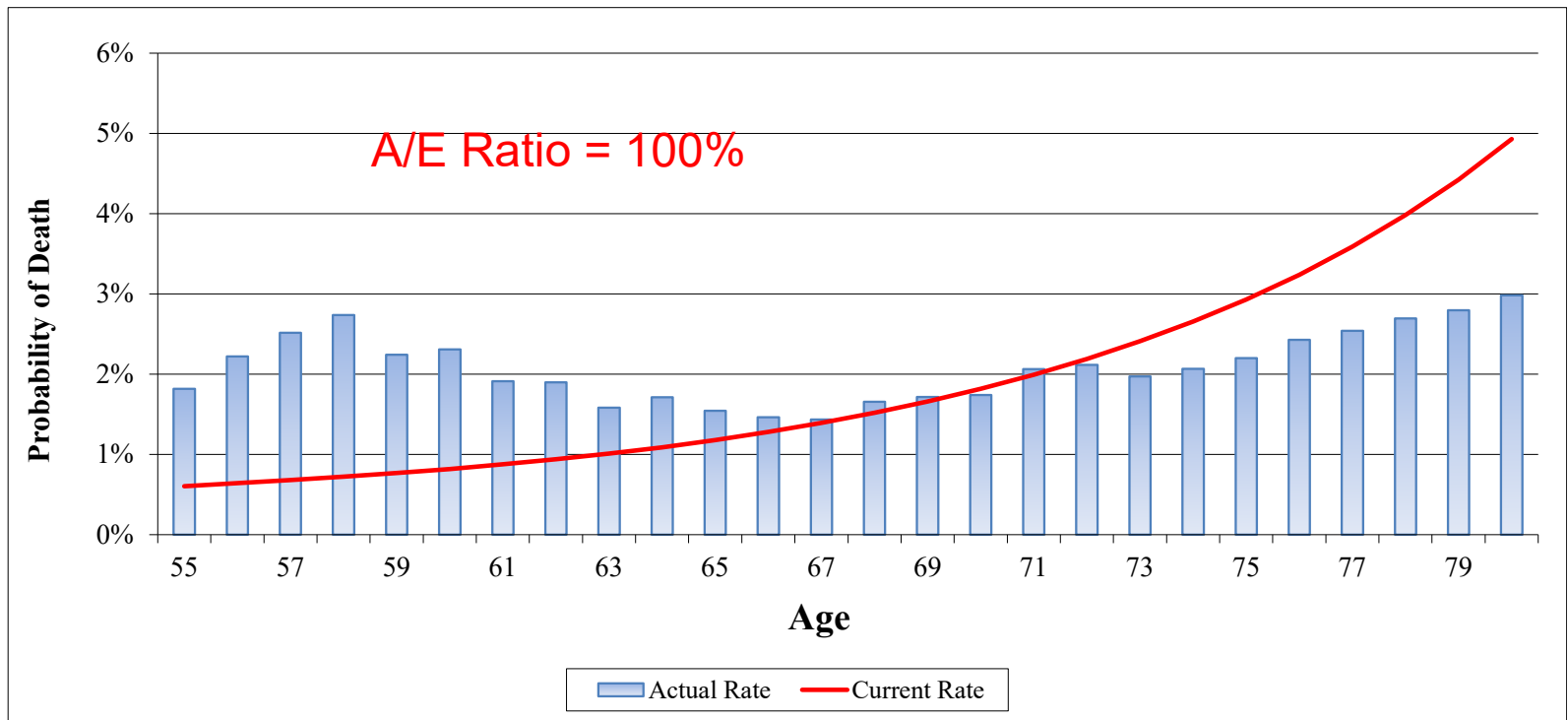
- Actual Experience: 1 member with \$80,000 and 20 years retires

	<u>Count Basis</u>	<u>Liability Weighted</u>
Exposure	10	\$4,000,000
Expected Decrement	1	400,000
Actual Decrement	1	1,600,000
Actual/Expected Ratio	100%	400%

# Evaluating the Results of Demographic Experience



- Generally, the closer the Actual/Expected ratio is to 100%, the better the current assumption anticipated the overall experience. However, the pattern of the actual experience may vary significantly from the assumption indicating a need for change.



# General Cost Impact of Assumption Change

- General cost impact of each change **in isolation**

Assumption	Change in Assumption	Typical Effect On Liabilities/Costs
Mortality	Decrease (longer life expectancy)	Increase
Retirement	Retire Later	Decrease
Disability	Lower Disability	Decrease
Termination	Decrease	Increase
Salary Increases	Decrease	Decrease
Refund Election	Increase (more refunds)	Generally Decrease



# Observations of Actual vs Expected Experience

	Comments
Mortality	Actual release of liability due to deaths was less than expected, except for General – Females. Larger difference for P/F than General.
Retirement	Higher number of retirements from active status for all 3 groups except for early retirement for General Employees (fewer than expected). Actual vs expected experience was much higher for Police (188% A/E ratio) and Fire (152% A/E ratio)
Termination	Slightly more members terminated from active status than expected for General (103% A/E ratio), but far fewer than expected for P/F (63% A/E ratio).
Disability	Significantly lower number of actual vs expected disabilities for all 3 groups. Total of 18 disabilities over 4 years for groups combined.
Duty-related Disability	More disabilities were duty-related than assumed for General (24% vs 10% expected). Significantly lower number of duty-related disabilities for P/F (31% vs 78% expected). However, limited data means less credible.
Salary increase	General Employees had higher increases than expected. Rates are relatively flat with slightly higher increases at shorter durations. Strong correlation to service for Police/Fire with higher increases at shorter durations. Lower increases at higher durations than currently assumed.

# Recommended Changes

	Recommendation	Cost Impact
Mortality	Limited data and therefore, limited credibility. Move to most recent table published, based on public plan data. Separate assumptions for General and P/F.	Lower costs for General. Increase costs for P/F.
Retirement	Partially reflect actual experience by moving part way toward actual experience. Lower early retirement rates for General and increase rates for normal retirement. Significantly increase retirement rates for P/F.	Increase costs for both General and P/F.
Termination	Move to service-based assumption for both General (Male and Female) as well as Police/Fire (separate rates for each). Closely reflect observed experience	Lower costs for General. Increase costs for P/F.
Disability	Lower disability rates for both General and Police/Fire	Lower costs for all groups.
Duty-related Disability Percentage	Increase for General. Decrease for union Police/Fire. Non-union Police/Fire match General. None eligible for 90% benefit.	Increase costs for General. Lower costs for P/F.
Salary increase	Move to service-based assumption for both General and Police/Fire with 3.0% general wage increase.	Increase costs for General but decrease costs for P/F.

# Recommended Assumptions

	Recommendation
Retiree Mortality	General Employees: Pub-2010 Below Median Employee Mortality Table with 1-year age setback for males and 2-year set forward for females Police/Fire: Pub-2010 Public Safety Mortality Table with 1-year age set forward for males and females Future improvements: Scale MP-2021
Other Mortality	Same family of tables (Pub-2010) with same age adjustments for active members, disabled retirees and beneficiaries/joint annuitants Future improvements: Scale MP-2021
Retirement	Lower early retirement rates for General Employees and adjust normal retirement rates for males/females to better fit experience (some increase/some decrease). Increase retirement rates for Police and Fire to better reflect actual experience.
Termination	Move to service-based assumption for both General and Police and Fire (separate assumptions for each). Higher rates for earlier durations.
Disability	Lower the disability assumption for all 3 groups to partially reflect the observed experience.
Duty-related Disability	20% for General and Non-union Police and Fire. 60% for MPA Police and 75% for MPFFA Fire. None eligible for 90% benefit.
Salary increase	Move to service-based assumption for both General Employees and Police/Fire with 3.0% general wage increase assumption.

# Estimated Cost Impact for System (Based on 1/1/21 Valuation)

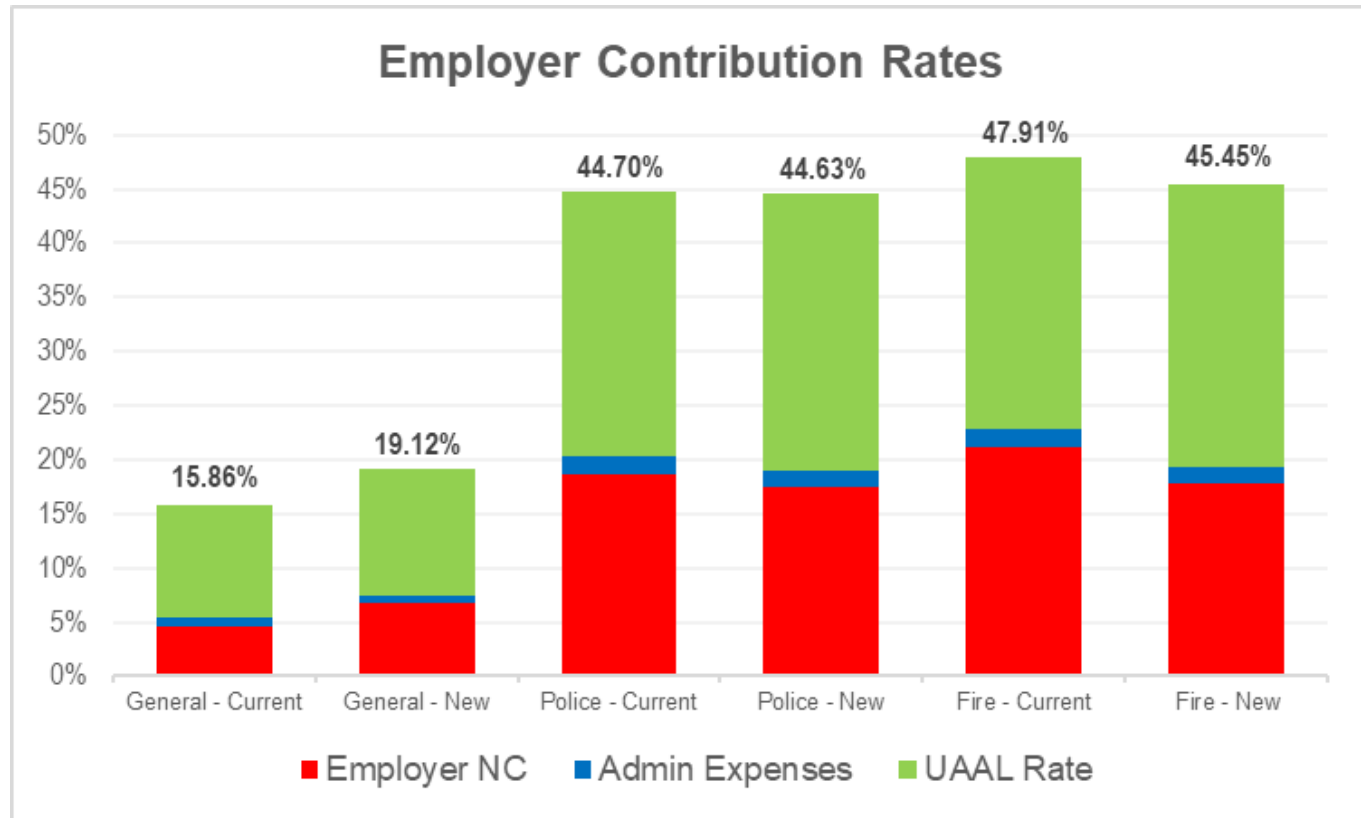
(\$ in millions)	Baseline	All Demographic Changes	Demographic Changes and 7.40%
Actuarial Accrued Liability	\$6,876	\$6,912	\$6,987
Actuarial Value of Assets	<u>\$5,735</u>	<u>\$5,735</u>	<u>\$5,735</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$1,141	\$1,177	\$1,252
Funded Ratio	83.41%	82.97%	82.08%
<b>Combined Fund Contribution Rates</b>			
Normal Cost Rate	15.60%	15.81%	16.16%
Administrative Expense Rate	1.05%	1.04%	1.04%
UAAL Rate	<u>15.60%</u>	<u>15.83%</u>	<u>16.71%</u>
Total Contribution Rate	32.25%	32.68%	33.91%
Member Contribution Rate	<u>5.57%</u>	<u>5.56%</u>	<u>5.56%</u>
<b>Employer Contribution Rate</b>	<b>26.68%</b>	<b>27.12%</b>	<b>28.35%</b>

Note: Numbers may not add due to rounding.

The dollar impact of the assumption changes, as measured in the January 1, 2023 valuation, will be different than that shown here.

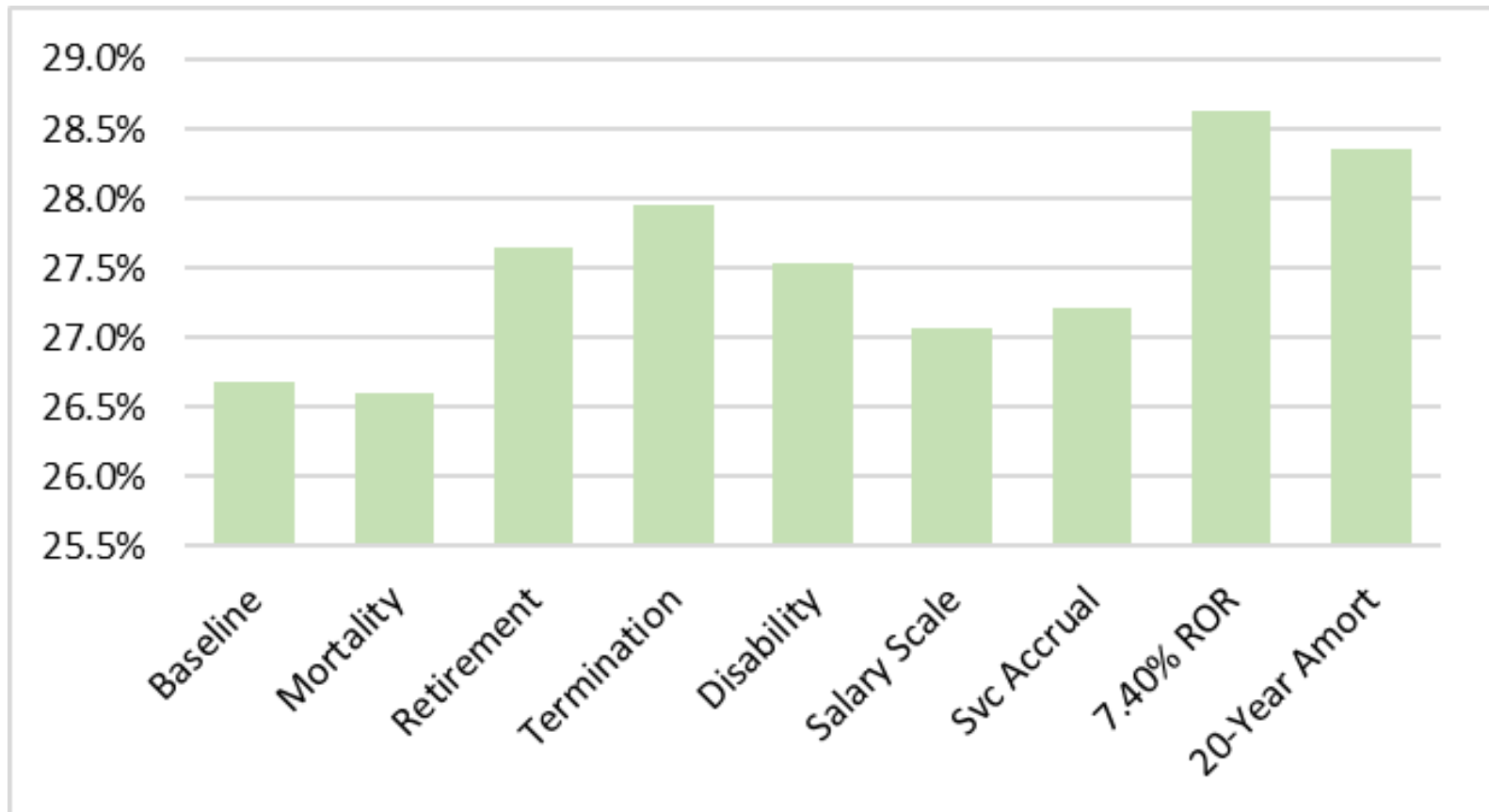
The impact of the assumption changes is amortized over a closed 20-year period.

# Assumption Change Impact by Group



(\$ millions)	General			Police			Fire		
	Current	New	Increase	Current	New	Increase	Current	New	Increase
Actuarial Liability	\$2,993	\$3,049	\$56	\$2,596	\$2,633	\$37	\$1,288	\$1,306	\$18

# Assumption Change Impact on Total Actuarial Contribution Rate



Note: The cost impact of each assumption change is dependent on the order in which the changes are considered.



# Certification



In order to prepare these results, we have utilized appropriate actuarial models that were developed for this purpose. These models use assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Cavanaugh Macdonald performed no analysis of the potential range of such future differences, except for some limited analysis in financial projections or required disclosure information.

We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

Larry Langer, ASA, EA, FCA, MAAA  
Principal and Consulting Actuary

Patrice A. Beckham, FSA, EA, FCA, MAAA  
Principal and Consulting Actuary

# Appendix of Technical Documentation

# Post-retirement Mortality Assumption



Mortality varies by many factors including:

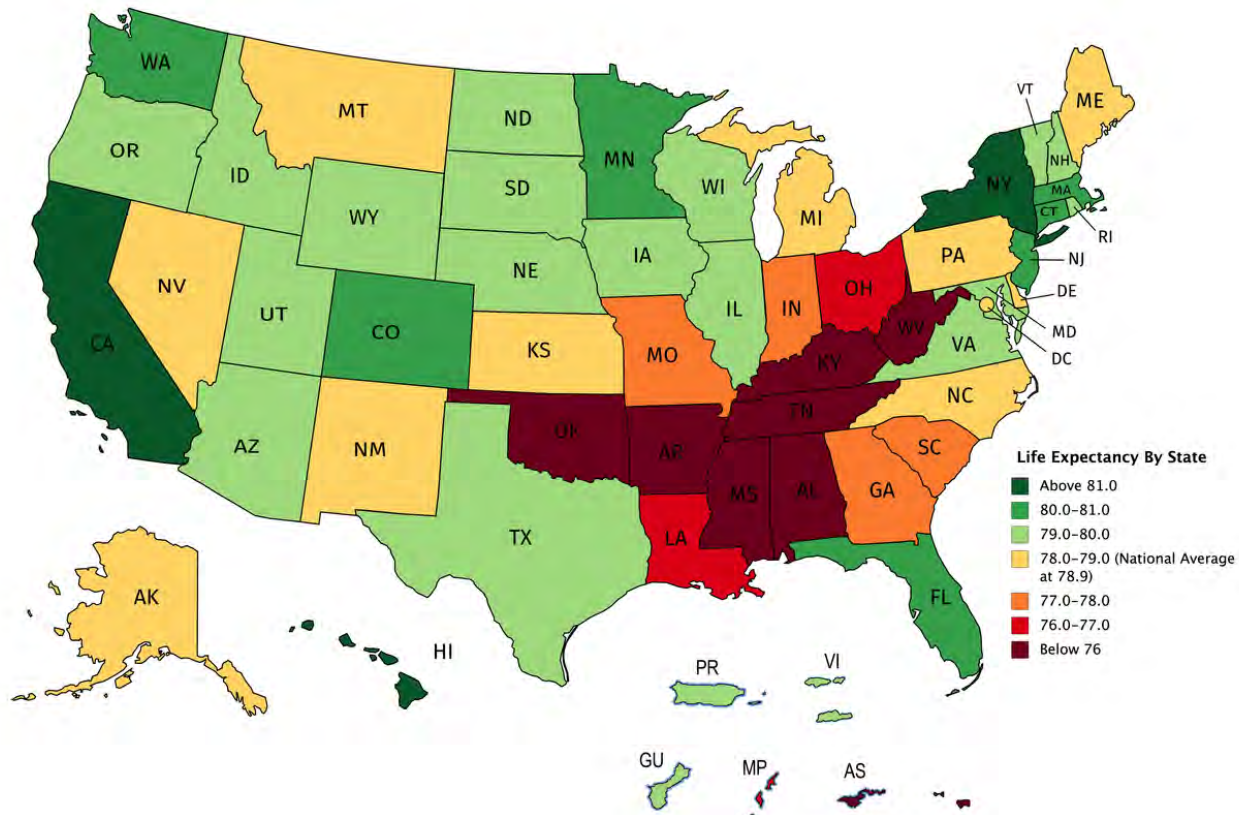
- geography,
- marital status,
- education,
- income and
- sex.

# Mortality Assumption



- Critical assumption from a cost perspective because it anticipates the duration of benefit payments
  - If people live longer, benefits are paid longer, and it increases the liabilities and costs of the system
- Our focus is on mortality at key retirement ages (e.g. 55-85), not life expectancy at birth
- May adjust standard tables in order to better fit the actual experience
  - Age setback or set forward
  - Benefit size (Below or Above Median)
  - Scaling factors

# Geographic Variations in Mortality



Created with mapchart.net ©

Note: life expectancy at birth

# Mortality Assumption

- Two components of the valuation mortality assumption
  - Current mortality rates (referred to as the “base table”)
  - Future mortality improvements
  
- Current mortality rates/Base table
  - Start with a standard table, usually a recent table
  - Tables may be adjusted to better fit the observed data
  - Credibility is determined based on number of deaths and exposures, as well as professional judgement
  
- Future mortality improvements
  - Actuaries must consider future mortality improvements in recommending a mortality assumption
  - We believe it is prudent for a retirement system to include an assumption regarding future improvements



# Current CMERS Mortality Assumption (All Groups)



- RP-2014 Healthy Annuitant Mortality Table
  - Males scaled 111%
  - Females scaled 110%
  - Future mortality improvements using Scale MP-2016
- RP-2014 Disabled Mortality Table
  - 102% for males
  - 98% for females
  - Future mortality improvements using Scale MP-2016
- Pre-retirement Deaths: RP-2014 Non-annuitant Mortality Table with Scale MP-2016
- Actual/Expected ratio should be near 100% as future mortality improvements are reflected directly in the valuation software

# Actual Mortality Experience



- Experience indicates actual deaths (ages 60 to 85 for General and ages 55 to 85 for Police and Fire) were lower than expected (A/E Ratio is lower than 100%)

	Males	Females
General Employees	96%	106%
Police and Fire	87%	Insufficient data
Total	91%	106%

- Fewer deaths than expected means less liability was released than anticipated which results in actuarial losses.
- Some adjustment to the mortality assumption is appropriate.

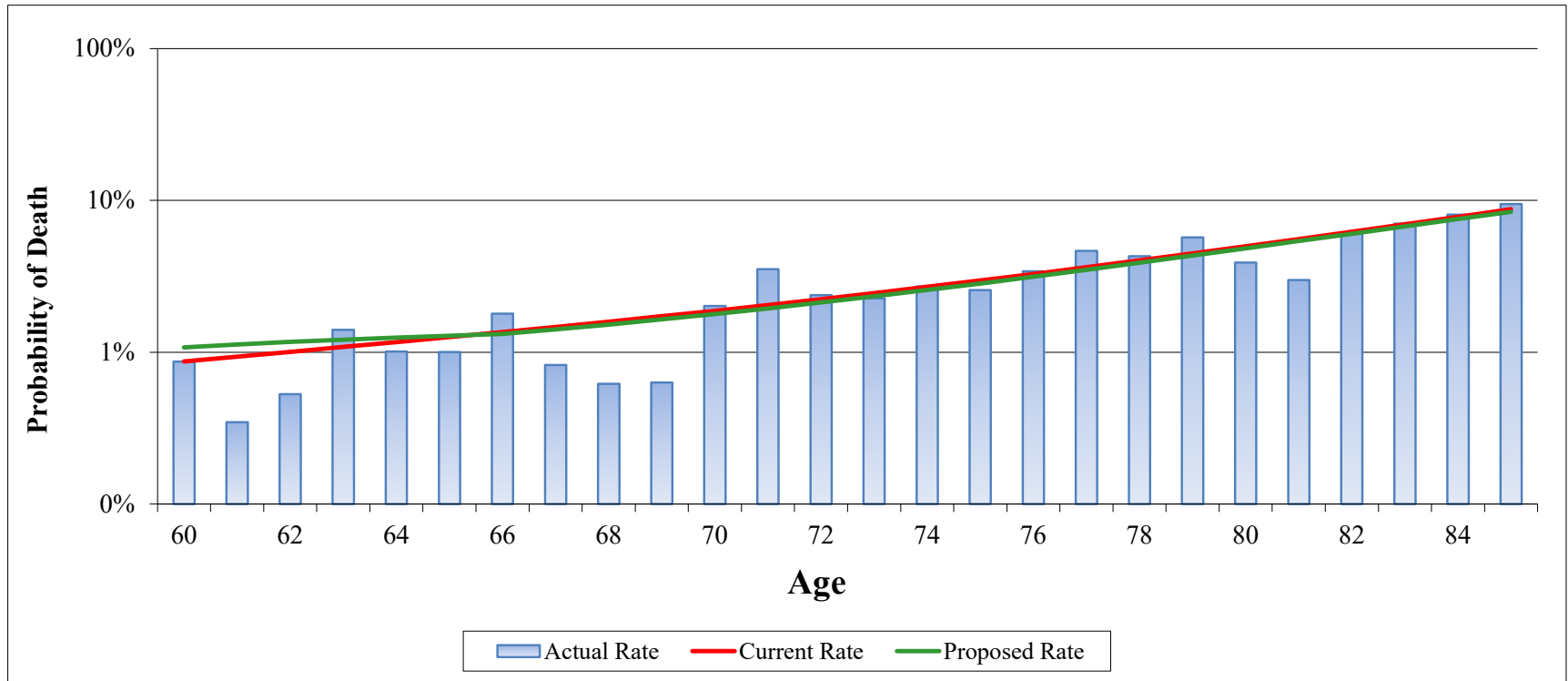
# Recommendations for Mortality Assumptions



- For the first time (2019), the Society of Actuaries published a set of mortality tables, based solely on public plan data (Pub-2010 Mortality Tables)
  - Different tables by occupation: Teachers, Public Safety and General Employees
  - Above-Median, Median, and Below-Median
  - Key resource for the selection of mortality assumptions for public plans
- Recommendations:
  - Pub-2010 Below Median General Employees Mortality Table with a one-year age setback for males and a two-year set forward for females
  - Pub-2010 Public Safety Mortality Table with one-year set forward
  - Improvements in future based on Scale MP-2021

	Males	Females
	Current / Proposed	Current / Proposed
General Employees	96% / 99%	106% / 103%
Police and Fire	87% / 94%	Limited Data

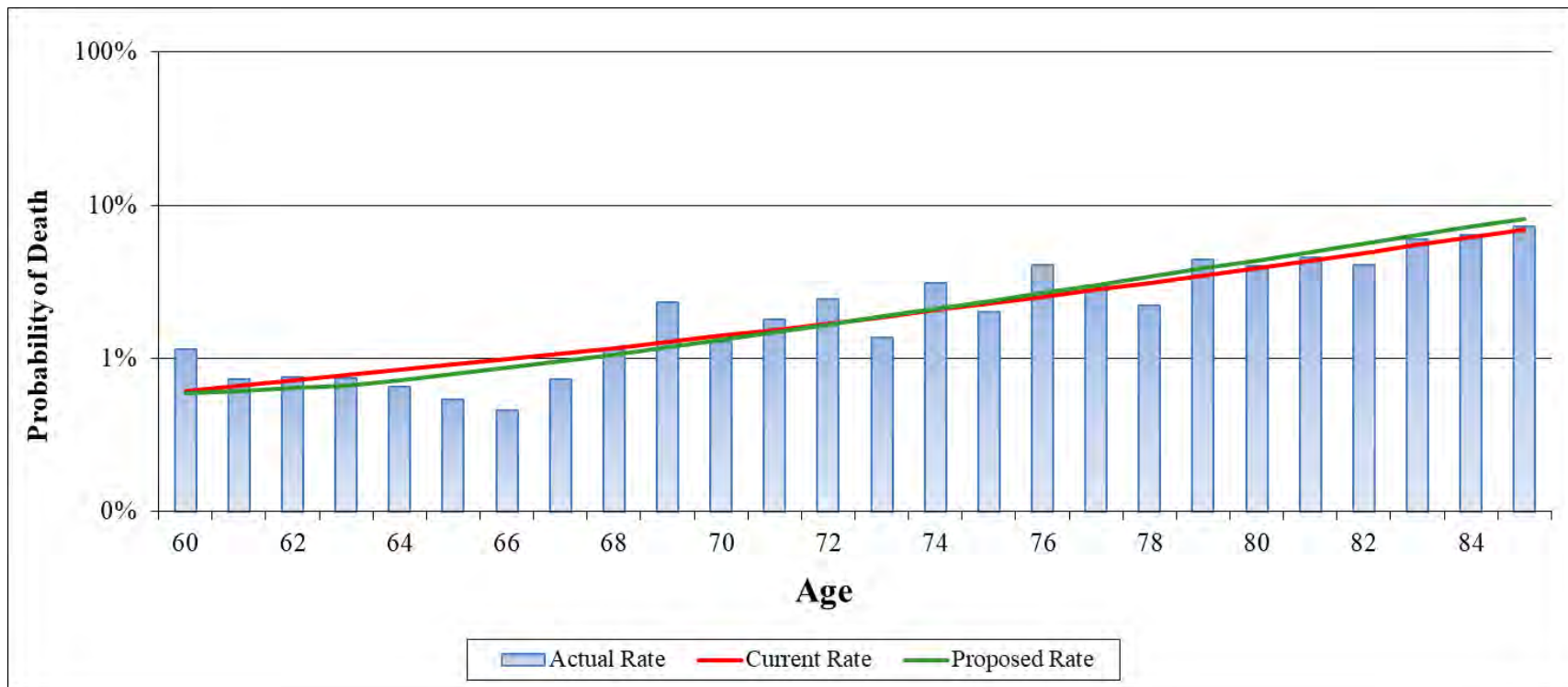
# Male Retiree Mortality Experience General Employees



A/E Ratio on Current Assumption: 96%

A/E Ratio on Proposed Assumption: 99%

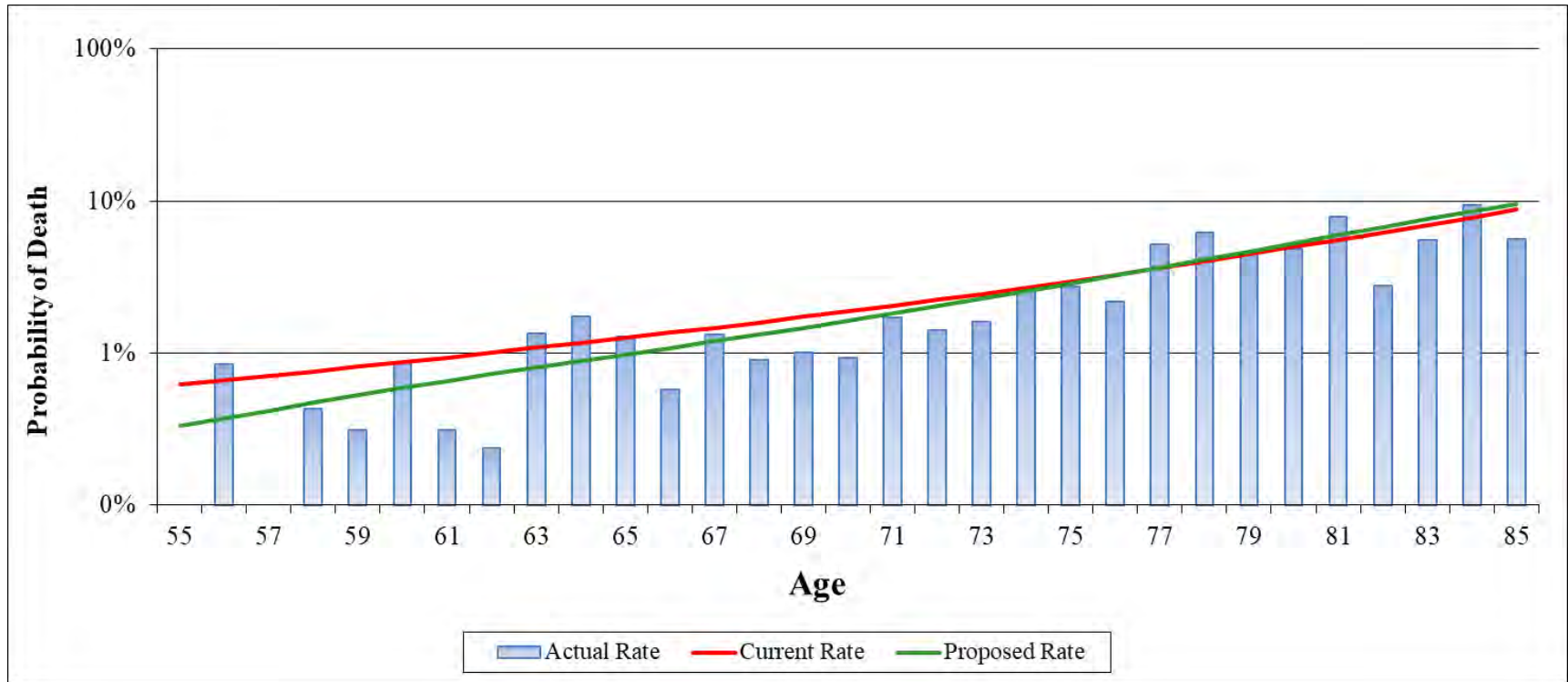
# Female Retiree Mortality Experience General Employees



A/E Ratio on Current Assumption: 106%

A/E Ratio on Proposed Assumption: 103%

# Male Retiree Mortality Experience Police and Fire



A/E Ratio on Current Assumption: 87%

A/E Ratio on Proposed Assumption: 94%



# Recommendations for Other Mortality Assumptions



- Our recommendation is to use the same Pub-2010 family of mortality tables for Actives, Disabled and Beneficiaries
- **Recommendation for Active Base Table:**
  - General Employees: General Employees Below Median Mortality Table setback one year for males and set forward two years for females
  - Police/Fire: Public Safety Mortality Table set forward one year
- **Recommendation for Disabled Base Table:**
  - General Members Disabled Mortality Table
  - Public Safety Disabled Mortality Table
- **Recommendation for Beneficiary Base Table:**
  - General Members Below Median Contingent Survivor Mortality Table
  - Public Safety Contingent Survivor Mortality Table
- Future mortality improvements for all groups modeled using Scale MP-2021

# Retirement Assumptions



- This assumption models retirement directly from active status:
  - Rates vary by:
    - Membership group: General vs Police/Fire
    - Gender: male vs female
    - Tier (different eligibility for early and normal)
    - Early retirement vs Normal Retirement (unreduced benefits)
  - No credible data for later tiers – those assumptions are developed based on professional judgement

# Analysis of Current Retirement Assumptions

- A summary of retirement experience for all groups is shown below:

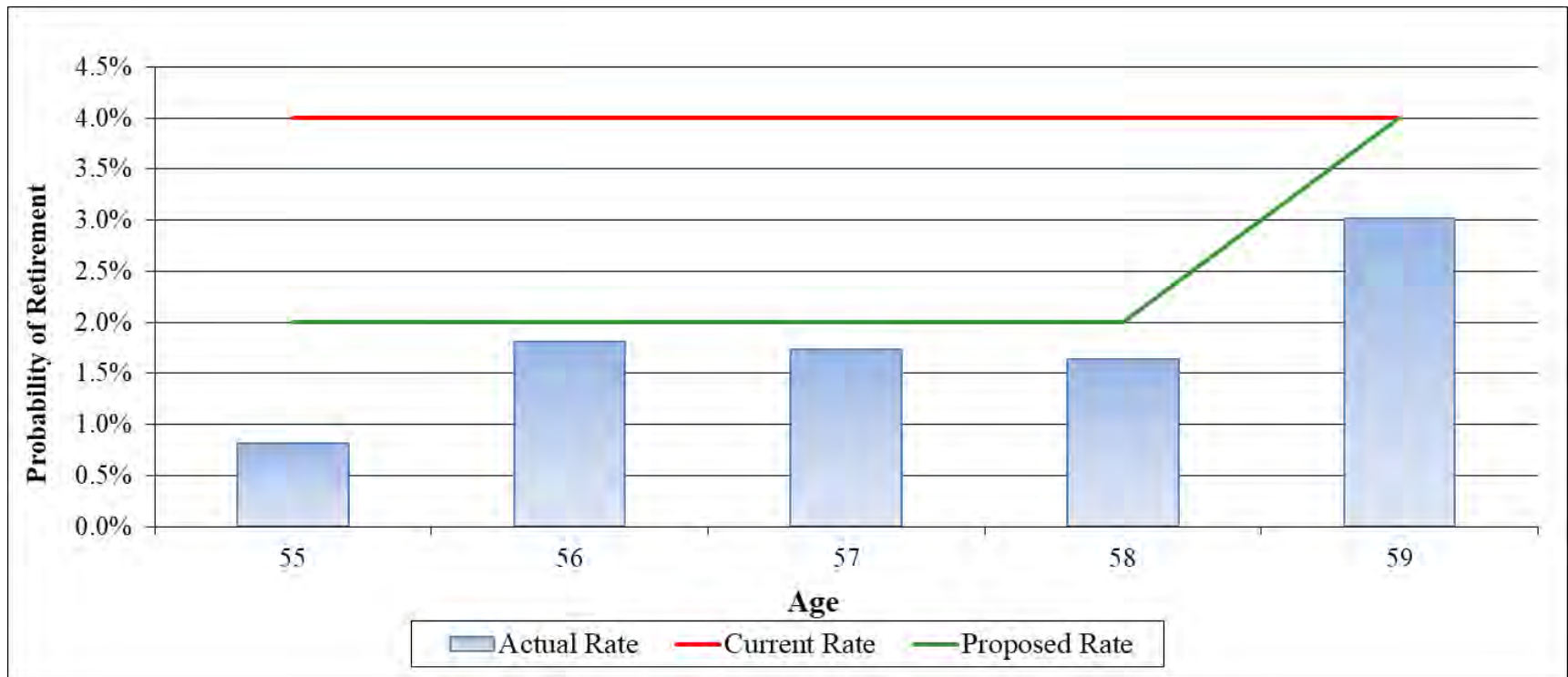
				A/E Ratio	
	<u>Exposure</u>	<u>Actual</u>	<u>Expected</u>	<u>Count</u>	<u>Weighted</u>
General: Early	2,430	53	97	55%	45%
General: Normal					
Male	2,046	438	478	92%	102%
Female	2,414	495	507	98%	120%
Police	755	361	196	184%	188%
Fire	537	156	103	151%	152%

- Significantly higher retirement rates for Police/Fire
- Recommend modifying all retirement assumptions

# Retirement Experience

## General Employees: Early Retirement

- Recommend adjusting rates to better fit experience

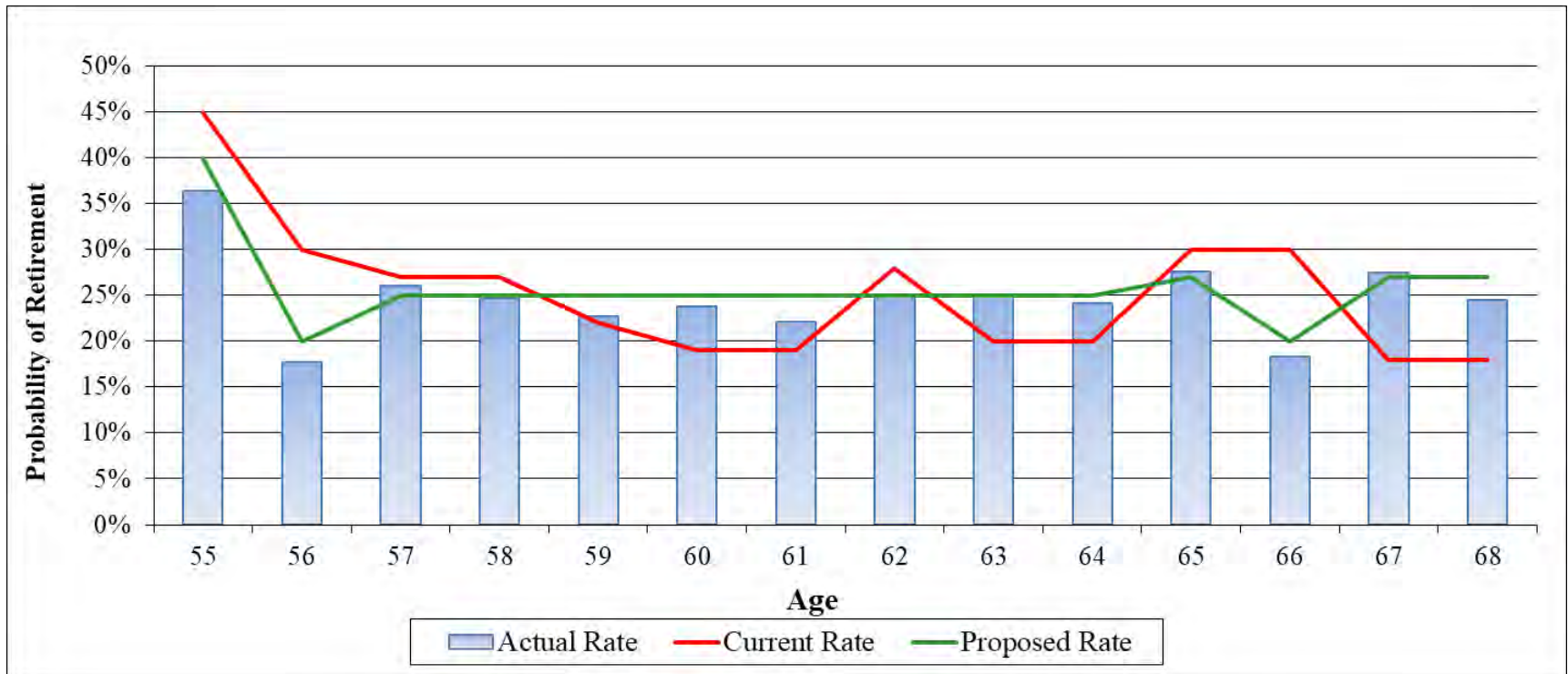


Current Assumption A/E Ratio (liability-weighted): 45%  
Proposed Assumption A/E Ratio (liability-weighted): 75%

# Male Retirement Experience

## General Employees: Normal Retirement

- Recommend adjusting rates to better fit experience

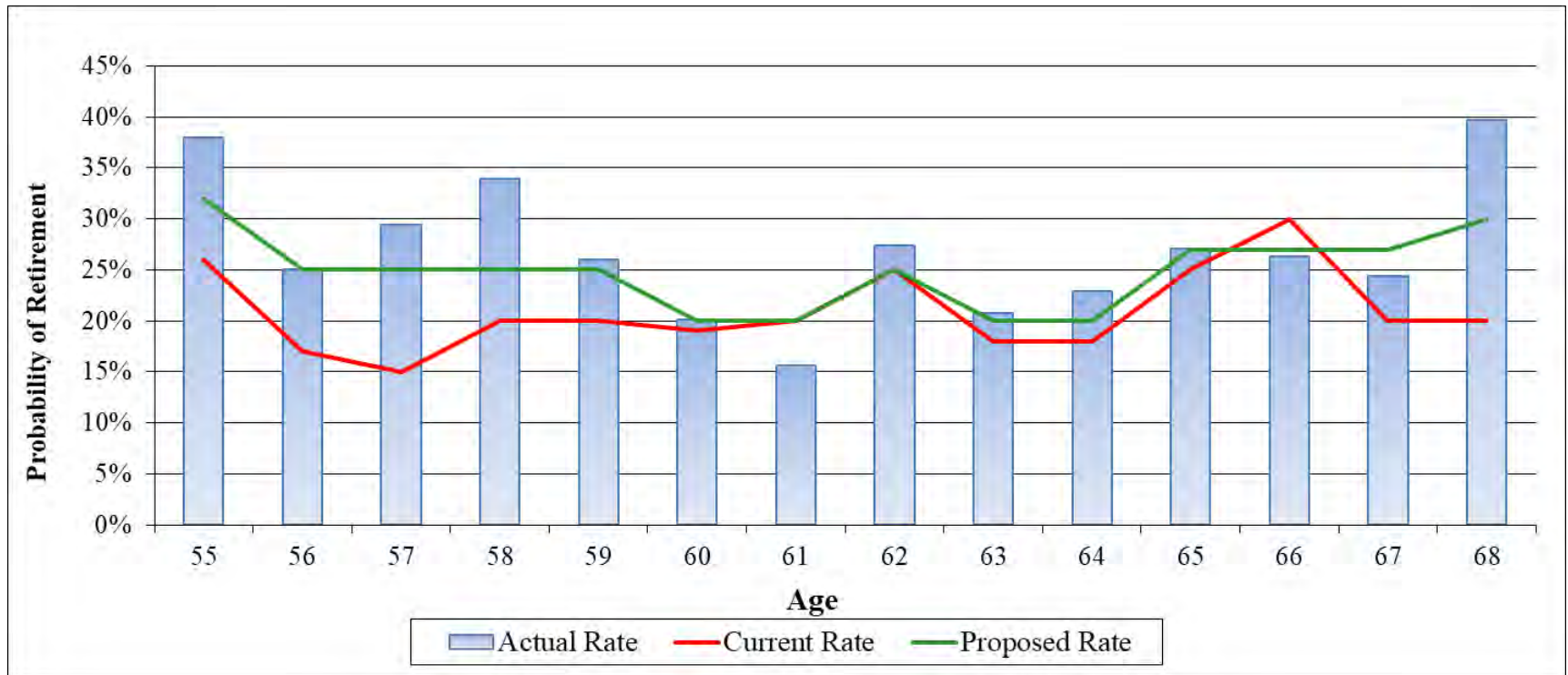


Current Assumption A/E Ratio (liability-weighted): 102%  
Proposed Assumption A/E Ratio (liability-weighted): 96%

# Female Retirement Experience

## General Employees: Normal Retirement

- Recommend adjusting rates to better fit experience

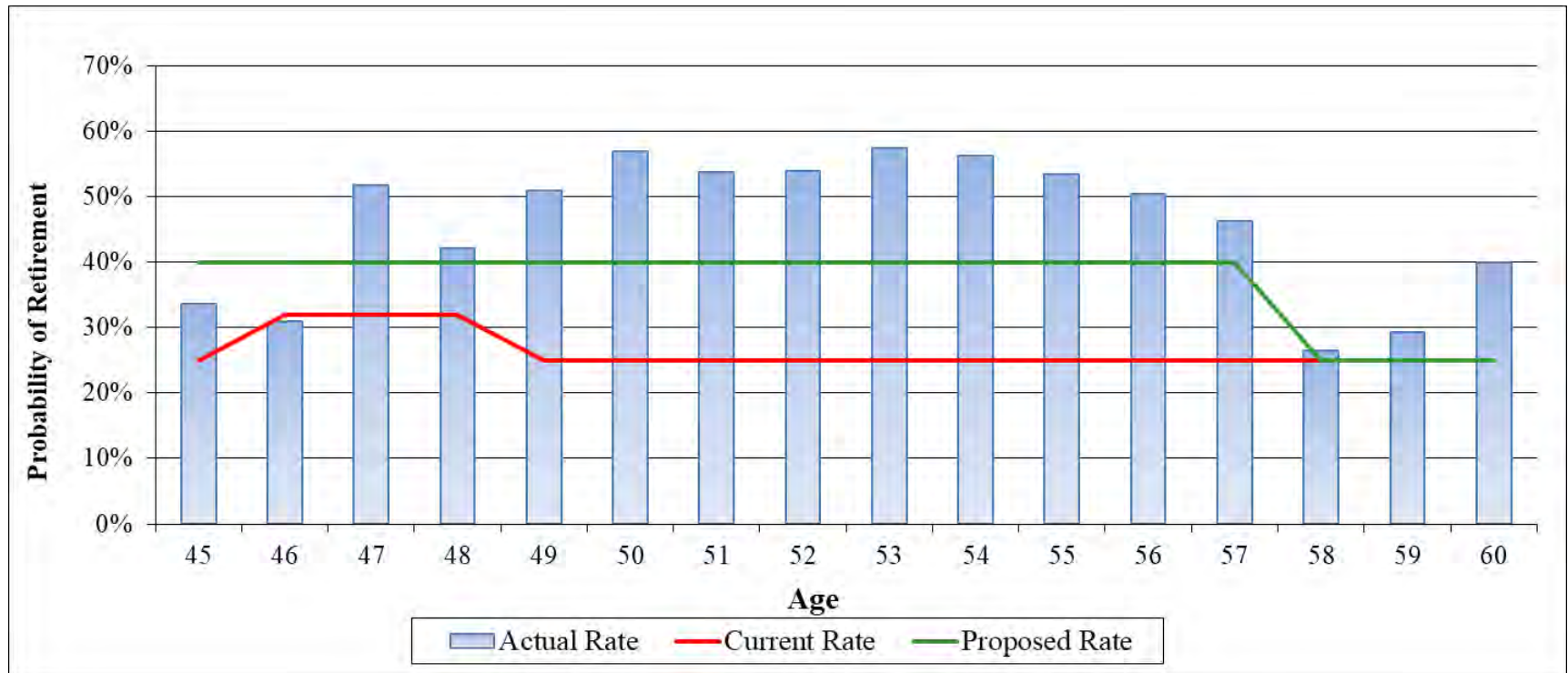


Current Assumption A/E Ratio (liability-weighted): 120%  
Proposed Assumption A/E Ratio (liability-weighted): 105%



# Retirement Experience Police

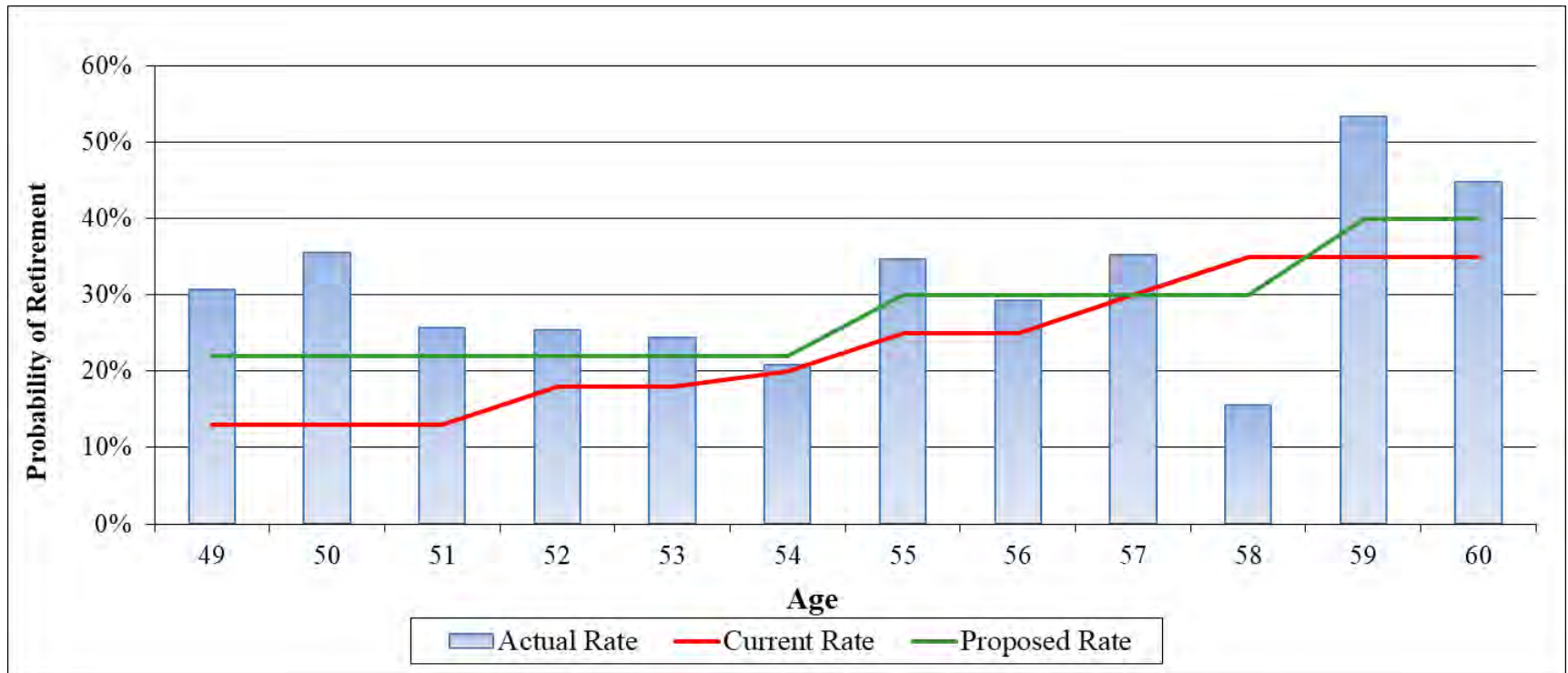
- Recommend adjusting rates to better fit experience



Current Assumption A/E Ratio (liability-weighted): 188%  
Proposed Assumption A/E Ratio (liability-weighted): 128%

# Retirement Experience Fire

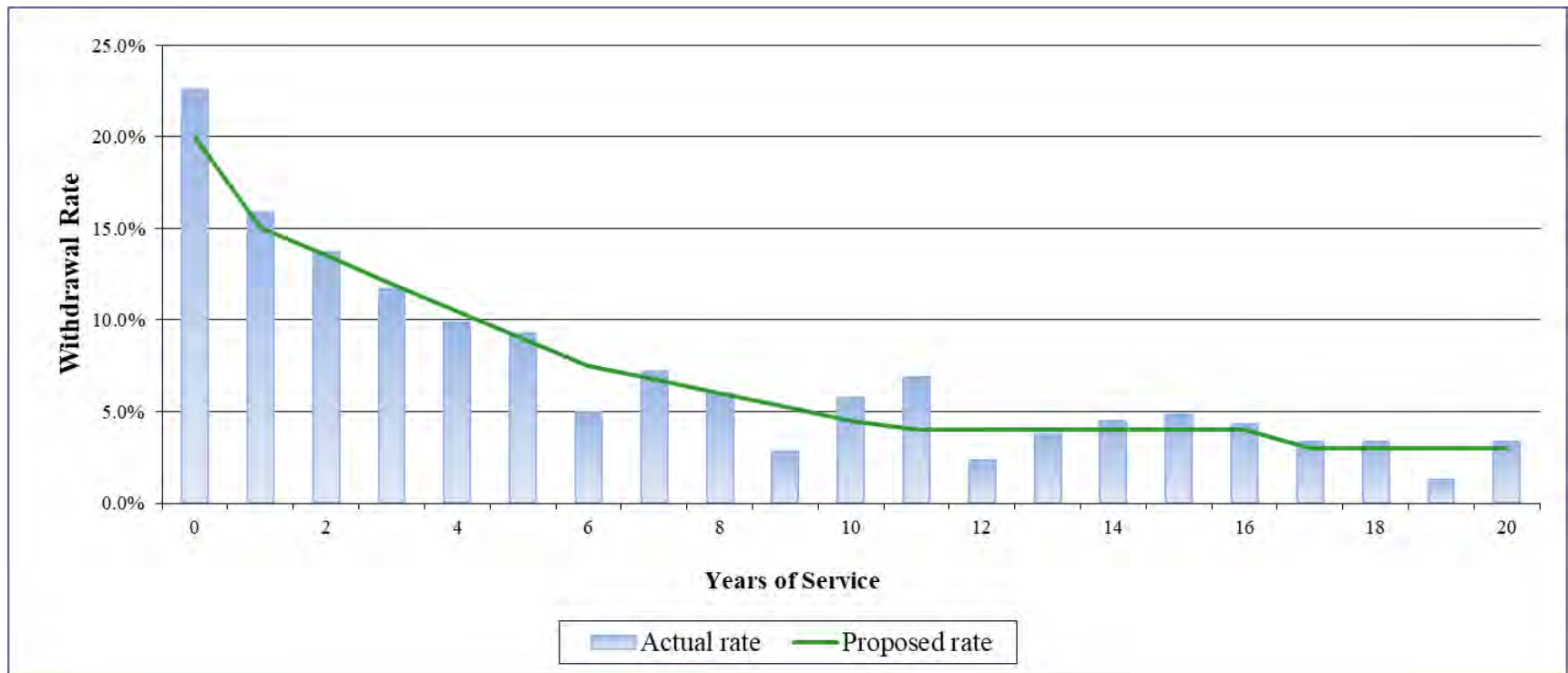
- Recommend adjusting rates to better fit experience



Current Assumption A/E Ratio (liability-weighted): 152%  
Proposed Assumption A/E Ratio (liability-weighted): 119%

# Termination Experience Male General Employees

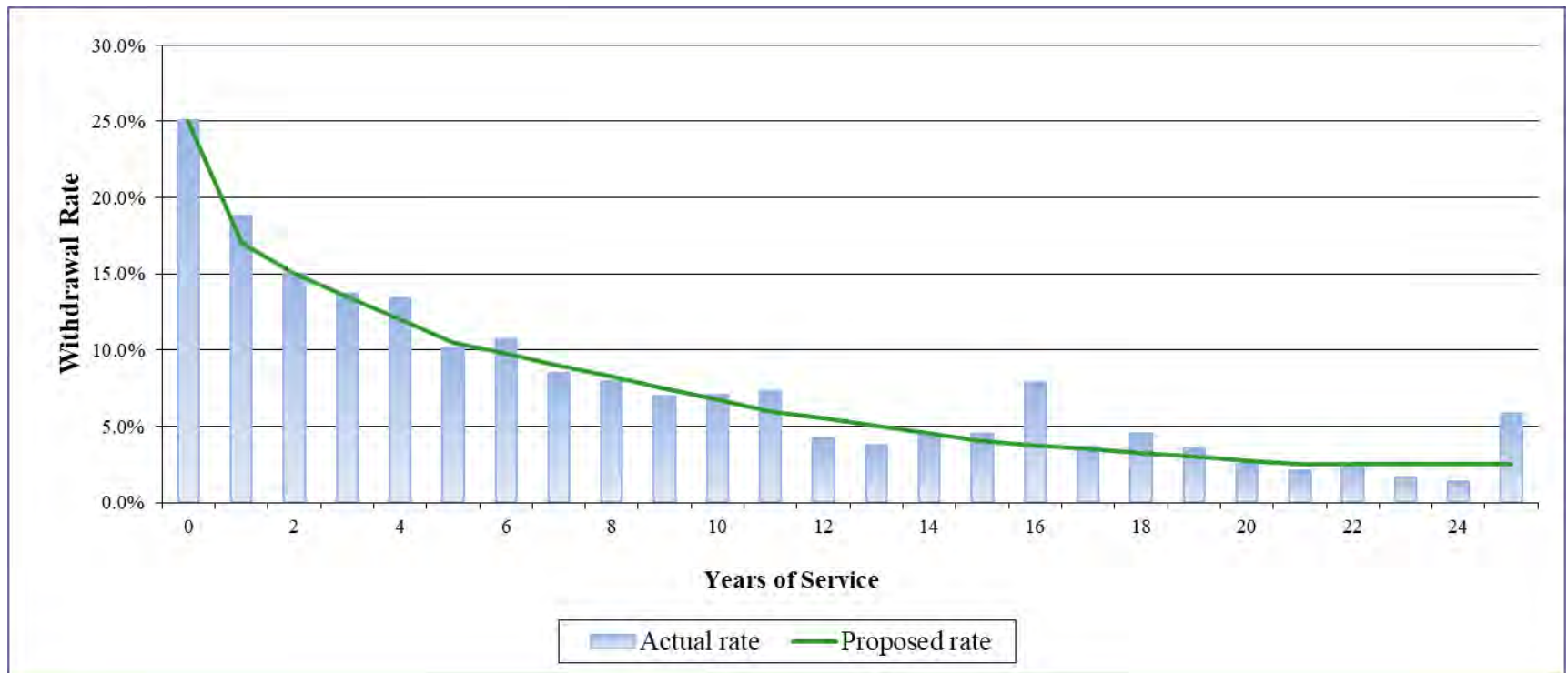
- Recommend moving to a duration-based assumption.



Proposed Assumption A/E Ratio (weighted): 98%

# Termination Experience Female General Employees

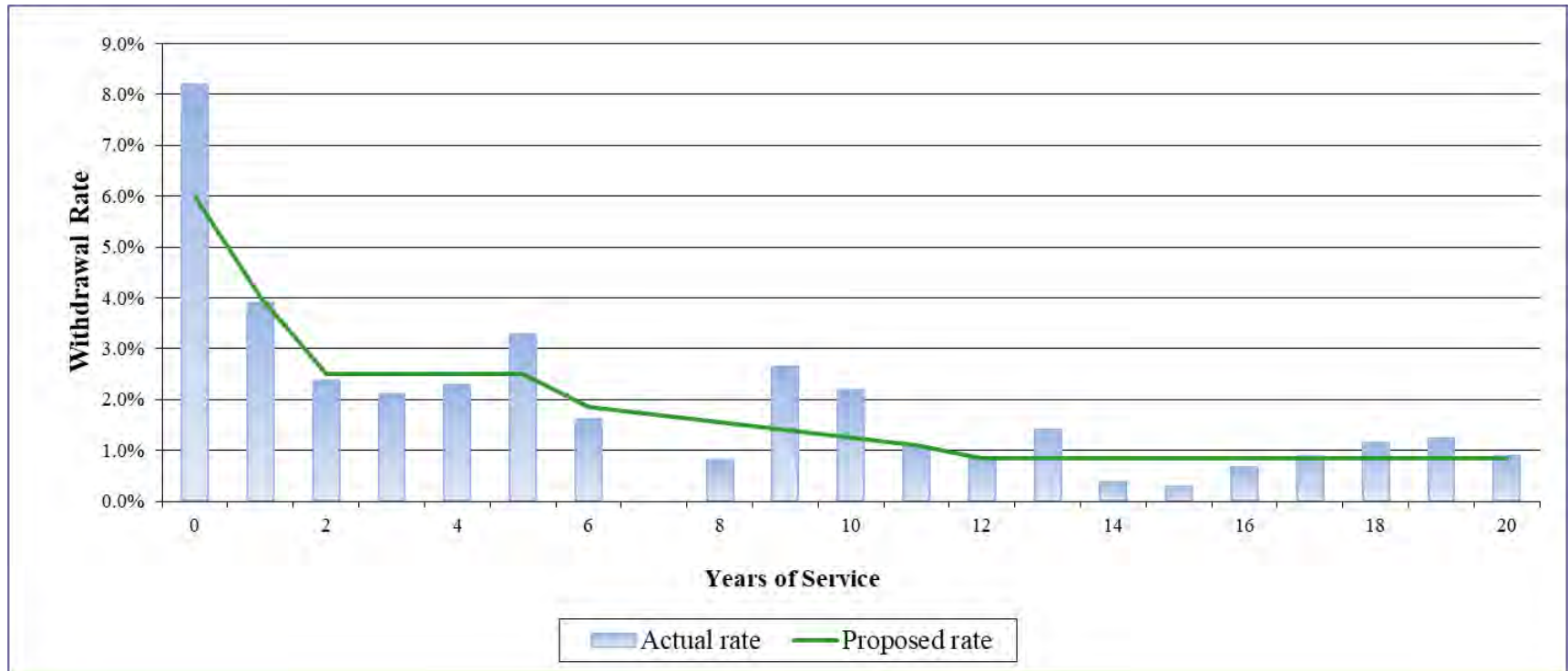
- Recommend moving to a duration-based assumption.



Proposed Assumption A/E Ratio (weighted): 105%

# Termination Experience Police

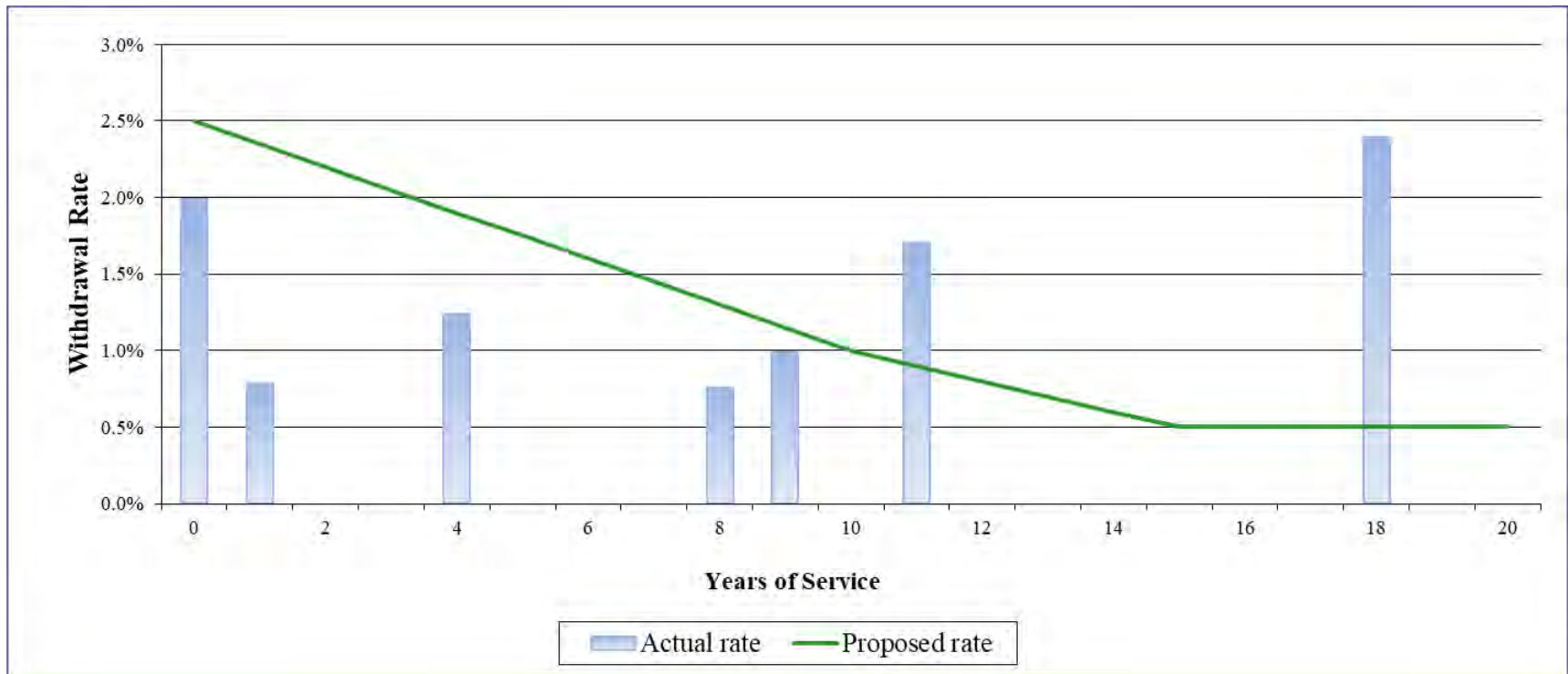
- Recommend moving to a duration-based assumption.



Proposed Assumption A/E Ratio (weighted): 104%

# Termination Experience Fire

- Recommend moving to a duration-based assumption.



Proposed Assumption A/E Ratio (weighted): 57%



# Disability Assumption

- Probability that members will become disabled while actively working
  - Different benefits are payable, so a specific assumption is needed to model future benefit payments
- Current assumptions vary by General Employees, Police and Fire

			A/E Ratio	
	Actual	Expected	Current	Proposed
General	6	47	13%	29%
Police	7	11	64%	70%
Fire	5	16	31%	63%

- Actual disabilities were much lower than expected for all groups

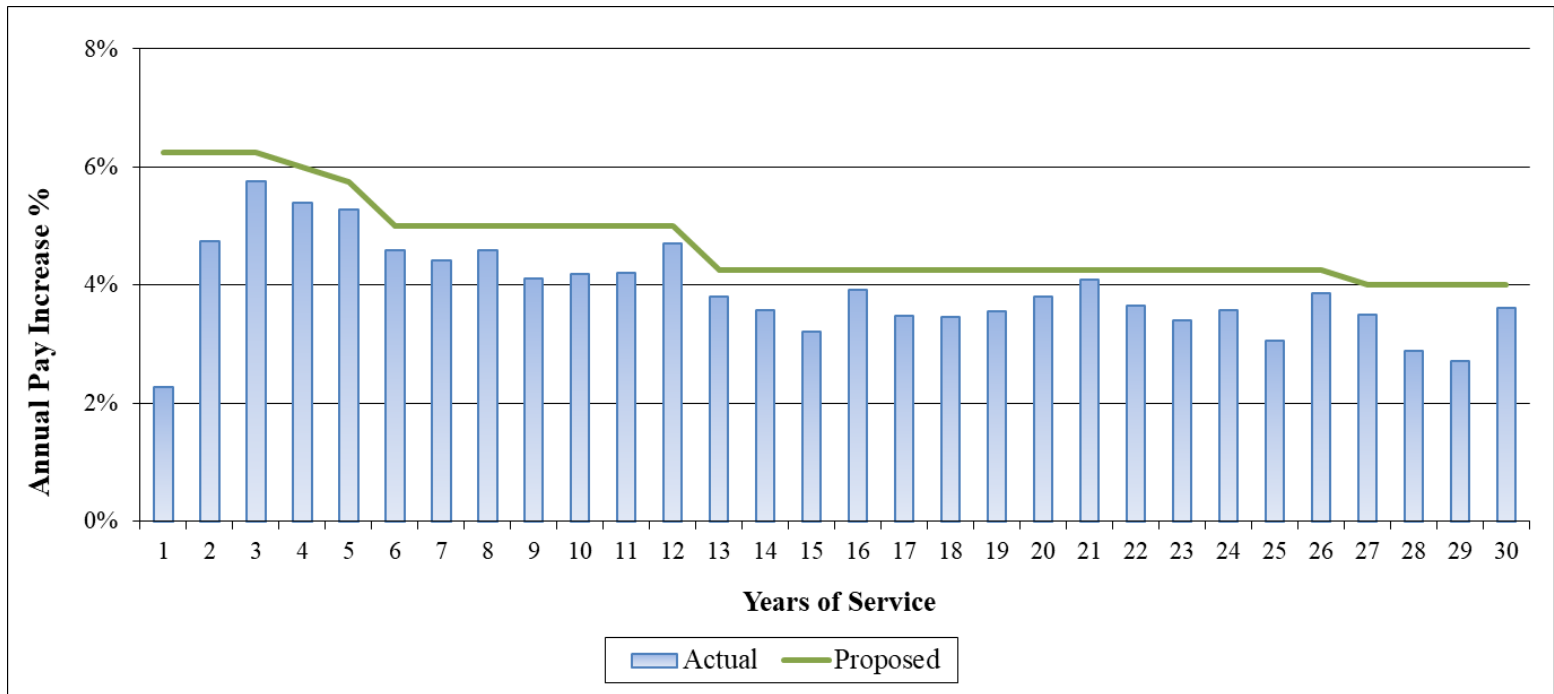
# Other Miscellaneous Assumptions



- Percent of disabilities that are duty-related and percent of each type (20% for General and non-union P/F, 60% for MPA Police and 75% for MPFFA Fire)
- Marriage and dependent children assumptions (no change)
- Percentage of active deaths that are duty related (no change)
- Imputed military service (no change)
- Seasonal service credit – varies by group (no change)
- Future service accruals (all members assumed to earn 1 year in future)
- Valuation of terminated vested members: greater of refund or present value of annuity at normal retirement age (no change)

# Salary Experience General Employees

- Recommend moving to a duration-based assumption.

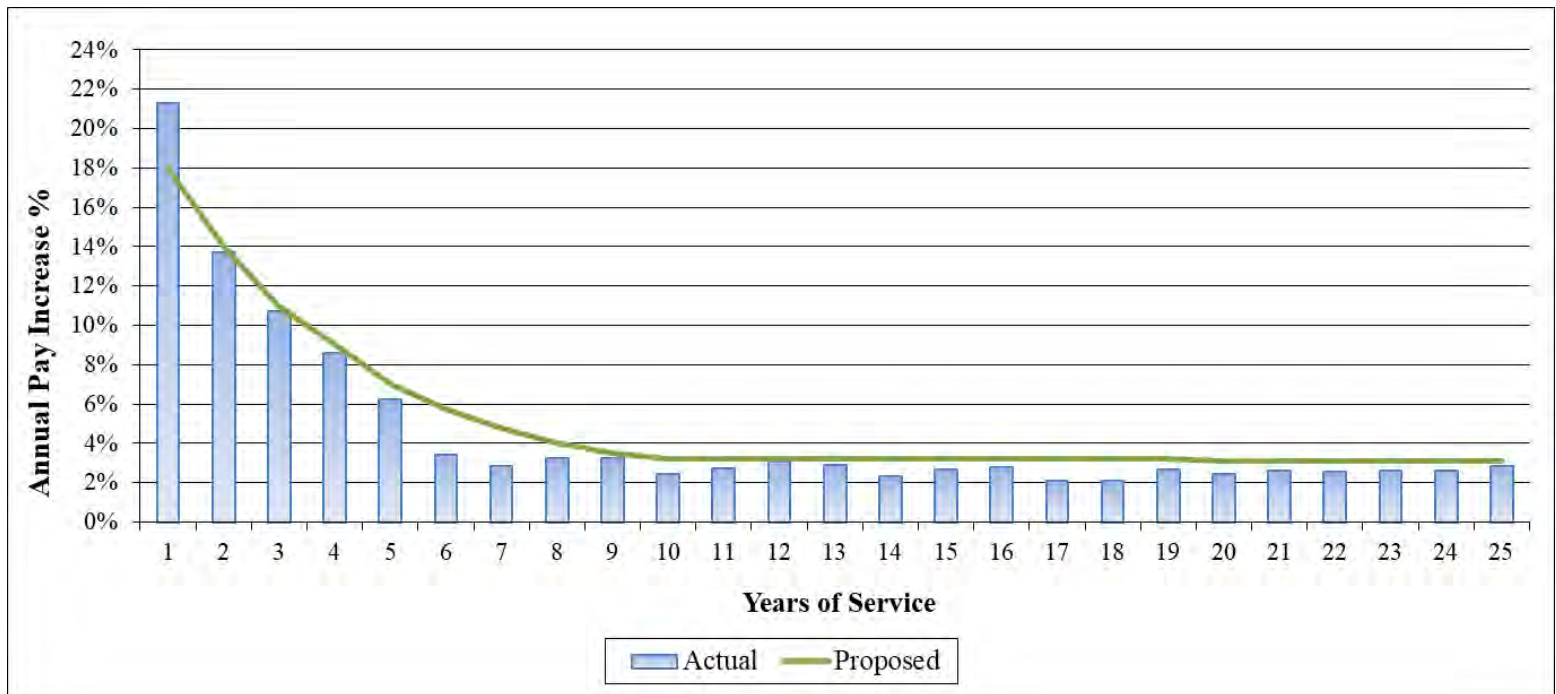


Note: Actual salary increases were below the proposed assumption because inflation over the observed period was below the assumed 2.50%.

Proposed Assumption A/E Ratio (weighted): 81%

# Salary Experience Police & Fire

- Recommend moving to a duration-based assumption.



Note: Actual salary increases were below the proposed assumption because inflation over the observed period was below the assumed 2.50%.

Proposed Assumption A/E Ratio (weighted): 90%



800 City Hall, 200 E. Wells St., Milwaukee, WI 53202, Telephone 414-286-2601, Fax 414-286-8550

## MEMORANDUM

TO: City of Milwaukee Annuity and Pension Board

FROM: Patrick McClain, Assistant City Attorney

DATE: September 20, 2022

RE: Analysis of Legislative Amendments Necessary to Effectuate Proposed Modifications to ERS Funding Policy

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At a special meeting of the Annuity and Pension Board held on August 24, 2022, the ERS's actuary, Cavanaugh Macdonald Consulting, LLC ("CavMac"), proposed a series of changes to the ERS funding policy. This memo summarizes our analysis of any amendments to Chapter 36 of the Milwaukee City Charter that would be necessary to effectuate the proposed changes.

In its proposal, CavMac identified 20 different "components" of the current ERS funding policy. Of these, CavMac recommended "no change" to eight components. These "no change" components included: (1) Entry Age Normal actuarial cost method; (2) 5-year fixed smoothing period; (3) closed layered amortization structure; (4) 2% amortization payment increases; (5) the 25-year initial (2019) UAAL amortization period; (6) the 25-year amortization assumptions period; (7) the 25-year amortization methods period; and (8) the Normal Cost minimum employer contribution. Additionally, although the report recommends the elimination of the 20% asset smoothing corridor, no change is actually required for this component. The 20% corridor was previously eliminated by charter ordinance in 2017 at the recommendation of the Board's then-actuary. No additional action is therefore required in regard to the 20% corridor.

CavMac has correspondingly recommended changes to the remaining 11 components. Based on our analysis, we have concluded that most of the proposed changes would require amendments to the current version of Chapter 36. The proposed changes and any necessary amendments are itemized in the chart on the following page.

Annuity and Pension Board

September 20, 2022

Page 2

Component	Current	Proposed	Amendment Required?	Notes
<i>Gains/Losses Amort. Period</i>	15 years	20 years	Yes*	MCC § 36-15-15-b currently requires “any” change in UAAL arising from actuarial gains or losses to be amortized over 15 years.
<i>Contribution Gains/Losses Amort. Period</i>	15 years	5 years	Yes*	MCC § 36-15-15-b currently requires “any” change in UAAL arising from actuarial gains or losses to be amortized over 15 years.
<i>Amortization (Actives)</i>	25 years	15 years	Yes*	MCC § 36-15-15-b currently requires all UAAL arising from changes in plan provisions to be amortized over a fixed 25- year period.
<i>Amortization (Early Retire Incentive)</i>	25 years	5 years	Yes*	MCC § 36-15-15-b currently requires all UAAL arising from changes in plan provisions to be amortized over a fixed 25- year period.
<i>Amortization (Inactives - Reduction)</i>	25 years	10 years	Yes*	MCC § 36-15-15-b currently requires all UAAL arising from changes in plan provisions to be amortized over a fixed 25- year period.
<i>Amortization (Inactives - Increase)</i>	25 years	1 year	Yes*	MCC § 36-15-15-b currently requires all UAAL arising from changes in plan provisions to be amortized over a fixed 25- year period.
<i>Fresh Start</i>	None	25 years	Yes	No current provision authorizes a “fresh start” 25-year UAAL amortization.
<i>Contribution Phase-In</i>	None	5 Years	Recommended	Because MCC §§ 36-08-6-h-2 does not expressly allow phase-in contributions, an amendment is recommended.
<i>Projected Returns</i>	2022 Callan	2023 Callan	No	MCC §§ 36-08-6-h-2, 36-15-14, and 36-15-15 permit the actuary to reset the stable contribution rate according to actuarial standards of practice.
<i>Asset Measure Date</i>	1/1/2022	1/1/2023	No	MCC §§ 36-08-6-h-2, 36-15-14, and 36-15-15 permit the actuary to reset the stable contribution rate according to actuarial standards of practice.
<i>Contribution Basis</i>	Rate	Dollar	Yes	MCC § 36-08-6-h-2 currently requires the actuarial contribution rate to be expressed as a percentage of covered compensation.

\* Requires an affirmative vote of at least 5 members of the Annuity and Pension Board, as well as certification from CavMac that the changes comply with Actuarial Standards of Practice. *See infra*; MCC § 36-15-15-b.



Finally, we note—as denoted by the asterisks in the preceding table—many of the proposed changes require amendments to MCC § 36-15-15. Under its current terms, this provision cannot be altered without formal action by both the Board and the ERS’s actuary. Specifically, MCC § 36-15-15-b states that “[n]o changes shall be made to this paragraph without an affirmative vote of the board of at least 5 of its members, and written certification from the board's actuary that such changes comply with Actuarial Standards of Practice.” As such, if the Board elects to adopt CavMac’s recommendations, the Board is required to complete the described actions before the Common Council may enact any changes to MCC § 36-15-15.

I am available to discuss this memorandum and any related concerns at the Board’s convenience. Thank you.

PATRICK MCCLAIN

cc: Bernard Allen, Executive Director

Encl.: (1) CavMac “Funding Policy Discussion” Presentation (12 pages)  
(2) Chapter 36 Excerpts (3 pages)



**Cavanaugh Macdonald**  
CONSULTING, LLC

*The experience and dedication you deserve*

# **City of Milwaukee Employees' Retirement System Funding Policy Discussion**

**Presented by: Cavanaugh Macdonald Consulting  
August 24, 2022**



# Actuarial Assumptions vs Funding Policy



- **Actuarial Assumptions** are used to project benefits expected to be paid from the retirement system.
  - Guidance to actuaries is provided under:
    - ASOP No. 35 *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*
    - ASOP No. 27 *Selection of Economic Assumptions for Measuring Pension Obligations*
- The **Funding Policy** is used to develop the timing of contributions to be made to the retirement system once the projected benefits are developed using actuarial assumptions.
  - Guidance to actuaries is provided under:
    - ASOP No. 4 - *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*
    - ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*
    - Conference of Consulting Actuaries Public Plans Community - *Actuarial Funding Policies and Practices for Public Pension Plans*

# Funding Policy

- The four components of a funding policy are:
  - ***Actuarial Cost Method*** - the technique used to allocate the total present value of future benefits over an employee's working career (normal cost/service cost).
  - ***Asset Smoothing Method*** - the technique used to recognize returns that vary from expected over some period of time so as to reduce the effects of market volatility and stabilize contributions.
  - ***Amortization Policy*** - The length of time and payment amount to determine the payment schedule to eliminate any UAAL.
  - ***Output Smoothing Method*** – methods used to reduce contribution volatility such as a contribution phase-in or corridor

# Policy Objectives for Public Pension Plan Funding Policies



- **Sufficiency**
  - The funding target should be the value of benefits accrued to date
- **Intergenerational equity**
  - Taxpayers should pay for workers' pensions while those workers are providing their services – fund for benefits over the worker's career.
- **Stability of contributions**
  - While stable contributions are easy to budget for, stability should not be achieved at the expense of the first two
- **Accountability and transparency**
  - Each component of the funding policy should be clear on the intent and effect
- **Governance**
  - Agency risk associated with individuals influencing costs
  - Need for sustained budget commitment from employer

# Preliminary Funding Policy Recommendations

Preliminary Funding Policy Recommendations			
Component	Current	Proposed	Comment
➤ <b>Actuarial Cost Method</b>	Entry Age Normal	no change	Annual costs level as a % of pay over each member's career
➤ <b>Actuarial Value of Assets</b>			
Smoothing period	5-year fixed	no change	Period sufficiently short enough to preclude use of corridor
Corridor	20%	no corridor	Corridor can result in contribution volatility
➤ <b>Amortization policy</b>			
■ Structure	Closed layered	no change	Documents source and treatment of UAAL
■ Unfunded payment increases	2%	no change	Reflects lower revenue growth
■ Period differs by UAAL source:			
- Initial 2019 UAAL	25 years	no change	20 years left as of 1.1.2023
- Gains/Losses	15 years	20 years	Reasonable for well funded plan; provides lower contribution volatility
- Contribution gains/losses	15 years	5 years	Isolate differences and amortize over shorter period
- Assumptions	25 years	no change	Remeasure of liabilities to mitigate future gains/losses merits longer period
- Methods	25 years	no change	Same as assumptions
- Plan Provisions			
- Actives	25 years	15 years	Or match to demographics of affected group
- Early Retire Incentive	25 years	5 years	To mitigate negative cashflow
- Inactives - reduction	25 years	10 years	Or match to demographics of affected group
- Inactives - increase	25 years	1 years	Match to demographics of affected group
- Fresh start	None	25 years	No UAAL bases when 100% funded; establish new UAAL base over 25 years
➤ <b>Output smoothing</b>			See next slide



# Preliminary Funding Policy Recommendations

Component	Output Smoothing Preliminary Recommendations		
	Current	Proposed	Comment
<b>➤ Output smoothing</b>			
■ Minimum Employer Contribution	ER Normal Cost	ER Normal Cost	Maintain contribution for employer cost of benefits accruing
■ Contribution increase Phase-in	None	5 years	Increase contributions over next 5 years for budgeting flexibility and to position for next reset
■ Stable contribution policy			
- Projected returns	2022 Callan	2023 Callan	Make use of latest information
- Asset measurement date	1.1.2022	1.1.2023	Consistency with projected returns
- Contribution basis	Rate	Dollar	Ensure payment of UAAL

# Funding Policy

## Inputs

Membership Data  
Asset Data  
Benefit Provisions  
Assumptions

Funding Methodology



## Results

Actuarial Value of Assets  
Actuarial Accrued Liability  
UAAL/Funded Ratio  
Net Actuarial Gain or Loss  
Employer Contributions  
Projections

- The Objectives of the Stable Contribution Policy include:
- Achieve stable and predictable contribution levels over the period between experience reviews that maintains the actuarial integrity of the ERS.
  - Comply with Actuarial Standards of Practice.
  - Budget annually for the normal cost; this was achieved by eliminating the Full Funding Limit.
  - Make progress on reducing unfunded liability at least as fast as the Prior Contribution Requirement at the median; said another way, the Stable Employer Contribution Policy is at least actuarially equivalent to the Prior Contribution Requirement over the period from 2018 through 2022.
  - Maintain asset coverage greater than or equal to the retired lives liabilities.
  - No changes to member contributions.

The following reading discusses elements of reasonable funding policies. The Stable Contribution Policy was designed with these elements in mind.

<https://www.gfoa.org/materials/core-elements-of-a-funding-policy>

# Public Sector Funding Policies

## Fixed vs Actuarial Funding



- Fixed contributions – 32% of large plans
  - Funding set in statute
  - Actuary determines if sufficient through projections
  - Fixed contribution policies can be successful if:
    - Contribution levels are sufficient to fund benefits over a reasonable period
    - A mechanism for periodic adjustment is included
- Actuarial Funding – 68% of large plans
  - Non-ASOP Compliant Actuarial Funding is based on the actuarial valuation process but does not fund to 100% and/or results in long periods of negative amortization
  - ASOP Compliant Actuarial Funding is based on the actuarial valuation process and funds to 100% without long periods of negative amortization

# Employer Contributions

(Combined Fund only as of January 1, 2022)

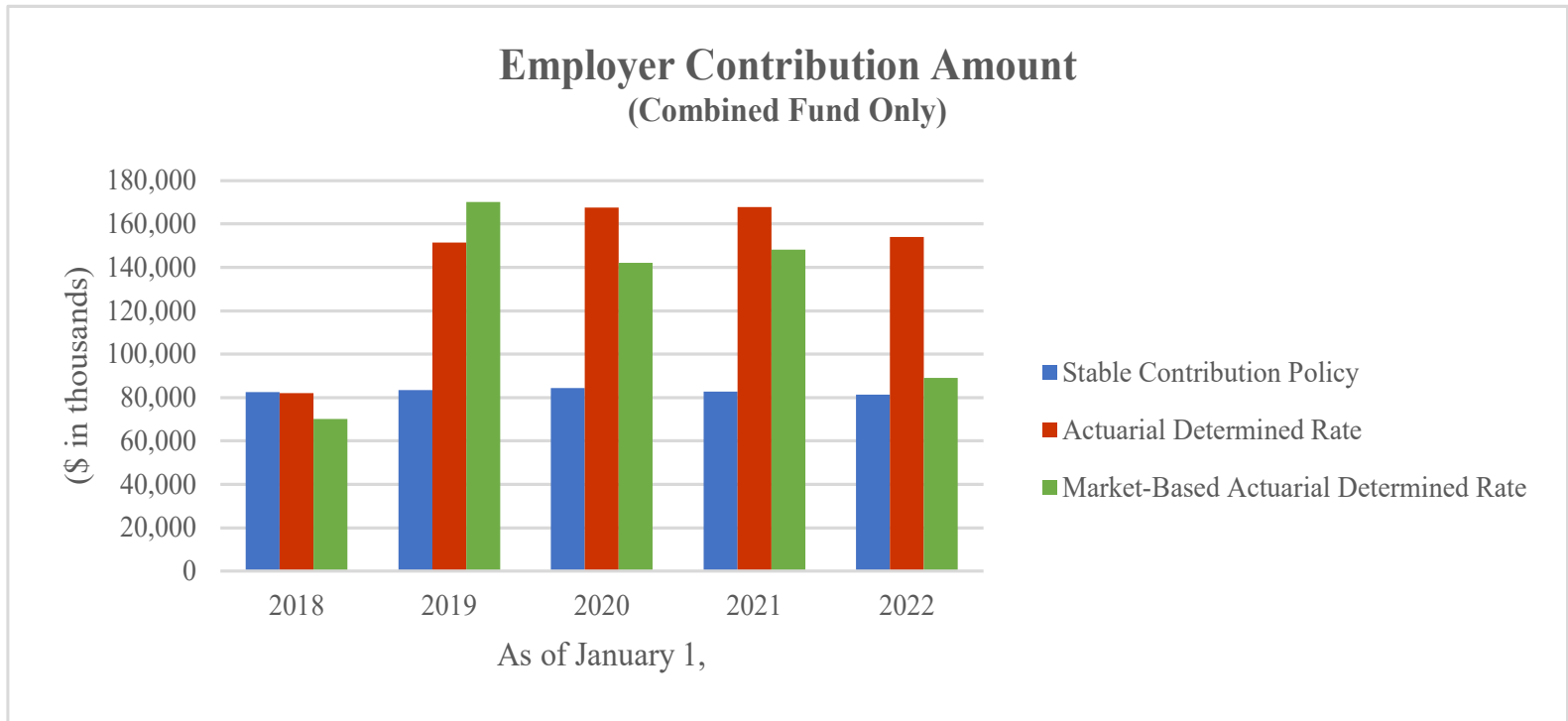
## Inputs

Membership Data  
Asset Data  
Benefit Provisions  
Assumptions  
Funding Methodology



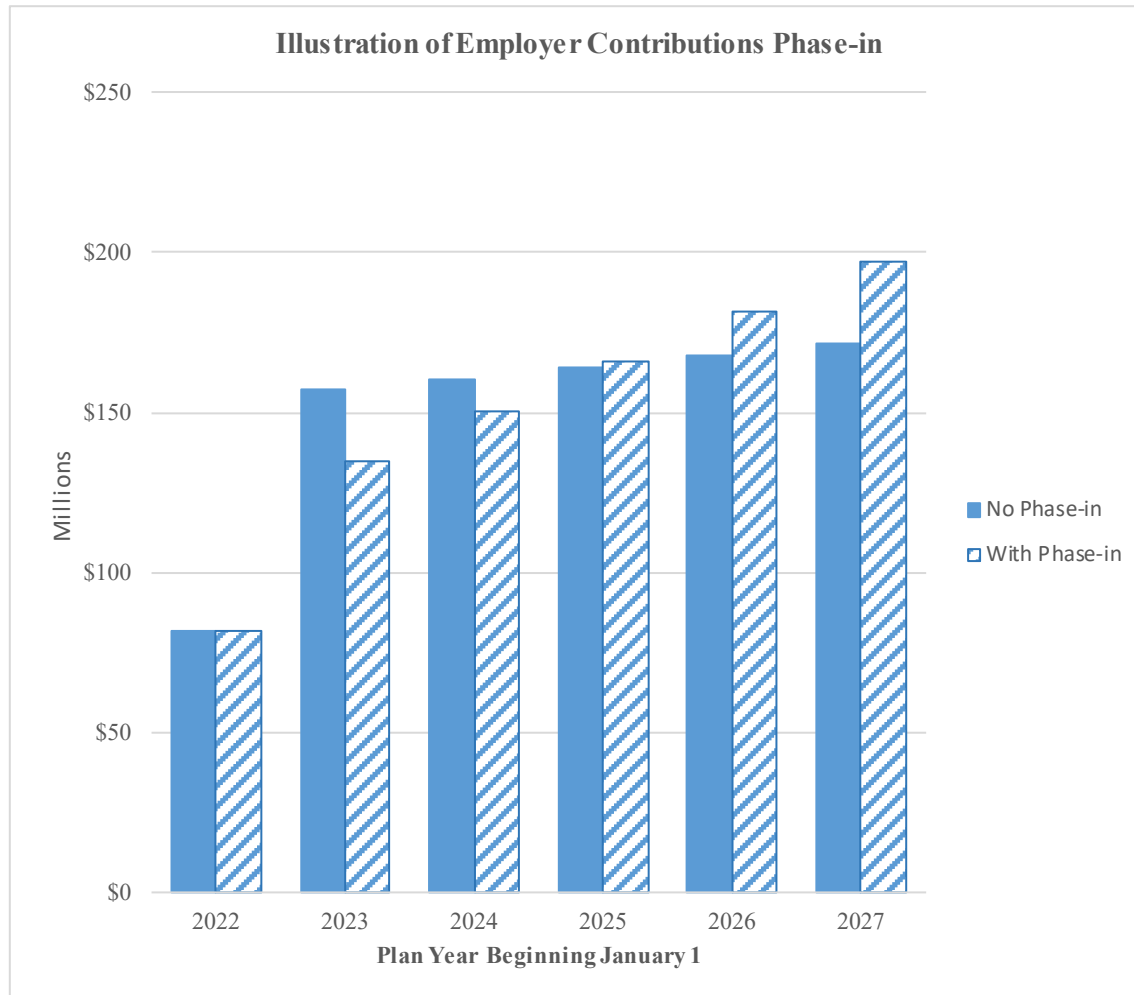
## Results

Actuarial Value of Assets  
Actuarial Accrued Liability  
UAAL/Funded Ratio  
Net Actuarial Gain or Loss  
**Employer Contributions**  
Projections



Given the difference between the actuarially determined employer contributions and the stable contribution policy contributions it would be prudent for participating employers to start preparing now for higher contributions when the Stable Contribution Policy is reset for calendar year 2023.

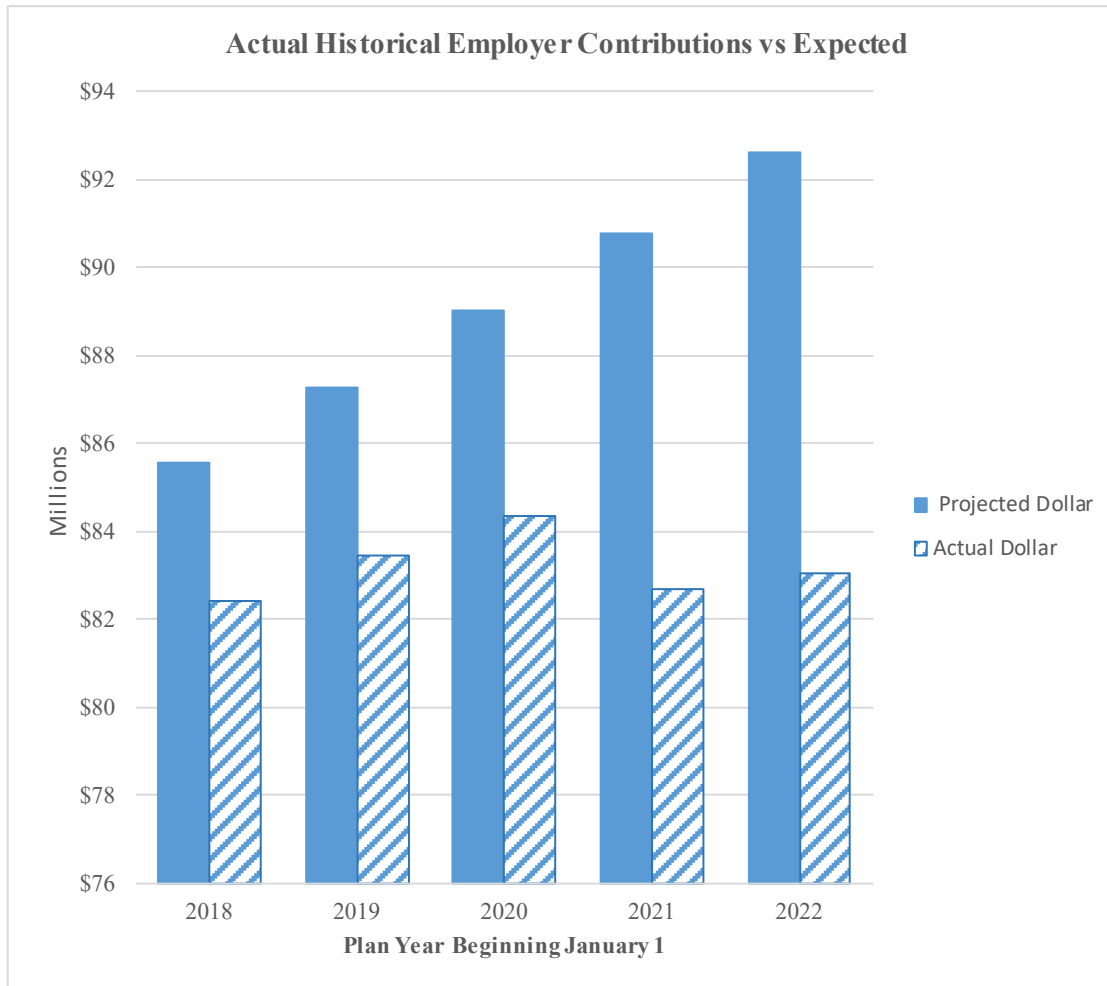
# Phase-in Illustration



This illustrates a phase-in of employer contributions. Phase-ins are common in the Public Sector when large employer contribution increases are anticipated. For the Stable Contribution Policy, the additional benefit is that the ERS is better situated at the reset for the 2028 valuation.

Important note – this is an illustration. Final numbers will be based on the set of assumptions adopted by the Board.

# Employer Contribution: Dollar vs Rate



Traditionally, the Stable Employer Contribution has been developed as a rate. Based on the 2018 reset, projected contributions for 2022 were over \$92 million. Because of flat payroll, actual amounts for 2021 were \$82.7 million. This caused some headwinds for funding of the UAAL. We will be considering the use of dollar amounts instead of rates. This will provide employers with a five-year projection of projected dollar amounts. Note that the “actual” dollar amount for 2022 is estimated.

# Certification



In order to prepare these results, we have utilized appropriate actuarial models that were developed for this purpose. These models use assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Cavanaugh Macdonald performed no analysis of the potential range of such future differences, except for some limited analysis in financial projections or required disclosure information. Results prior to January 1, 2019 were provided by the prior consulting actuary.

We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

Larry Langer, ASA, EA, FCA, MAAA  
Principal and Consulting Actuary

Patrice A. Beckham, FSA, EA, FCA, MAAA  
Principal and Consulting Actuary



mortality, separation, morbidity and retirement tables as have been adopted by the board. The normal contribution shall be determined by the actuary after each valuation. (*Subd. 1 am Ch. Ord. 489, File #80-225, June 17, 1980. Subd. 1 am. File #921978, Apr. 8, 1993; eff. June 16, 1993. Par. a rc. File #991585, April 11, 2000; eff. Jan. 19, 2001. Par. a-1 am. File #991585, April 11, 2000; eff. Jan. 19, 2001.*)

a-2. Any difference between the actuarial accrued liability as defined in subd. 1, and the sum of the actuarially determined value of the assets of the retirement fund plus any unamortized bases established under this par. in prior valuations, shall be amortized over a period which will not exceed 30 years from the valuation date on which such difference is established; provided that as part of the valuation next following a fiscal year in which the city and city agency contributions are zero due to application of the 100% funded status limitation of this par. the actuary may eliminate any previously established amortization schedules and bases and shall recalculate a new "fresh-start" amortization schedule. Future payroll growth may be taken into account in the amortization process. (*Subd. 2 rc. File #942017, July 14, 1995; eff. Sept. 27, 1995. Subd. 2 rc. File #991585, April 11, 2000; eff. Jan. 19, 2001.*)

b. Firemen and Policemen's Survivorship Fund. There shall be paid annually into the firemen and policemen's survivorship fund the amount required under s. 36-05-8-d. Notwithstanding the foregoing, effective January 1, 2000 no contributions shall be made to the firemen and policemen's survivorship fund by or on behalf of participants in the combined fund. (*Par. b am. File #991585, April 11, 2000; eff. Jan. 19, 2001. Par. c rp. File # 991585, April 11, 2000; eff. Jan. 19, 2001. Par. d cr. File #942017, July 14, 1995; eff. Sept. 27, 1995.) Pars. c and d rp. File #991585, April 11, 2000; eff. Jan. 19, 2001.*)

e. On or before September 1 in each year, the board shall certify to the common council or other governing body, and city agencies, the amounts which will become due and payable during the year next following to each of the funds of the retirement system. The amount so ascertained shall be included by the common council or other governing body and city agencies in their budgets and shall be appropriated and paid to the retirement system by the city and city agencies in January of the fiscal year next following. (*Par. d m. to e File #942017, July 14, 1995; eff. Sept. 27, 1995.*)

f. In order to meet the requirements of this act, the common council or other governing body or city agency is authorized to levy a tax annually, which tax shall be in addition to all other taxes such common council or other governing body or city agency has been authorized to levy upon all taxable property, real and personal. Such tax shall be levied and collected at the same time and in the same manner as other city or city agency taxes are levied and collected according to law. (*Par. e m to f File #942017, July 14, 1995; eff. Sept. 27, 1995.*)

g. Such city agencies not authorized by law to levy a tax upon taxable property shall upon the direction of the board include the necessary amounts so needed in their respective budgets. (*Par. f m. to g File #942017, July 14, 1995; eff. Sept. 27, 1995.*)

h. Combined Fund.

h-1. Beginning with the contribution due on January 31, 2014, on account of members, retired members, survivors and beneficiaries who are participants in the combined fund, the city and city agencies shall pay annually into the combined fund for the preceding year an amount equal to the product of the actuarial contribution rate applied to the sum of the covered compensation. The actuarial contribution shall be based on separately calculated rates for policemen, firemen, and general city employees and shall be applicable for a 5-year period. The actuary shall, consistent with actuarial standards of practice, set the actuarial contribution rate at a percentage sufficient to fund the entire amount of the employers' share of the normal cost, to amortize any unfunded past service liability and to maintain the solvency of the combined fund to meet benefit obligations for retired lives.

h-2. Commencing with the contribution due on January 31, 2019, the actuary shall reset the actuarial contribution rate every 5 years in conjunction with a 5-year experience review of the employees' retirement system. The actuary shall, consistent with standards of actuarial practice, base the reset rate on the current interest, mortality, separation, morbidity and retirement tables as adopted by the board.

h-3. The actuary shall submit the annual contribution amounts payable each year based on the actuarial contribution rate to the board no later than August 15. (*Par. h cr. File #991585, April 11, 2000; eff. Jan. 19, 2001. Par. h-2 am. File #091274, March 2, 2010; eff. May 18, 2010. Par. h rc File #121417, April 30, 2013; eff. July 16, 2013.*)

and provided further that in no event shall any record be destroyed until it has been in existence for more than 7 years.

10. **LEGAL ADVISOR.** The city attorney shall be the legal advisor of the board.

11. **CUSTODIAN OF FUNDS.** The city treasurer shall be the custodian of the several funds of the retirement system and shall give up such bond for the proper performance of his duties as is required by the board. All payments from said funds shall be made by him only upon vouchers signed by 2 persons designated by the board. A duly attested copy of a resolution of the board designating such persons and bearing on its face specimen signatures of such person shall be filed with the treasurer as his authority for making payments upon such vouchers. No payment shall be made unless it has been authorized by the board. Nothing contained herein shall preclude the board from providing for custody by an appropriate entity of its funds and securities in the manner in which it deems prudent. (*Sub. 11 am. Ch. Ord. 375, File #71-1754, Dec. 7, 1971.*)

12. **MEDICAL COUNCIL.** The board shall designate a medical council to be composed of 3 physicians. If required, other physicians may be employed to report on special cases. The medical council shall arrange for and pass upon all medical examinations required by the retirement system, shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the board its conclusion and recommendations upon all the matters referred to it. Nothing contained in this subsection shall prevent the making of a certification by the medical panel of physicians of either the fire department or police department with respect to the operation of s. 36-05-3-c.

13. **ACTUARY.** The board shall designate an actuary who shall be the technical advisor of the board on matters regarding the operation of the funds created by the provisions of this act, and shall perform such other duties as are required in connection therewith.

14. **PERIODIC VALUATIONS; TABLES AND RATES THEREON.** At least once in each 5-year period the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the results of such investigation and valuation, the board shall adopt for the retirement system such mortality, service and other tables as shall be deemed necessary. (*Sub. 14 rc. Ch. Ord. 375, File #71-1754, Dec. 7, 1971.*)

15. **ANNUAL VALUATIONS.** a. On the basis of such tables as the board shall adopt, the actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement system. This annual valuation shall comply with Actuarial Standards of Practice and shall contain a certification from the board's actuary to that effect. For the purposes of the annual valuation, the actuary shall employ the individual entry-age normal actuarial cost method. (*Par. a ra. File #091274, Mar. 2, 2010; eff. May 18, 2010. Par. a am. File #170935, Nov. 28, 2017; eff. Feb. 13, 2018*)

b. Beginning with the valuation that determines employer contributions due and payable January 31, 2011, the actuary shall employ a 5-year asset smoothing period. The actuary shall calculate amortization of unfunded liability based on a level percentage of payroll amortization. The actuary shall apply a closed layered amortization method with amortization payments for each base increasing by 2% per year. The outstanding balance of the unfunded actuarial accrued liability as of January 1, 2018, shall be amortized over a fixed 25-year period. At each subsequent valuation date, any changes to the unfunded actuarial accrued liability arising from actuarial gains or losses shall be amortized over a fixed 15-year period, and any changes to the unfunded actuarial accrued liability arising from changes in assumptions, methods or plan provisions shall be amortized over a fixed 25-year period. Beginning with the valuation that determines employer contributions due and



payable January 31, 2011, the board shall provide a copy of the final annual valuation, as certified by the board, to the mayor and the common council no later than August 15. No changes shall be made to this paragraph without an affirmative vote of the board of at least 5 of its members, and written certification from the board's actuary that such changes comply with Actuarial Standards of Practice. (Par. b cr. File #091274, Mar. 2, 2010; eff. May 18, 2010. Par. b am. File #131162 Dec. 17, 2013; eff. March 10, 2014. Par. b am. File # 170935, Nov. 28, 2017; eff. Feb. 13, 2018. Par. b am. File #181603, Feb. 26, 2019; eff. April 29, 2019.)

16. EXECUTION OF DOCUMENTS. Whenever any document, record or paper requires the signatures of either the chairman of the board or the secretary or both, or the vice chairman in the absence of the chairman, such officers may execute the aforesaid documents on behalf of the board and the employees' retirement system by identifying themselves in the case of the chairman or vice chairman of the board as president or vice president of the employees' retirement system and in the instance of the secretary of the board as secretary of the employees' retirement system, and the executions made with that identification shall in all respects be deemed the execution for and on behalf of the board and of the employees' retirement system.

17. CONTRACT FOR FUND ADMINISTRATION. The board is authorized notwithstanding any other provision to the contrary, to enter into contracts with established trust companies who have been engaged in such trust business extensively for at least 25 years continuously or other similar established companies able to demonstrate sufficient fiscal experience and expertise and administrative capacity to undertake operations, investments and custody of pension and retirement funds and to exercise a trustee relationship over the fund so as to accept total responsibility, obligation, administration, investment and custodial services and serve as trustee of this fund. When such services are contracted for as provided for herein, members of the board shall be thereupon released from their obligations or liability under this act with respect to all functions, duties, responsibilities and obligations

which are undertaken by contract by such trust entity. The provisions of this subsection are vested and contractual as to members and beneficiaries of this fund. Contracts entered into pursuant to this subsection shall neither be impaired, abrogated or suspended during their duration by any collateral, indirect or direct procedures or actions and the rights herein provided for which are designated to protect the members and the beneficiaries of the fund and the integrity of such fund are in all respects vested, contractual and binding and shall not be altered, modified or impaired by subsequent action. (Sub. 17 cr. Ch. Ord. 375, File #71-1754, Dec. 7, 1971.)

18. REVIEW. Any person, aggrieved within the meaning of ch. 68, Wis. Stats., by a determination of the board reviewable under ch. 68, Wis. Stats., may have such determination reviewed in accordance with the procedures established under ss. 68.08 to 68.13, Wis. Stats. (Sub. 18 cr. Ch. Ord. 478, File #78-2302, Oct. 23, 1979.)

[Pages 367 to 446 are blank]

INDEMNIFICATION AGREEMENT  
BETWEEN  
THE CITY OF MILWAUKEE  
AND  
THE EMPLOYEES' RETIREMENT SYSTEM

Indemnification Agreement made this 28th day of September, 2022, by and between the City of Milwaukee, a municipal corporation organized and existing under the laws of the State of Wisconsin (hereinafter referred to as "Indemnitor") and the Employees' Retirement System of the City of Milwaukee, a body corporate and politic organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee (hereinafter referred to as "Indemnatee"), the principal offices of the Indemnitor being located in City Hall, 200 East Wells Street, Milwaukee, Wisconsin 53202, and the principal offices of the Indemnatee being 789 North Water Street, Milwaukee, Wisconsin. The term "Indemnatee" as used herein includes each individual member of the Annuity and Pension Board and each employee of the ERS while acting in his or her official capacity.

I.

RECITALS

A. Under § 36-09-6 of the Milwaukee City Charter, the Retirement System is known as the ERS of the City of Milwaukee and by such name all of its business is transacted. The ERS has all of the powers and privileges of a corporation as enumerated in Wis. Stat. chs. 180 and 182, including the power to contract.

B. Under § 36-15 of the Milwaukee City Charter, 1971 compilation as amended, the Indemnatee is vested with the general administration and responsibility for

the proper operation of the ERS and for making effective the provisions of the Employees' Retirement Act, ch. 36, Milwaukee City Charter

C. Under § 36-09 of the Milwaukee City Charter, 1971 compilation as amended, the funds of the ERS constitute a special trust fund to be held in a reserve as provided in the Employees' Retirement Act for payment of benefits; and the Indemnitee is trustee of such funds.

D. The members of the Annuity and Pension Board and each employee of the ERS individually and collectively are interested in obtaining insurance for any and all liability they may have to those having a beneficial interest in the ERS by virtue of their responsibilities under law, and the Indemnitor hereby covenants and agrees in lieu of the purchase of additional insurance to indemnify the ERS or members of the Annuity and Pension Board and each employee of the ERS individually and collectively in accordance with the terms of this Indemnification Agreement.

For the reasons cited above and in consideration of the mutual promises contained herein, the Indemnitor and the Indemnitee agree as follows:

## II.

### INDEMNITY AGREEMENT

Indemnitor shall indemnify and hold harmless each individual member of the Pension Board and each individual employee of the ERS (individually and collectively referred to herein as "Indemnitee") against all liabilities, losses, costs and expenses, including reasonable attorneys' fees, arising from a breach of, or failure to perform, any duty resulting solely from Indemnitee's status as a member of the Pension Board or an

employee of the ERS or in connection with Indemnatee's management or administration, at any time, of the ERS or any trust funds held under the ERS.

### III.

#### OBLIGATION OF INDEMNITOR TO DEFEND CLAIMS

Indemnitor agrees to defend any claims brought or actions filed against Indemnatee with respect to the subject of the indemnity contained herein, whether such claims are rightfully or wrongfully brought or filed provided, however, that Indemnitor shall not be obligated to defend any claim or action filed against Indemnatee where a defense is provided pursuant to the Indemnatee's insurance policy, or where the City Attorney is precluded from providing representation because of a conflict of interest, or otherwise advises the board to retain outside counsel.

### IV.

#### NOTICE TO INDEMNITOR

Indemnatee shall give written notice to Indemnitor of any claims made against Indemnatee on the obligations indemnified against as soon as practical after having received knowledge thereof and shall promptly forward to Indemnitor any and all demands, notices, summons, or other process received by Indemnatee.

### V.

#### DURATION

Indemnity under this Indemnification Agreement shall commence on the 1st day of April 1, 2021 and extend until September 30, 2027.

## VI.

### TERMINATION

Either party shall have the right to terminate this Indemnification Agreement upon thirty (30) days' written notice. Termination shall not relieve the Indemnitor from liability assumed hereunder prior to such termination.

## VII.

### LIMITATION OF LIABILITY

Indemnitor's liability to Indemnitee under this Indemnification Agreement shall not extend to any claims, costs or judgments arising out of, either directly or indirectly:

A. Any wrongful act which is, or alleged to be, an assault and/or battery, libel, slander, defamation or malicious interference with or damage to reputation; willful or reckless violation of any statute, or any conduct which is dishonest, willful, malicious, fraudulent or otherwise intended to cause damage or injury to person or property. However, notwithstanding the foregoing the Indemnitee shall be protected under the terms of this Agreement as to any claims upon which suit may be brought against them by reason of any alleged dishonesty on the part of the Indemnitee unless a judgment or other final adjudication thereof adverse to such Indemnitee shall establish that acts of active deliberate dishonesty committed by such Indemnitee was material to the cause of action so adjudicated.

B. The Indemnitee gaining in fact any personal profit or advantage to which such Indemnitee was not legally entitled or for the return by the Indemnitee of any



remuneration paid in fact to them if such remuneration shall be held by the courts to have been illegal.

C. Liability of others assumed by the Indemnatee under any contract or agreement, either oral or written, except in accordance with the Employees' Retirement Act.

D. Any assertions, allegations, causes of action or demands whatsoever by or on behalf of an Indemnatee under this Indemnification Agreement against another Indemnatee hereunder provided that this exclusion shall not apply to claims by employees of the ERS against the members of the Annuity and Pension Board.

E. Any act or omission which is in direct conflict with contemporaneous legal advice of the Office of the City Attorney or, if a conflict of interest precludes the City Attorney from giving legal advice, in direct conflict with the advice of outside counsel; provided that this exception shall not apply to any Indemnatee who shall vote in respect to such error or omission in opposition to the majority of the Annuity and Pension Board or who shall not have prior and personal knowledge of the act or omission; and provided further that this exception shall not apply in the event that the act or omission is later upheld in an action before a court of competent jurisdiction.

F. Any allegations of discrimination with respect to a violation of any municipal, state or federal civil rights law, regulation or ordinance.

G. The failure to collect contributions legally determined owed to the Indemnatee from the City or City agencies or for the return of any contributions to the City or a City agency if such amounts are or could be chargeable to the Indemnatee.

H. Any claims, costs or judgments which are paid or payable by the Indemnatee's insurance policy, or are within the ERS's self-insured retention under the insurance policy.

## VIII.

### SPECIAL COUNSEL

Nothing in this Indemnification Agreement shall preclude the Indemnatee from retaining special counsel, nor shall the Indemnatee be precluded from using funds specifically approved by the Common Council for paying special counsel when the use of special counsel is warranted.

## IX.

### INSURANCE

The Indemnatee shall purchase and maintain in effect a fiduciary liability insurance policy providing coverage in the aggregate amount of \$30,000,000 or at such other amount as may be approved by the City Attorney. The terms and conditions of the insurance policy are to be submitted annually to the City Attorney for review. In the event the Indemnatee receives a Notice of Cancellation of all or part of the insurance coverage, the Indemnatee shall notify the City Attorney in writing as soon as practical. In the event the Indemnatee fails to purchase or maintain the insurance coverage, or in the event the coverage is cancelled, this Indemnification Agreement shall remain in effect unless and until it is terminated by the Indemnitor.

In Witness Whereof, the parties hereto have executed the Indemnification Agreement the day and year first above written.

IN THE PRESENCE OF:

CITY OF MILWAUKEE

\_\_\_\_\_

\_\_\_\_\_  
Mayor

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

COUNTERSIGNED:

\_\_\_\_\_

\_\_\_\_\_  
Comptroller

IN THE PRESENCE OF:

ANNUITY AND PENSION BOARD  
OF THE EMPLOYES' RETIREMENT  
SYSTEM OF THE CITY OF  
MILWAUKEE

\_\_\_\_\_

\_\_\_\_\_  
Chairman

This Agreement was drafted  
by the Office of the City Attorney.  
1054-2005-3434:101294

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	GUEVARA	MIRNA	4/15/2020	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	DEDYNSKI	ROBIN	8/1/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	SWOBODA	KATHLEEN	4/29/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	GODBOLT	SANDRA	5/31/2022	MAX	DPW-INFRASTRUCTURE-BRIDGES & BLDGS
Regular	Service	JAUREGUI	MARIE	6/2/2022	MAX	LIBRARY - ADMINISTRATION SRVC
Regular	Service	MARTINEZ	DAVID	6/2/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PRYOR	DANIEL	6/2/2022	MAX	DPW-WATER-LINWOOD
Regular	Service	RICHMOND	KENNY	6/2/2022	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	SCHMIDT	PATRICIA	6/2/2022	MAX	CITY ATTORNEY
Regular	Deferred	BROWN	DAVID	6/3/2022	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BONO	WILLIAM	6/4/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	CARGILE	MARTHA	6/4/2022	MAX	DER - OPERATIONS DIVISION
Regular	Service	CARGILE	MARTHA	6/4/2022	MAX	DER - OPERATIONS DIVISION
Regular	Service	DEIRINGER	DAVID	6/4/2022	50	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	HAGE	THOMAS	6/4/2022	100	LIBRARY - CENTRAL LIBRARY
Regular	Service	MEISTER	GLENN	6/4/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	VERFURTH	KAREN	6/4/2022	MAX	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	WILLIAMS	LINDA	6/4/2022	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	HOLTZ	MATTHEW	6/5/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	TOTSKY	ELIZABETH	6/6/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	COLE	DIEDRA	6/7/2022	MAX	MPD - OPERATIONS
Regular	Deferred	REDD	BARBARA	6/7/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Early	GLENN	CLARENCE	6/10/2022	MAX	HACM
Regular	Service	GUTIERREZ	JOSE	6/10/2022	75	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	WOOTEN	NILA	6/10/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Early	LEWIS	LILLIE	6/11/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HENNING	SHARON	6/11/2022	100	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	SLAWNY	ARNOLD	6/11/2022	MAX	DPW-INFRASTRUCTURE-BRIDGES & BLDGS
Regular	Service	WILLIAMS	REGINALD	6/11/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HOGAN	KIM	6/15/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MATHIS	ANITA	6/16/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WALKER	DENICE	6/16/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Early	REDD	HERMAN	6/17/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	AGNELLO	JOANNA	6/17/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	DAVIDSON	ROGER	6/17/2022	MAX	DPW-ADMINISTRATION SERVICES
Regular	Service	GRANSBERRY	JUNE	6/17/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	LACEY	EUGENE	6/17/2022	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WINTERS	LOUIS	6/17/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HENNER	JAMES	6/18/2022	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	TAYLOR	RENEE	6/18/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	EGAN	CHERYL	6/21/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HARRIS	DAWN	6/22/2022	MAX	DPW-OPS-ADMINISTRATION
Regular	Service	WALDOCH	ROBERT	6/22/2022	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	GILFILLAN	MARY	6/23/2022	MAX	WISCONSIN CENTER DISTRICT
Regular	Service	FRIEDRICH	ROCHELLE	6/25/2022	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	LE STARGE	JILL	6/25/2022	75	HEALTH-LABORATORIES
Regular	Service	LOPEZ	ALMA	6/25/2022	75	MILWAUKEE PUBLIC SCHOOLS

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	VILLA	LINDA	6/25/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KENTOWSKI	ERIC	6/26/2022	100	FIRE - FIREFIGHTING
Regular	Service	ROCHE	ACASIO	6/29/2022	75	FIRE - FIREFIGHTING
Regular	Service	VRZAL	RANDAL	6/29/2022	100	HACM
Regular	Service	MCGILLIS	NANCY	6/30/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Conversion (Duty Disability to Regular)	BREIDENBACH	TONI	7/1/2022	50	FIRE - FIREFIGHTING
Regular	Deferred	STOCKE	KIM	7/1/2022	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	CLAYPOOL	VANESSA	7/1/2022	MAX	DCD - MGMT & SPECIAL PROJECTS
Regular	Service	BOND	LARRY	7/1/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	QUIGLEY	RICHARD	7/1/2022	MAX	FIRE - FIREFIGHTING
Regular	Service	SHARP	MICHAEL	7/1/2022	100	FIRE - FIREFIGHTING

**Board Report - July 2022**
**Deaths**

Type	Last Name	First Name	Death Date	Payment Date	Amount
Ordinary Death	OSTROWSKI	JOAN	3/7/2022	7/29/2022	\$ 200,082.73
Retiree Death-Termination	ABBOTT	DONALD	6/17/2022	7/29/2022	\$ 1,160.80
Retiree Death-Termination	BALISTRERI	BRUCE	11/9/2020	7/29/2022	\$ 963.50
Retiree Death-Termination	BROWN	HOMER	12/14/2021	7/29/2022	\$ 1,040.83
Retiree Death-Termination	DONAHUE	JOHN	1/5/2022	7/29/2022	\$ 433.95
Retiree Death-Termination	HILL ROBERTSON	CAROLYN	3/11/2022	7/29/2022	\$ 1,333.67
Retiree Death-Termination	JANKOWSKI	JOHN	6/11/2022	7/29/2022	\$ 1,284.45
Retiree Death-Termination	KLAFKE	ALVIN	6/25/2022	7/29/2022	\$ 773.06
Retiree Death-Termination	LASSA	CARL	4/14/2022	7/29/2022	\$ 2,302.04
Retiree Death-Termination	LEPPIEN	JEAN	1/28/2022	7/29/2022	\$ 230.76
Retiree Death-Termination	MEAGHER	RICHARD	7/1/2022	7/29/2022	\$ 174.56
Retiree Death-Termination	PEROUTKY	PETER	6/19/2022	7/29/2022	\$ 1,596.44
Retiree Death-Termination	PINKERTON	MATTIE	5/18/2022	7/29/2022	\$ 520.69
Retiree Death-Termination	POTTER	GARY	5/30/2022	7/29/2022	\$ 3,258.94
Retiree Death-Termination	RENNER	PATRICIA	5/18/2022	7/29/2022	\$ 516.95
Retiree Death-Termination	ROBBINS	DALE	5/29/2022	7/29/2022	\$ 1,044.59
Retiree Death-Termination	ROGERS	HENRY	2/1/2022	7/29/2022	\$ 43.12
Retiree Death-Termination	SEIFERT	DON	3/29/2022	7/29/2022	\$ 3,571.04
Retiree Death-Termination	SMITH	IRENE	4/22/2022	7/29/2022	\$ 1,675.54
Retiree Death-Termination	WALDMAN	ROSE	5/26/2022	7/29/2022	\$ 208.60
Retiree Death-Termination	WARNKE	RICHARD	6/9/2022	7/29/2022	\$ 500.68
Retiree Death-Termination	WHITING	DONNIS	1/29/2022	7/29/2022	\$ 2,254.24
Surv Death-Termination	FINDLEY	DIANE	5/11/2022	7/29/2022	\$ 936.70
Surv Death-Termination	GOLOS	JACQUELINE	5/20/2022	7/29/2022	\$ 1,428.00
Surv Death-Termination	KRAJNIAK	IRENE	5/15/2022	7/29/2022	\$ 1,708.14
Surv Death-Termination	KRAMER	VIRGINIA	1/23/2022	7/29/2022	\$ 1,330.10
Surv Death-Termination	PEREZ	RICKY	6/20/2022	7/29/2022	\$ 606.10
Surv Death-Termination	REIMANN	CARYL	6/4/2022	7/29/2022	\$ 104.20
Surv Death-Termination	SERI	FRANCES	6/14/2022	7/29/2022	\$ 1,384.08

Type	Last Name	First Name	Death Date	Payment Date	Amount
Surv Death-Termination	WEILAND	HELEN	3/4/2022	7/29/2022	\$ 101.53
					<b>TOTAL \$ 232,570.03</b>
Retiree Death-Cont Opt	ACKERET	BRUCE	7/5/2022	7/1/2022	
Retiree Death-Cont Opt	BENSMAN	BARBARA	6/26/2022	7/1/2022	
Retiree Death-Cont Opt	CABOT	ROBERT	7/3/2022	7/1/2022	
Retiree Death-Cont Opt	CASPER	THOMAS	6/27/2022	7/1/2022	
Retiree Death-Cont Opt	DANIELS	WILLIE	7/14/2022	7/1/2022	
Retiree Death-Cont Opt	GRIFFIN	LAWRENCE	7/1/2022	7/1/2022	
Retiree Death-Cont Opt	GUTHRIE	CLAYTON	7/14/2022	7/1/2022	
Retiree Death-Cont Opt	GUTHRIE	CLAYTON	7/14/2022	7/1/2022	
Retiree Death-Cont Opt	HARTMAN	FRANKLIN	7/15/2022	7/1/2022	
Retiree Death-Cont Opt	MARONN	NEAL	7/5/2022	7/1/2022	
Retiree Death-Cont Opt	NOVAK	DAVID	6/11/2022	7/1/2022	
Retiree Death-Cont Opt	ROUFUS	STEVEN	6/26/2022	7/1/2022	
Retiree Death-Cont Opt	SCHERBARTH	SUSAN	7/13/2022	7/1/2022	
Retiree Death-Cont Opt	SWIECIAK	MARK	5/4/2022	7/1/2022	



**Board Report - July 2022****Withdrawals**

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	GARLOVSKY	LAUREN	7/29/2022 \$	2,021.36
Administrative Withdrawal	GHIJSEN	RUDOLF	7/29/2022 \$	1,962.25
Administrative Withdrawal	GOLD	EPIPHANY	7/29/2022 \$	359.38
Administrative Withdrawal	HOBSON	LAVINA	7/29/2022 \$	423.72
Administrative Withdrawal	JACKSON	EVOLA	7/29/2022 \$	1,255.94
Administrative Withdrawal	JACKSON	JOANNE	7/29/2022 \$	474.95
Administrative Withdrawal	JOHNSON	TYRONE	7/29/2022 \$	1,918.24
Administrative Withdrawal	LENTZ	DAVID	7/29/2022 \$	715.91
Administrative Withdrawal	LEWIS	MELVIN	7/29/2022 \$	1,155.10
Full Refund	BENSON	TANETHIA	7/29/2022 \$	3,172.55
Full Refund	BESTER	JESSICA	7/29/2022 \$	4,145.68
Full Refund	BURKS	STEPHANIE	7/29/2022 \$	4,351.80
Full Refund	DANIEL	KELLIE	7/29/2022 \$	18,627.59
Full Refund	GONZALEZ	NICOLAS	7/29/2022 \$	9,367.46
Full Refund	METCALF	LAKISHA	7/29/2022 \$	18,091.33
Full Refund	TALLY	ROBERT	7/29/2022 \$	12,088.70
Full Refund	TIPTON	KEVIN	7/29/2022 \$	61,296.26
Full Refund	WILLIAMS	JEMARCUS	7/29/2022 \$	6,073.42
Member Only Refund	ATKINS	DANA	7/29/2022 \$	2,264.95
Member Only Refund	BALDWIN	ANTHONY	7/29/2022 \$	1,940.08
Member Only Refund	BATTISTE	AIRENIA	7/29/2022 \$	1,455.77
Member Only Refund	BLACKMON	JERMAINE	7/29/2022 \$	482.08
Member Only Refund	BREHM	JERED	7/29/2022 \$	1,314.65
Member Only Refund	BRUMAGE	RACHEL	7/29/2022 \$	12,500.52
Member Only Refund	BURNSIDE	SALLY	7/29/2022 \$	2,095.26
Member Only Refund	CRISS	BRITTANY	7/29/2022 \$	1,230.38
Member Only Refund	GONZALEZ	MARIO	7/29/2022 \$	4,982.26
Member Only Refund	GREENLEE	CASSANDRA	7/29/2022 \$	3,818.14
Member Only Refund	HAHN	LANORE	7/29/2022 \$	298.13
Member Only Refund	HAMMOND	CINDY	7/29/2022 \$	927.54
Member Only Refund	HARDMAN	EDNA	7/29/2022 \$	1,922.38
Member Only Refund	HARRIS	MELODY	7/29/2022 \$	363.64
Member Only Refund	JOHNSON	SHALLIE	7/29/2022 \$	373.14

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	JONES	LATRIL	7/29/2022 \$	271.94
Member Only Refund	KONKOL	AARON	7/29/2022 \$	3,484.25
Member Only Refund	LASPISA	JOSEPH	7/29/2022 \$	14,533.40
Member Only Refund	MEADOWS	JENNIFER	7/29/2022 \$	1,364.57
Member Only Refund	MOORE	MALCOLM	7/29/2022 \$	1,728.94
Member Only Refund	MURPHY	KRISTINE	7/29/2022 \$	1,156.43
Member Only Refund	O'MALLEY	CONNOR	7/29/2022 \$	1,213.72
Member Only Refund	PACHECO	IBIS	7/29/2022 \$	391.70
Member Only Refund	PIERCE	KENISHA	7/29/2022 \$	205.90
Member Only Refund	RAYMOND	MAXON	7/29/2022 \$	240.12
Member Only Refund	ROGERS	PATRICK	7/29/2022 \$	2,642.82
Member Only Refund	RONSMAN	RHONDA	7/29/2022 \$	2,073.60
Member Only Refund	TAYLOR	SHAHIRA	7/29/2022 \$	3,171.39
Member Only Refund	VAUGHN	JASON	7/29/2022 \$	3,650.50
<b>TOTAL \$</b>				<b>219,599.84</b>

## Board Report - August 2022

## Retirements

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	SZOPINSKI	KAREN	1/12/2012	MAX	HEALTH DEPARTMENT
Regular	Deferred	KING	HAROLD	2/20/2016	MAX	DPW - MUNICIPAL EQUIPMENT
Regular	Deferred	RAFFERTY	MICHELE	4/21/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MOORE	KENNETH	4/28/2022	MAX	VEOLIA ENVIRONNEMENT
Regular	Service	OPIE	JILL	5/28/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	OBANDO	EYSMAN	6/4/2022	MAX	MUNICIPAL COURT
Regular	Deferred	KAJA	LISA	6/5/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	WARADY	JOHN	6/22/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	GRANZOW	KRISTEN	7/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MALUSIC	NEDELJKO	7/2/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	STUBLEY	SCOTT	7/3/2022	MAX	FIRE - FIREFIGHTING
Regular	Service	BRANDON	DOUGLAS	7/5/2022	MAX	DPW-WATER-HOWARD
Regular	Service	BASKIN	THERESA	7/6/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	REGAN	KATHERINE	7/6/2022	MAX	DPW-OPS-FORESTRY
Regular	Service	TRAYNOR	THOMAS	7/6/2022	100	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	LEWIS	GERALDINE	7/8/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	DES JARDINS	LYNN	7/9/2022	MAX	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	FRASCH	WILLIAM	7/9/2022	100	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	LYMAN	JEFFREY	7/9/2022	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	PEREZ	ANTONIO	7/9/2022	100	HACM
Regular	Service	KASPRZAK	DANIEL	7/10/2022	100	FIRE - FIREFIGHTING
Regular	Deferred	UNDERWOOD	JAMES	7/11/2022	100	CITY OF MILWAUKEE
Regular	Service	BOHLMANN	MARK	7/15/2022	100	FIRE - FIREFIGHTING
Regular	Service	PARZYCH	CARRIE	7/15/2022	54	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	CZERWINSKI	JOHN	7/17/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SULLIVAN	JEFFREY	7/17/2022	50	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	READING	BARBARA	7/18/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	DILLAHUNTY	DARRYL	7/19/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PLACZEK	LAURA	7/19/2022	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	DAHLBERG	ARTHUR	7/21/2022	100	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	FRANCKOWIAK	MELISSA	7/23/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	JARL	TERESA	7/23/2022	MAX	DPW - SEWER - UNDERGROUND
Regular	Service	JOHNSON	VALERIE	7/23/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KOPPLIN	QUINN	7/23/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	REPINSKI	JOAN	7/23/2022	MAX	HACM
Regular	Involuntary Separation	GREEN	TRAVIS	7/26/2022	MAX	DPW-OPS-SANITATION
Regular	Service	RUHL	LYNN	7/27/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BRADLEY	DONNA	7/28/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	CEBALLOS	SHARMAINE	7/28/2022	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	GARDNER	MELINDA	7/28/2022	68	HEALTH DEPARTMENT
Regular	Deferred	HANDLOS	WILLIAM	7/29/2022	100	DPW
Regular	Deferred	TOMASZEWSKI	MICHELLE	7/30/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KASPRZAK	JANET	7/30/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BUCK	GREGORY	7/31/2022	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HOUSER	DARRELL	7/31/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	THEILER	RICK	7/31/2022	75	FIRE - FIREFIGHTING
Regular	Conversion (Duty Disability to Regular)	BLAZEKOVIC	MONICA	8/1/2022	MAX	MILWAUKEE FIRE DEPARTMENT

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	EBERLE	JOSEPH	8/1/2022	MAX	FIRE - FIREFIGHTING
Regular	Service	LARSEN	SYLVIA	8/1/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PETTERSON	DIANE	8/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	REED	BRIAN	8/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS

**Board Report - August 2022**

**Deaths**

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Termination	BOISVERT	DANIEL	7/13/2021	8/31/2022	\$ 694.81
Retiree Death-Termination	BROWN	SIDNEY	5/26/2022	8/31/2022	\$ 1,334.70
Retiree Death-Termination	COLLOVA	PAUL	7/24/2022	8/31/2022	\$ 4,382.63
Retiree Death-Termination	HARTIG	JAMES	7/7/2022	8/31/2022	\$ 318.09
Retiree Death-Termination	HEAPS	RICHARD	5/25/2022	8/31/2022	\$ 5,045.28
Retiree Death-Termination	JENDUSA	PROVIE	7/29/2022	8/31/2022	\$ 401.16
Retiree Death-Termination	KOEPKE	JAMES	6/25/2022	8/31/2022	\$ 1,532.90
Retiree Death-Termination	KOUT	ROBERT	6/26/2022	8/31/2022	\$ 2,097.54
Retiree Death-Termination	LASOTA	THOMAS	4/8/2022	8/31/2022	\$ 579.74
Retiree Death-Termination	MITCHELL	EARNEST	2/23/2022	8/31/2022	\$ 2,066.30
Retiree Death-Termination	PAIN	MARY	5/13/2022	8/31/2022	\$ 305.56
Retiree Death-Termination	SHEBU	JOHN	1/19/2022	8/31/2022	\$ 2,300.76
Retiree Death-Termination	THOM	IRENE	5/15/2022	8/31/2022	\$ 921.49
Retiree Death-Termination	WARKOCZEWSKI	LORRIE	6/21/2022	8/31/2022	\$ 62,857.96
Surv Death-Termination	COYER	LA VERNE	5/16/2022	8/31/2022	\$ 672.07
Surv Death-Termination	GAGAS	MARY	7/23/2022	8/31/2022	\$ 161.96
Surv Death-Termination	GAJKOWSKI	DOROTHY	5/27/2022	8/31/2022	\$ 1,154.45
Surv Death-Termination	KURZYNSKI	DOROTHY	4/12/2022	8/31/2022	\$ 433.68
Surv Death-Termination	SAJDAK	AUDREY	7/7/2022	8/31/2022	\$ 103.26
Surv Death-Termination	SCHREIBER	MELODY	7/26/2022	8/31/2022	\$ 3,237.92
Surv Death-Termination	STANISLAWSKI	BERNARDINE	7/21/2022	8/31/2022	\$ 341.20
Surv Death-Termination	WASHINGTON	DOLORES	6/28/2022	8/31/2022	\$ 771.73
Surv Death-Termination	ZIMMERMANN	PATRICIA	4/10/2022	8/31/2022	\$ 76.08
<b>TOTAL</b>					<b>\$ 91,791.27</b>
Retiree Death-Cont Opt	BROWN	TIMOTHY	8/2/2022	8/1/2022	
Retiree Death-Cont Opt	CARABAJAL	ANTHONY	8/12/2022	8/1/2022	
Retiree Death-Cont Opt	CATCHINGS	ZEBEDEE	8/19/2022	8/1/2022	

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	CHAPKO	MICHAEL	8/13/2022	8/1/2022	
Retiree Death-Cont Opt	CHARBONNEAU	GARY	8/10/2022	8/1/2022	
Retiree Death-Cont Opt	CZERWINSKI	THOMAS	7/14/2022	8/1/2022	
Retiree Death-Cont Opt	HEITZMANN	JOHN	5/25/2022	8/1/2022	
Retiree Death-Cont Opt	ITO	JAMES	6/9/2022	8/1/2022	
Retiree Death-Cont Opt	JASSO	DEBORAH	7/25/2022	8/1/2022	
Retiree Death-Cont Opt	KLEPPIN	RAYMOND	8/22/2022	8/1/2022	
Retiree Death-Cont Opt	LONCSAR	MARTIN	7/26/2022	8/1/2022	
Retiree Death-Cont Opt	MCKENZIE	GORDON	7/28/2022	8/1/2022	
Retiree Death-Cont Opt	ROMERO	ROSA	8/5/2022	8/1/2022	
Retiree Death-Cont Opt	SEIDL	GARY	8/1/2022	8/1/2022	
Retiree Death-Cont Opt	VERHALEN	GEORGE	8/17/2022	8/1/2022	
Retiree Death-Cont Opt	WILKS	MELVIN	7/28/2022	8/1/2022	

## Board Report - August 2022

## Withdrawals

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	BALZA	JOANNA	8/31/2022 \$	2,686.41
Administrative Withdrawal	CORDER	SHAQUANA	8/31/2022 \$	504.90
Administrative Withdrawal	DIETSCHE	JAKE	8/31/2022 \$	1,980.85
Administrative Withdrawal	HAAS	EMILY	8/31/2022 \$	659.32
Administrative Withdrawal	HORTON	TANYA	8/31/2022 \$	1,690.81
Administrative Withdrawal	KLUENKER	ANGELA	8/31/2022 \$	3,047.98
Administrative Withdrawal	RIVERA	JESSICA	8/31/2022 \$	635.74
Administrative Withdrawal	ROSS	SPENCER	8/31/2022 \$	619.85
Administrative Withdrawal	SAWI	MASSAH	8/31/2022 \$	20.58
Administrative Withdrawal	SCHMID	SAMANTHA	8/31/2022 \$	707.58
Administrative Withdrawal	TATE	NIKIA	8/31/2022 \$	690.35
Administrative Withdrawal	VERDE	RACHEL	8/31/2022 \$	1,079.35
Administrative Withdrawal	ZEIDLER	STEFAN	8/31/2022 \$	716.18
Full Refund	BRISTER	NABULUNGI	8/31/2022 \$	3,992.89
Full Refund	CRUZ	VINCENT	8/31/2022 \$	7,972.80
Full Refund	DAVIS	QUIANA	8/31/2022 \$	7,251.00
Full Refund	DE LA GARZA	ROBERT	8/31/2022 \$	8,306.31
Full Refund	EDWARDS	NATASHA	8/31/2022 \$	4,516.72
Full Refund	GILLON	SABRINA	8/31/2022 \$	53,646.02
Full Refund	HARRIS	SYLVIA	8/31/2022 \$	6,771.95
Full Refund	HER	ALAN	8/31/2022 \$	10,167.40
Full Refund	HIGGINS	LETISHA	8/31/2022 \$	3,896.58
Full Refund	LEGEAR	SARA	8/31/2022 \$	4,048.62
Full Refund	MARSHALL	EDWARD	8/31/2022 \$	3,744.58
Full Refund	PATZ	ANN	8/31/2022 \$	22,640.22
Full Refund	WILLIAMS	RENA	8/31/2022 \$	53,875.42
Full Refund	XIONG	TOM	8/31/2022 \$	4,349.77
Member Only Refund	ANDERSON	DEONTE	8/31/2022 \$	2,409.83
Member Only Refund	BARTELME	GREGORY	8/31/2022 \$	7,270.02
Member Only Refund	BLACKWELL	ROSALINE	8/31/2022 \$	1,839.88
Member Only Refund	BOCCIARDI	CHRISTOPHER	8/31/2022 \$	114.68
Member Only Refund	BROWN	JASHANTI	8/31/2022 \$	240.78
Member Only Refund	CARPENTER	JUSTINE	8/31/2022 \$	2,339.60



Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	CLARK	CORA	8/31/2022 \$	2,405.78
Member Only Refund	CUNNINGHAM	RITA	8/31/2022 \$	181.78
Member Only Refund	DARROUGH	MELVA	8/31/2022 \$	608.50
Member Only Refund	DUGAN	JOHN	8/31/2022 \$	4,912.96
Member Only Refund	DUNCAN	HELEN	8/31/2022 \$	393.10
Member Only Refund	EGAN-WAUKAU	ANNE	8/31/2022 \$	318.85
Member Only Refund	GILLIAM	MARLO	8/31/2022 \$	278.86
Member Only Refund	GIVINGS	JOHN	8/31/2022 \$	2,660.90
Member Only Refund	GOMEZ-BRAVO	JENNIFFER	8/31/2022 \$	585.11
Member Only Refund	HAYGOOD	SHEILA	8/31/2022 \$	1,785.84
Member Only Refund	JACKSON	KIJUANA	8/31/2022 \$	412.24
Member Only Refund	JOHNSON	ELISABETH	8/31/2022 \$	461.72
Member Only Refund	JONES	ROXIE	8/31/2022 \$	1,251.18
Member Only Refund	LEONARD	CIERA-MONIQUE	8/31/2022 \$	450.30
Member Only Refund	MATTHEWS	SHAKEELA	8/31/2022 \$	1,070.70
Member Only Refund	NORWOOD	GENCIE	8/31/2022 \$	2,249.98
Member Only Refund	OGREN	MICHAEL	8/31/2022 \$	2,952.25
Member Only Refund	PACIONI	GIANNA	8/31/2022 \$	2,690.76
Member Only Refund	PICARD	MARK	8/31/2022 \$	1,395.53
Member Only Refund	SANTIAGO	FRANCHELIE	8/31/2022 \$	1,651.82
Member Only Refund	SPENCER	DIANNE	8/31/2022 \$	1,833.75
Member Only Refund	VELYOV	PATRICK	8/31/2022 \$	1,855.23
Member Only Refund	WASHINGTON	FAREEDAH	8/31/2022 \$	1,003.76
Member Only Refund	WELHOUSE	ELIJAH	8/31/2022 \$	1,634.72
Member Only Refund	WOMACK	BRANDI	8/31/2022 \$	1,867.85
<b>TOTAL \$</b>				<b>261,348.44</b>

## **Conference Requests – September 2022 Board Meeting**

Erich Sauer & Dave Walters	UBS and AQR Due Diligence
Sponsor:	UBS and AQR
Location:	New York, NY and Greenwich, CT
Date:	October 3-4, 2022
Estimated Cost:	\$1,400.00 per person

Thomas Courtright	Abbott Capital Advisory Board Meeting
Sponsor:	Abbott Capital
Location:	New York, NY
Date:	November 8-9, 2022
Estimated Cost:	\$1,200.00

# Overall Responses

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# 2022 NCPERS Compensation Study



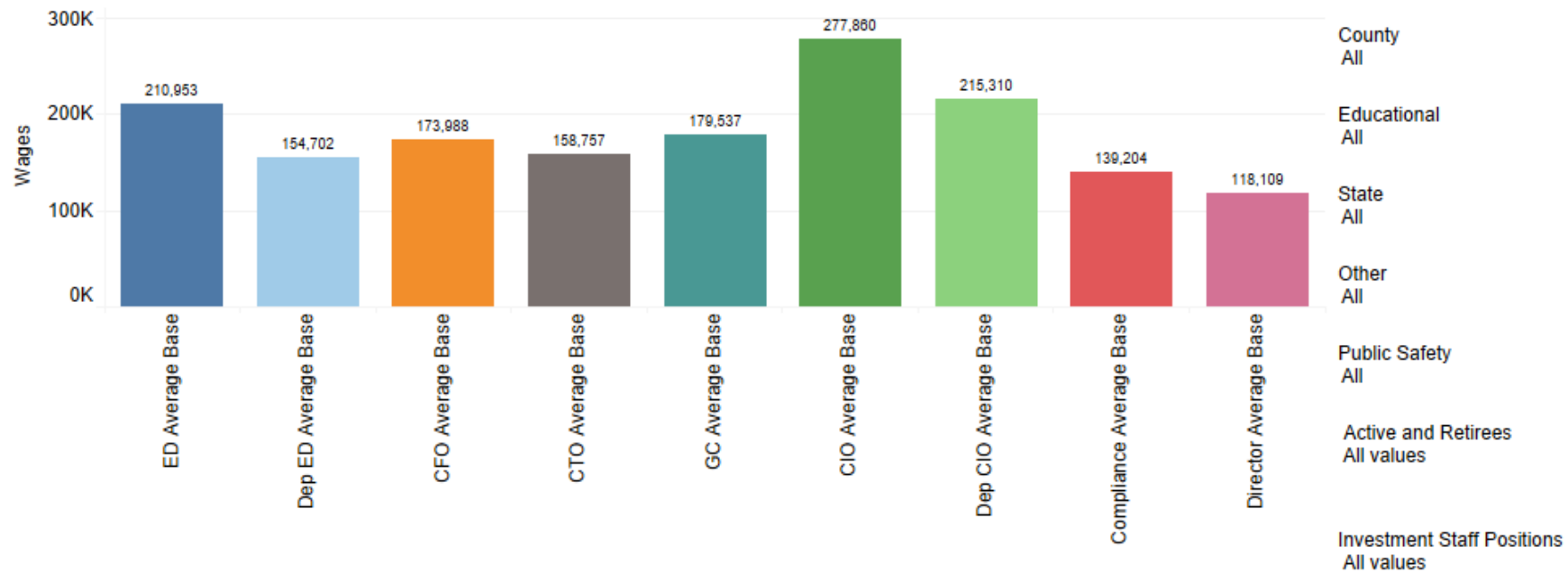
## Table of Contents

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Bonus Summary
Entities Covered and Responsibilities
Plan Summary Statistics
Benefits and Recruitment
Executive Director
Deputy Executive Director
Chief Financial Officer
Chief Technology Officer
General Counsel
Chief Investments Officer
Deputy Investments Officer
Compliance Officer
Member Services/Benefits Director

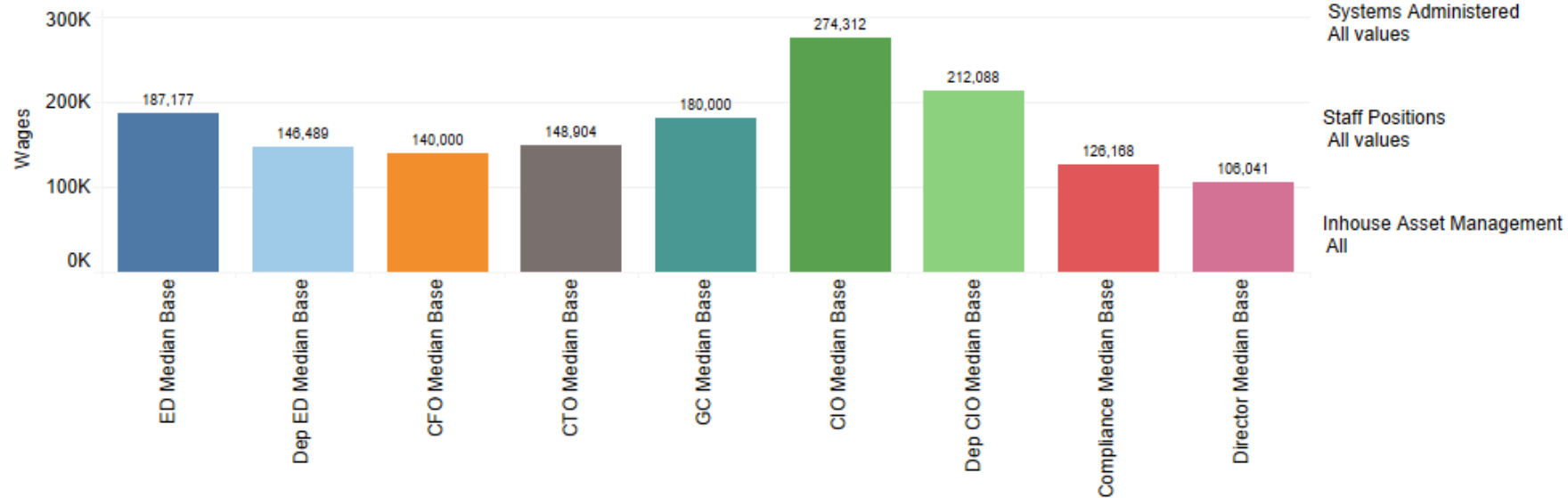
# Dashboard Pages – Individual graphs to follow

Note: some data are cut off because these pages are designed to be interactive online displays

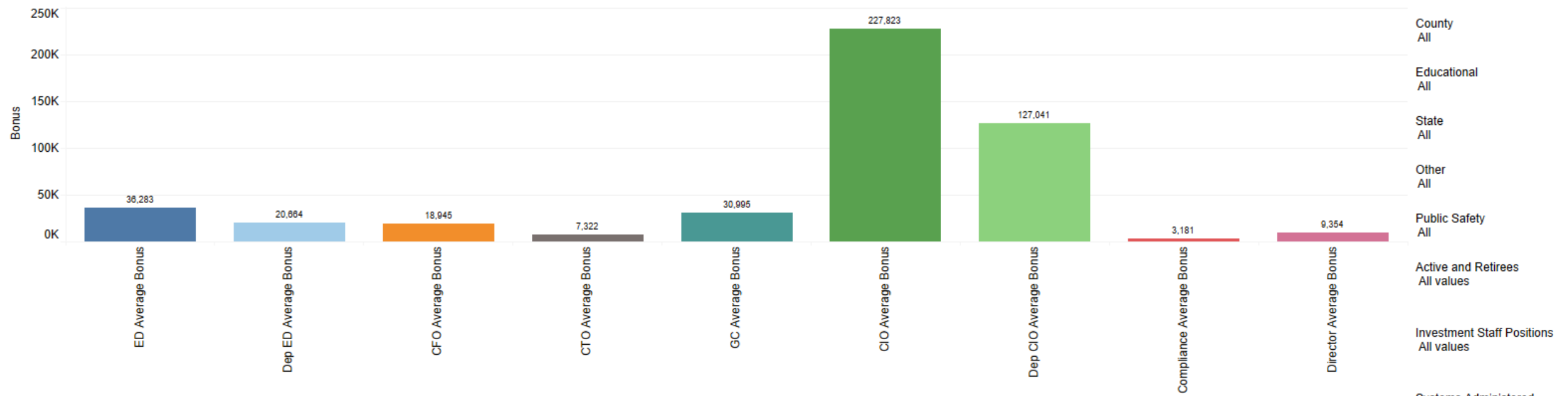
## Average Salary



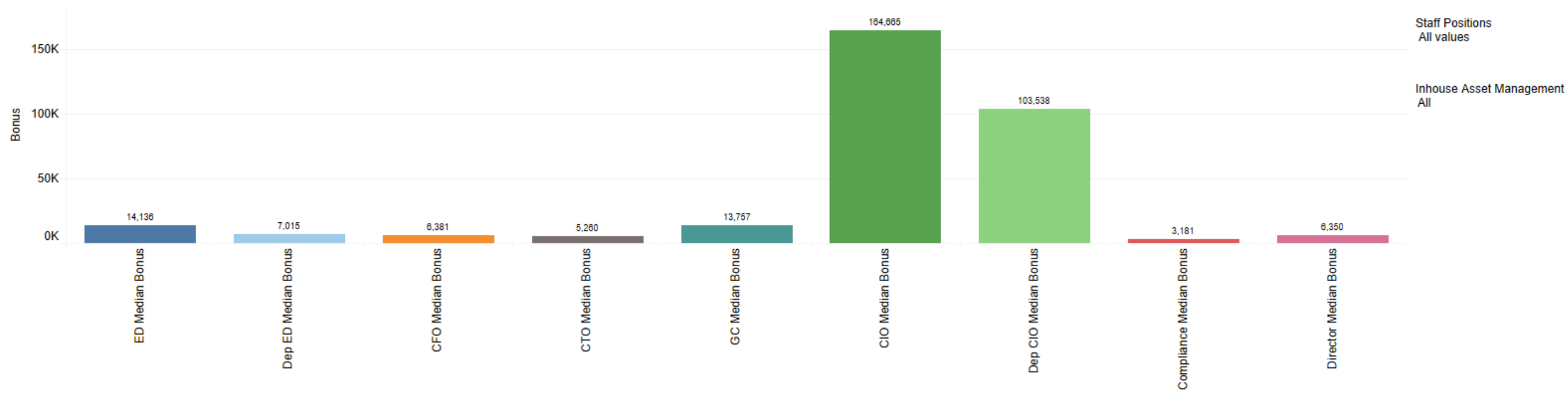
## Median Salary



# Average Bonus

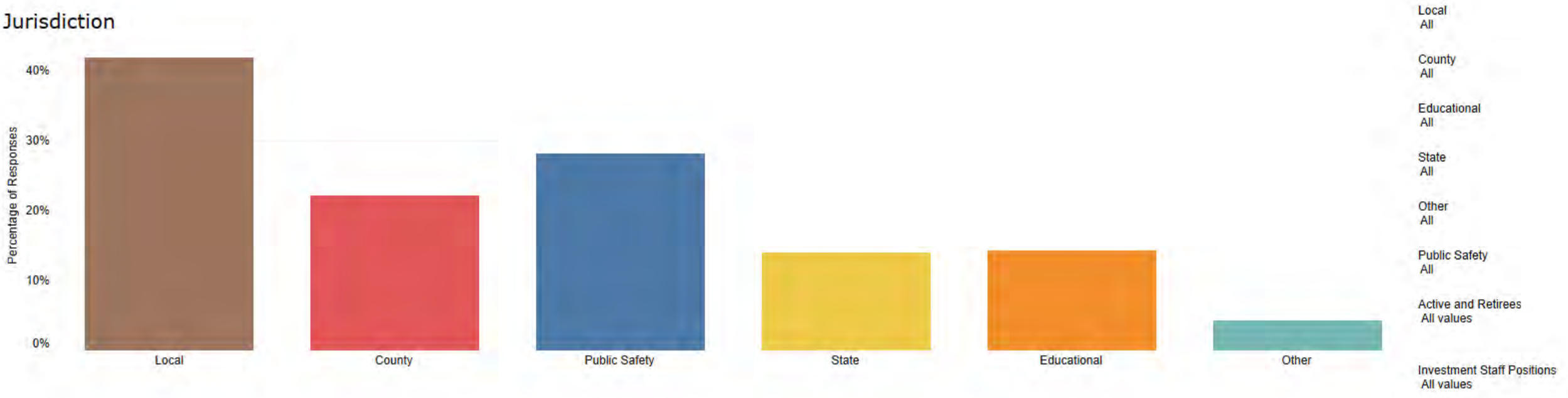


# Median Bonus

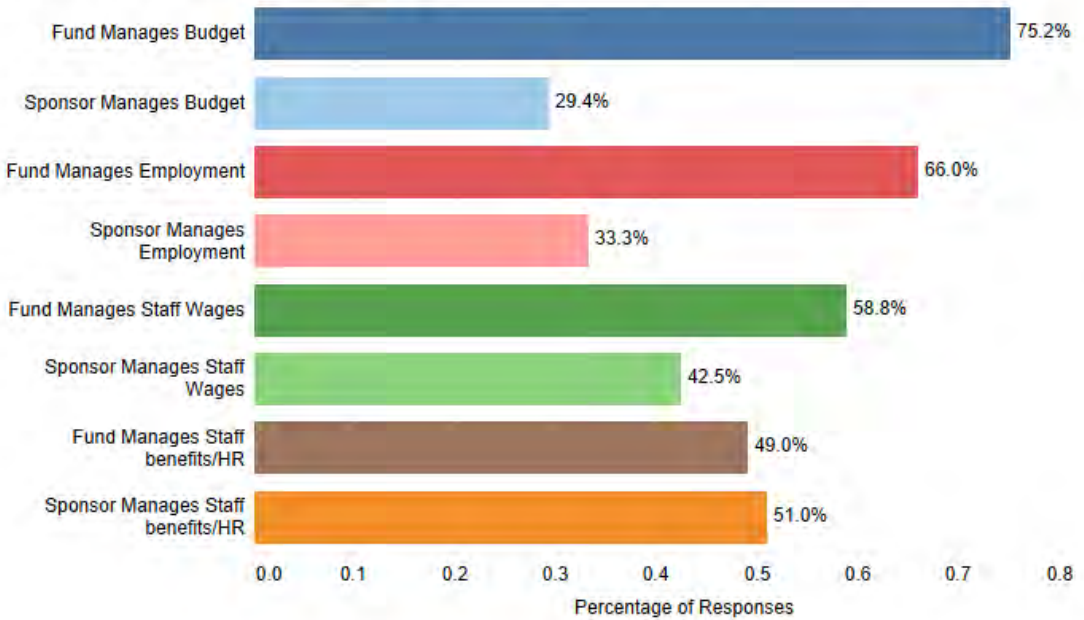




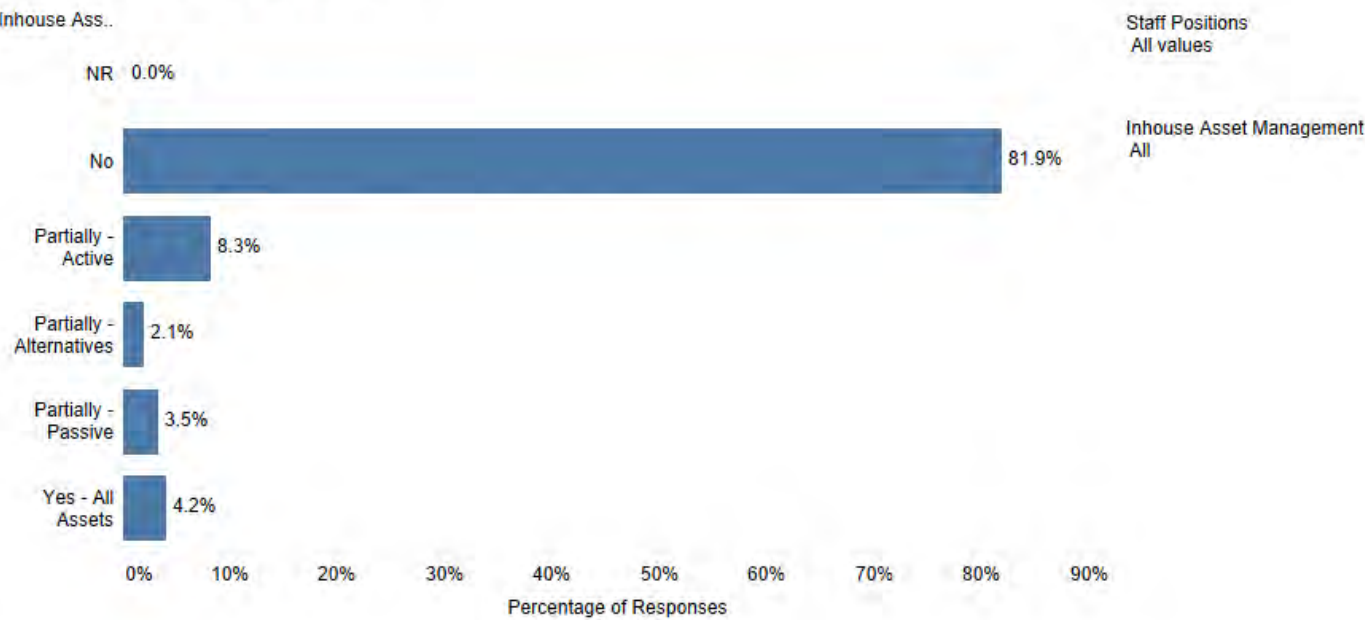
Jurisdiction



Oversight Responsibilities



Assets Managed by Fund



## Summary Counts

Count of Active and Retired Individuals	9,270,043
Count of Staff Positions	11,617
Count of Systems Administered	1,714
Count of Investment Staff Positions	1,074

## Summary Means

Avg. Count of Active and Retired Individuals	62,635
Avg. Count of Staff Positions	78
Avg. Count of Systems Administered	12
Avg. Count of Investment Staff Positions	8

Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

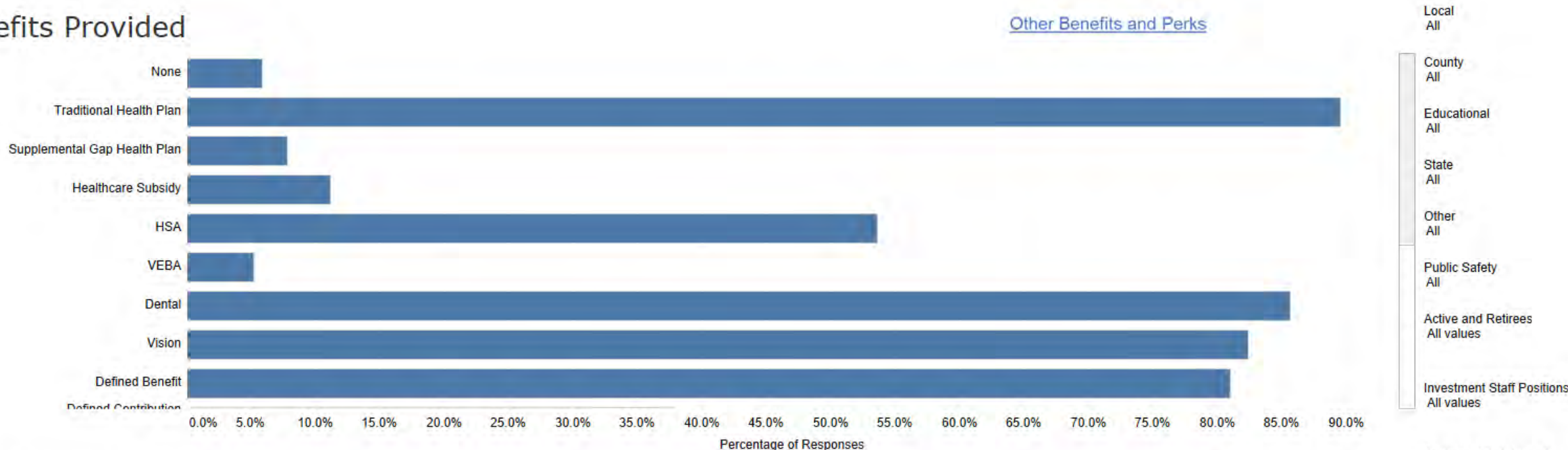
Investment Staff Positions  
All values

Systems Administered  
All values

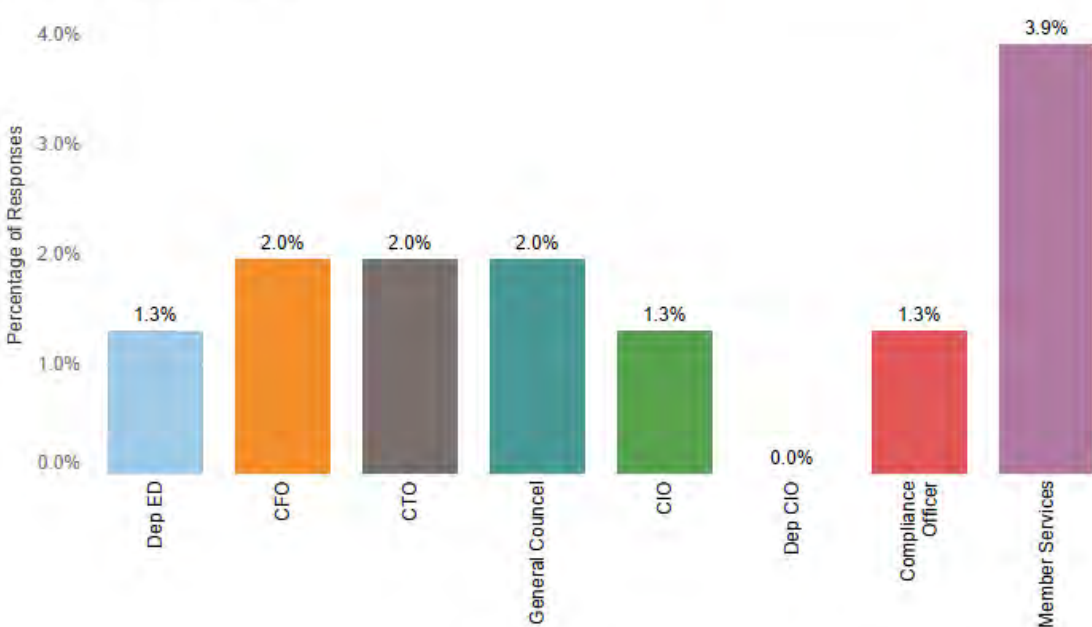
Staff Positions  
All values

Inhouse Asset Management  
All

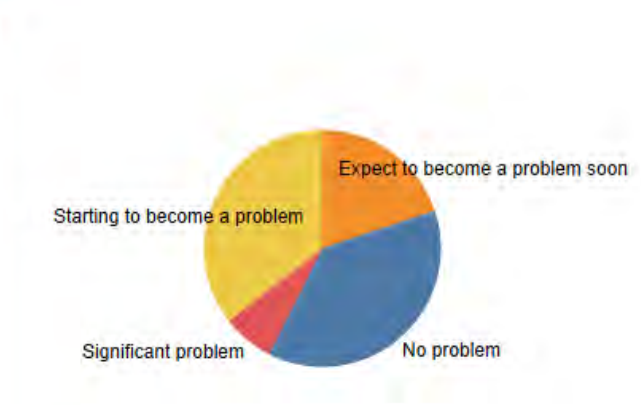
# Benefits Provided



# Union Participation



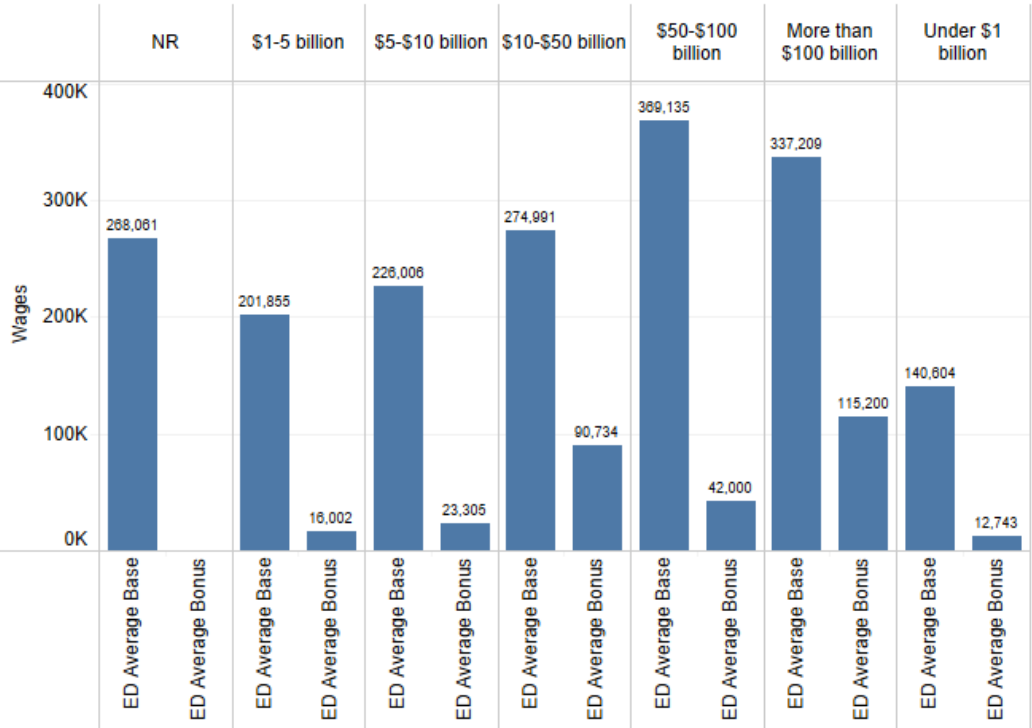
# Ability to Attract and Retain Skilled Staff



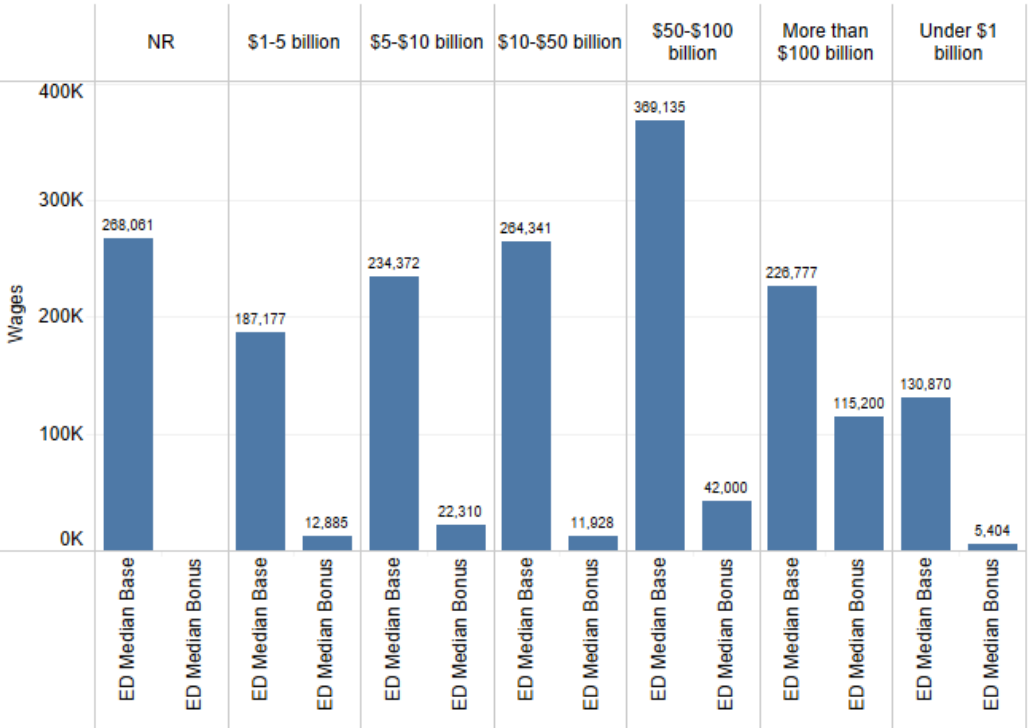
Executive Director Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



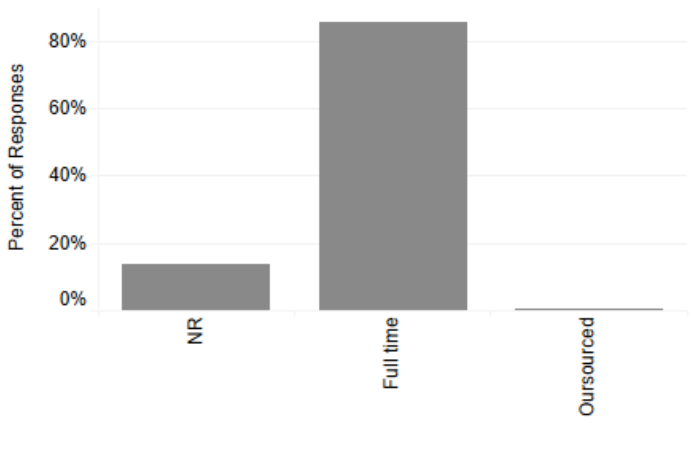
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

		Exec Dir. Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion
ED Average Base	NR						235,599	
	0		268,061	203,266	252,060	253,639	369,135	
	5			201,053	224,189	255,223		
	10			239,686	147,335	312,202		
	15			163,975				
	20			180,738		196,210		
	25			226,032				
	30					277,938		
	35							
	40							
	45					890,573		
ED Average Bonus	NR				14,136			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

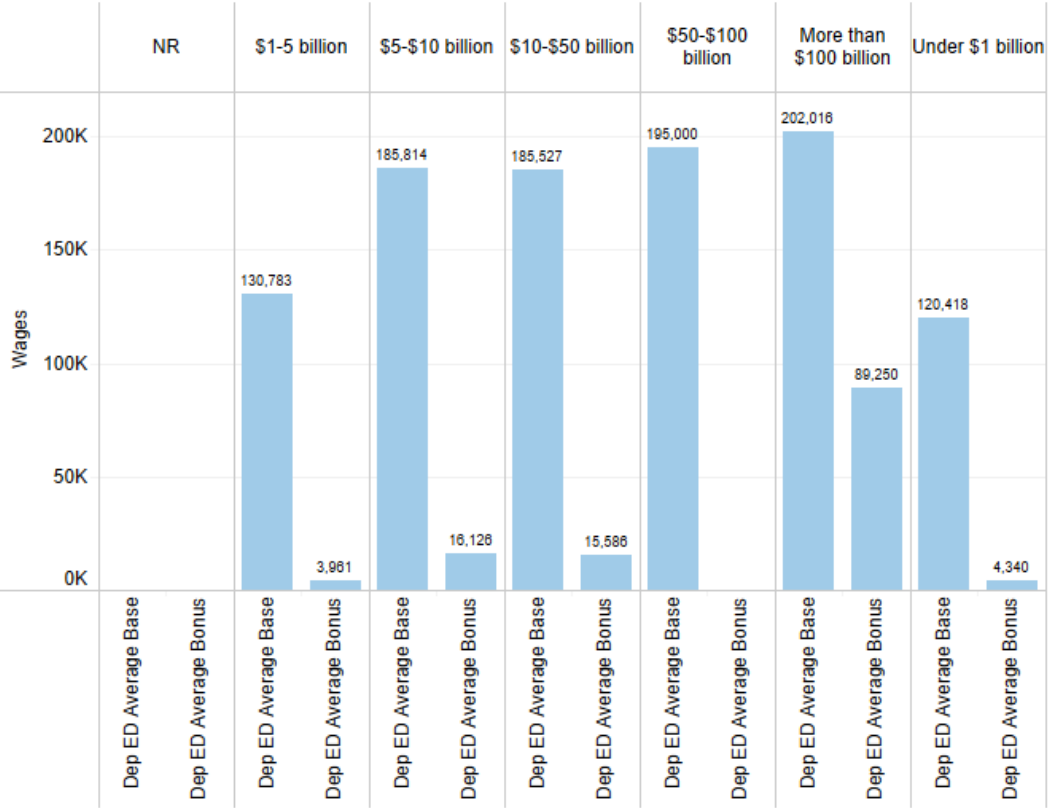
Position Type  
All

Years in position  
All

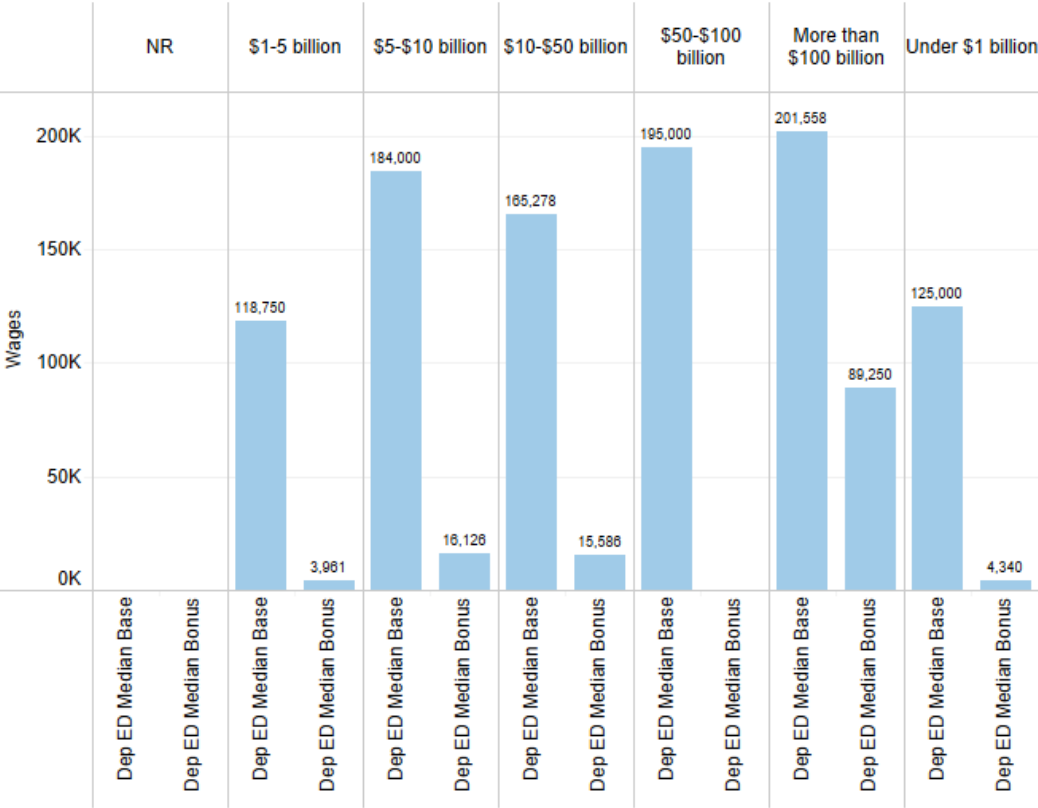
# Deputy Executive Director Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



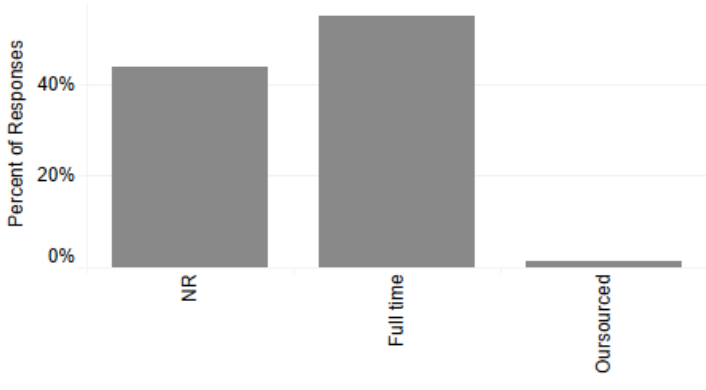
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Dep Exec Dir: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Un
Dep ED Average Base	Null				139,306			
	0		132,799	188,036	188,189	195,000	180,382	
	5		126,101	175,511	212,224		238,000	
	10		127,888	262,650	145,968		209,301	
	15		125,116					
	20			131,000	186,336			
	25				170,000			
	30		146,000					

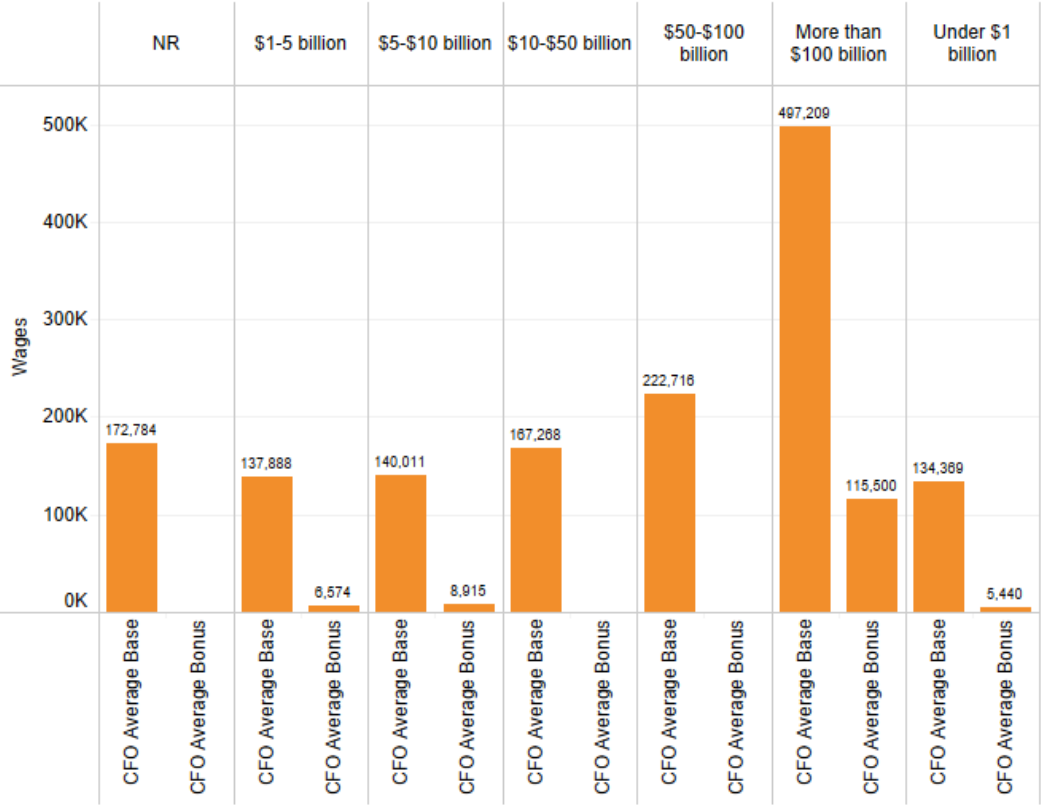
Position



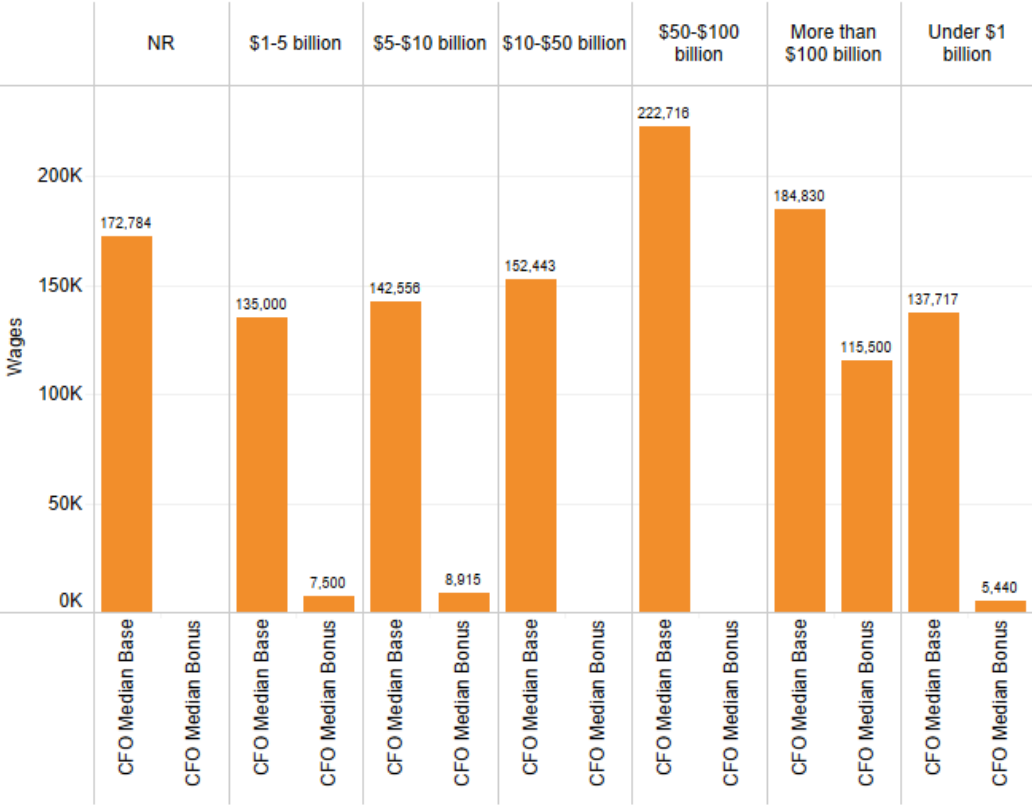
Chief Financial Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



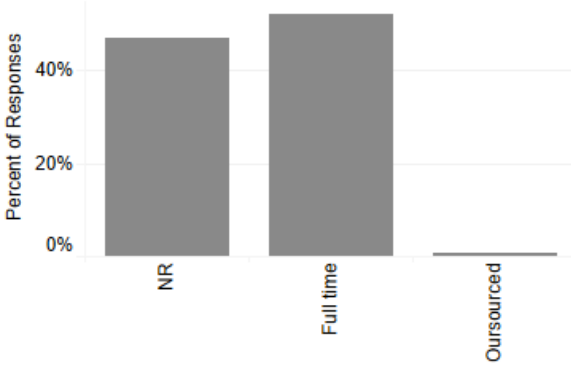
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CFO: Years in position (bin)	Fund Assets							Count
	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion	
Null				135,000		169,977		15
0		131,980	131,209	147,685	222,716	1,700,000		13
5	172,784	143,625	154,681	177,174		223,046		16
10		132,388		157,277				8
15		154,633		235,604				
20		140,000		222,950				11
30				232,296				
bonus	Null							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

Union  
All

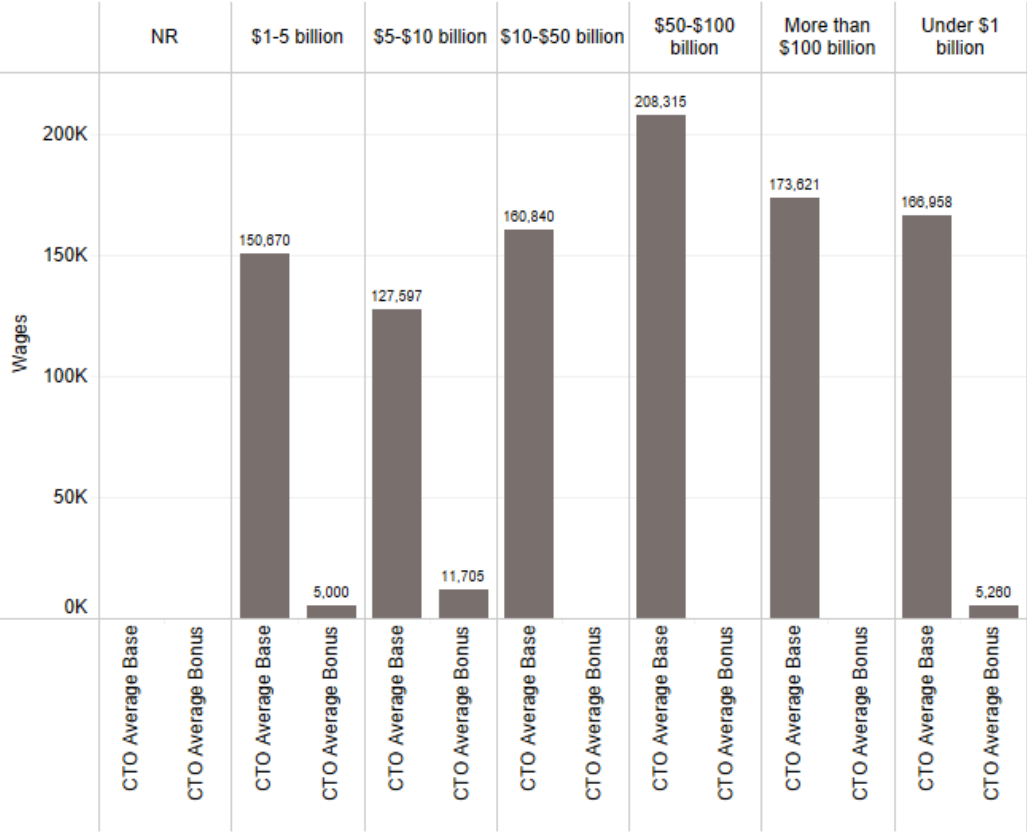
Years in position  
All



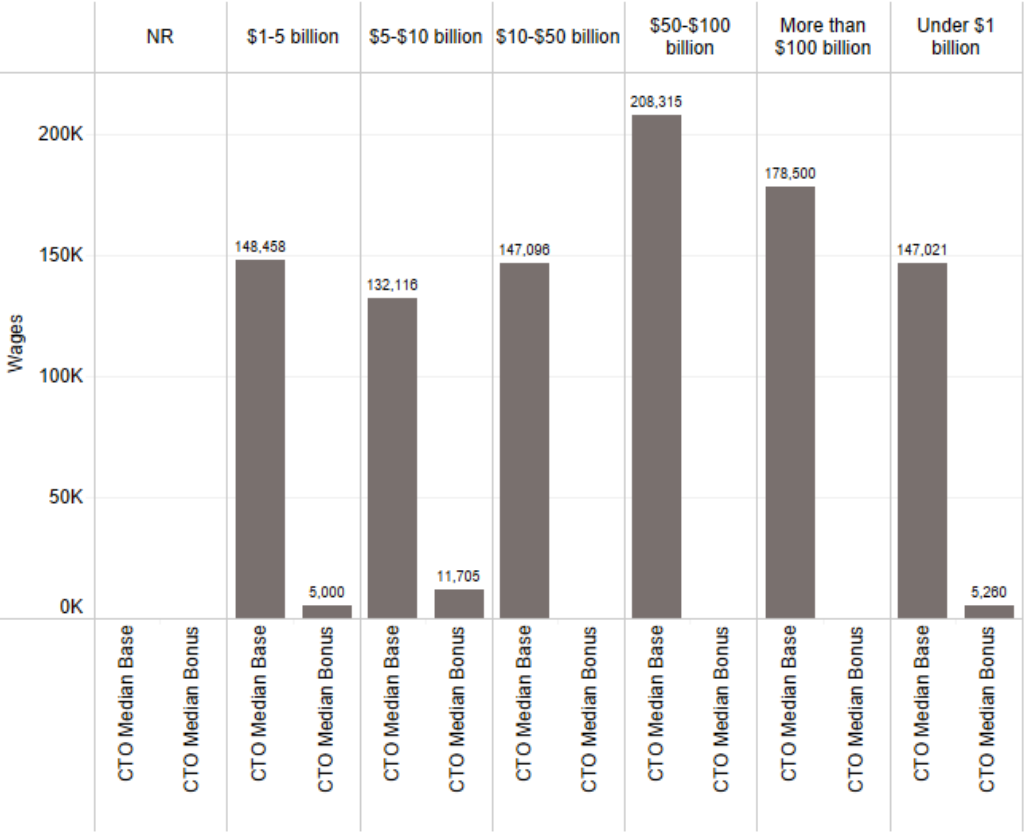
# Chief Technology Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



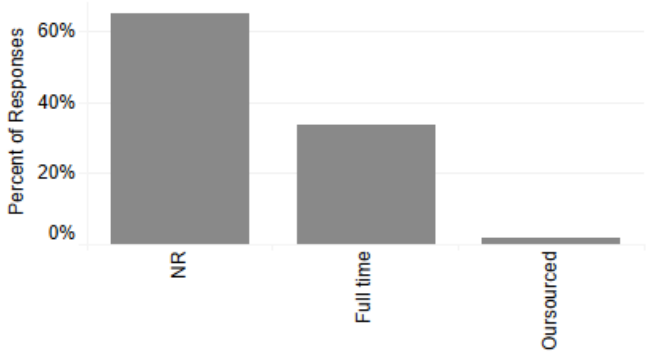
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CTO: Years in position (bin)	Fund Assets						
	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CTO Average Base							
Null						178,500	
0		128,679	130,203	143,979	149,350	164,157	
5		182,487	64,296	188,931		180,646	
10		175,000		132,116	221,715		
15				187,283	119,157		
20				112,236	267,280		
30				184,780			
us	Null						

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

Union  
All

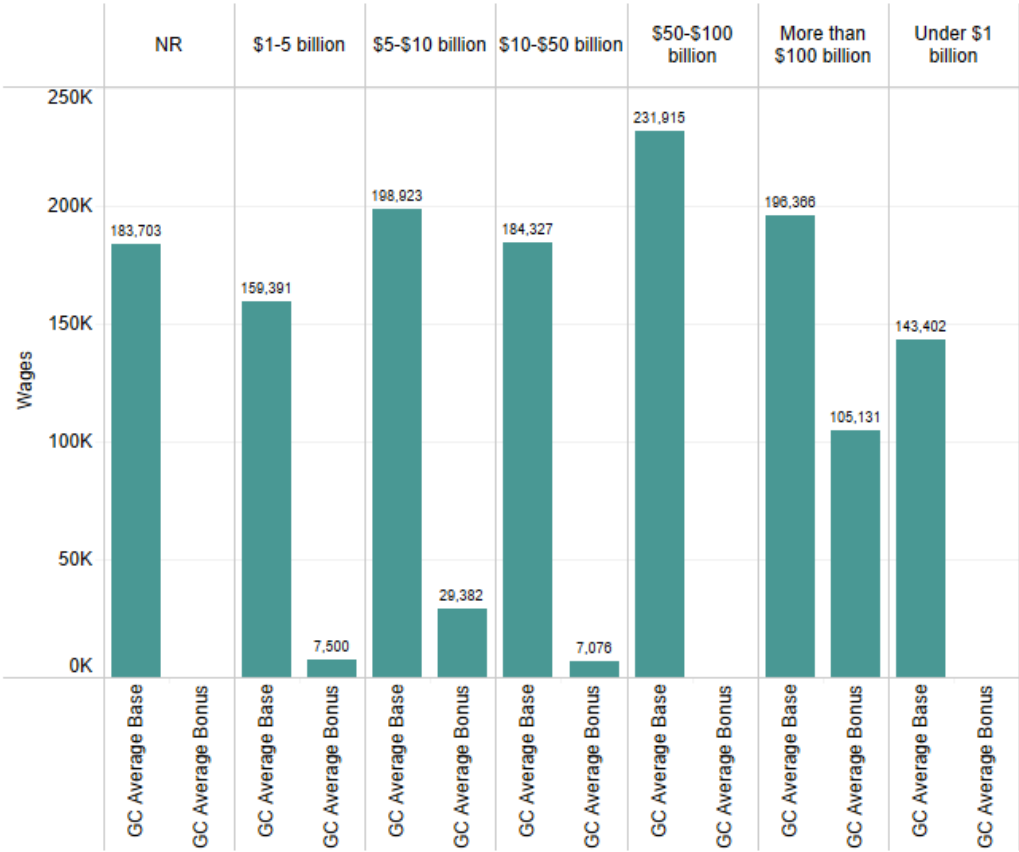
Years in position  
All



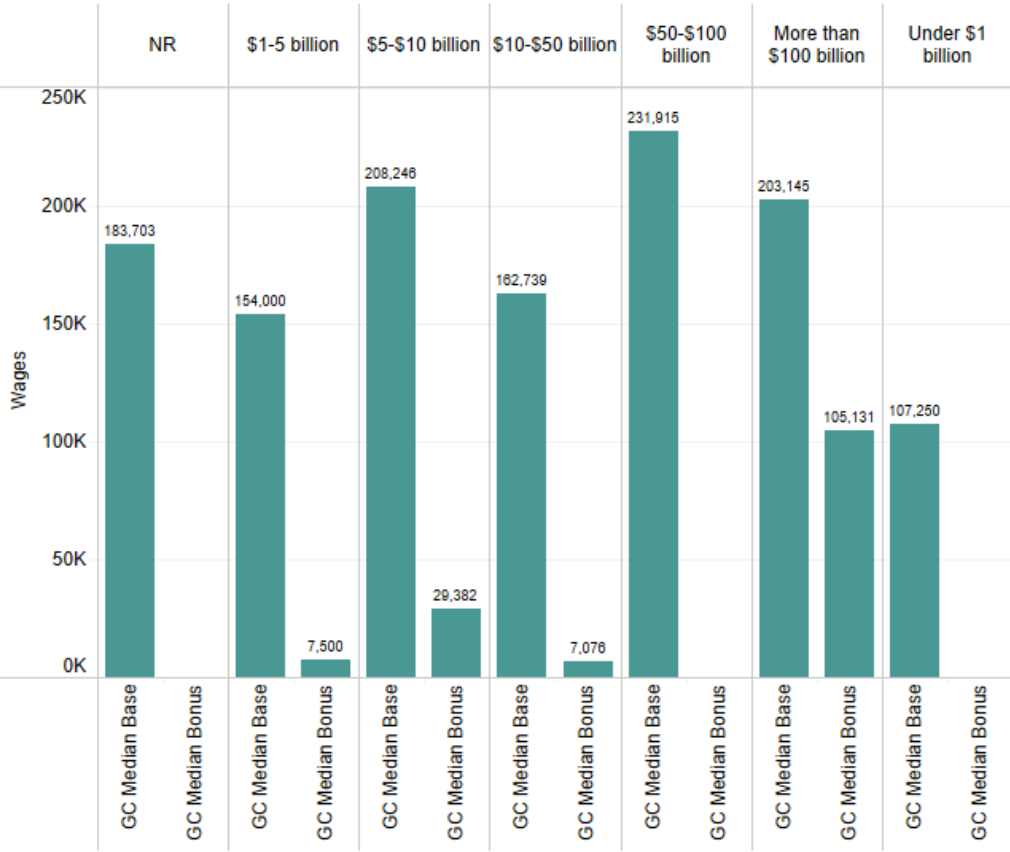
# General Counsel Compensation

## Roles and Other Responsibilities

Average Salary by Fund Assets



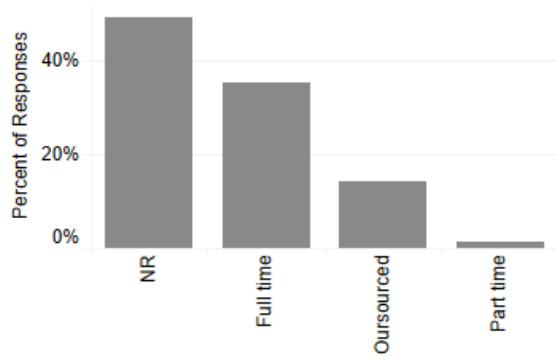
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

General Counsel: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Null		113,000		119,938		154,374	
GC Average Base	183,703	156,681	257,623	176,656	231,915		
0		130,500	145,447	208,854			
5		294,614	180,000	233,580		280,350	
10			173,811				
15				159,643			
20							
30							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

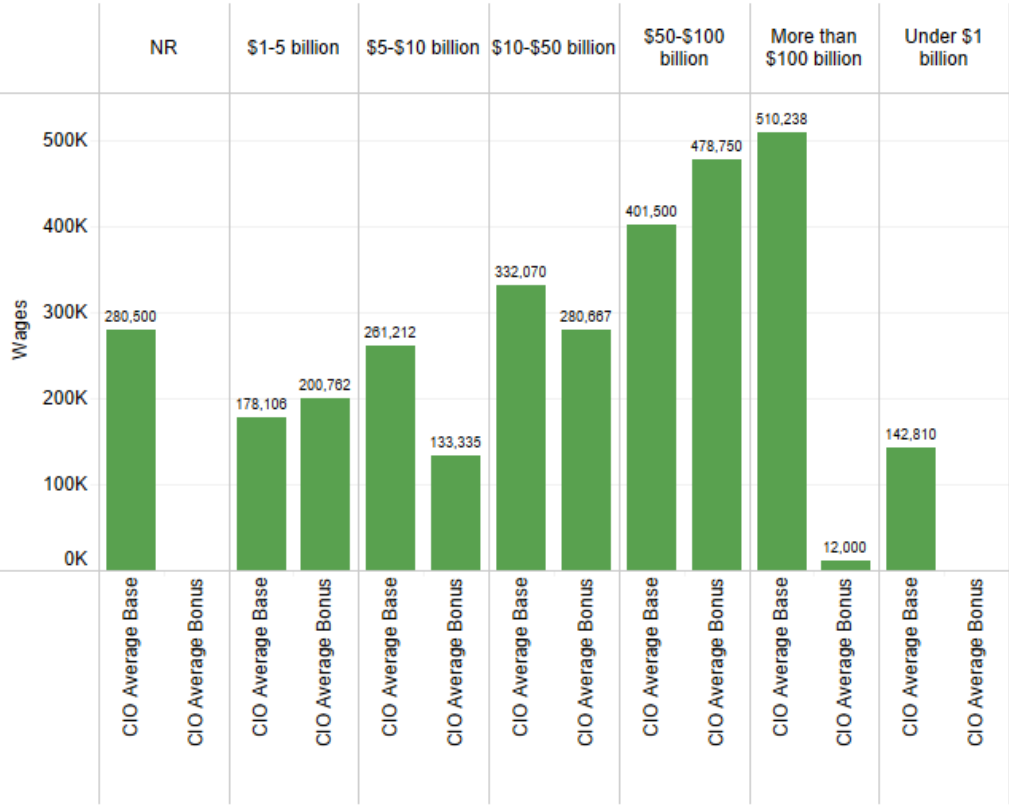
Union  
All

Years in position  
All

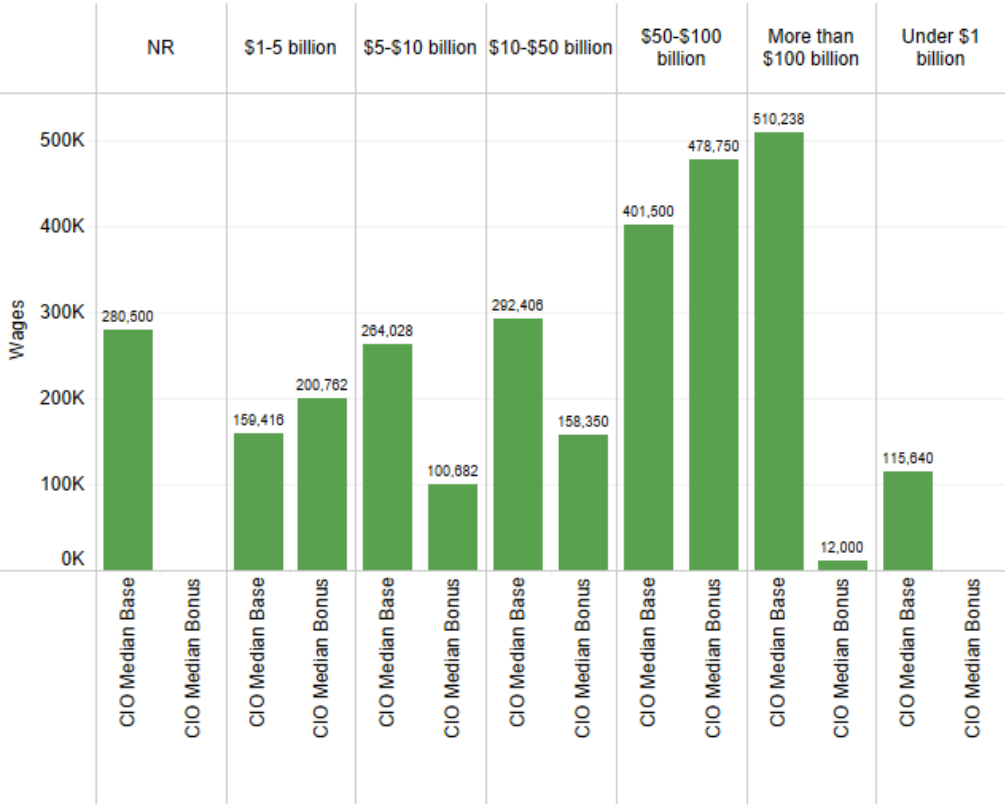
# Chief Investment Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



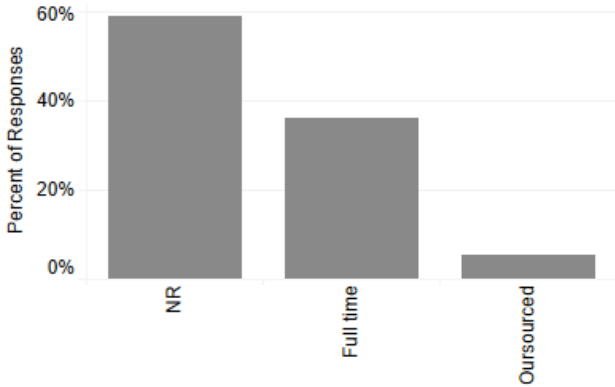
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
C/O Average Base	Null				102,559	265,000	510,238	
	0	280,500	137,454	280,807	328,060	383,000		
	5		187,254	267,585	350,000			
	10		223,667	341,960	257,936			
	15		232,027		442,709	420,000		
	25				295,000			
C/O Average Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			160,433	250,000			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

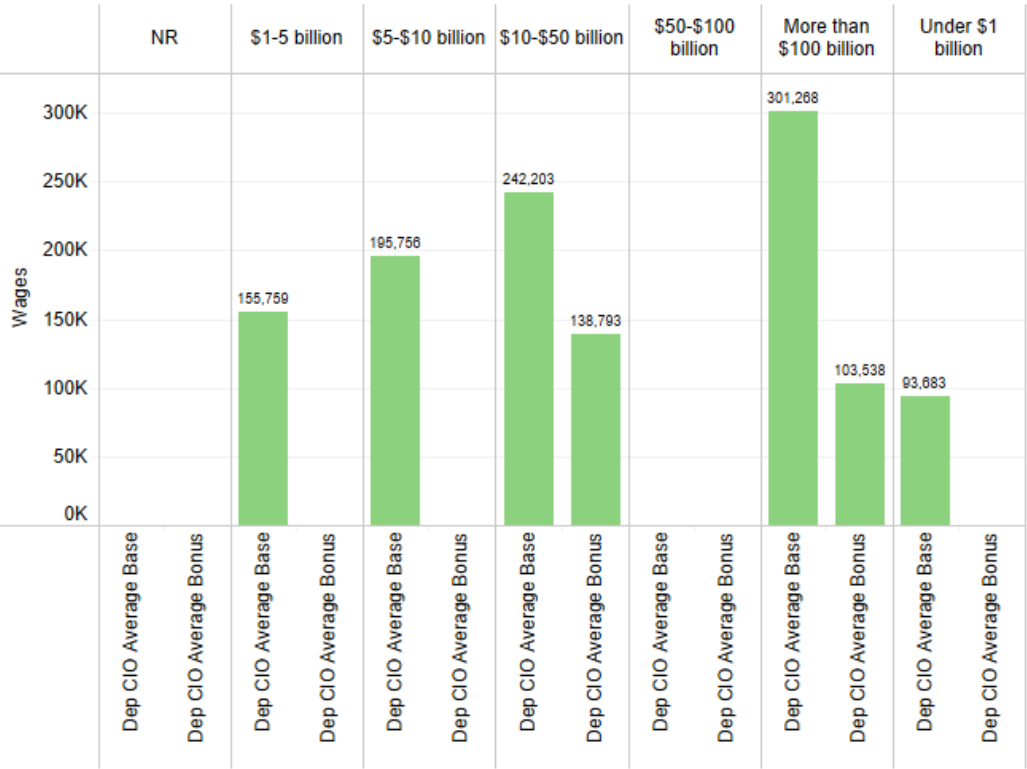
Union  
All

Years in position  
All

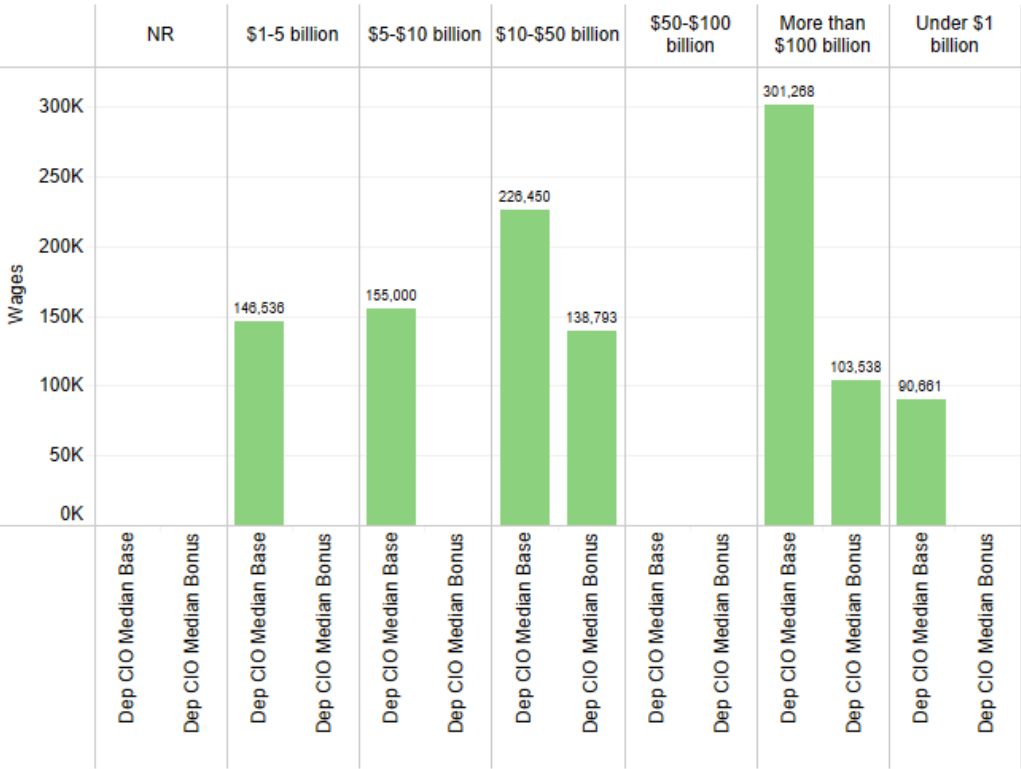
# Deputy Chief Investment Officer Compensation

## Roles and Other Responsibilities

Average Salary by Fund Assets



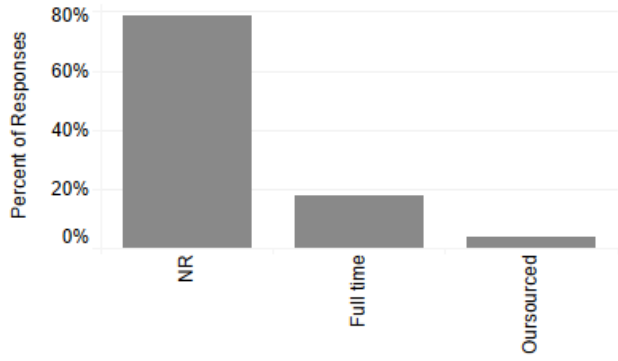
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Dep CIO: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 bil
Null					155,000	241,009	326,436
0		161,559	216,134	242,423		276,100	
5				261,893			
10		144,158		221,899			
15							
Averag...	Null						
0				138,793		103,538	
5							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

Union  
All

Years in position  
All

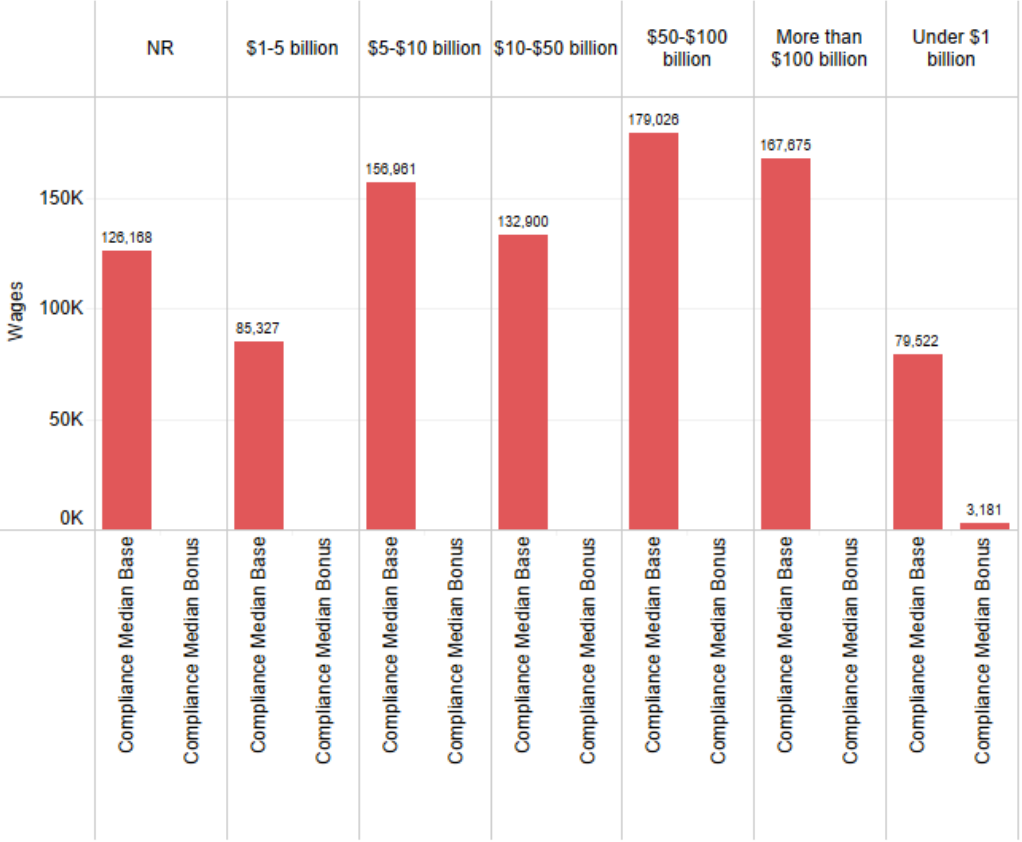
Compliance Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



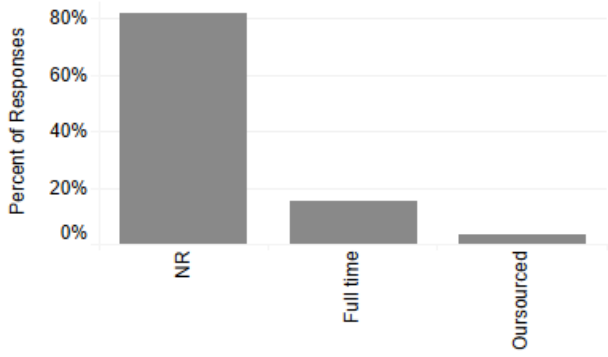
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Compliance Officer: Years in service (bi..	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 bi
Null						190,486	
0	126,168	85,327	156,961	132,401		180,226	
5				156,368		99,944	
10				162,897	179,026		
15						155,124	
Null							
0							
5							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

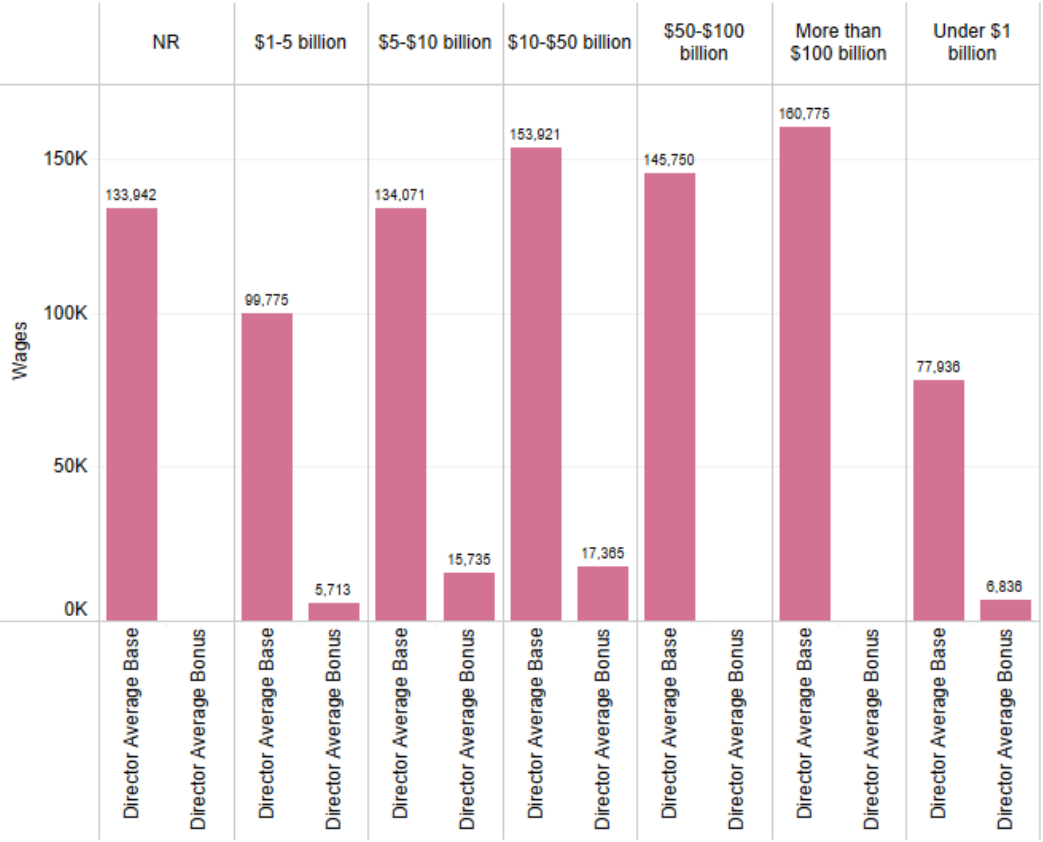
Union  
All

Years in service  
All

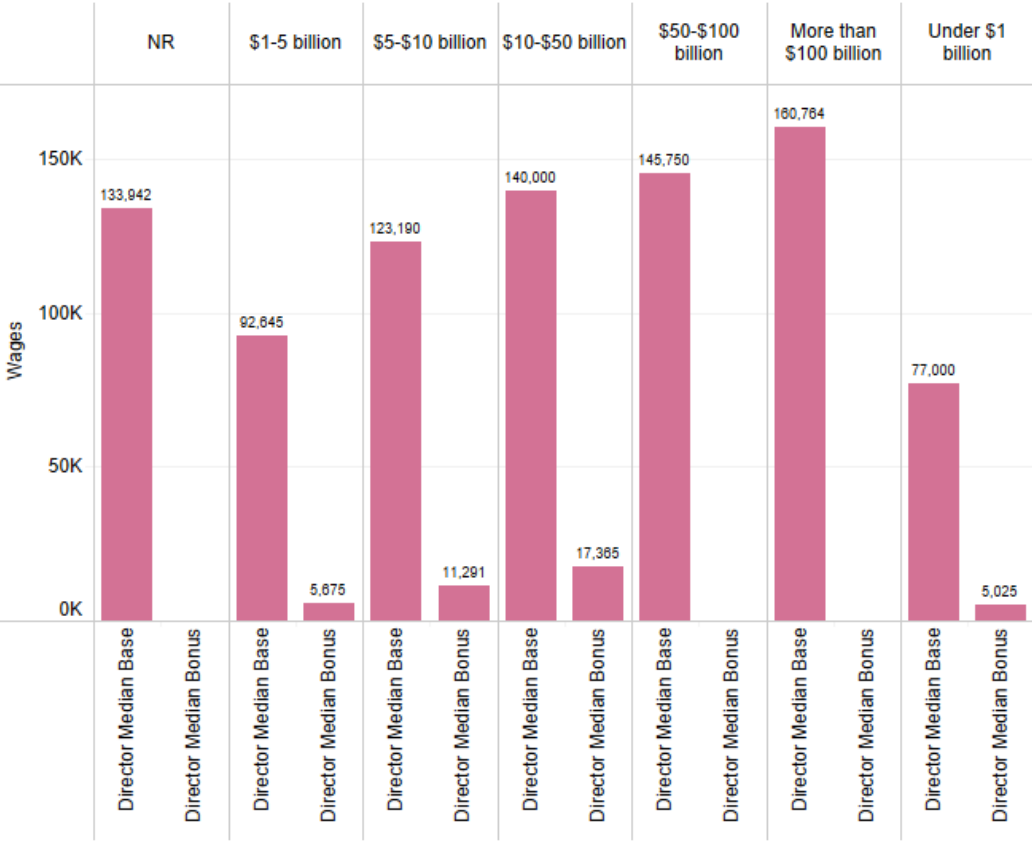
# Member Services Director Compensation

## Roles and Other Responsibilities

Average Salary by Fund Assets



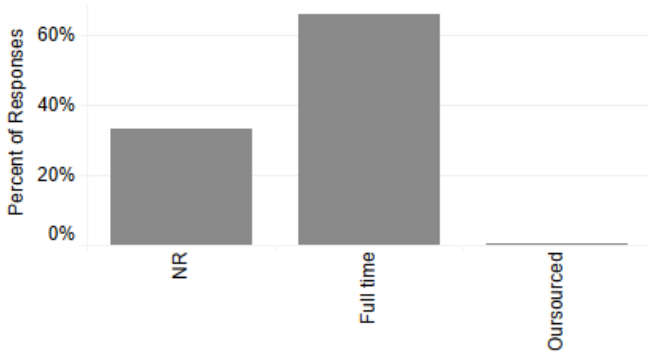
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Member Services Director: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under
Null				179,690	100,000	158,079	
0	133,942	98,642	99,826	150,430	16,000	196,796	
5		96,647	136,183	137,066	275,500		
10		103,859	180,630	187,128		130,146	
15		105,548		213,517			
20		97,191		106,082			
25		84,000					
30				123,012			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

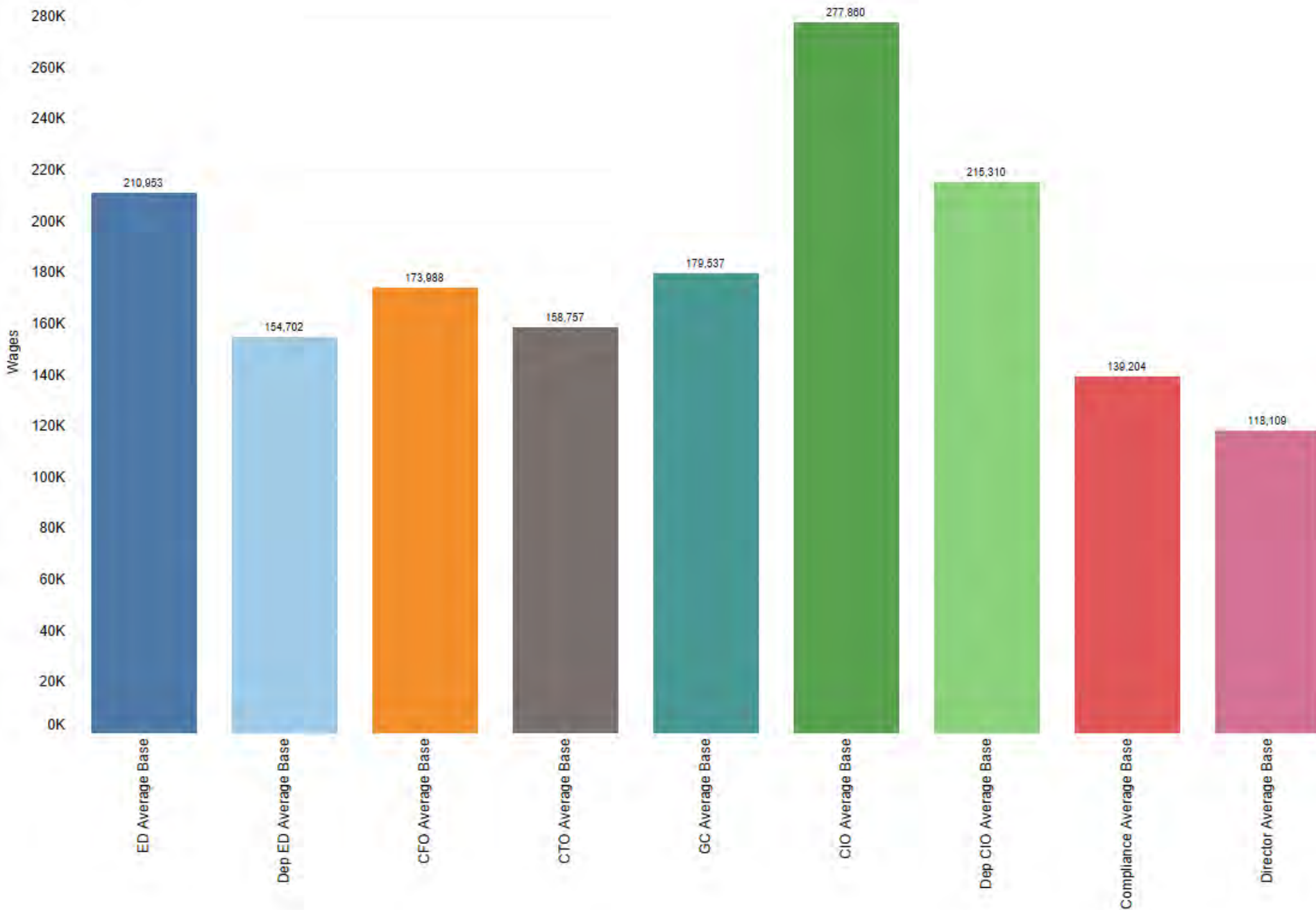
Position Type  
All

Union  
All

Years in position  
All

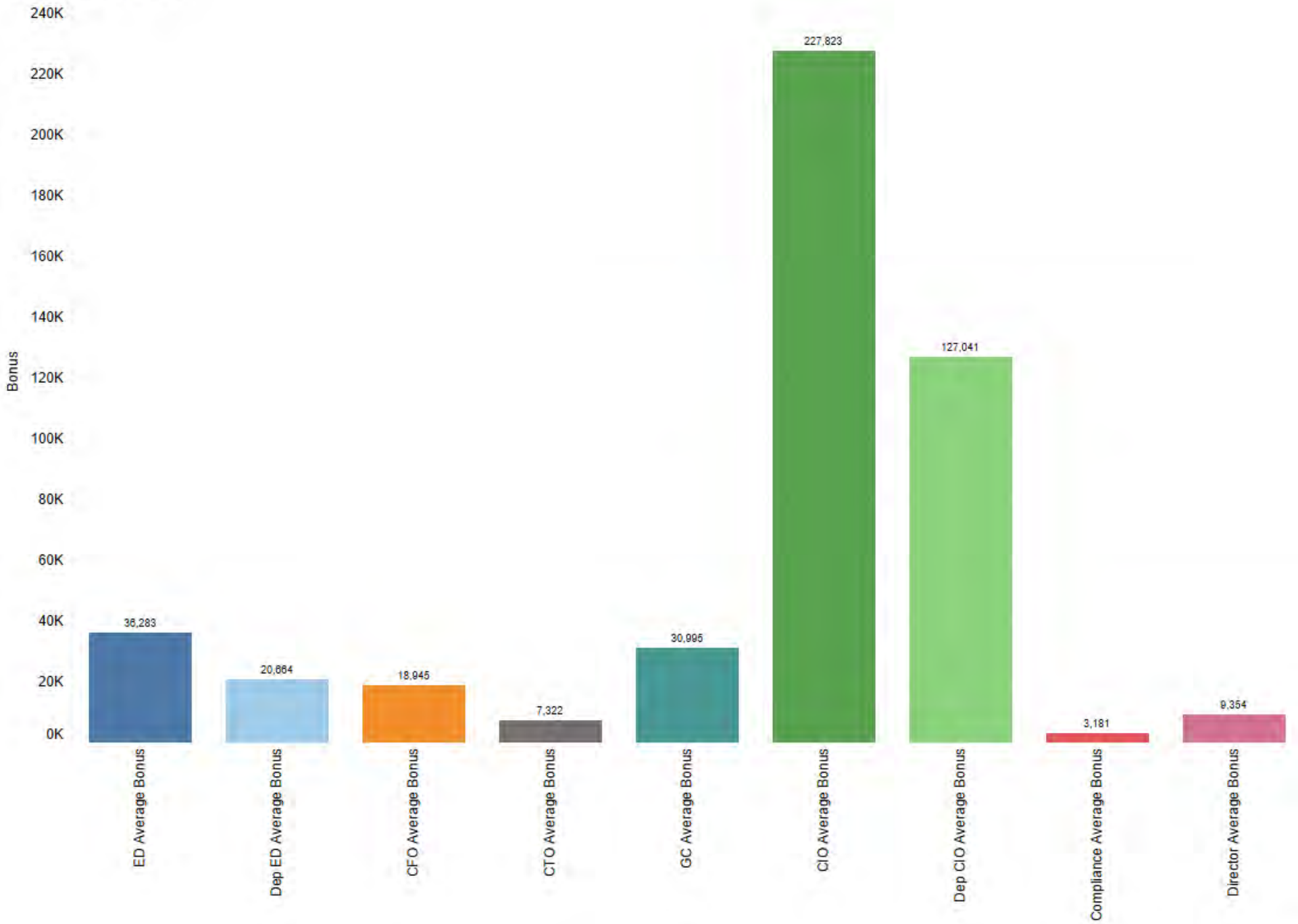
Individual graphs

# Average Salary

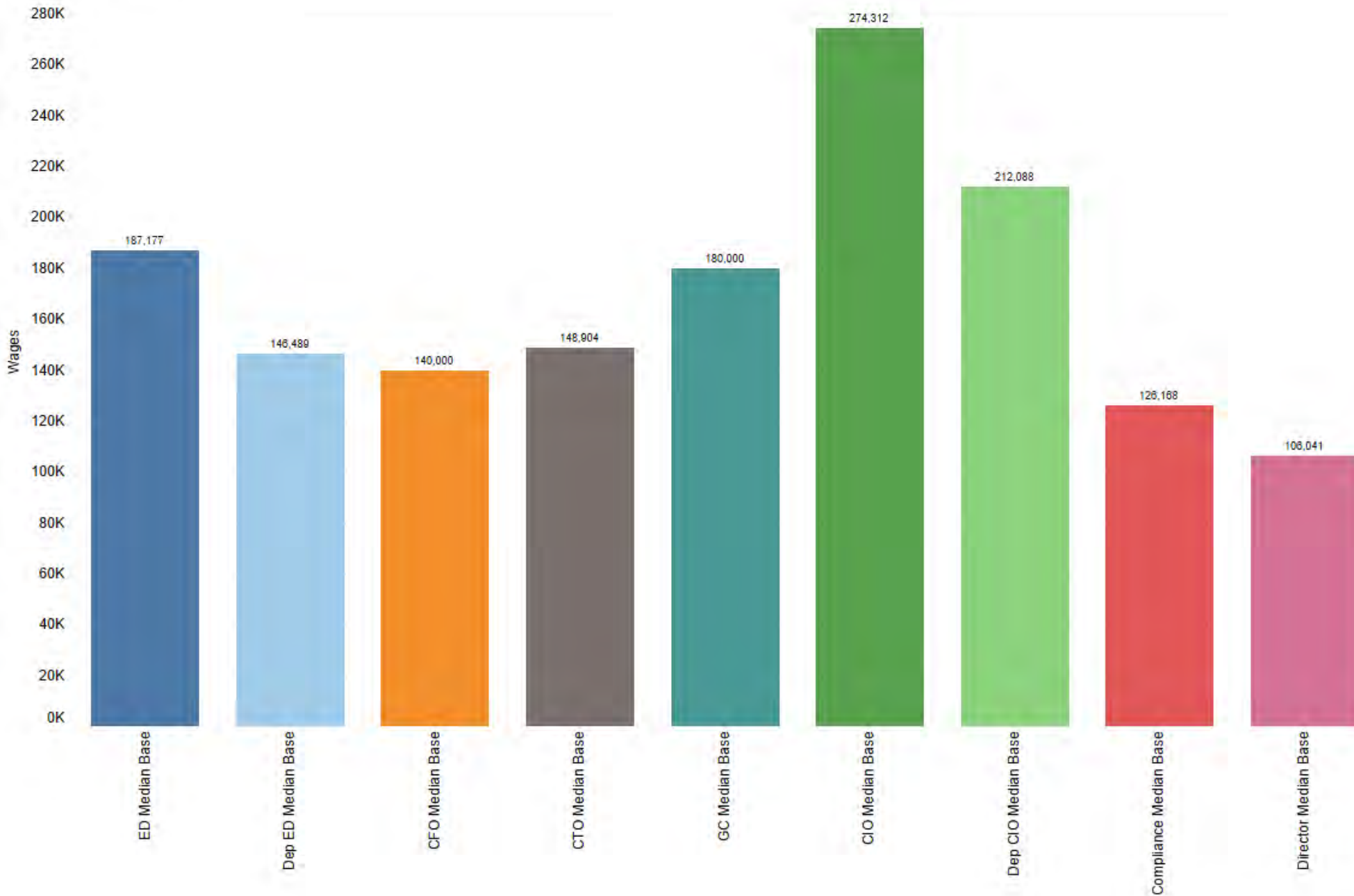




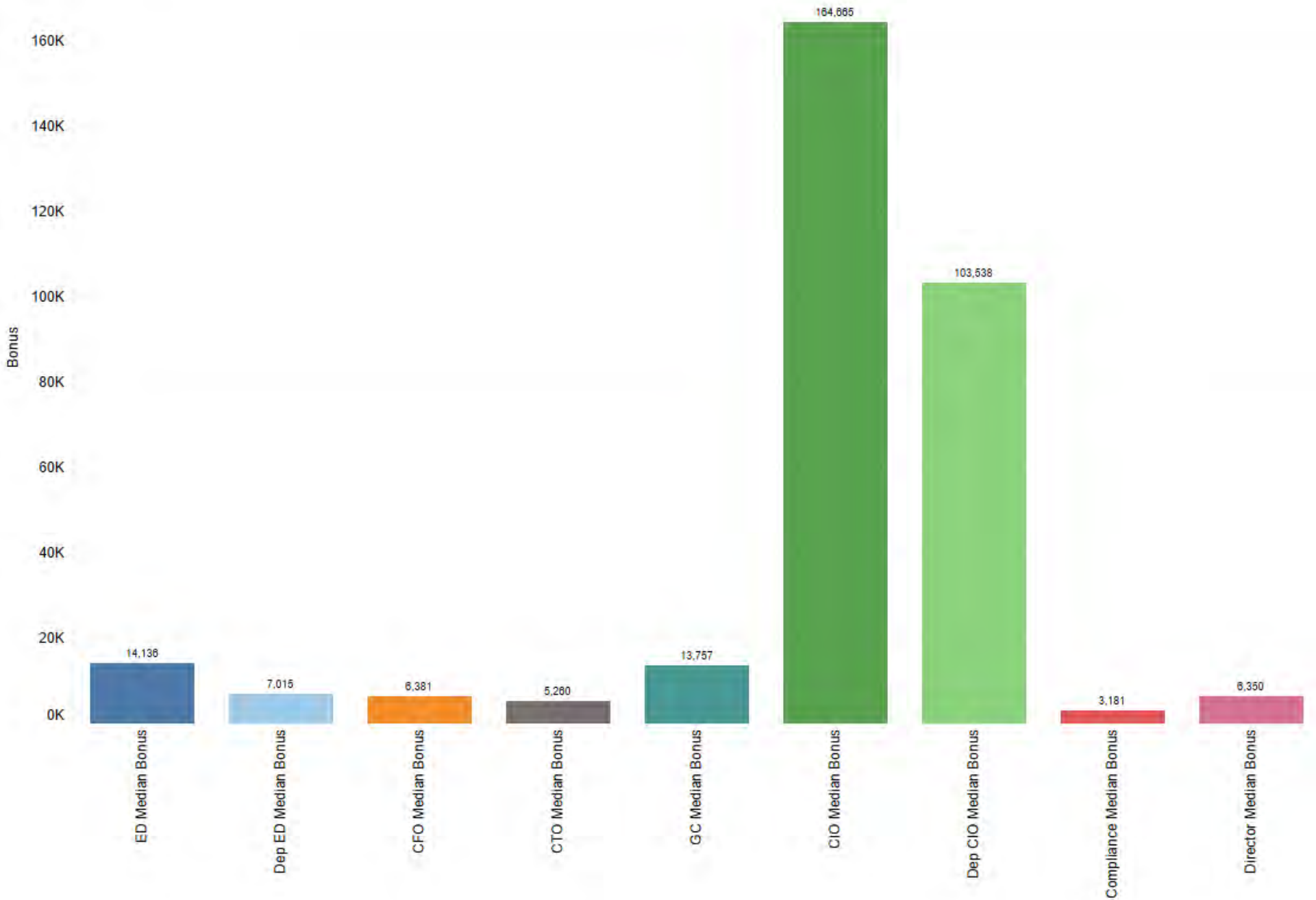
Average Bonus



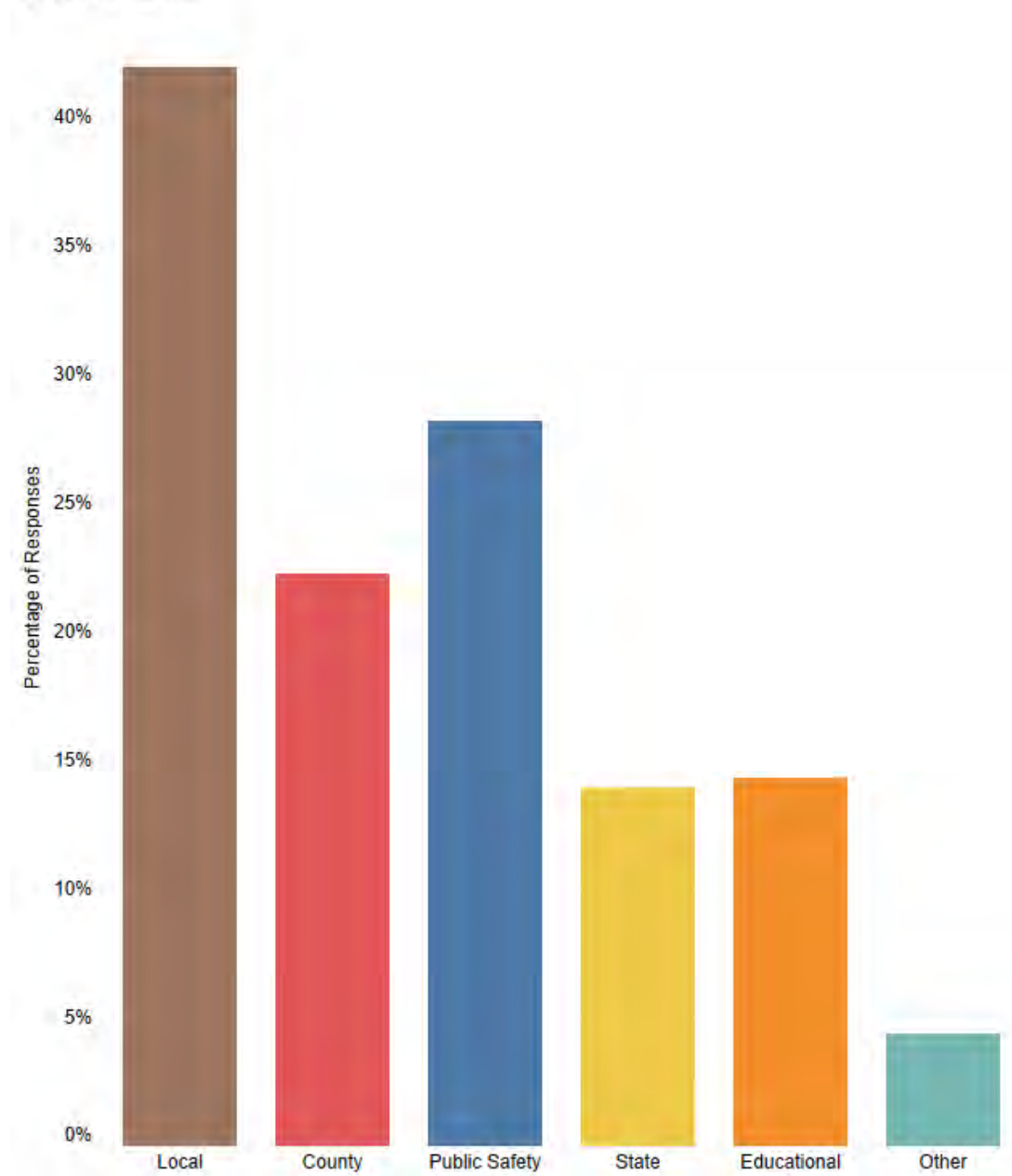
# Median Salary



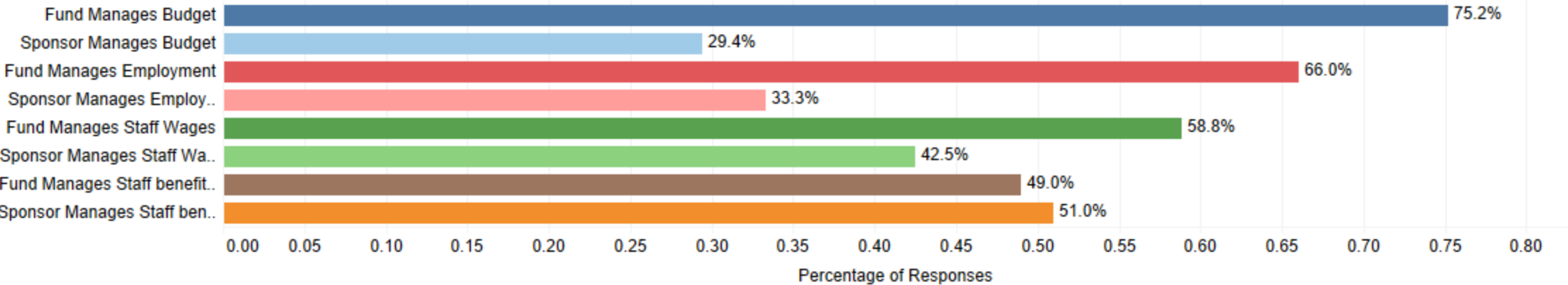
# Median Bonus



## Jurisdiction

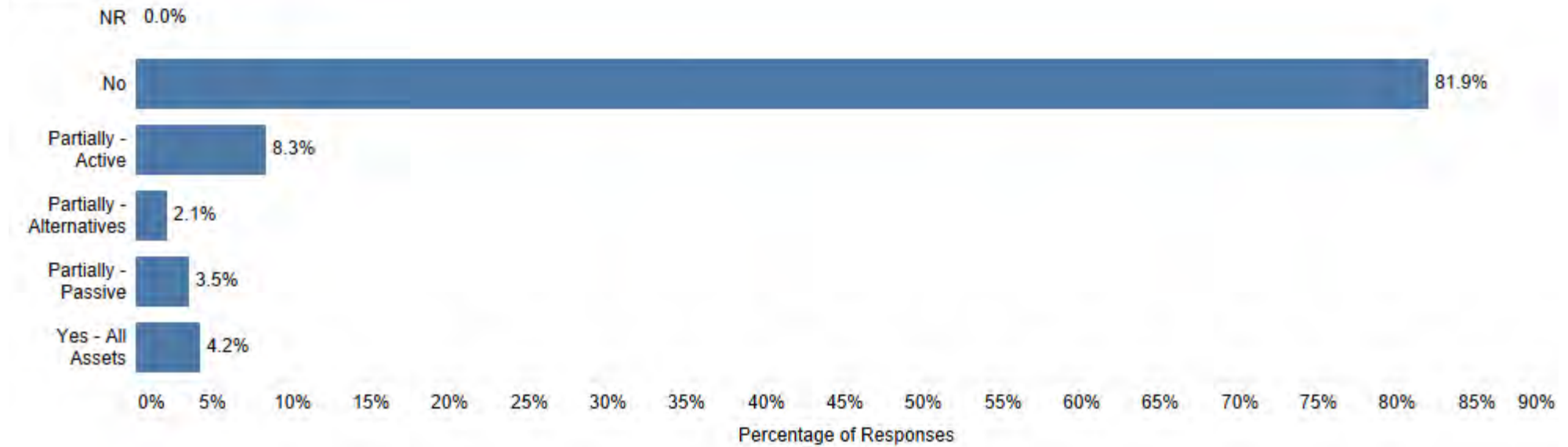


# Oversight Responsibilities



## Assets Managed by Fund

Inhouse Ass..



# Summary Counts

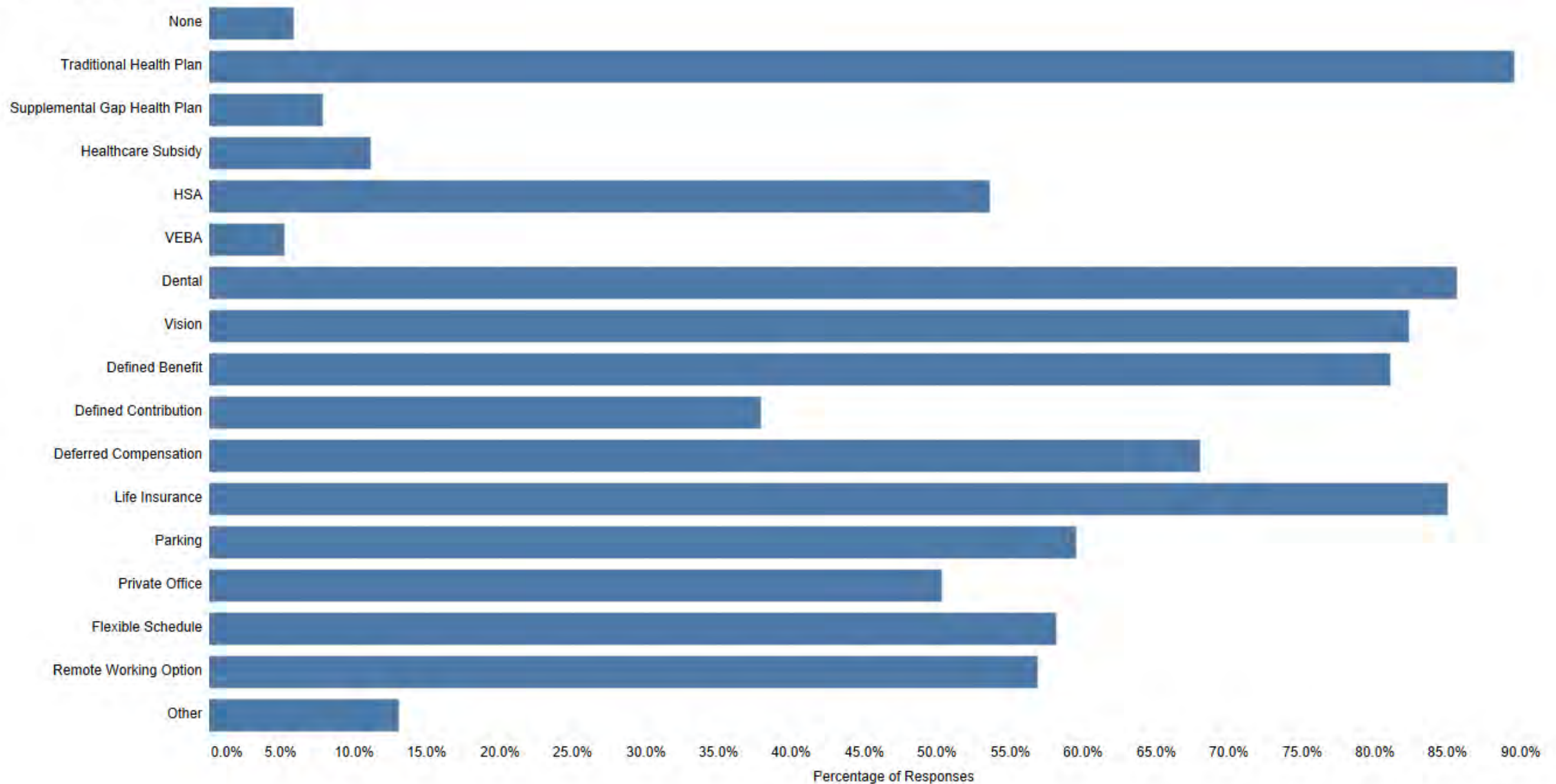
Count of Active and Retired Individuals	9,270,043
Count of Staff Positions	11,617
Count of Systems Administered	1,714
Count of Investment Staff Positions	1,074



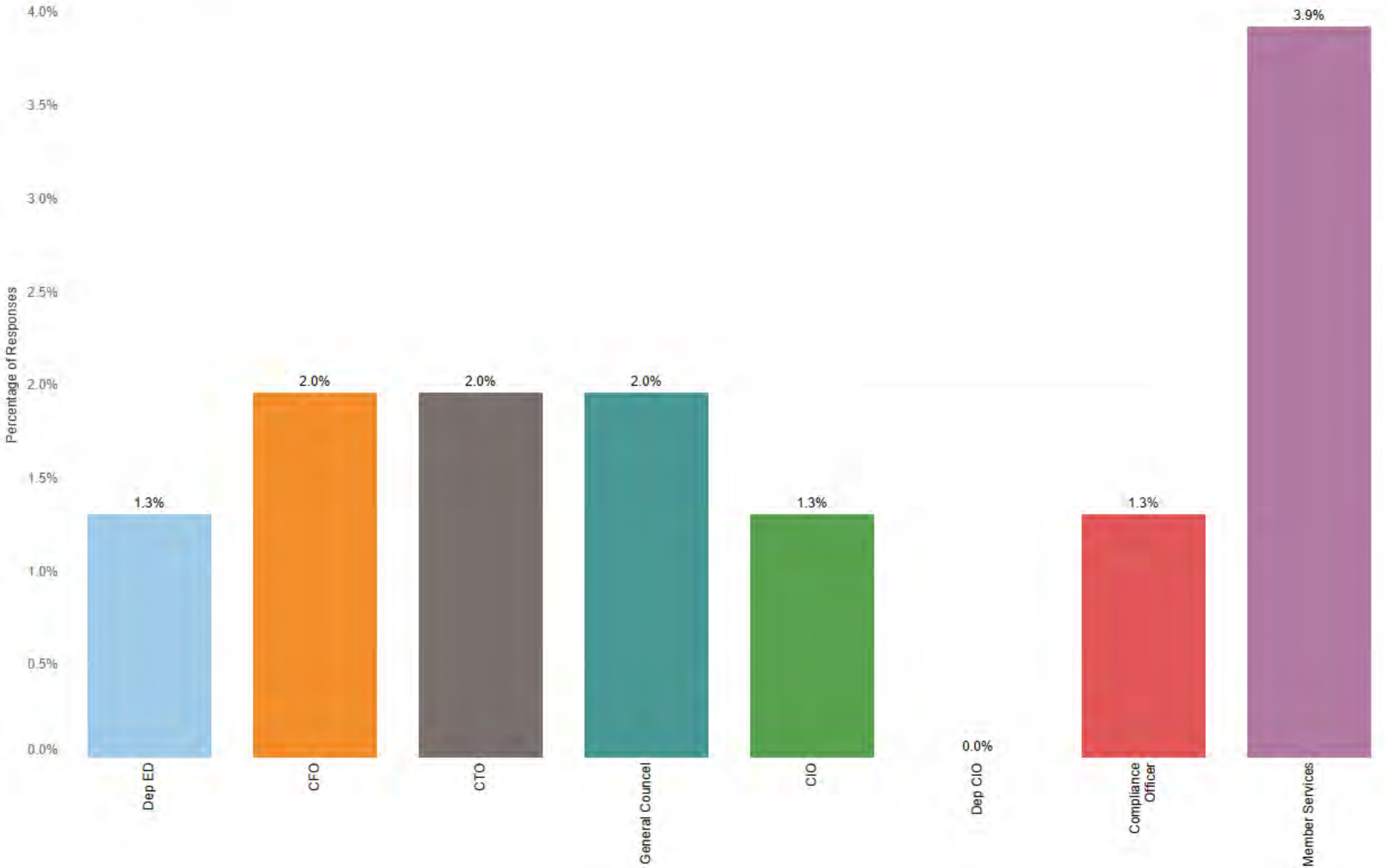
# Summary Means

Avg. Count of Active and Retired Individuals	62,635
Avg. Count of Staff Positions	78
Avg. Count of Systems Administered	12
Avg. Count of Investment Staff Positions	8

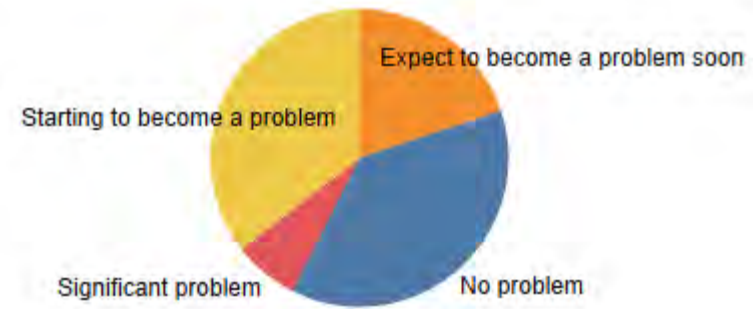
# Benefits Provided



Union Participation

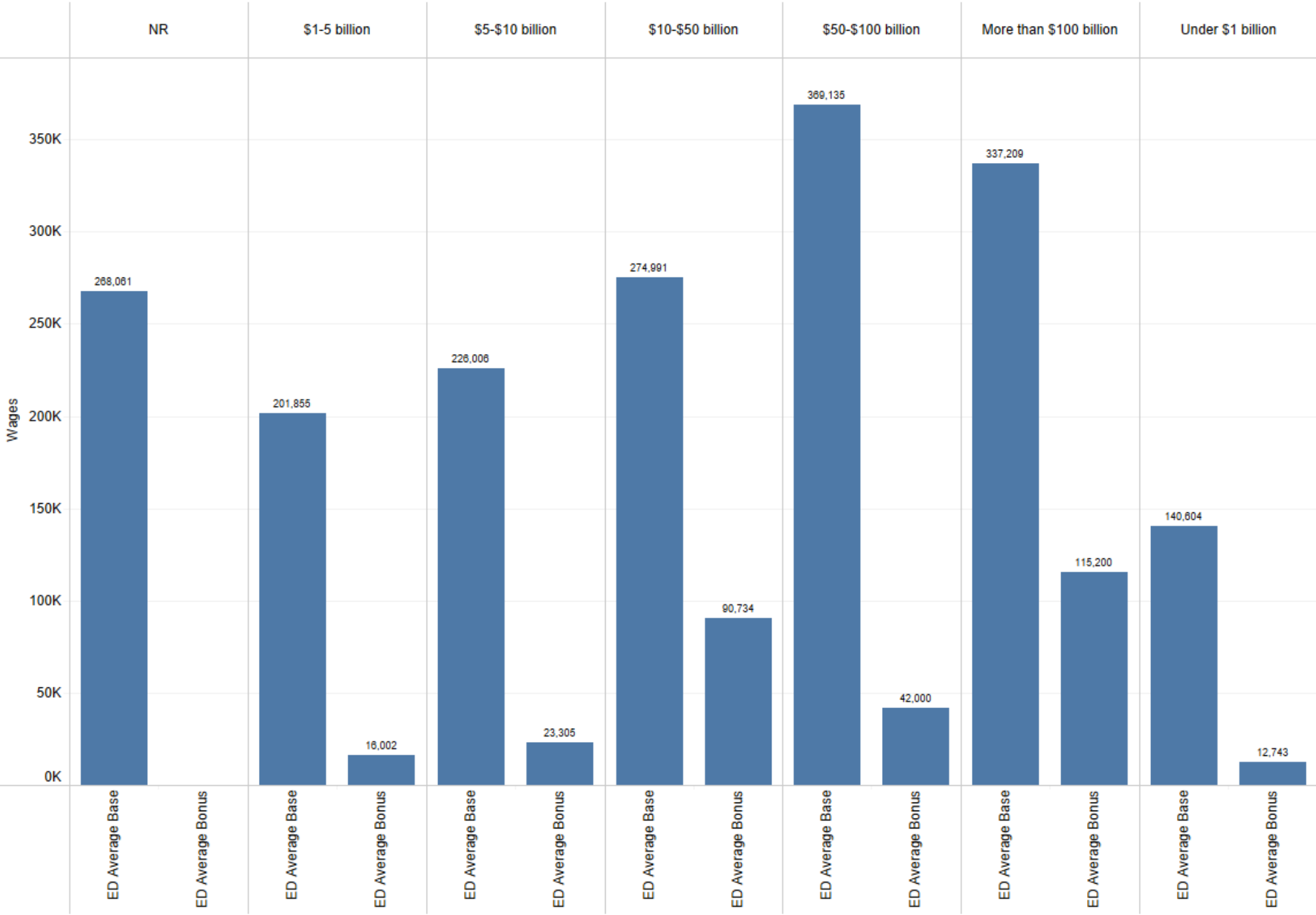


## Ability to Attract and Retain Skilled Staff

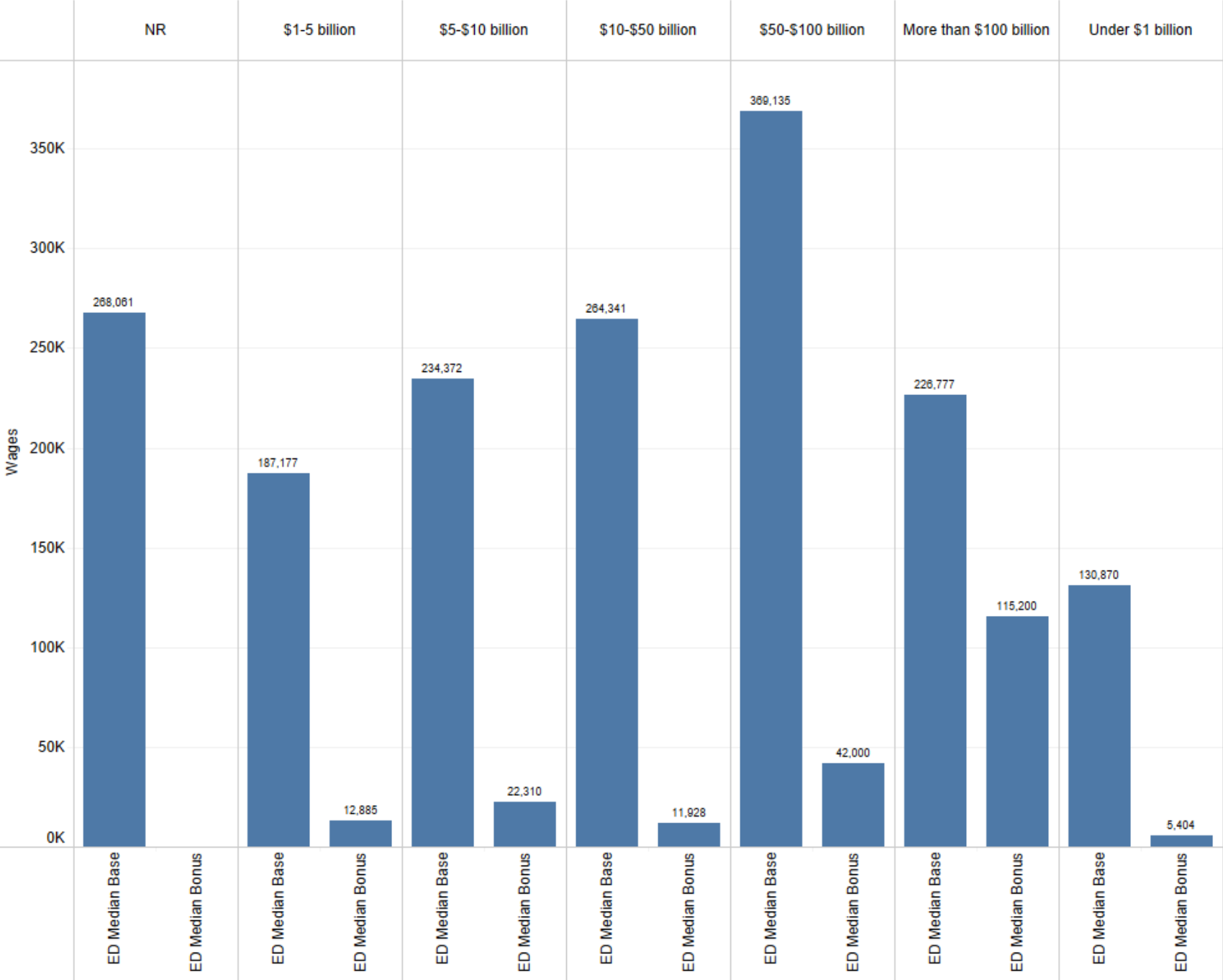


Executive Director

Average Salary by Fund Assets

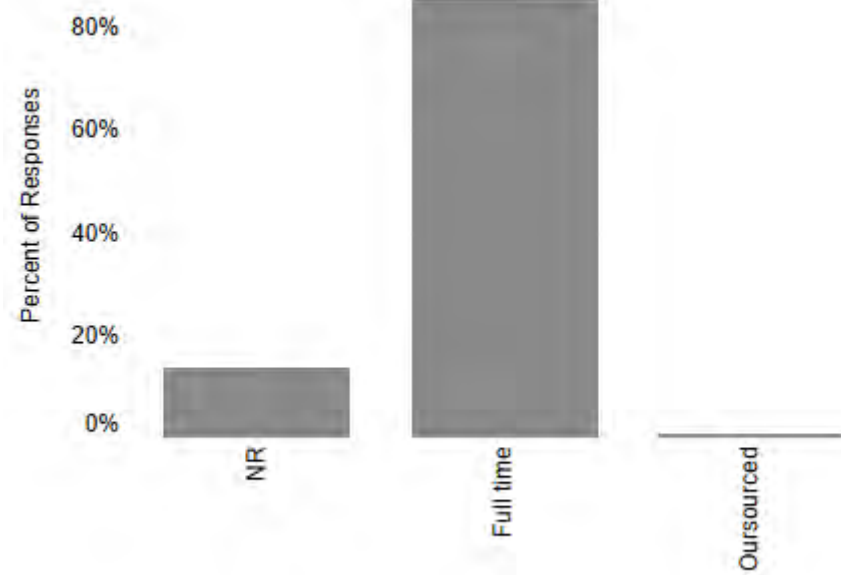


Median Salary by Fund Assets





## Position

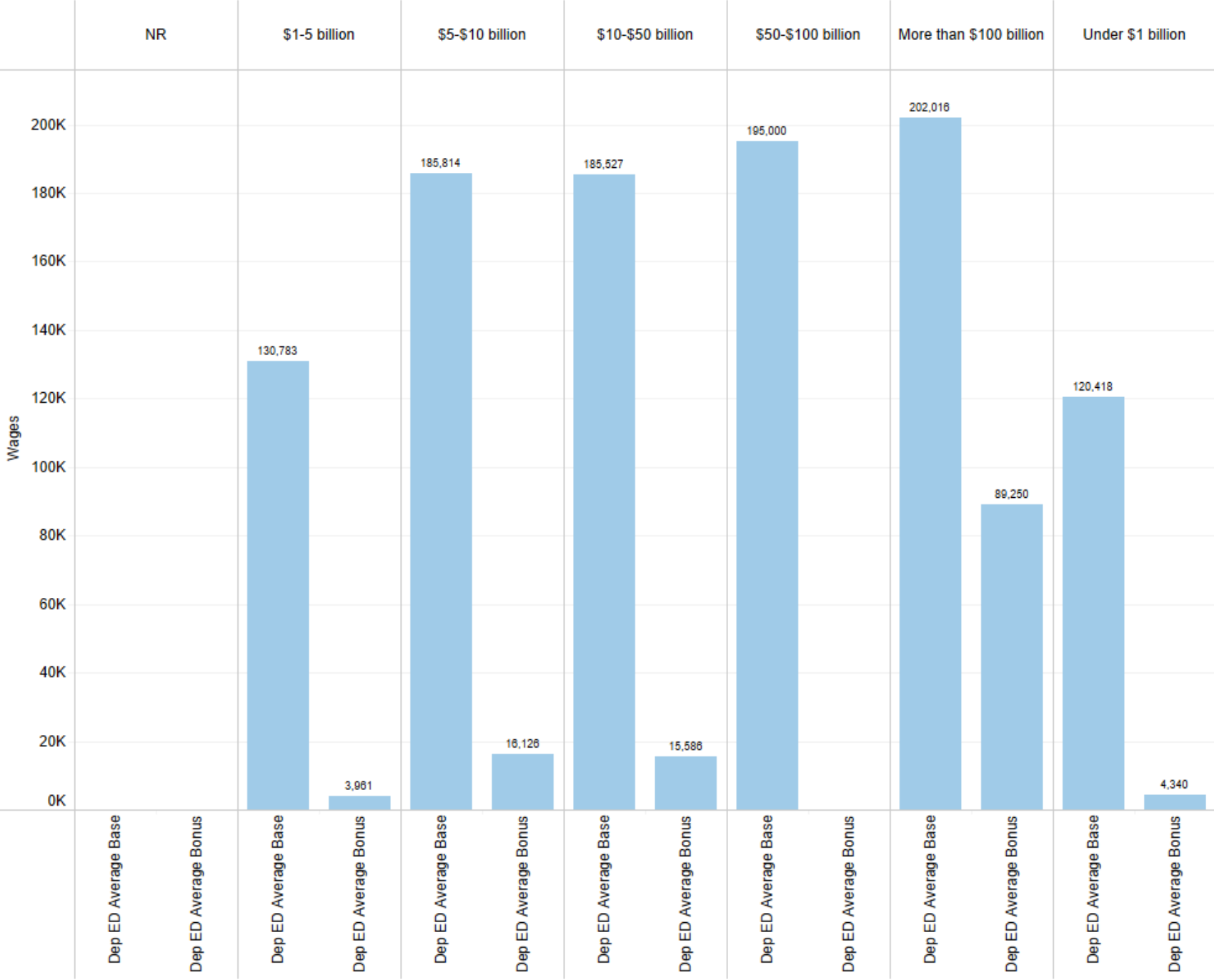


Average Salary by Fund Assets and Tenure

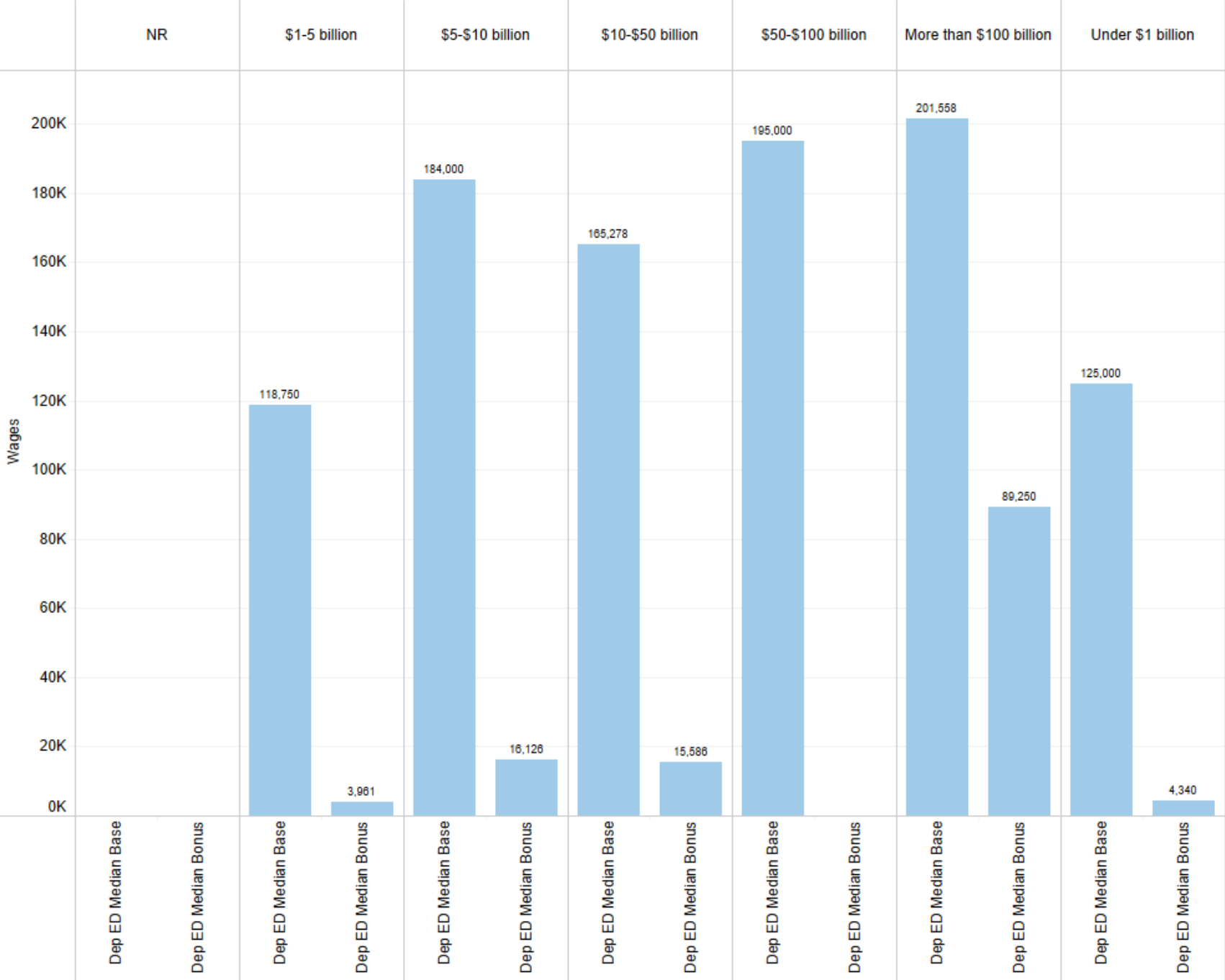
	Exec Dir: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
ED Average Base	NR			235,599				90,000
	0	268,061	203,266	252,060	253,639	369,135	286,345	143,360
	5		201,053	224,189	255,223			152,098
	10		239,686	147,335	312,202		607,011	160,000
	15		163,975				220,000	85,000
	20		180,738		196,210			149,515
	25		226,032					111,500
	30				277,938			100,000
	35							138,125
	40							
	45				890,573			
ED Average Bonus	NR			14,136				
	0		12,885	27,250	10,338	42,000	218,400	2,500
	5		7,411	23,731	331,923			17,654
	10		50,000				12,000	
	15							
	20							2,000
	25		22,603					35,000
	30							
	35							1,650
	40							
	45							
ED Median Base	NR			235,599				90,000
	0	268,061	186,000	254,180	264,341	369,135	226,777	135,000
	5		194,264	233,145	216,000			145,000
	10		257,254	147,335	312,202		607,011	153,000
	15		186,430				220,000	85,000
	20		180,000		196,210			109,935
	25		226,032					111,500
	30				277,938			100,000
	35							138,125
	40							
	45				890,573			
ED Median Bonus	NR			14,136				
	0		12,885	27,250	8,855	42,000	218,400	2,500
	5		3,250	30,484	331,923			17,654
	10		50,000				12,000	
	15							
	20							2,000
	25		22,603					35,000
	30							
	35							1,650
	40							
	45							

Deputy Executive Director

Average Salary by Fund Assets



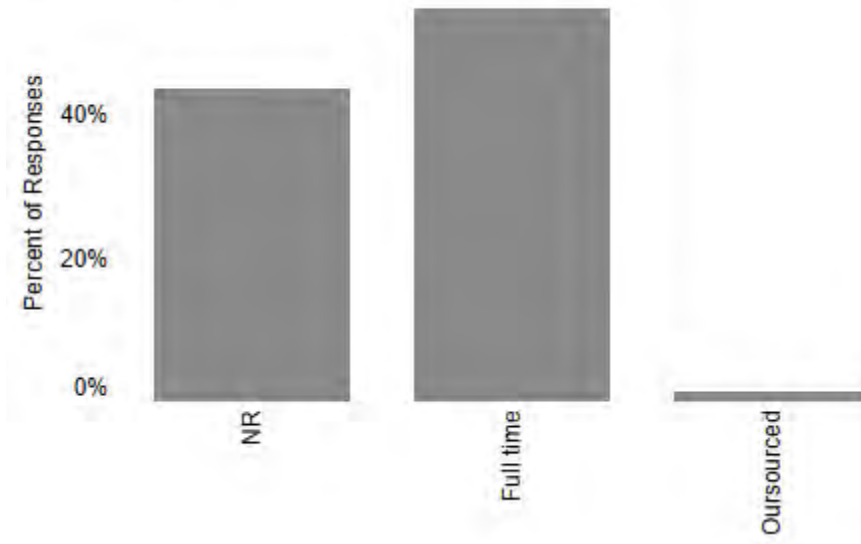
Median Salary by Fund Assets



## Average Salary by Fund Assets and Tenure

Dep Exec Dir: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Dep ED Average Base	Null				139,306			
	0		132,799	188,036	188,189	195,000	180,382	123,162
	5		126,101	175,511	212,224		238,000	112,569
	10		127,888	262,650	145,968		209,301	111,120
	15		125,116					149,890
	20			131,000	186,336			
	25				170,000			126,400
	30		146,000					
Dep ED Average Bonus	Null							
	0				15,586			
	5			16,126			89,250	4,340
	10		3,961					
	15							
	20							
	25							
	30							
Dep ED Median Base	Null				139,306			
	0		114,500	193,758	166,000	195,000	180,382	110,133
	5		118,750	184,000	219,448		238,000	107,000
	10		100,000	262,650	145,968		209,301	111,120
	15		125,116					149,890
	20			131,000	186,336			
	25				170,000			126,400
	30		146,000					
Dep ED Median Bonus	Null							
	0				15,586			
	5			16,126			89,250	4,340
	10		3,961					
	15							
	20							
	25							
	30							

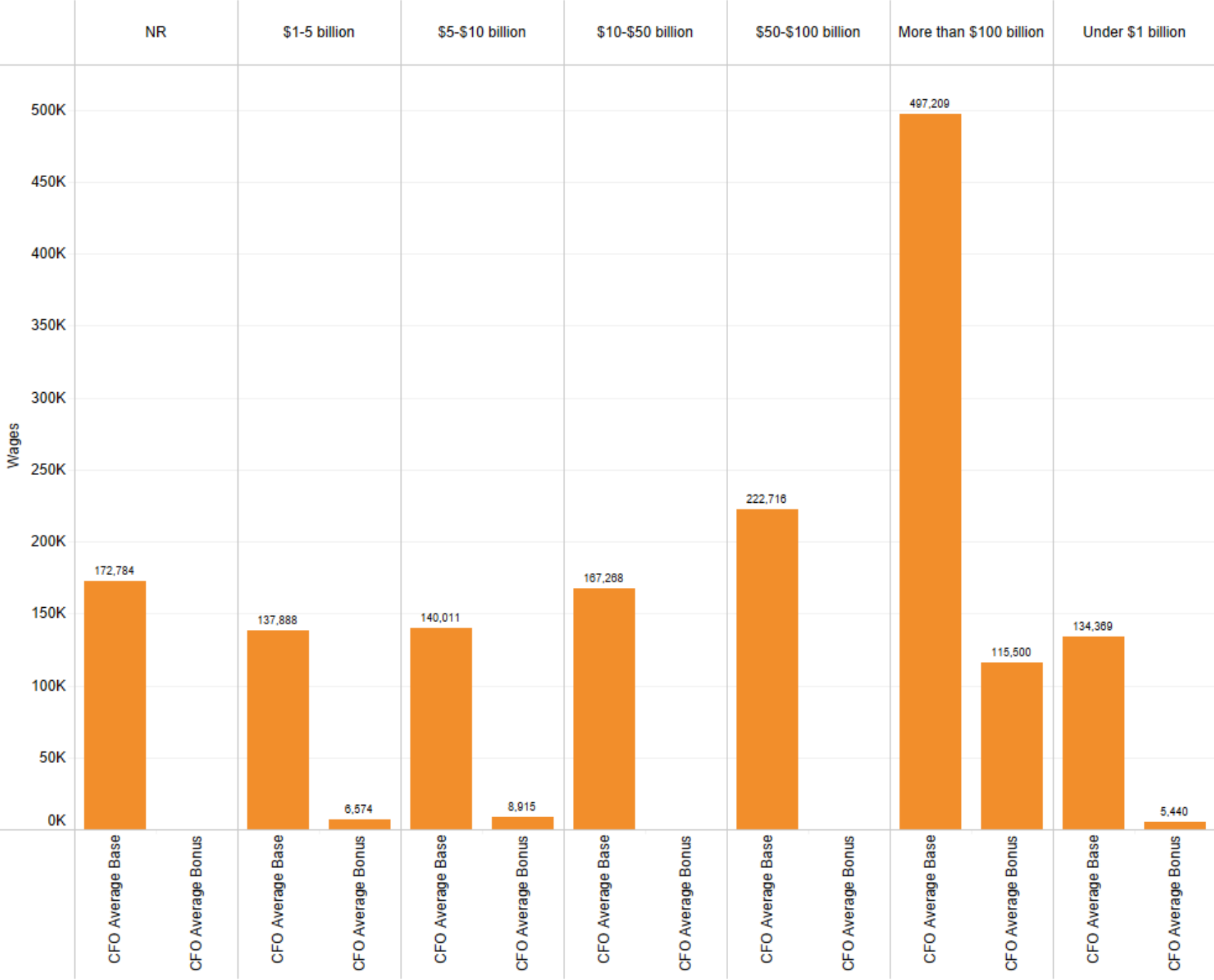
## Position



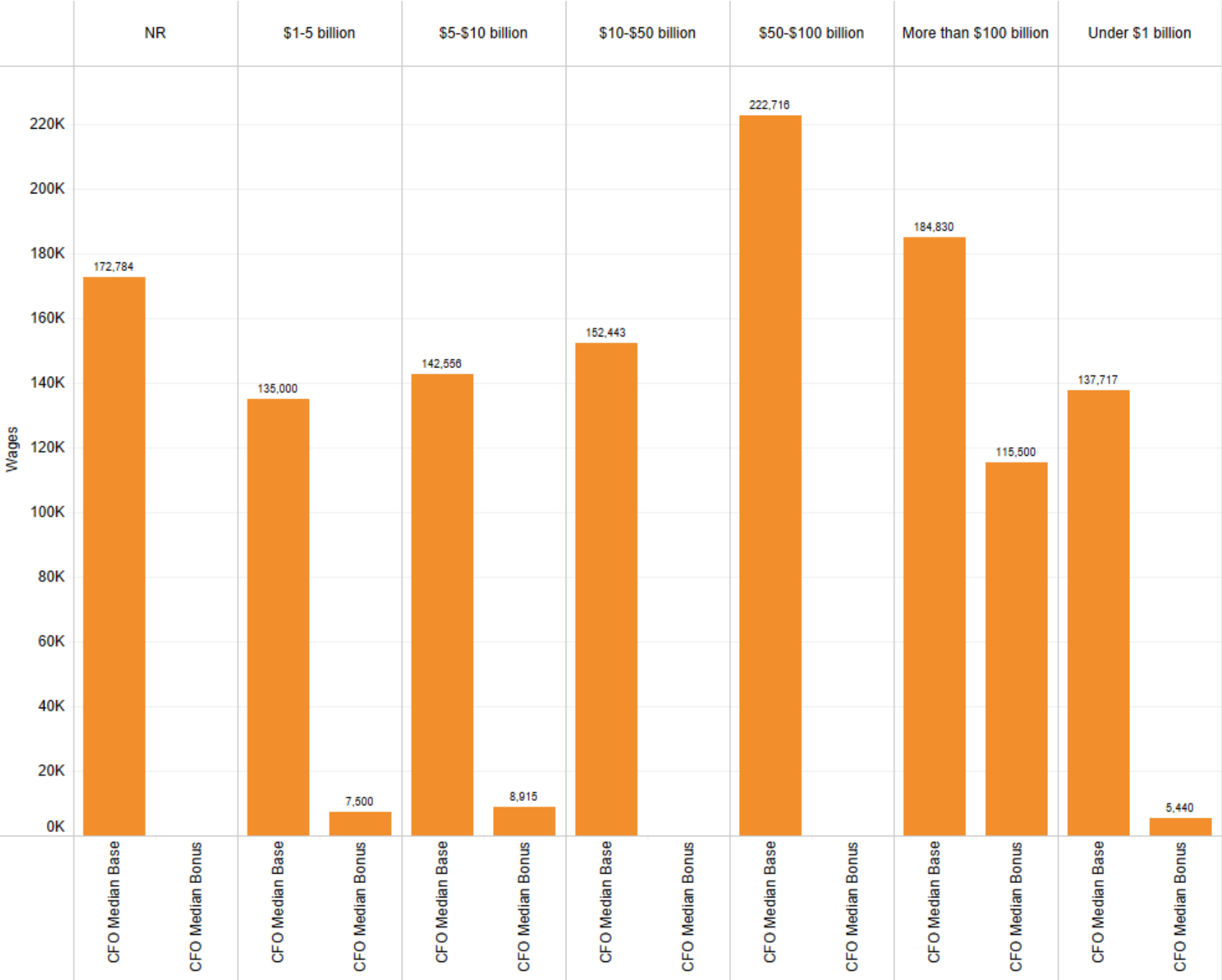


CFO

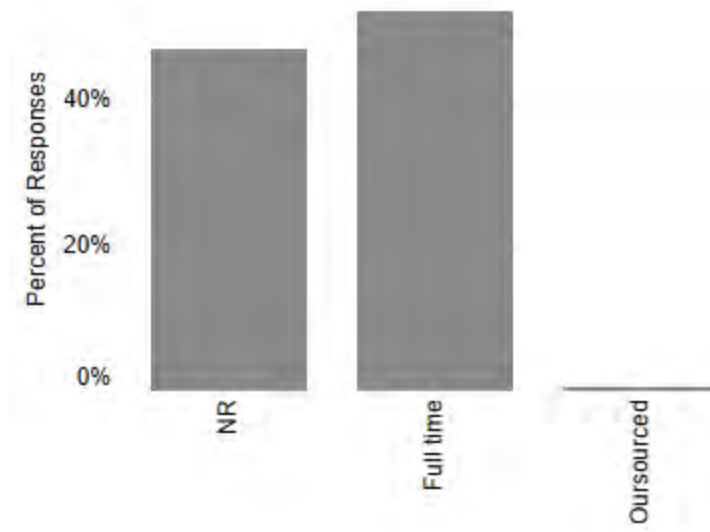
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position

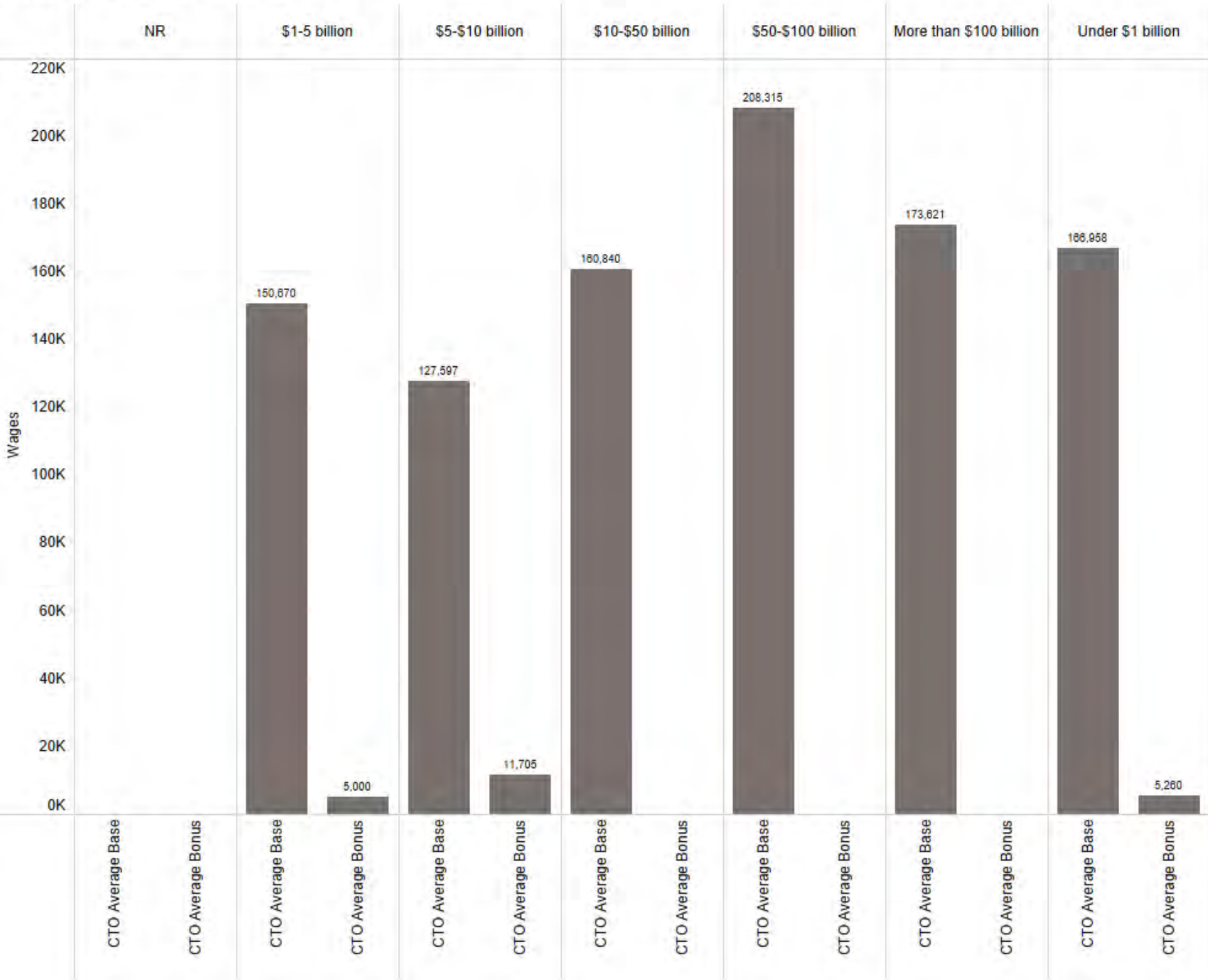


## Average Salary by Fund Assets and Tenure

CFO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CFO Average Base	Null				135,000		169,977	159,523
	0		131,980	131,209	147,685	222,716	1,700,000	139,226
	5	172,784	143,625	154,681	177,174		223,046	161,121
	10		132,388		157,277			82,246
	15		154,633		235,604			
	20		140,000		222,950			110,300
	30				232,296			
CFO Average Bonus	Null							6,381
	0		5,433	6,000				
	5		10,000	11,830			115,500	
	10							
	15							
	20							4,500
	30							
CFO Median Base	Null				135,000		169,977	159,523
	0		121,000	139,111	135,000	222,716	1,700,000	137,717
	5	172,784	131,582	189,286	195,645		223,046	161,121
	10		135,583		152,443			82,246
	15		154,633		235,604			
	20		140,000		222,950			110,300
	30				232,296			
CFO Median Bonus	Null							6,381
	0		5,000	6,000				
	5		10,000	11,830			115,500	
	10							
	15							
	20							4,500
	30							

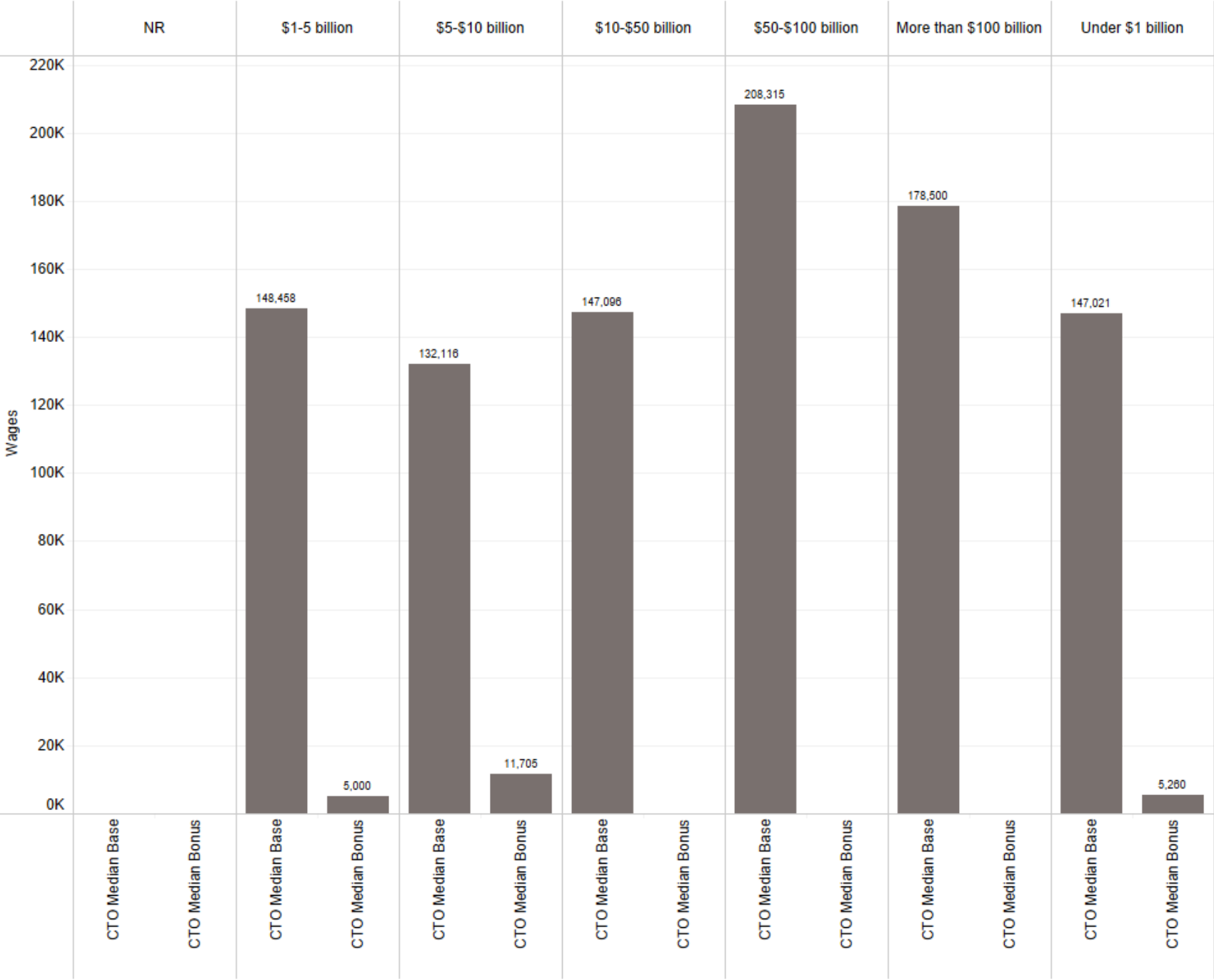
CTO

Average Salary by Fund Assets

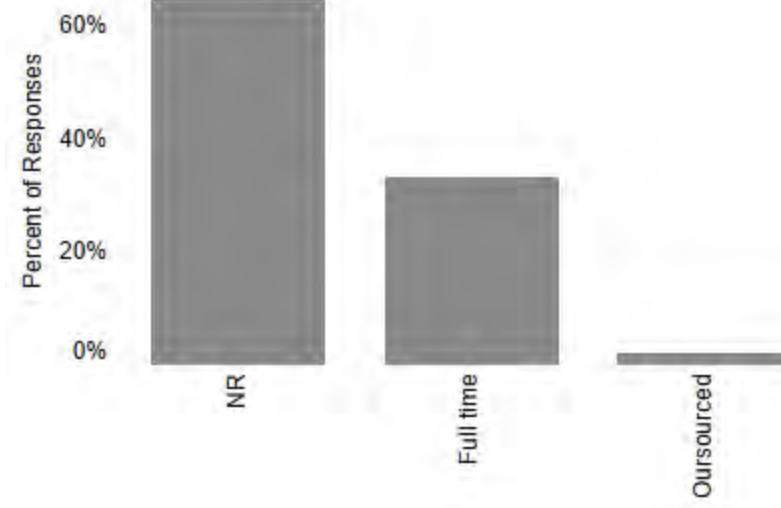




Median Salary by Fund Assets



## Position

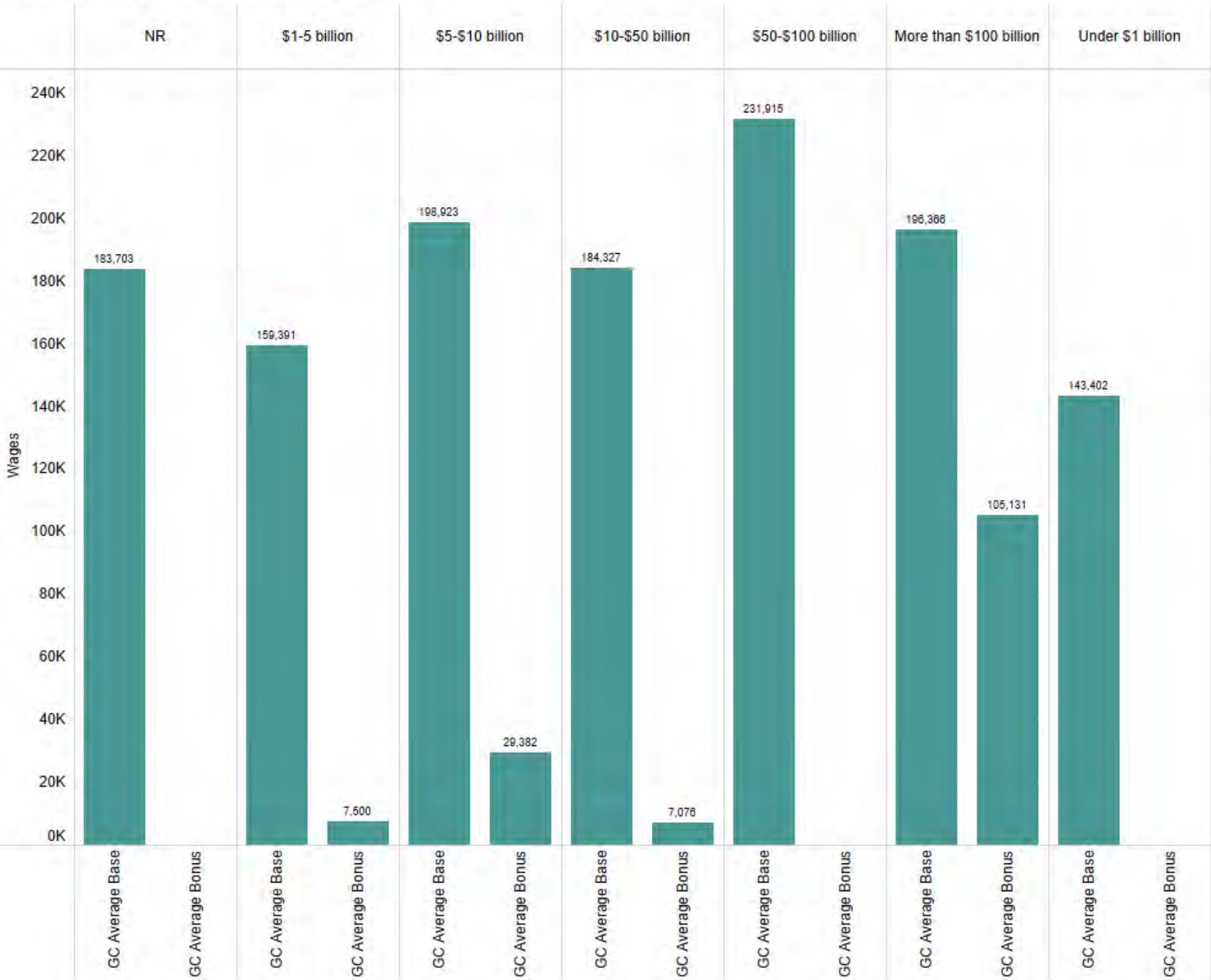


## Average Salary by Fund Assets and Tenure

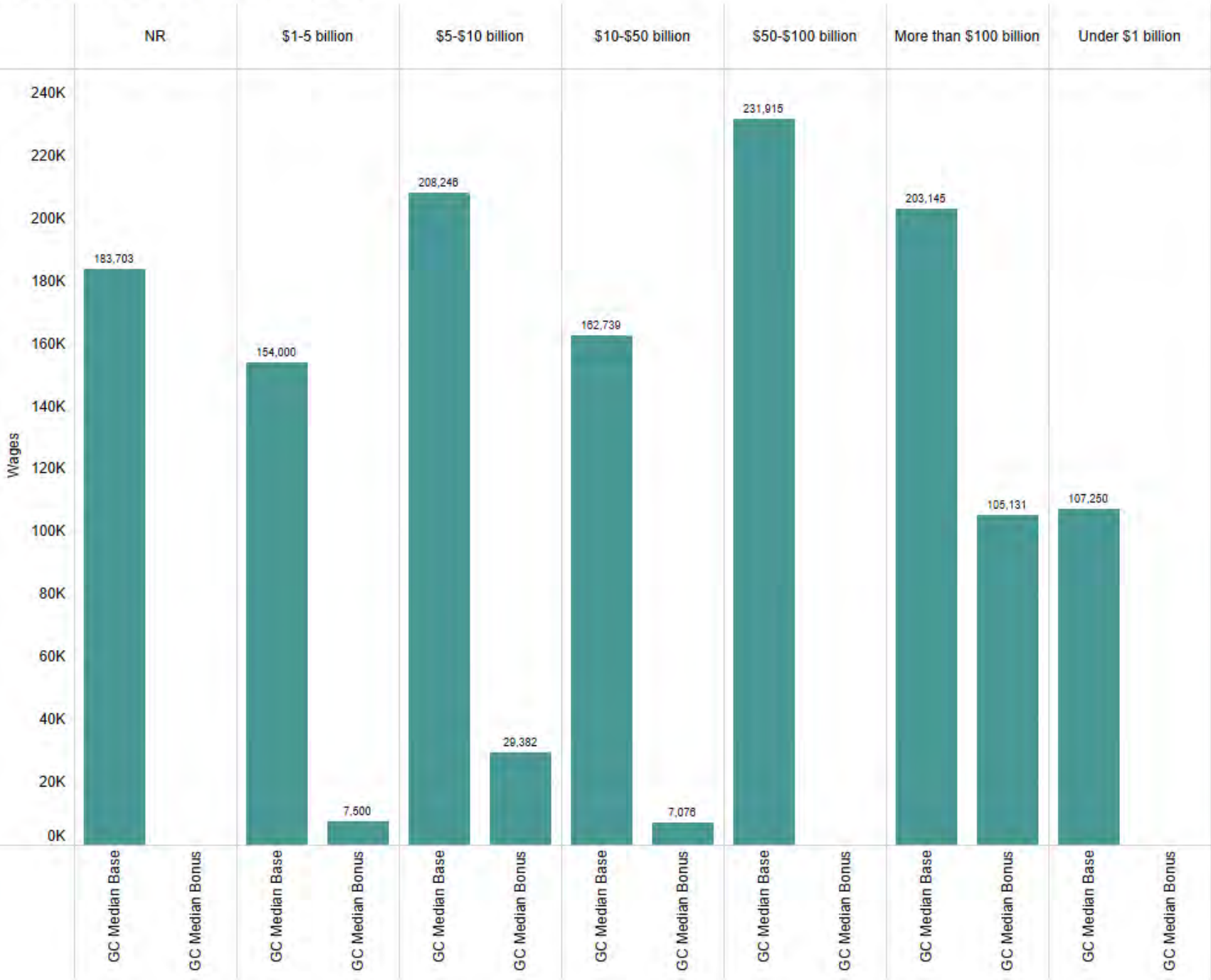
CTO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CTO Average Base	Null						178,500	131,505
	0		128,679	130,203	143,979	149,350	164,157	191,083
	5		182,487	64,296	188,931		180,646	142,939
	10		175,000	132,116	221,715			
	15			187,283	119,157			202,200
	20				112,236	267,280		
	30			184,780				
CTO Average Bonus	Null							5,260
	0							
	5							
	10		5,000					
	15			11,705				
	20							
	30							
CTO Median Base	Null						178,500	131,505
	0		135,289	130,203	134,192	149,350	164,157	191,083
	5		182,487	64,296	191,927		180,646	142,939
	10		175,000	132,116	195,500			
	15			187,283	119,157			202,200
	20				112,236	267,280		
	30			184,780				
CTO Median Bonus	Null							5,260
	0							
	5							
	10		5,000					
	15			11,705				
	20							
	30							

General Council

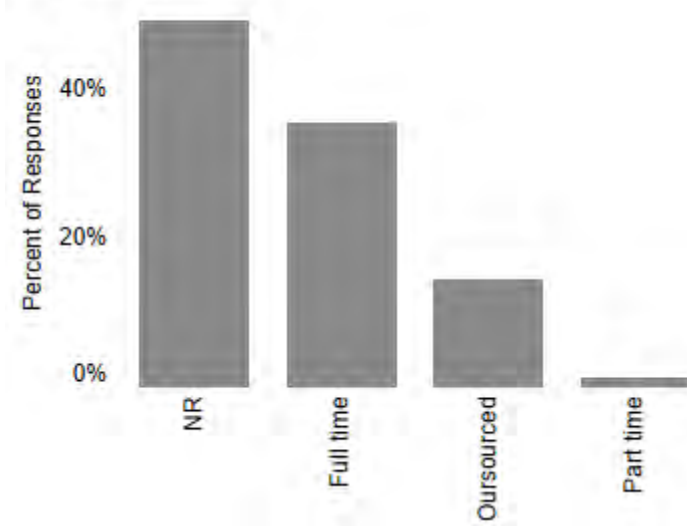
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



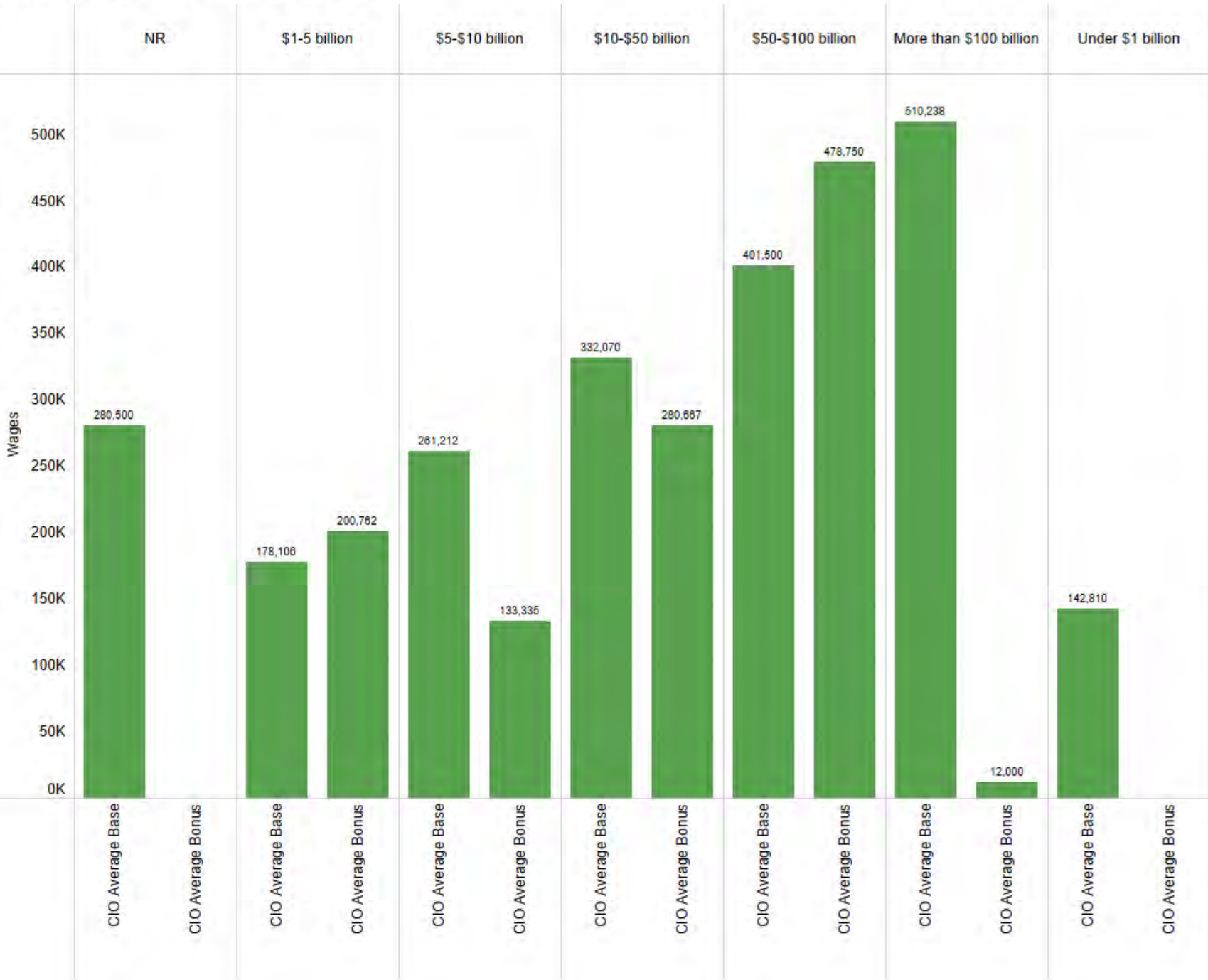


## Average Salary by Fund Assets and Tenure

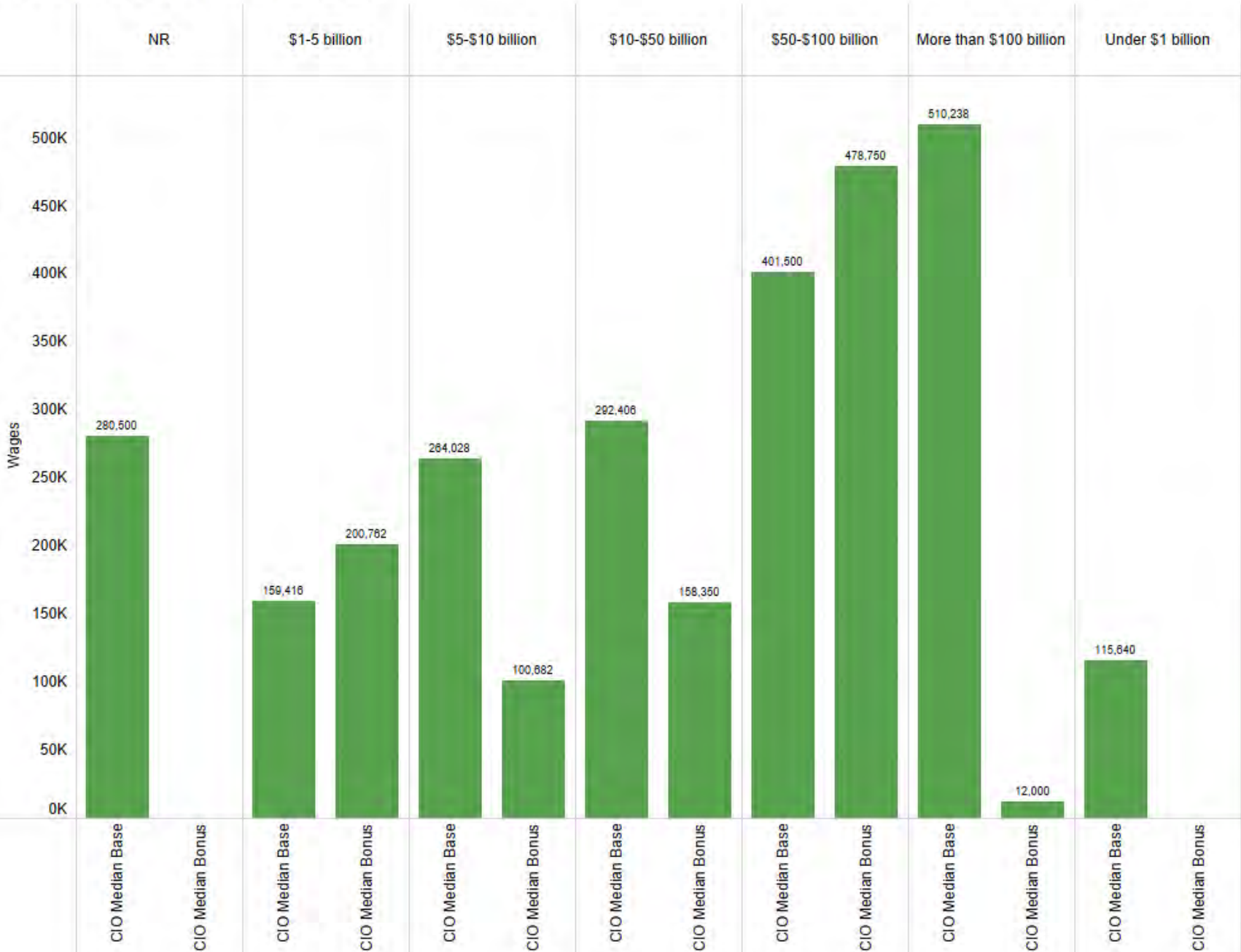
General Counsel: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
GC Average Base	Null		113,000		119,938		154,374	100,000
	0	183,703	156,681	257,623	176,656	231,915		142,243
	5		130,500	145,447	208,854			250,001
	10		294,614	180,000	233,580		280,350	152,160
	15			173,811				107,250
	20				159,643			
	30							100,000
GC Average Bonus	Null							
	0		5,000	29,382	7,076			
	5							
	10		10,000				105,131	
	15							
	20							
	30							
GC Median Base	Null		113,000		119,938		154,374	100,000
	0	183,703	165,369	275,000	163,300	231,915		142,243
	5		130,500	145,447	213,322			250,001
	10		294,614	180,000	233,580		280,350	152,160
	15			173,811				107,250
	20				159,643			
	30							100,000
GC Median Bonus	Null							
	0		5,000	29,382	7,076			
	5							
	10		10,000				105,131	
	15							
	20							
	30							

CIO

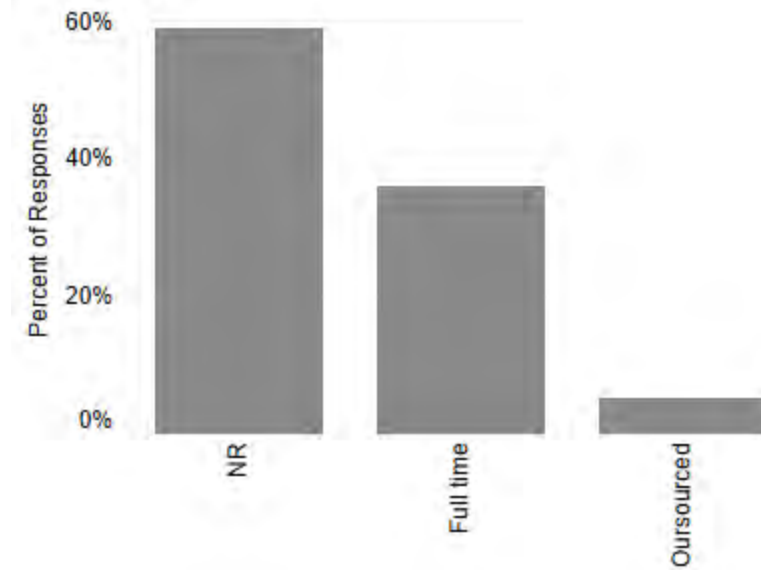
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position

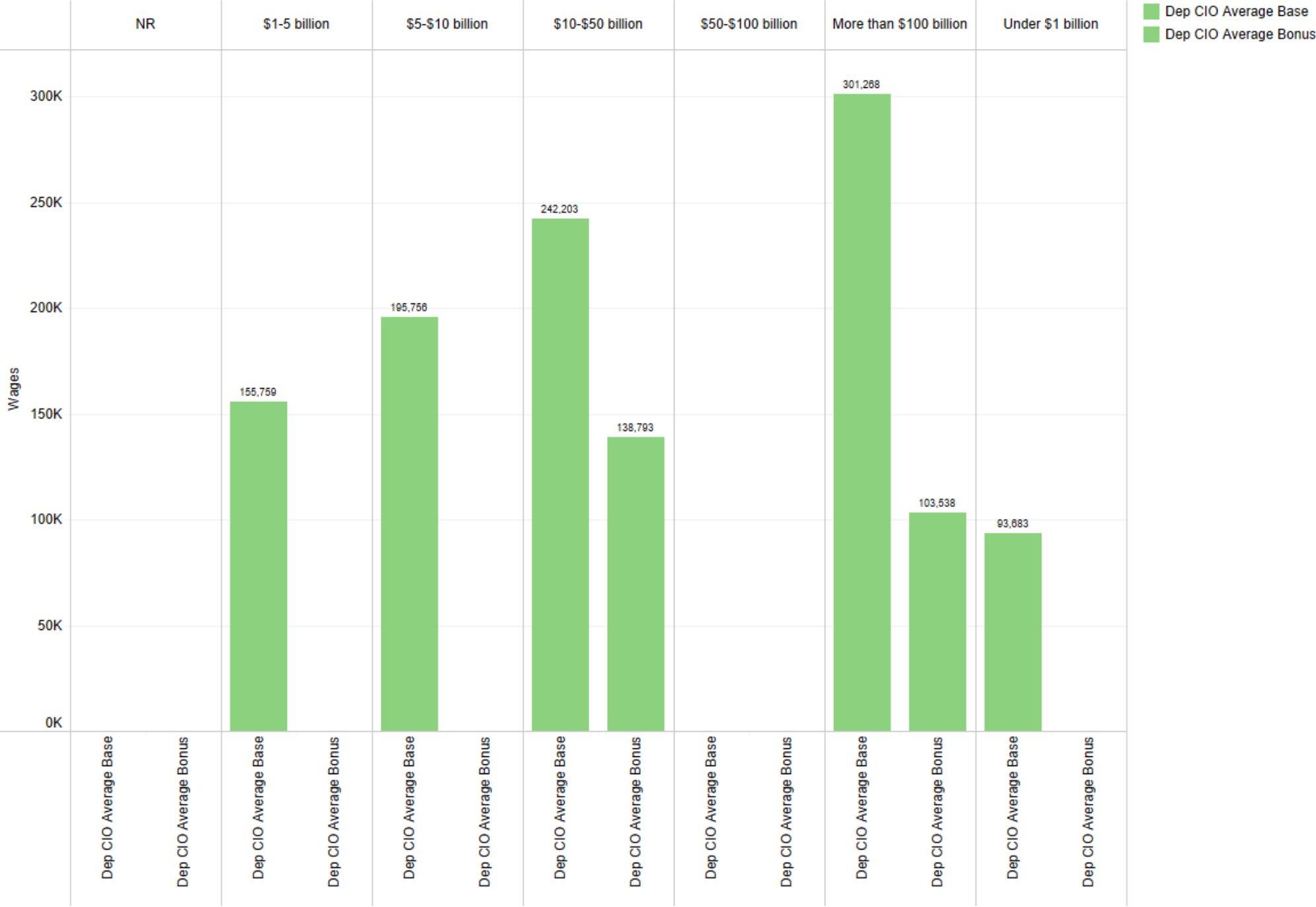


## Average Salary by Fund Assets and Tenure

CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
C/O Average Base	Null			102,559	265,000		510,238	100,000
	0	280,500	137,454	280,807	328,060	383,000		157,080
	5		187,254	267,585	350,000			
	10		223,667	341,960	257,936			
	15		232,027		442,709	420,000		
	25				295,000			
C/O Average Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			169,432	250,000			
	10			170,980	83,650			
	15		200,762		558,685			
	25							
C/O Median Base	Null			102,559	265,000		510,238	100,000
	0	280,500	125,648	215,390	304,015	383,000		131,280
	5		172,075	312,666	350,000			
	10		223,667	341,960	255,070			
	15		186,557		435,792	420,000		
	25				295,000			
C/O Median Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			169,432	250,000			
	10			170,980	83,650			
	15		200,762		558,685			
	25							

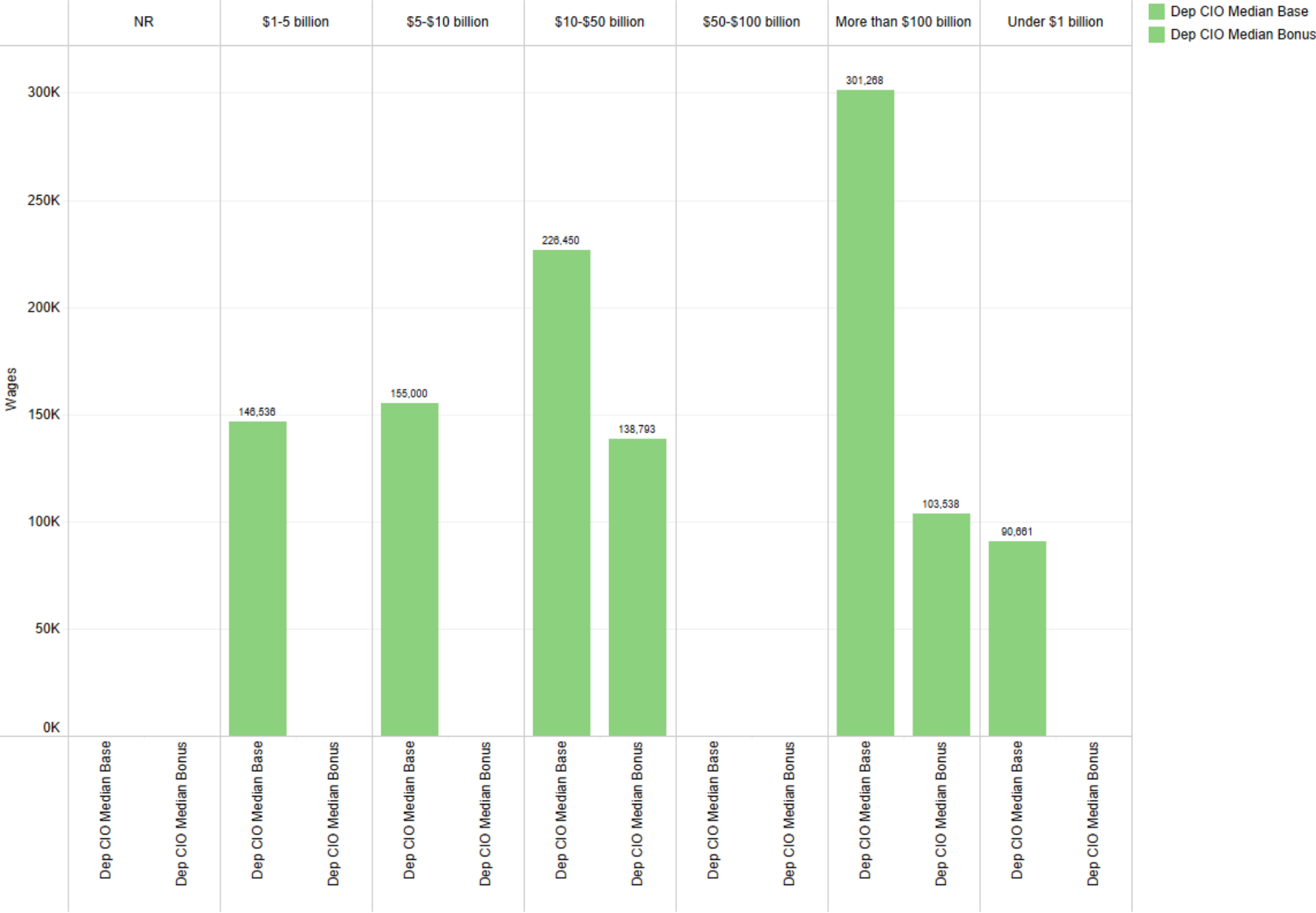
Deputy CIO

Average Salary by Fund Assets

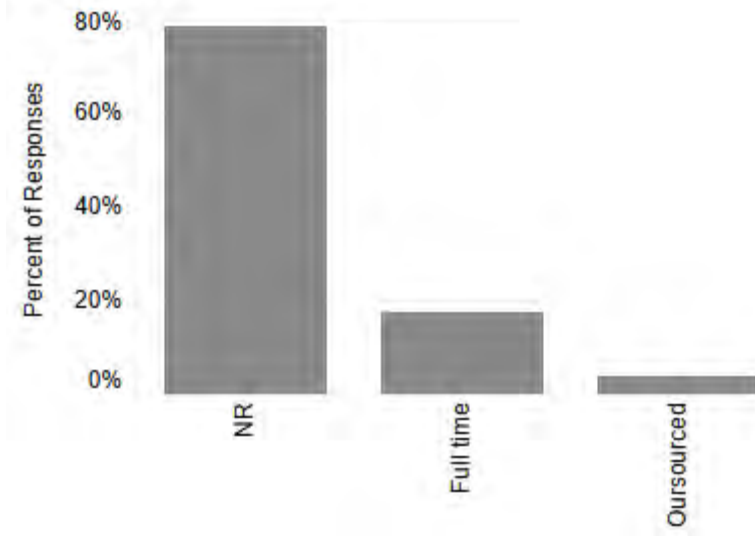




Median Salary by Fund Assets



## Position

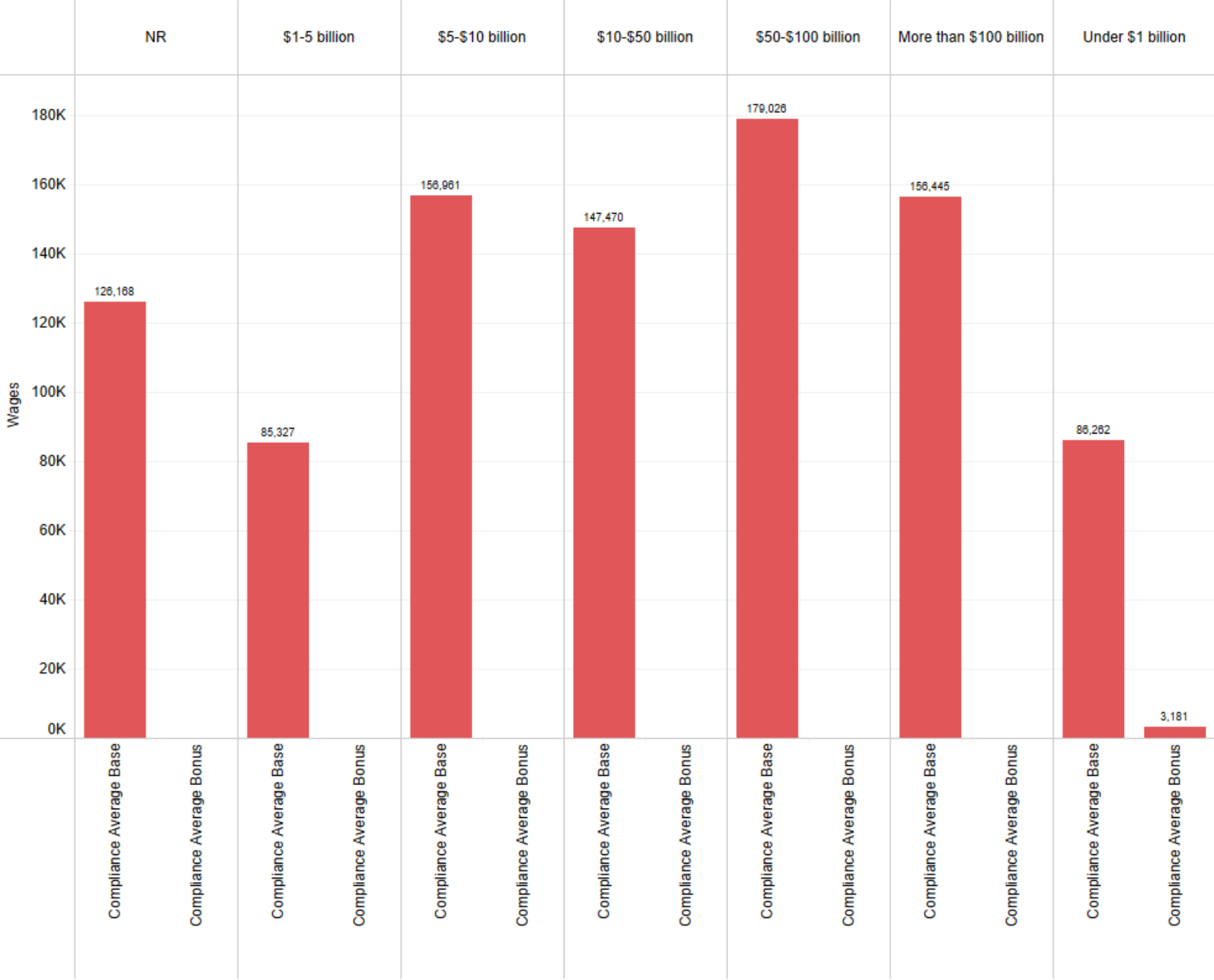


## Average Salary by Fund Assets and Tenure

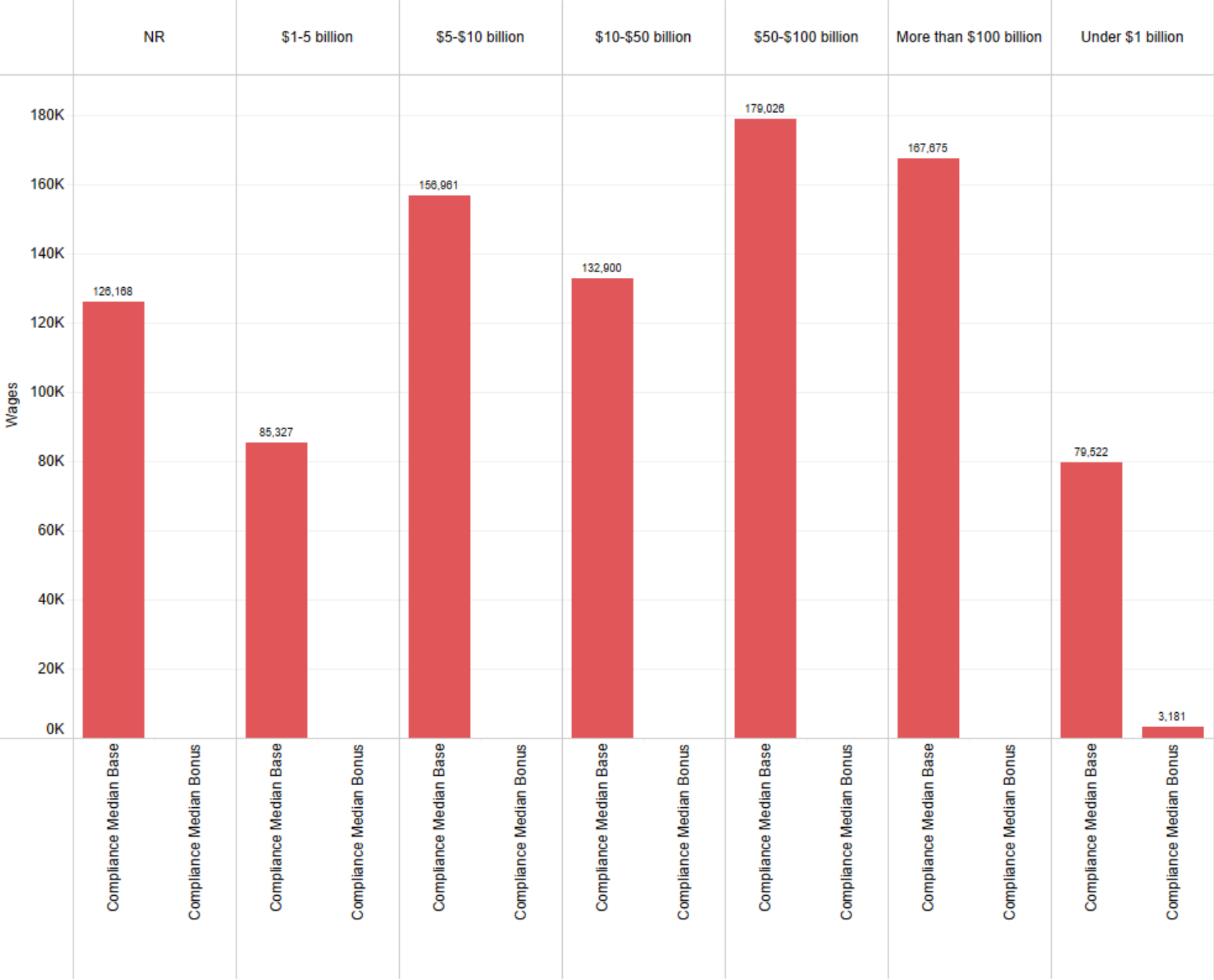
Dep CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Dep CIO Average Base	Null			155,000	241,009		326,436	72,388
	0		161,559	216,134	242,423		276,100	
	5				261,893			
	10		144,158		221,899			90,661
	15							118,000
Dep CIO Average Bonus	Null				138,793		103,538	
	0							
	5							
	10							
	15							
Dep CIO Median Base	Null			155,000	241,009		326,436	72,388
	0		161,559	216,134	217,102		276,100	
	5				261,893			
	10		144,158		221,899			90,661
	15							118,000
Dep CIO Median Bonus	Null				138,793		103,538	
	0							
	5							
	10							
	15							

Compliance Officer

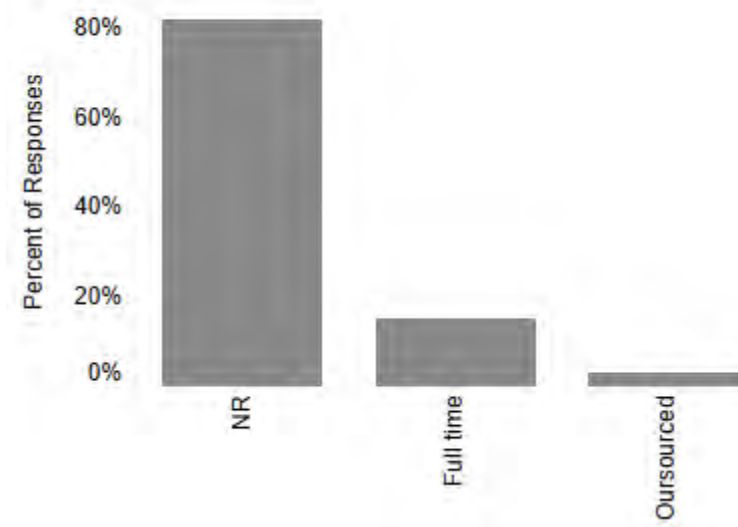
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



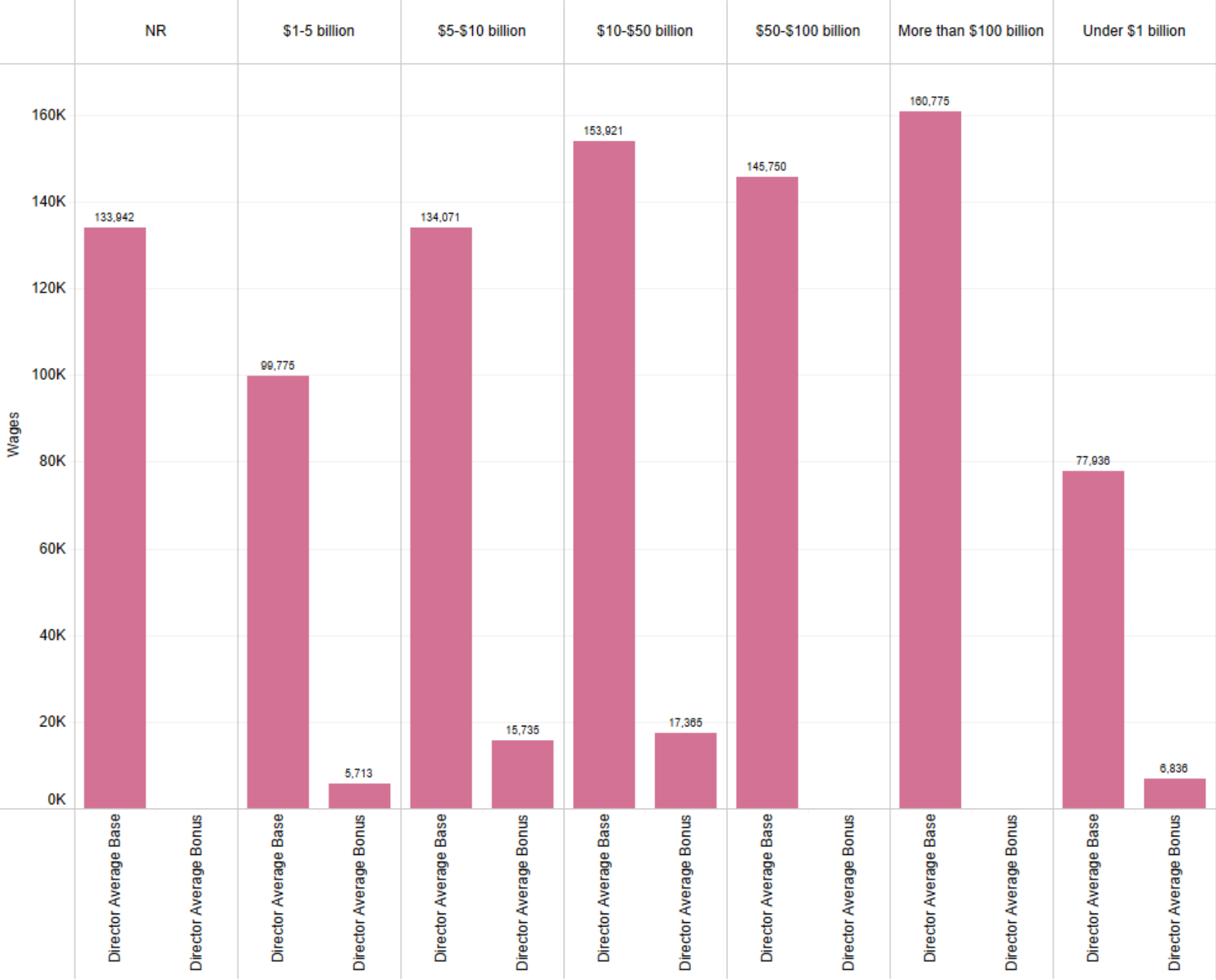
## Average Salary by Fund Assets and Tenure

Compliance Officer: Years in service (bi..		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Compliance Average Base	Null						190,486	79,522
	0	126,168	85,327	156,961	132,401		180,226	110,000
	5				156,368		99,944	
	10				162,897	179,026		69,264
	15						155,124	
Compliance Average Bonus	Null							3,181
	0							
	5							
	10							
	15							
Compliance Median Base	Null						190,486	79,522
	0	126,168	85,327	156,961	122,074		180,226	110,000
	5				169,334		99,944	
	10				162,897	179,026		69,264
	15						155,124	
Compliance Median Bonus	Null							3,181
	0							
	5							
	10							
	15							

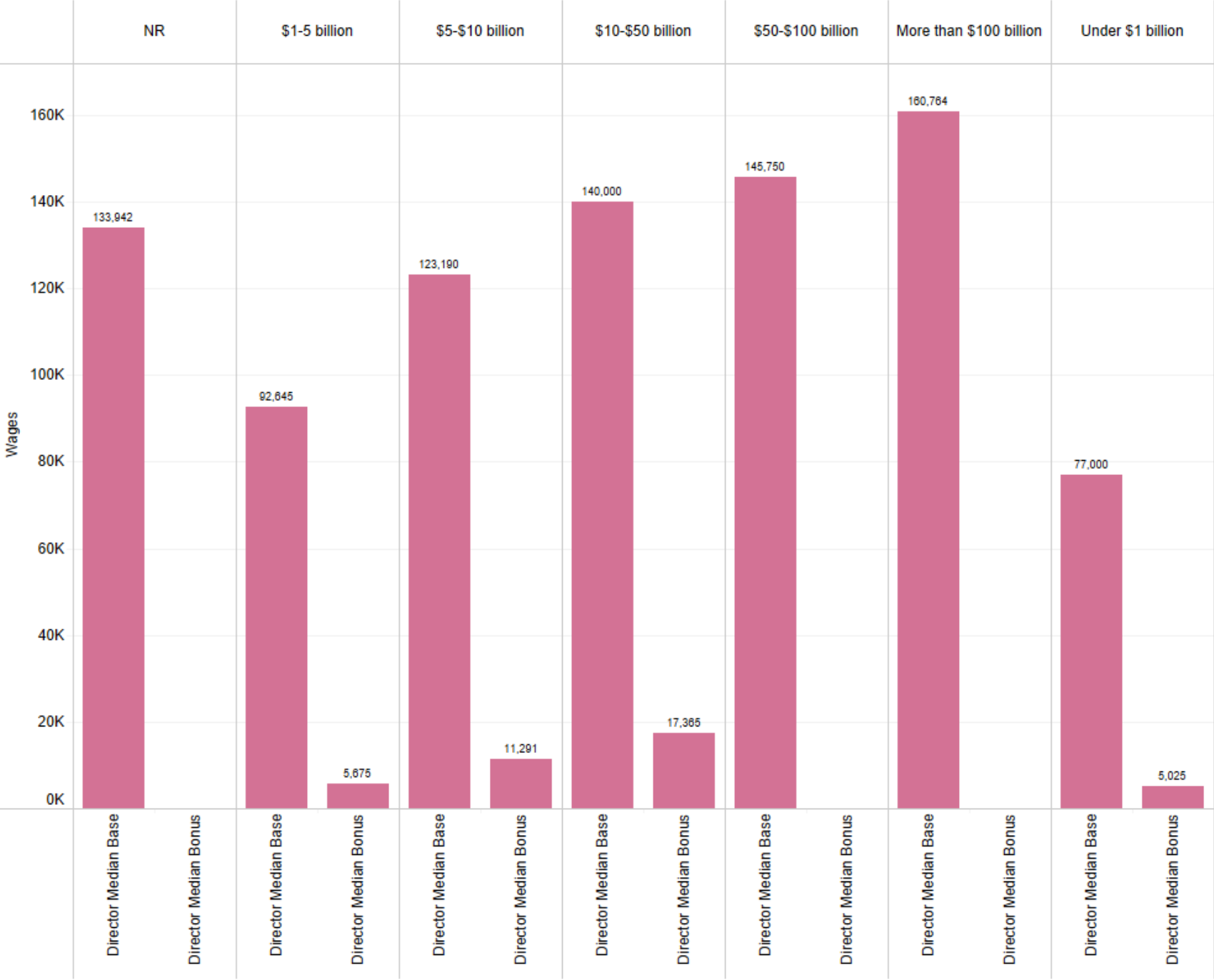


Member Services Director

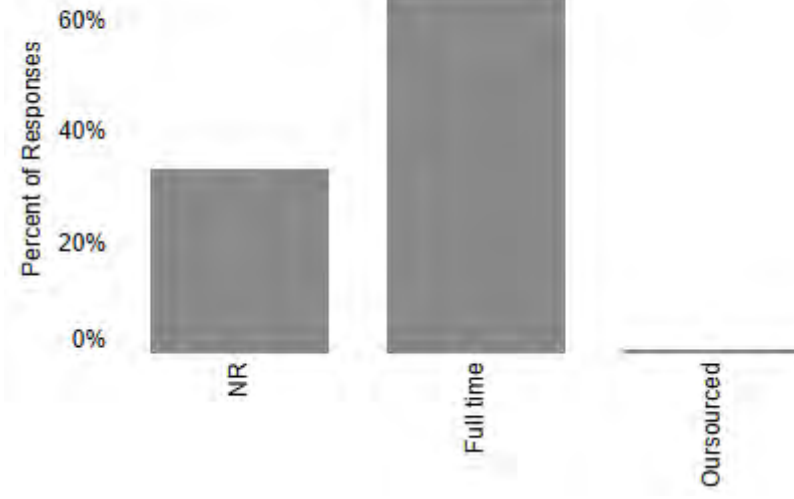
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



# Average Salary by Fund Assets and Tenure

Member Services Director: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Director Average Base	Null			179,690	100,000		158,079	84,110
	0	133,942	98,642	99,826	150,430	16,000	196,796	70,520
	5		96,647	136,183	137,066	275,500		70,105
	10		103,859	180,630	187,128		130,146	88,000
	15		105,548		213,517			70,000
	20		97,191		106,082			86,879
	25		84,000					77,000
	30				123,012			
	45							115,145
Director Average Bonus	Null							4,853
	0		5,750	5,000	17,365			
	5		5,000	21,103				
	10							
	15							6,800
	20		6,350					5,025
	25							2,500
	30							
	45							15,000
Director Median Base	Null			179,690	100,000		158,079	72,000
	0	133,942	84,500	100,479	143,506	16,000	196,796	66,000
	5		96,729	116,379	149,369	275,500		77,600
	10		97,907	180,630	156,800		130,146	88,000
	15		108,654		213,517			70,000
	20		99,006		106,082			86,879
	25		84,000					77,000
	30				123,012			
	45							115,145
Director Median Bonus	Null							4,853
	0		5,750	5,000	17,365			
	5		5,000	21,103				
	10							
	15							6,800
	20		6,350					5,025
	25							2,500
	30							
	45							15,000

VI.

MEDICAL REPORTS

- A. All Duty & Ordinary Disability Applications & Re-examinations (August and September).

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Panel Approvals Report	DATE RAN :	09/16/2022
Approved by Executive Director	Pension Board Meeting Date 08/26/2022	TIME RAN :	09:37

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>
1285	GAUTHIER, CHRISTOPHER	FIRE LIEUTENANT	MFD	DD 75%	Re-Examination	Approved	Approved		07/26/2016	
1337	NORTON, PATRICK	HEAVY EQUIPMENT OPERATOR	MFD	DD 75%	Re-Examination	Approved	Approved		08/30/2015	Exempt from Re-Exam
960	FREDERICKS, JOHN	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		06/26/2012	
1332	HOFFMAN, APRIL	POLICE SERGEANT	POLICE	DD 90%	Re-Examination	Approved	Approved		10/09/2016	

Number of Cases: 4

*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 Panel Approvals Report	DATE RAN :	09/16/2022
Approved by Executive Director	Pension Board Meeting Date 09/28/2022	TIME RAN :	09:33

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>
1000	LOCKE, THOMAS	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		05/25/2012	

Number of Cases: 1

*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

Medical Council Approvals Report

Board Meeting: 08/26/2022

Page Number: 1 OF 1

DATE RAN : 09/15/2022

TIME RAN : 10:40

<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>
COX, WENDYLU	SCHOOL SECRETARY I	MPS	Ordinary Disability	Re-Examination	03/25/2014	08/12/2022
GENTRY, JAMES	School Engineer 1	MPS	Ordinary Disability	Application	01/28/2022	08/12/2022
HARVEY, REGINALD	LEAD MAINT SPECIALIST	HACM	Duty Disability 75%	Application	05/31/2021	08/12/2022
ROBINSON, LATICIA	EMERGENCY COMM OPERATOR	MPD	Ordinary Disability	Re-Examination	05/25/2018	08/12/2022

Number of Cases: 4

*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	Page Number: 1 OF 1
	Medical Council Denials Report	DATE RAN : 08/16/2022
	Board Meeting: 08/26/2022	TIME RAN : 07:02

<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>
1509	BROWN, MARKINA	Office Assistant IV	DPW	DD 75%	Application	11/24/2021	08/12/2022
1522	GENTRY, JAMES	School Engineer 1	MPS	DD 75%	Application	01/28/2022	08/12/2022
1508	ROBINSON, CARRIE	FOOD SERVICE ASSISTANT	MILWAUKEE PUBLIC SCHOOLS	DD 75%	Application	10/29/2021	08/12/2022

Number of Cases: 3

*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.*

<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>
BONDAR, JILL	REPAIR CREW LEADER	DPW-INFRASTRUCTURE	Ordinary Disability	Re-Examination	05/08/2017	09/16/2022
ESQUEDA, RUBY	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	01/31/2019	09/16/2022
GARNCARZ, ANDREW	FIREFIGHTER	MFD	Duty Disability 75%	Re-Examination	04/01/2021	09/16/2022
JONES, MELISSA	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	06/25/2015	09/16/2022
NICHOLSON, MAURICE	CHILD CARE WORKER	MPS	Ordinary Disability	Re-Examination	06/25/2018	09/16/2022
RIGHTMYRE, BRUCE	LIEUTENANT	MFD	Duty Disability 75%	Re-Examination	08/01/2020	09/16/2022
TATE HUTCHINS, EUGENIA	OPERATIONS DRIVER WORKER	DPW-SANITATION	Duty Disability 75%	Re-Examination	08/06/2008	09/16/2022
TRUNKEL, DARCIE	POLICE OFFICER	MPD	Ordinary Disability	Application	11/23/2021	09/16/2022
WEISS, CRAIG	FIRE FIGHTER	FIRE	Ordinary Disability	Re-Examination	04/19/2010	09/16/2022

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.*

## VII.

### UNFINISHED BUSINESS

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



## September 28, 2022 Board Meeting

### PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

#### **PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY**

**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.

**07/18/22 Additional Service Credit and Final Average Salary**

Whether additional service credit and final average salary accrue to a member who is a full time employee of the City proper and who also works part-time for one or more city agencies.

#### **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.

**09/15/22** Amendment to 789 lease drafted by legal counsel.

**09/28/22** On Pension Board Agenda.

**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.

**08/22/22** Memo to Pension Board from City Attorney's Office.

**08/03/22 Indemnification Agreement**

ERS staff is requesting the City Attorney's Office to extend the current Indemnification Agreement with the City.

**08/23/22      Financial Audit Services**

Legal counsel requested to negotiate and draft a contract for annual financial and compliance audit services.

**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.

**09/08/22** IMA drafted by outside legal counsel was approved by Investment Committee pursuant to RR VII.G.2.

**08/17/22      Private Equity Fund**

Request for legal counsel to negotiate investment agreement with Apogem (f/k/a Private Advisors Small Company) Private Equity Fund X.

**08/19/22** Service request referred to outside legal counsel, Reinhart Boerner Van Deuren S.C.



## September 28, 2022 Board Meeting

### **PENDING LEGISLATION REPORT**

#### **PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION**

**CCFN 181250 A substitute ordinance relating to the classifications and salaries of City officials and the Mayor.**

**05/25/22** Substitution A presented to F&P Committee; file held to Call of Chair.

**09/14/22** Amended file with Substitution B recommended for passage by Committee.

#### **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**

September 2022

### **I. Personnel Update**

- A. ERS is working with DER to fill the following positions: Benefit Services Coordinator, Lead Disability Specialist and ERS Systems Administrator.

### **II. Member Services**

- A. New retirees on payroll in July – 61; new retirees on payroll in August - 54; 32 are currently anticipated for the September payroll.
- B. Retiree deaths in July – 40; in August - 41.
- C. There was a Retirement Workshop for General City on 8/12/22 and 34 attended. There was a New Employee Orientation for a new Fire Recruit Class on 8/8/22 and 44 attended; and, a new 911 Operators Class on 8/17/22 and 28 attended.
- D. There will be another new 911 Operator Class starting on 9/18/22.
- E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

<b>Category</b>	<b>Count</b>
<b>Annuitants</b>	
Death - Duty	27
Death - Ordinary	95
Disability - Duty	380
Disability - Ordinary	583
Retirement	12,720
Separation	36
<b>Total Annuitants</b>	<b>13,841</b>
<b>Active</b>	<b>10,571</b>
<b>Deferred</b>	<b>3,143</b>
<b>Total Population</b>	<b>27,555</b>

### **III. Financial Services**

- A. Baker Tilly finished their audit of the 12/31/21 GASB 68 employer schedules and the report is posted on the CMERS website.
- B. The ERS 2023 budget hearing is scheduled for October 5<sup>th</sup> at 1:00pm.
- C. A total of 338 unclaimed property letters were mailed out at the end of August and as of September 8<sup>th</sup> we have received responses from 49 people.
- D. There were 16 outside earning non-responders whose July 2022 payroll payment was suspended. We have received responses from 10 members whose benefit was suspended and the remaining 6 members will continue to be suspended until they comply with the outside earnings requirements.
- E. We are working with CliftonLarsenAllen to finish the benefit payroll internal audit.

### **IV. Information Services**

- A. IP Address Review and Cleanup – 2021 completed.
- B. DNS Review and Cleanup – 2021 completed.



- C. AD Review and Cleanup – 2021 completed.
- D. Firewall Review and Cleanup – 2021 completed.
- E. Backup Exec Upgrade completed.
- F. Struts Upgrade and Modernize MERITS Website in progress.
- G. FileNet P8-WebSphere Application Server Upgrade in progress.
- H. VMware Upgrade in progress.
- I. Server Firmware Upgrade in progress.
- J. MERITS-WebSphere Application Server Upgrade in progress.
- K. System Galaxy Security System Upgrade in progress.
- L. VMware Workspace ONE Implementation in progress.
- M. Titan Content Manager Upgrade in progress.
- N. Tracker/Serena Business Manager/Solutions Business Manager Upgrade in progress.

V. Administration

The Finance & Personnel Committee approved a proposed revision to the salary ordinance which now moves on to the September 20, 2022 Common Council meeting **(copy attached)**. **The proposal would provide exceptions to the mayor's pay cap** for certain city officials, including ERS Chief Investment Officer. The list of position titles that would be exempt **from the mayor's pay cap reportedly includes only those that currently have pay ranges that exceed the mayor's pay cap**. As a result, the ERS Executive Director and Deputy CIO positions were not included on the list, despite having frozen compensation **due to the mayor's pay cap** for nearly ten years in the case of the Executive Director. There was considerable confusion about the positions to be included in the proposal with a last minute revision drafted during the course of the meeting while the agenda item was held. The list of affected positions was distributed later in the meeting.

Recruitment for positions excepted from the **mayor's pay cap would be permitted at** up to 60% of the top of the pay range subject to approval by DER and the Chair of the Finance and Personnel Committee with departments having an appeal to the full F&P panel in event of denial.

Further, DER advises that it will review current ERS senior management pay ranges in connection with the NCPERS market pay study received this week. The NCPERS market pay study (attached) indicates all ERS senior management positions for peer public pension funds (\$5-\$10 billion) have cash compensation midpoints above the **mayor's pay cap**. **The NCPERS study includes responses** from approx. 1,700 organizational units, the great majority of which are municipal and county entities.

..Number

181250

..Version

PROPOSED SUBSTITUTE B

..Reference

210760

..Sponsor

ALD. MURPHY

..Title

A substitute ordinance relating to the classifications and salaries of City officials and the Mayor.

..Section

PART I (introduction) am

Part II, Section 3-B am

..Analysis

This ordinance removes the restriction that no salary of any City official shall exceed that of the Mayor for certain positions. It further requires annual reporting to the Common Council of all positions exceeding the Mayor's salary and allows for an appeal of a decision by the Department of Employee Relations to the Finance and Personnel Committee. This ordinance takes effect Pay Period 23 of 2022.

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Part I (introduction) of the salary ordinance for the City of Milwaukee as passed by Common Council file number 210760 is amended to read:

## **PART I**

The uniform rates of pay of offices and positions in the City service under the control of the Common Council of the City of Milwaukee shall be as follows. In no case shall the salary of any City official exceed that of the Mayor >>, except for the following positions:

Administration Director – Department of Administration

Assistant Chief of Police

Assistant Fire Chief

Budget and Management Director

Chief of Police

City Engineer

Chief Information Officer

Chief Investment Officer

Commissioner of Assessments

Commissioner-Building Inspection

Commissioner-City Development

Commissioner-Health

Commissioner-Public Works

Deputy City Attorney

Deputy Commissioner-City Development

Deputy Commissioner of Medical Service  
Emergency Communications Director  
Employee Relations Director  
Fire Chief  
Fire and Police Commission Executive  
Milwaukee Public Library Director  
Municipal Port Director  
Legislative Liaison Director  
Operations Division Director – DPW - Operations  
Special Deputy City Attorney  
Water Works Superintendent

The Department of Employee Relations shall provide to the Common Council an annual report on or before the first Common Council meeting in September of each year relating to the salary amount of each position exceeding that of the Mayor. The report shall include a review by the Department of Employee Relations and the Office of Equity and Inclusion. <<

Part 2. Part II, Section 3-B of the salary ordinance for the City of Milwaukee as passed by Common Council file number 210760 is amended to read:

## **Part II – ADMINISTRATION**

### **SECTION 3: SALARY AT TIME OF APPOINTMENT**

**B. Recruitment of Officials and Administrators (Section 1) and Professionals (Section 2):** In the event it becomes necessary to recruit at a rate above the minimum for positions classified as Officials and Administrators or Professionals recruitment may be authorized at a rate up to 60% above the minimum of the applicable pay range with the approval of the Department of Employee Relations and the Chair of the Committee on Finance and Personnel.

>>A department head who disagrees with a decision of the Department of Employee Relations made under this section may file with the City Clerk a request for review by the Finance and Personnel Committee. The decision of the Finance and Personnel Committee shall be final.<<

A listing of appointments made pursuant to this provision shall be maintained by the Department of Employee Relations and communicated to the Committee on Finance and Personnel as requested. Recruitment for purposes of this provision includes appointments after promotion.

Part 3. The ordinance takes effect Pay Period 23 of 2022.

..Requestor

..Drafter  
LRB 172666-5  
Tea Norfolk  
9/14/2022

# Overall Responses

File created on: 9/12/2022 3:04:57 PM

# 2022 NCPERS Compensation Study



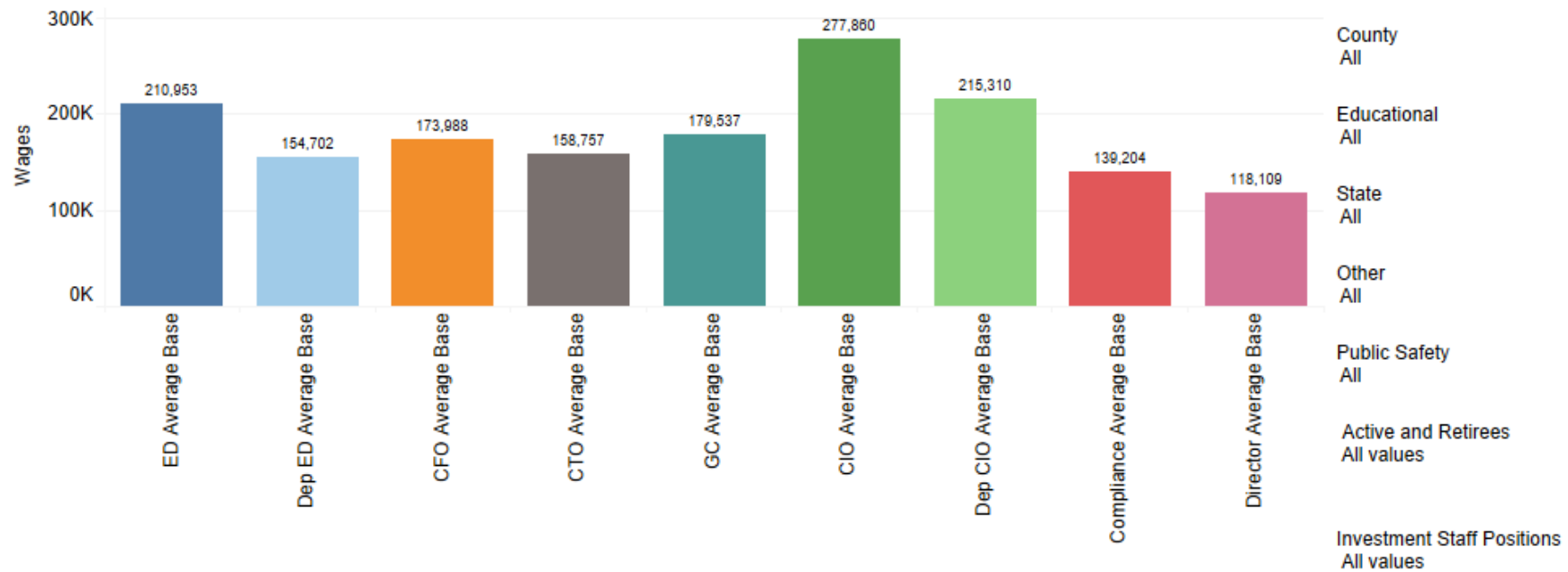
## Table of Contents

Executive Summary
Salary Summary
Bonus Summary
Entities Covered and Responsibilities
Plan Summary Statistics
Benefits and Recruitment
Executive Director
Deputy Executive Director
Chief Financial Officer
Chief Technology Officer
General Counsel
Chief Investments Officer
Deputy Investments Officer
Compliance Officer
Member Services/Benefits Director

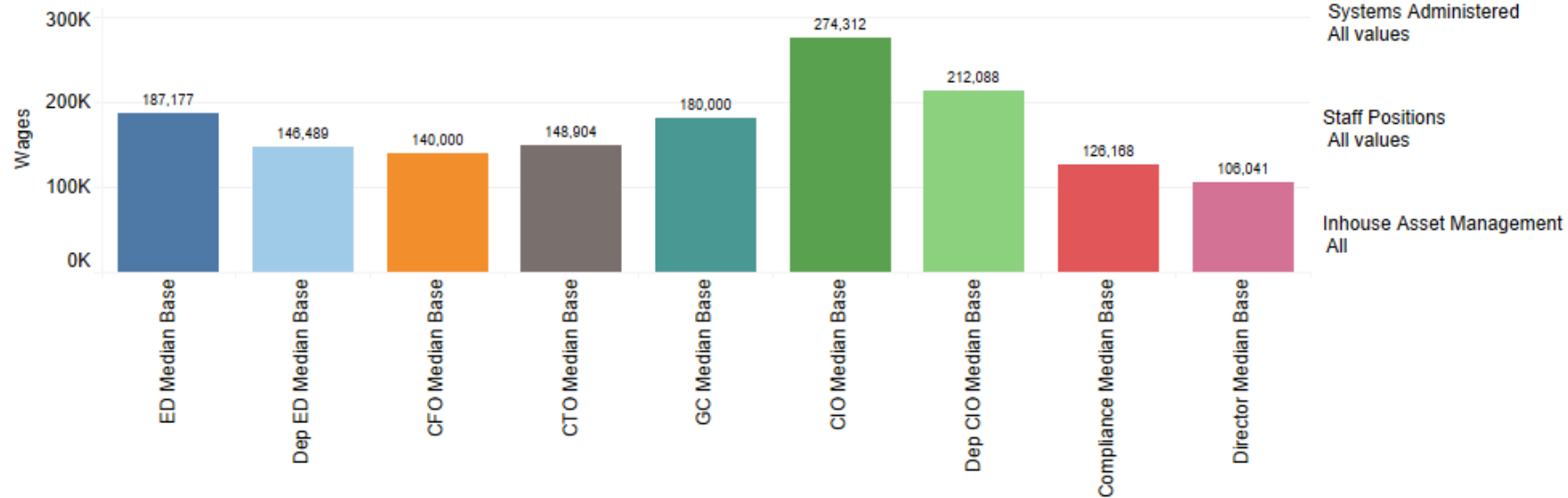
# Dashboard Pages – Individual graphs to follow

Note: some data are cut off because these pages are designed to be interactive online displays

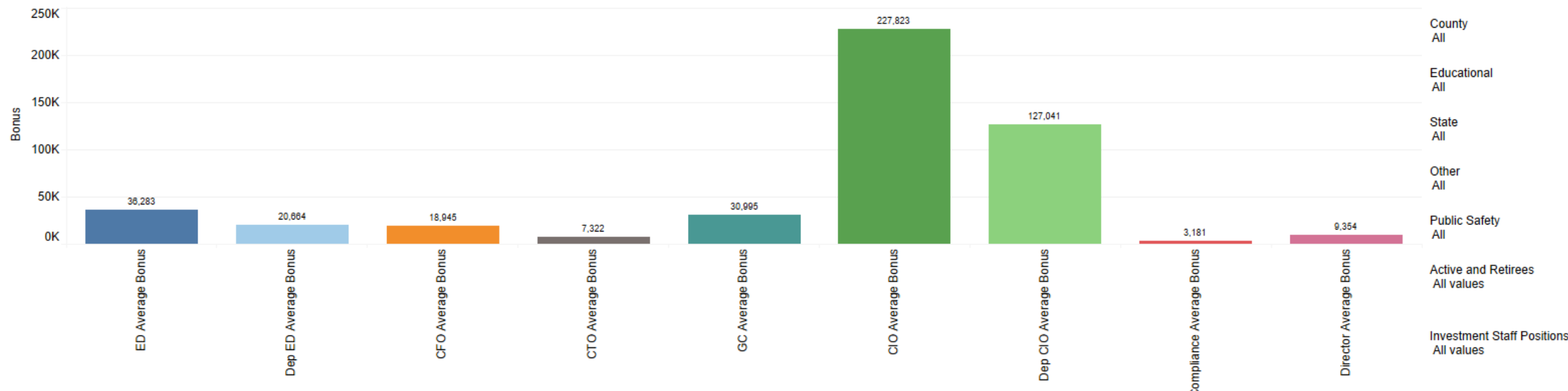
## Average Salary



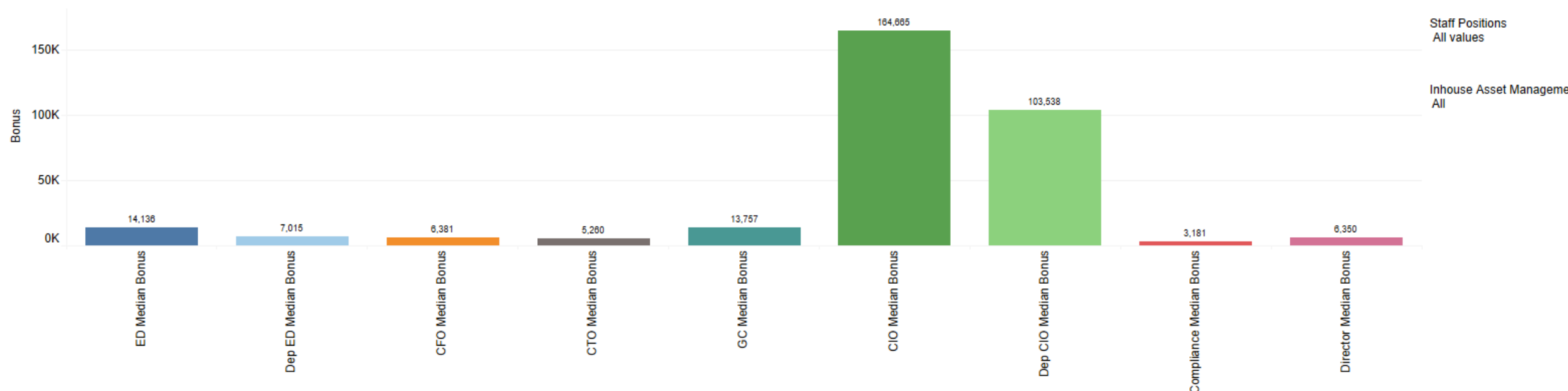
## Median Salary



# Average Bonus

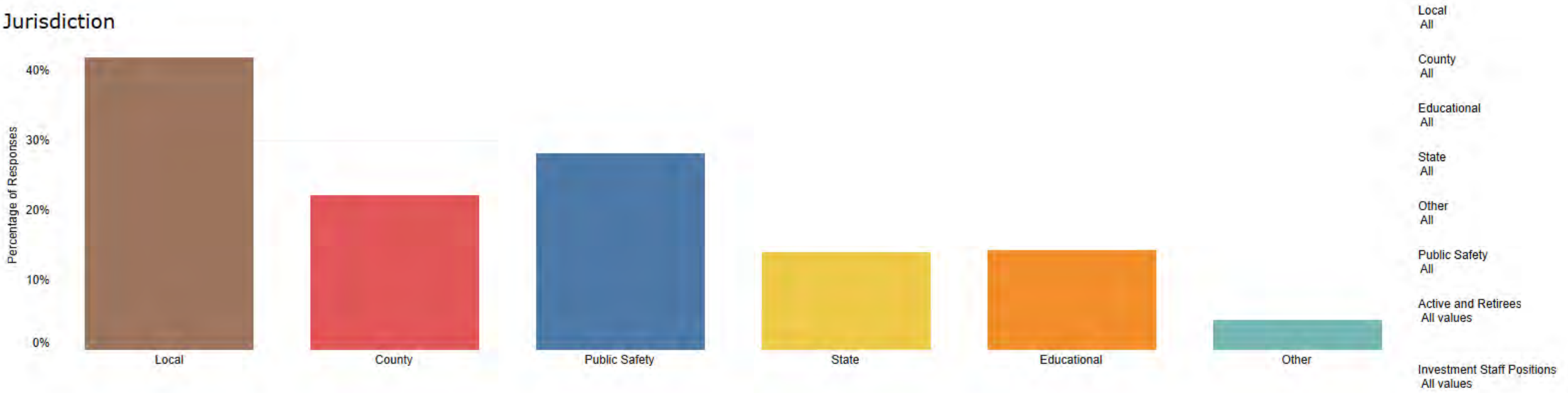


# Median Bonus

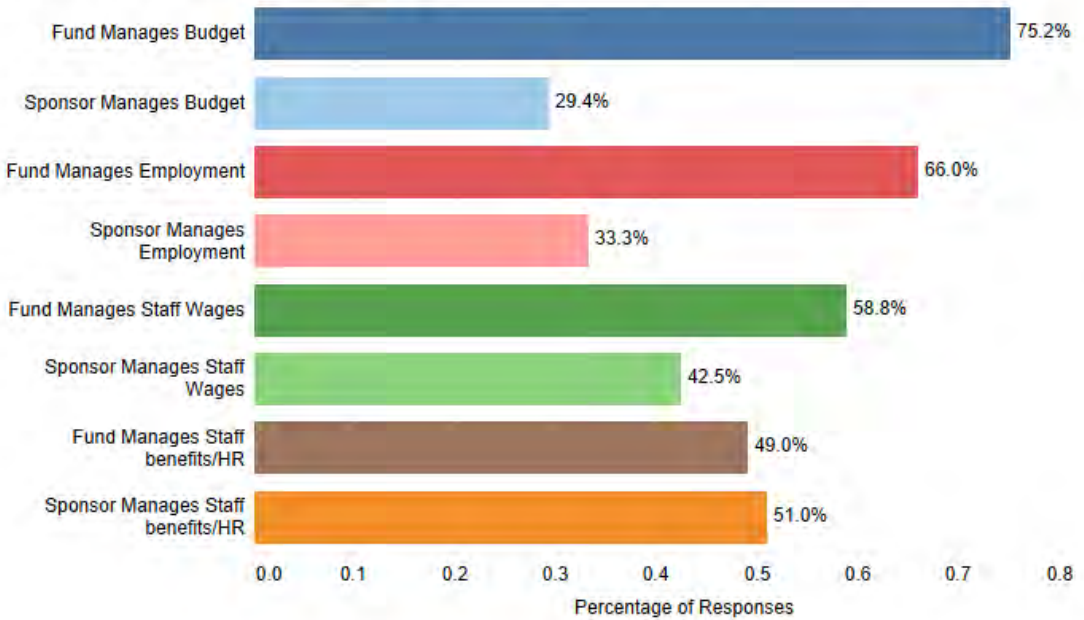




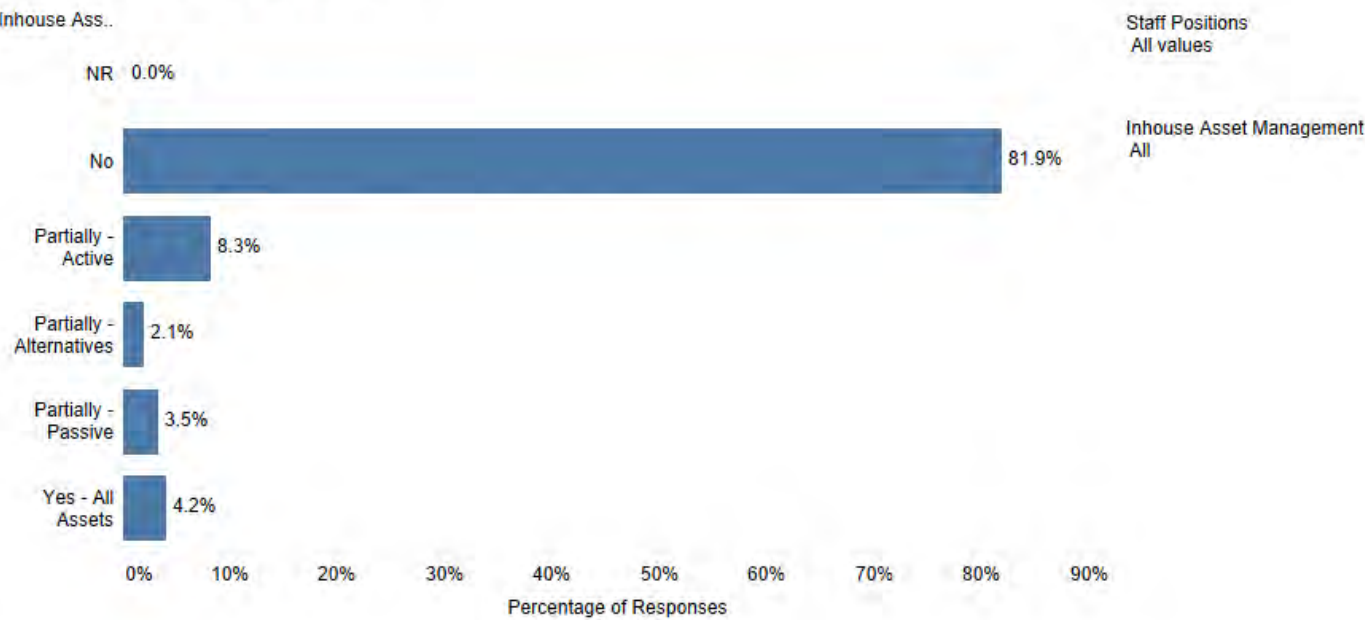
Jurisdiction



Oversight Responsibilities



Assets Managed by Fund



## Summary Counts

Count of Active and Retired Individuals	9,270,043
Count of Staff Positions	11,617
Count of Systems Administered	1,714
Count of Investment Staff Positions	1,074

## Summary Means

Avg. Count of Active and Retired Individuals	62,635
Avg. Count of Staff Positions	78
Avg. Count of Systems Administered	12
Avg. Count of Investment Staff Positions	8

Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

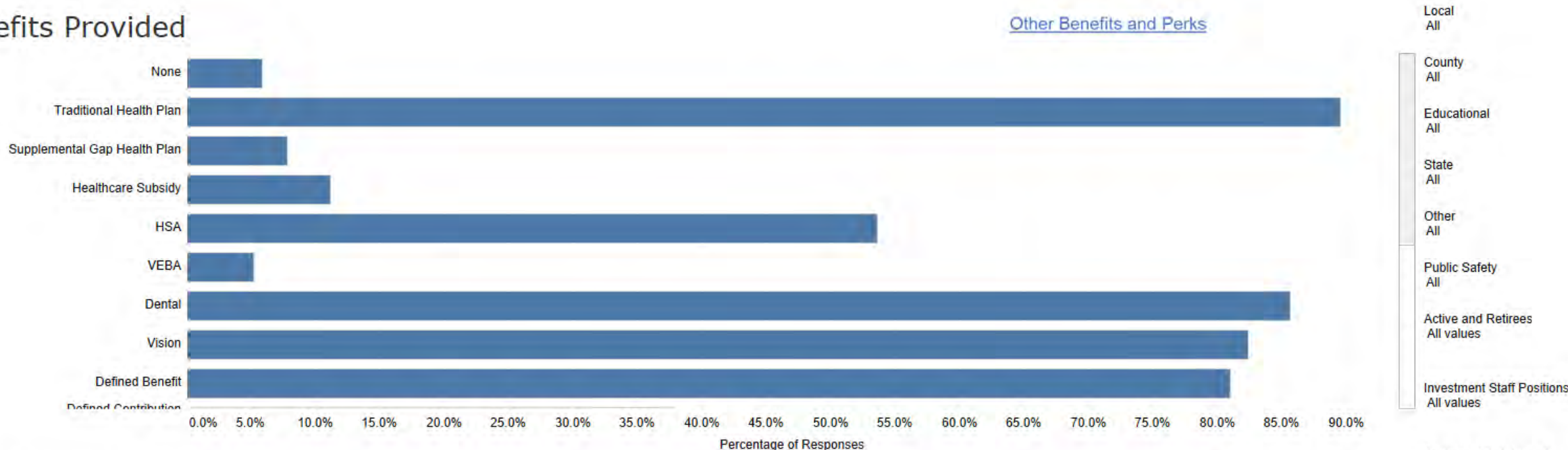
Investment Staff Positions  
All values

Systems Administered  
All values

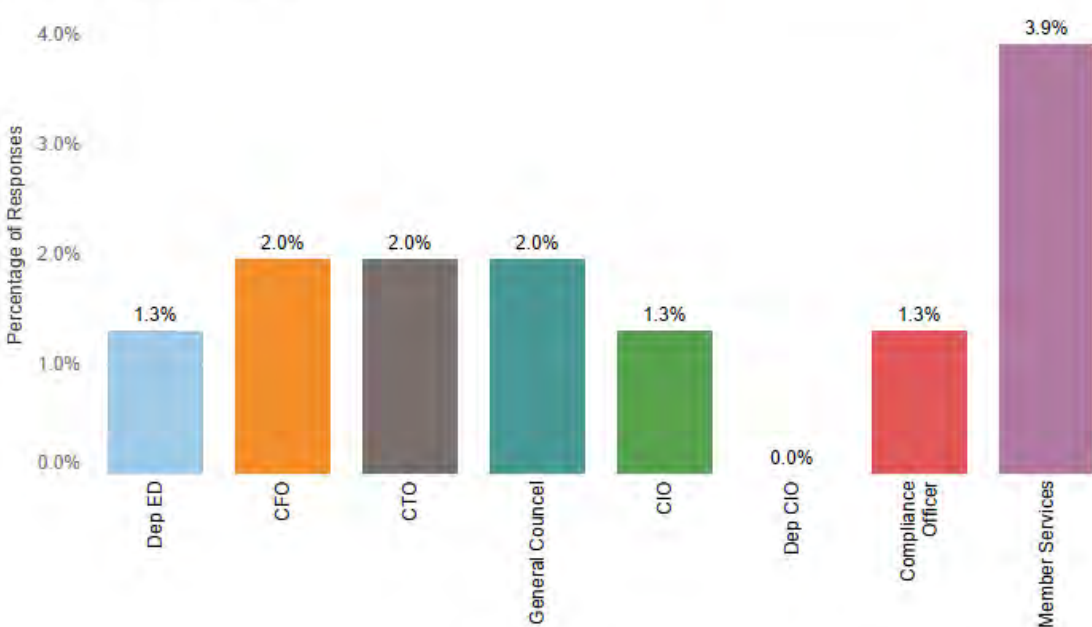
Staff Positions  
All values

Inhouse Asset Management  
All

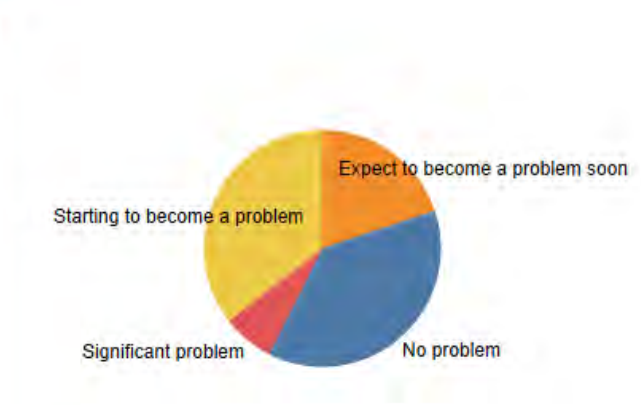
# Benefits Provided



# Union Participation



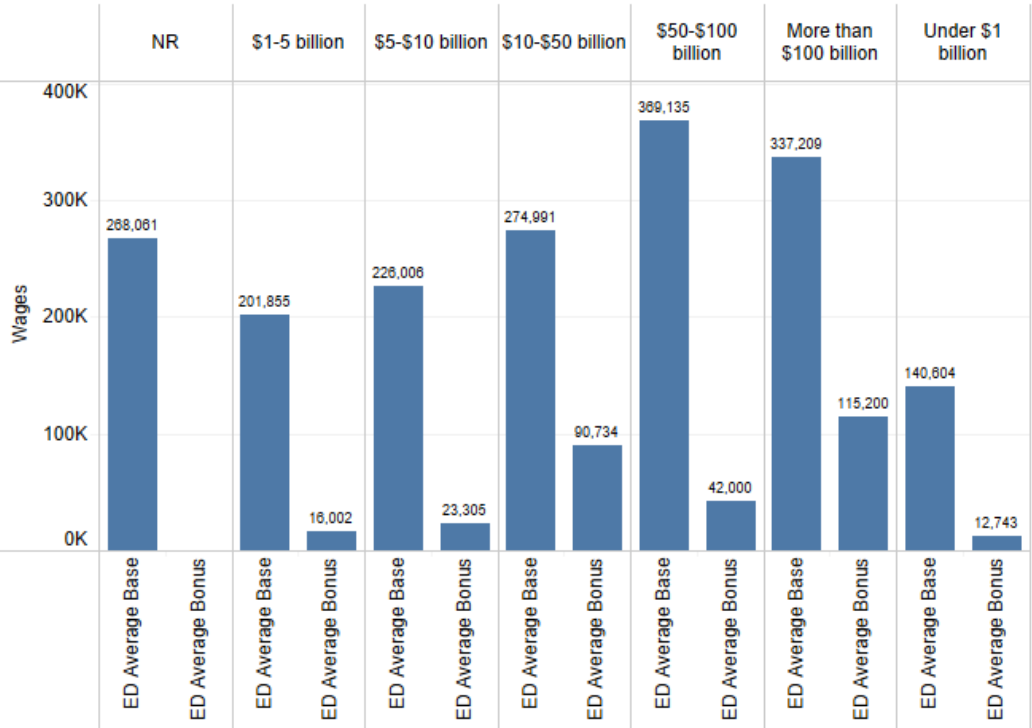
# Ability to Attract and Retain Skilled Staff



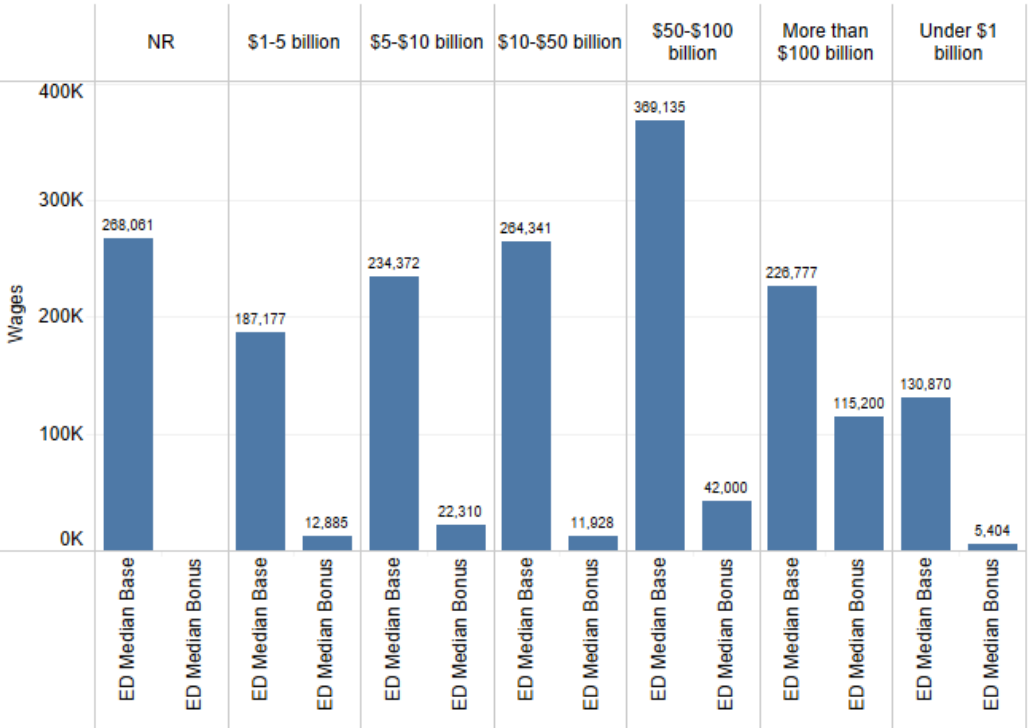
Executive Director Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



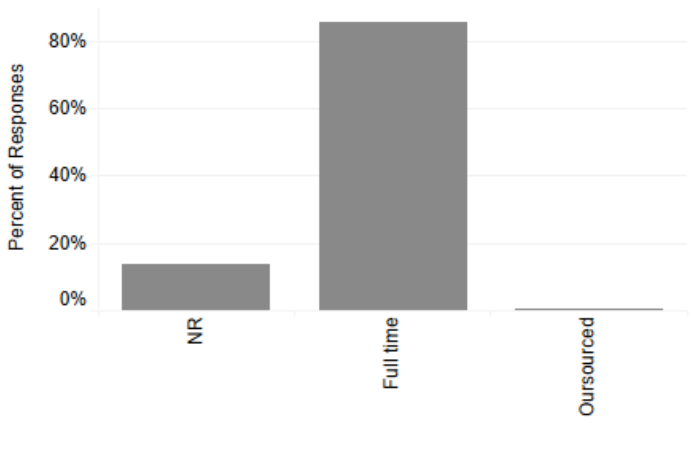
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

		Exec Dir. Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion
ED Average Base	NR						235,599	
	0		268,061	203,266	252,060	253,639	369,135	
	5			201,053	224,189	255,223		
	10			239,686	147,335	312,202		
	15			163,975				
	20			180,738		196,210		
	25			226,032				
	30					277,938		
	35							
	40							
	45					890,573		
ED Average Bonus	NR				14,136			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

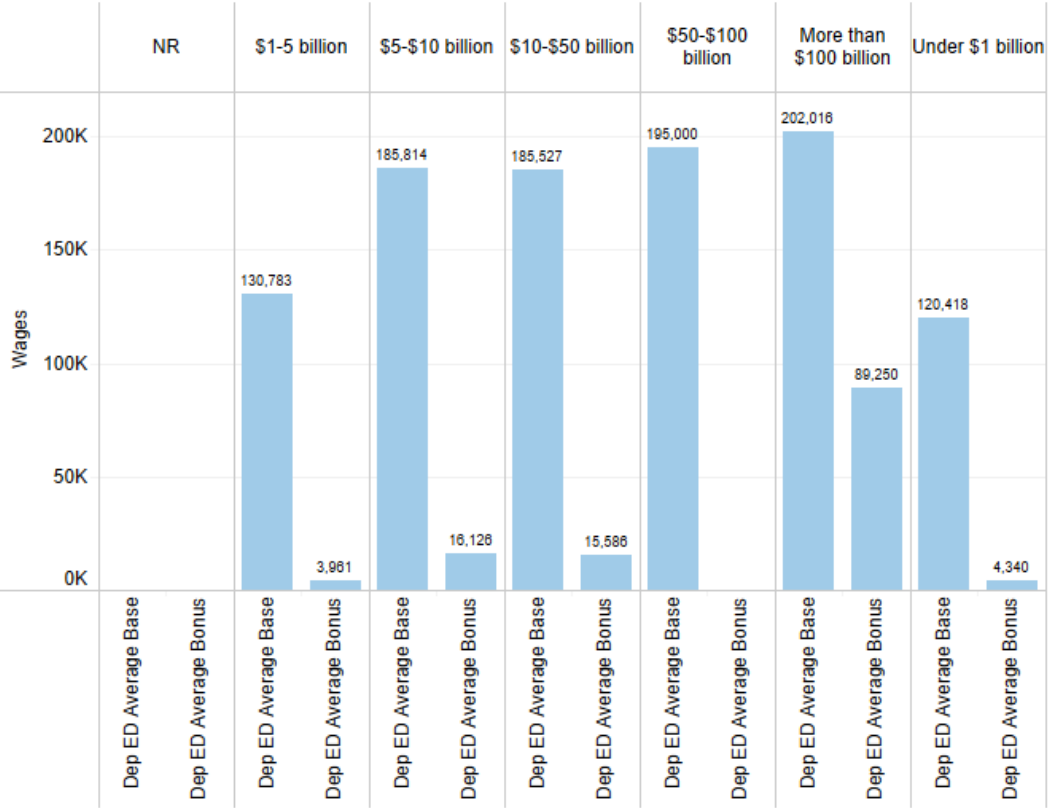
Position Type  
All

Years in position  
All

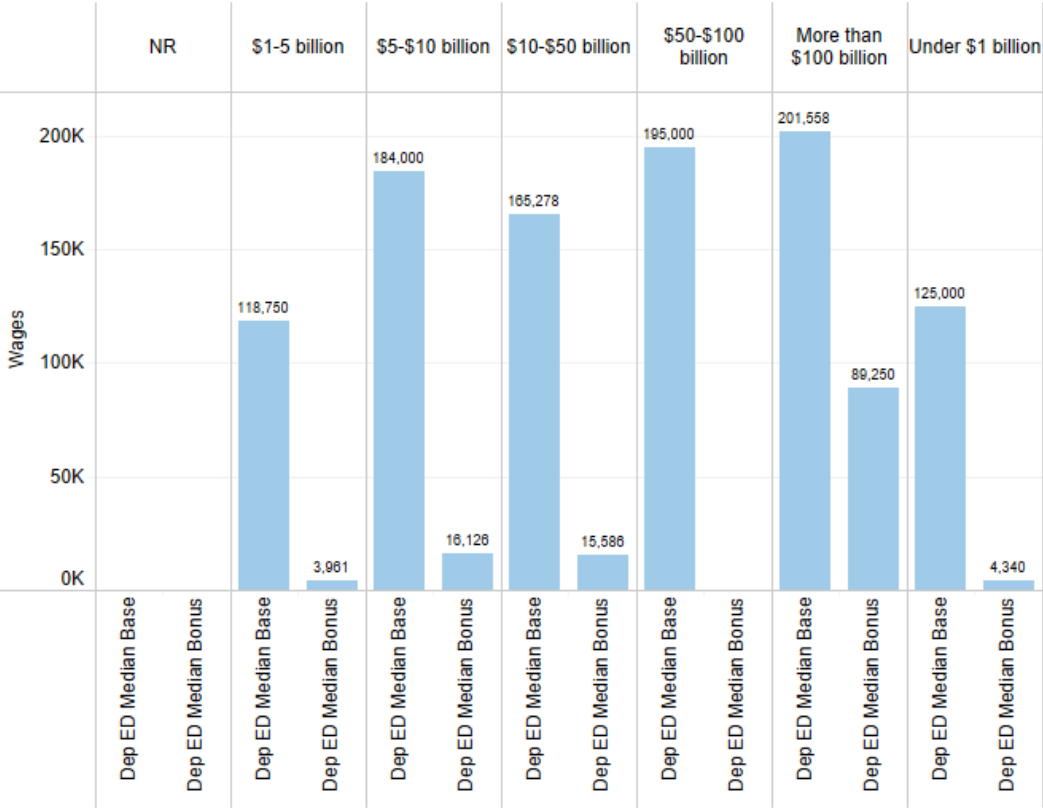
# Deputy Executive Director Compensation

[Roles and Other Responsibilities](#)

### Average Salary by Fund Assets



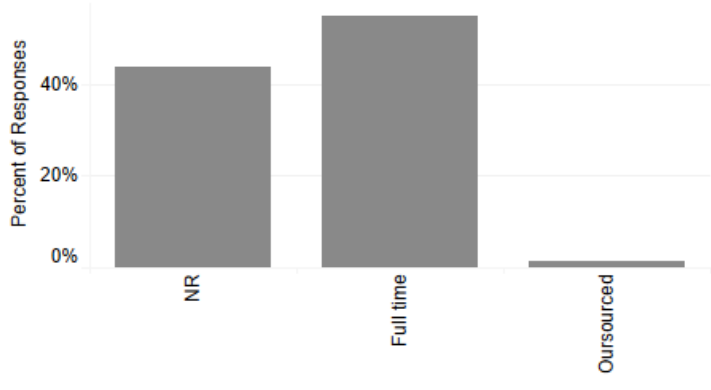
### Median Salary by Fund Assets



### Average Salary by Fund Assets and Tenure

Dep Exec Dir: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Un
Dep ED Average Base	Null				139,306			
	0		132,799	188,036	188,189	195,000	180,382	
	5		126,101	175,511	212,224		238,000	
	10		127,888	262,650	145,968		209,301	
	15		125,116					
	20			131,000	186,336			
	25				170,000			
	30		146,000					

### Position



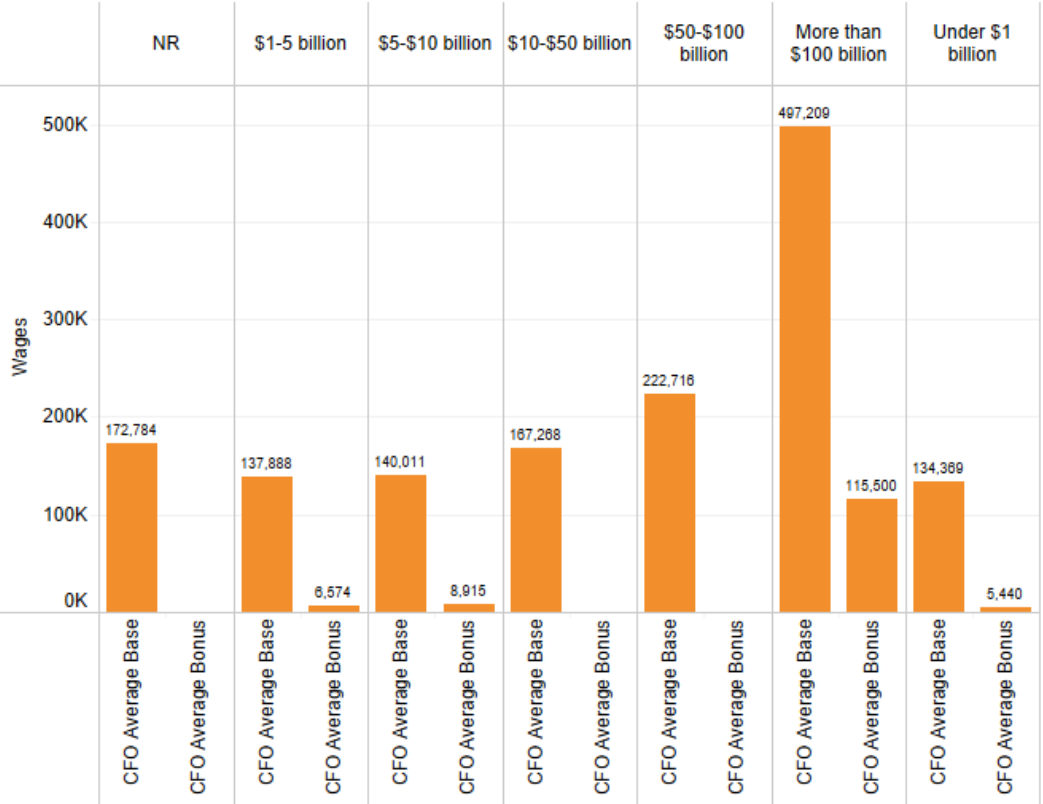
- Local All
- County All
- Educational All
- State All
- Other All
- Public Safety All
- Active and Retirees All values
- Investment Staff Positions All values
- Systems Administered All values
- Staff Positions All values
- Inhouse Asset Management All

- Multiple Roles All
- Position Type All
- Union All
- Years in position All

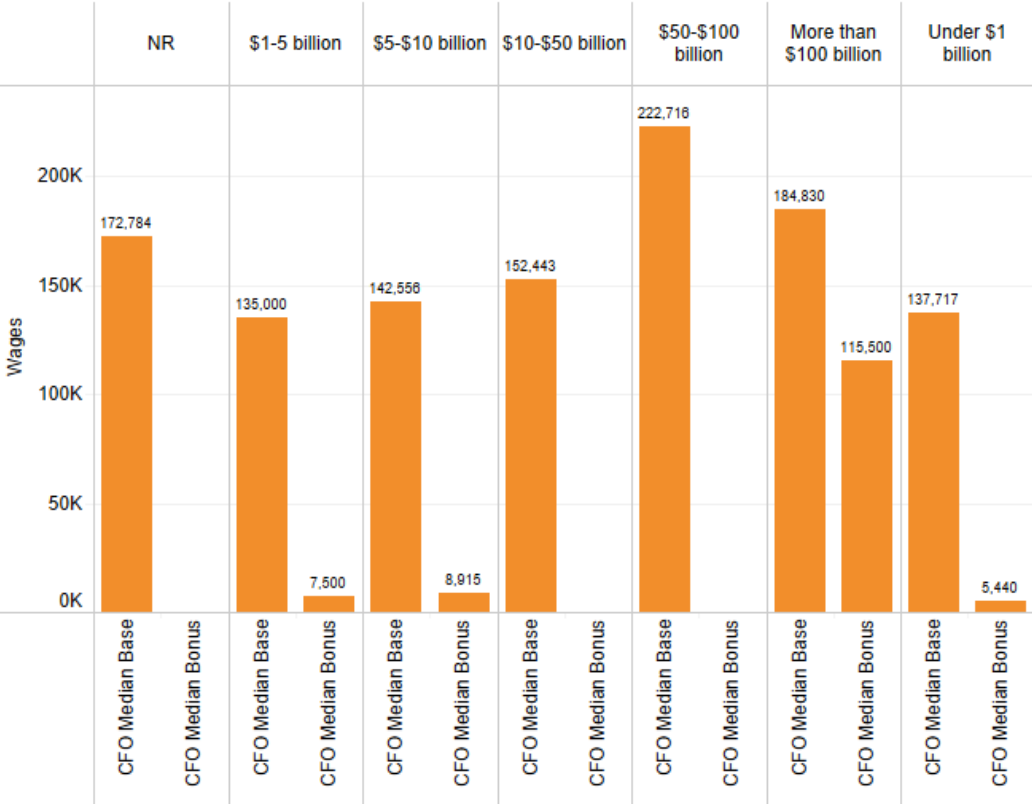
# Chief Financial Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



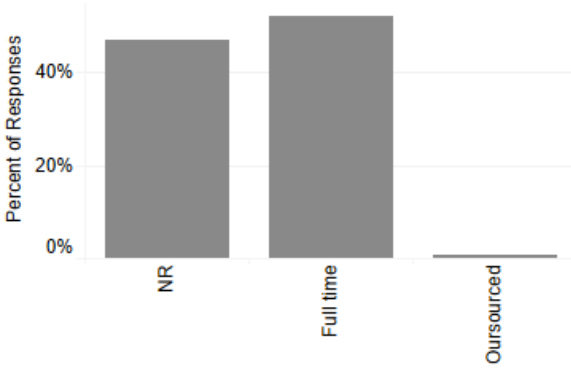
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CFO: Years in position (bin)	Fund Assets							Count
	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion	
Null				135,000		169,977		15
0		131,980	131,209	147,685	222,716	1,700,000		13
5	172,784	143,625	154,681	177,174		223,046		16
10		132,388		157,277				8
15		154,633		235,604				
20		140,000		222,950				11
30				232,296				
bonus	Null							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

Union  
All

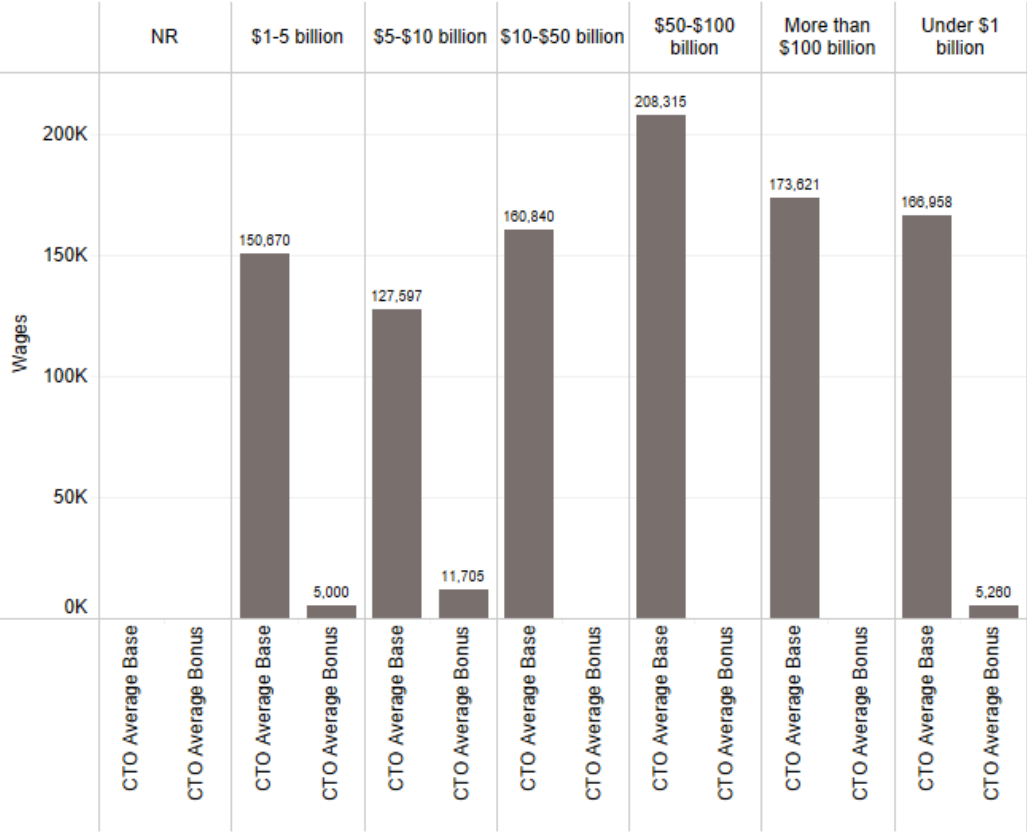
Years in position  
All



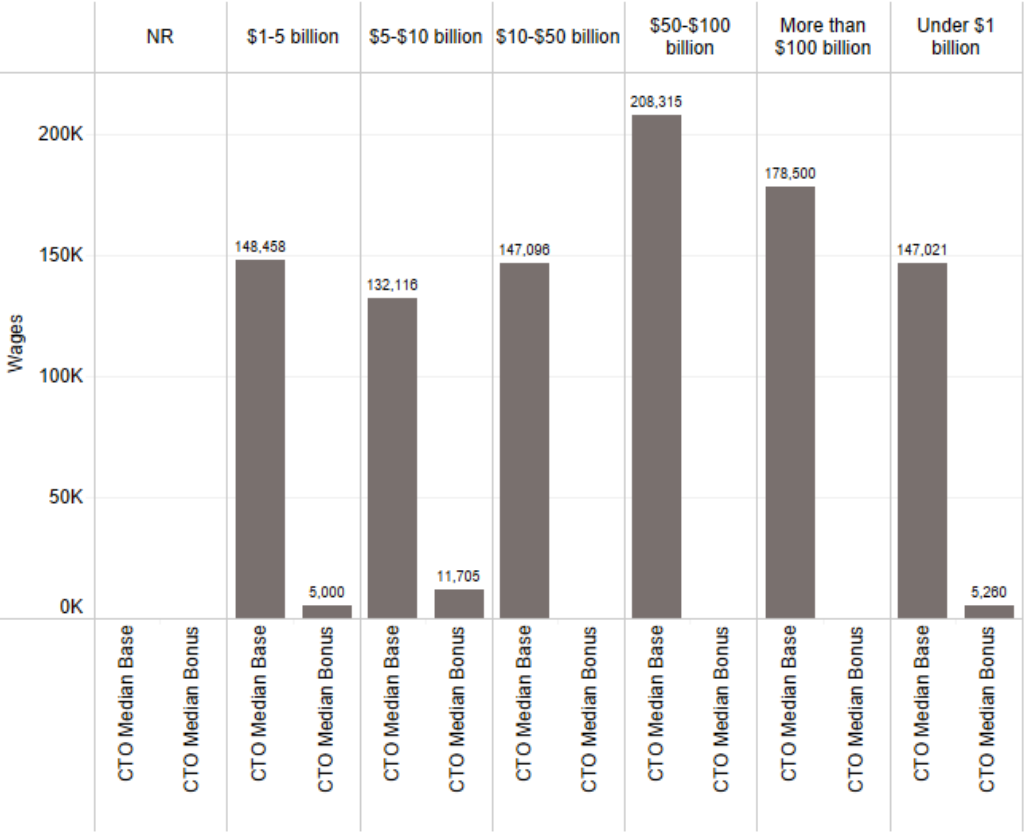
# Chief Technology Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



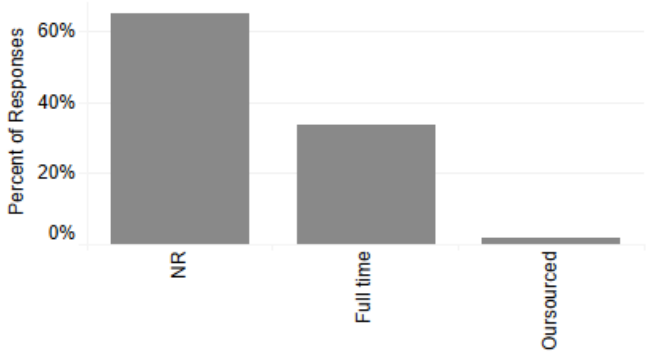
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CTO: Years in position (bin)	Fund Assets						
	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CTO Average Base							
Null						178,500	
0		128,679	130,203	143,979	149,350	164,157	
5		182,487	64,296	188,931		180,646	
10		175,000		132,116	221,715		
15				187,283	119,157		
20				112,236	267,280		
30				184,780			
us	Null						

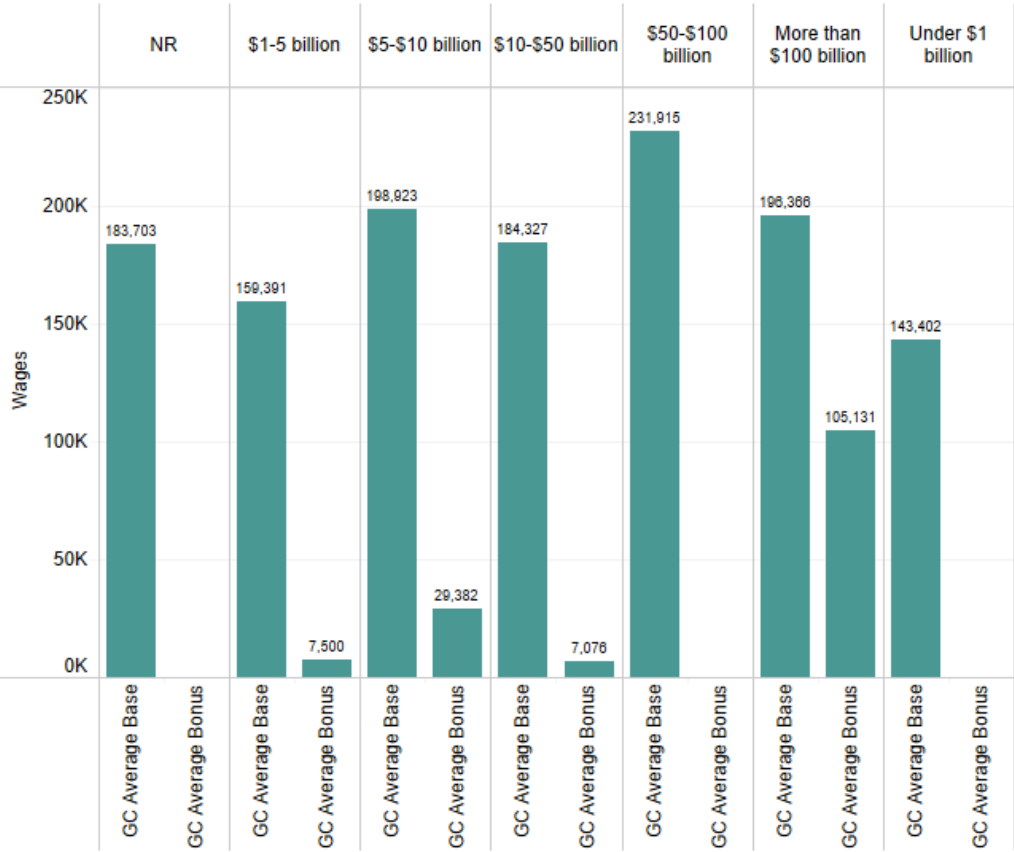
Position



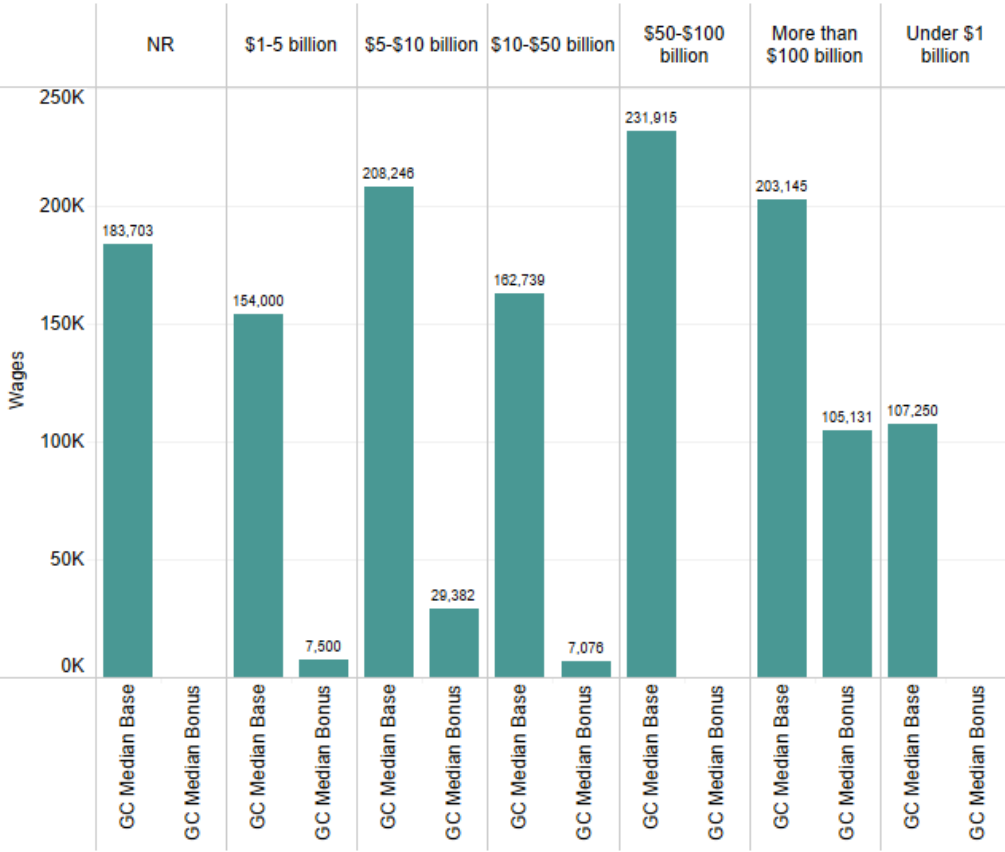
General Counsel Compensation

Roles and Other Responsibilities

Average Salary by Fund Assets



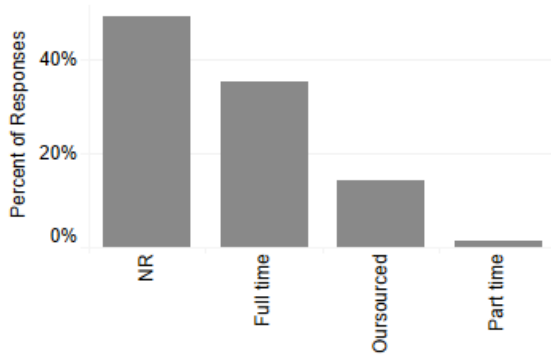
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

General Counsel: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Null		113,000		119,938		154,374	
GC Average Base	183,703	156,681	257,623	176,656	231,915		
0		130,500	145,447	208,854			
5		294,614	180,000	233,580		280,350	
10			173,811				
15				159,643			
20							
30							

Position



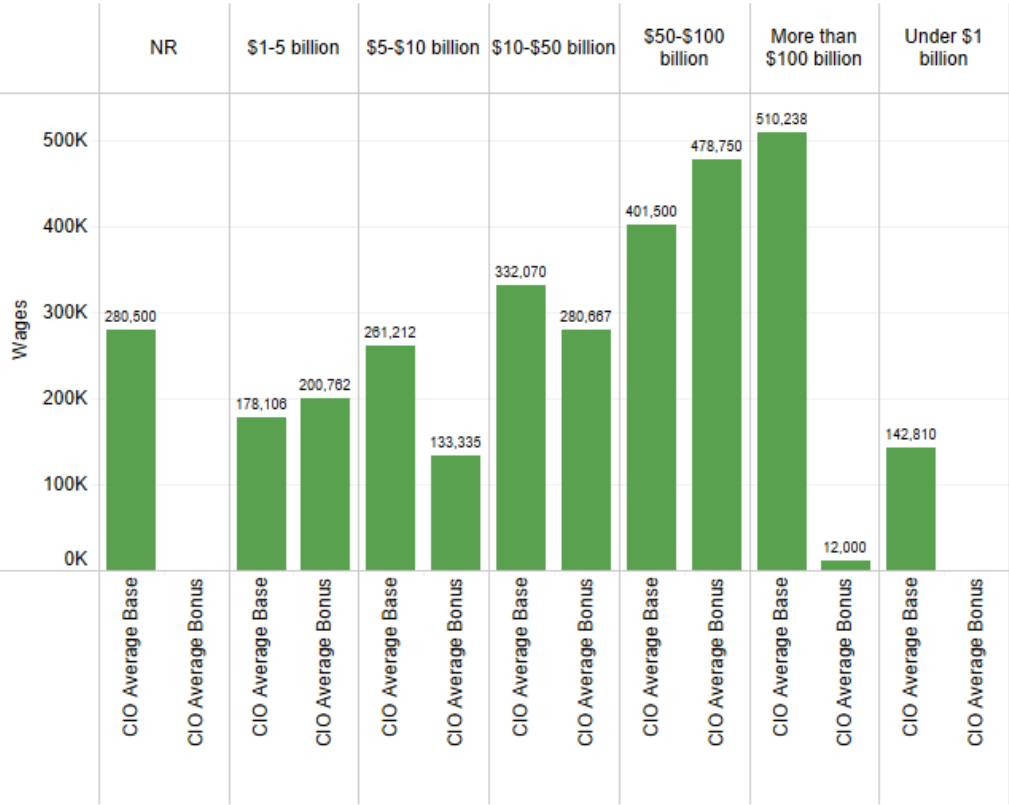
- Local All
- County All
- Educational All
- State All
- Other All
- Public Safety All
- Active and Retirees All values
- Investment Staff Positions All values
- Systems Administered All values
- Staff Positions All values
- Inhouse Asset Management All
- Multiple Roles All
- Position Type All
- Union All
- Years in position All



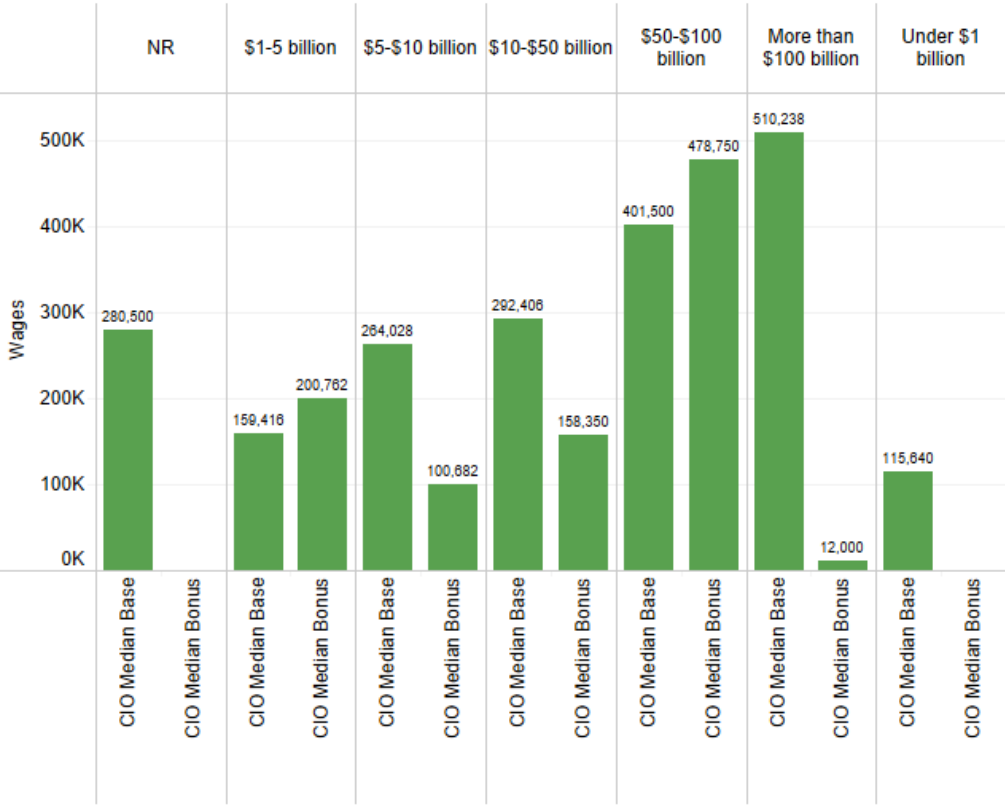
Chief Investment Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



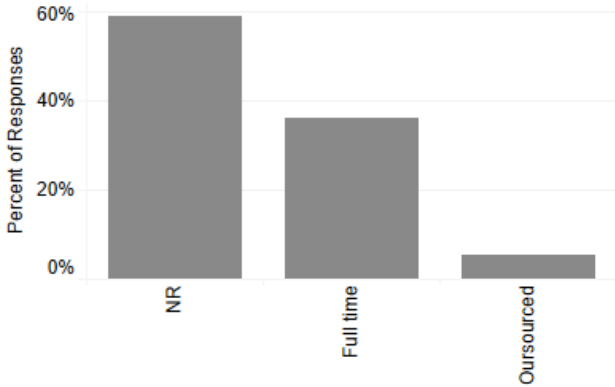
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CIO Average Base	Null				102,559	265,000	510,238	
	0	280,500	137,454	280,807	328,060	383,000		
	5		187,254	267,585	350,000			
	10		223,667	341,960	257,936			
	15		232,027		442,709	420,000		
	25				295,000			
CIO Average Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			160,433	250,000			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

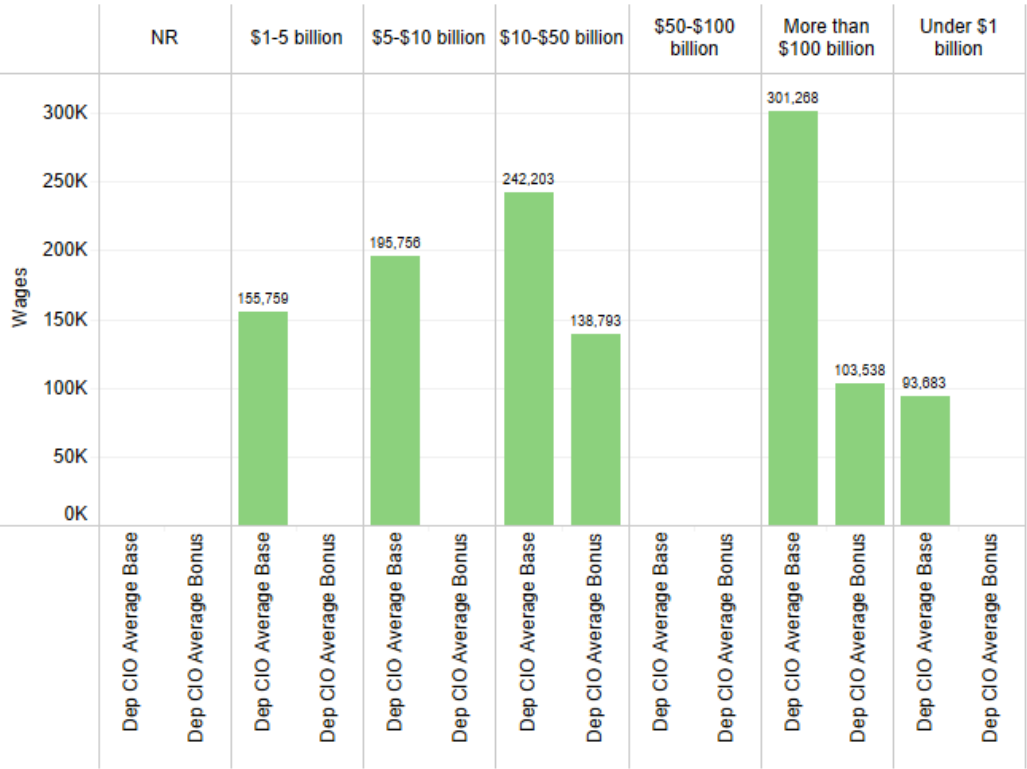
Union  
All

Years in position  
All

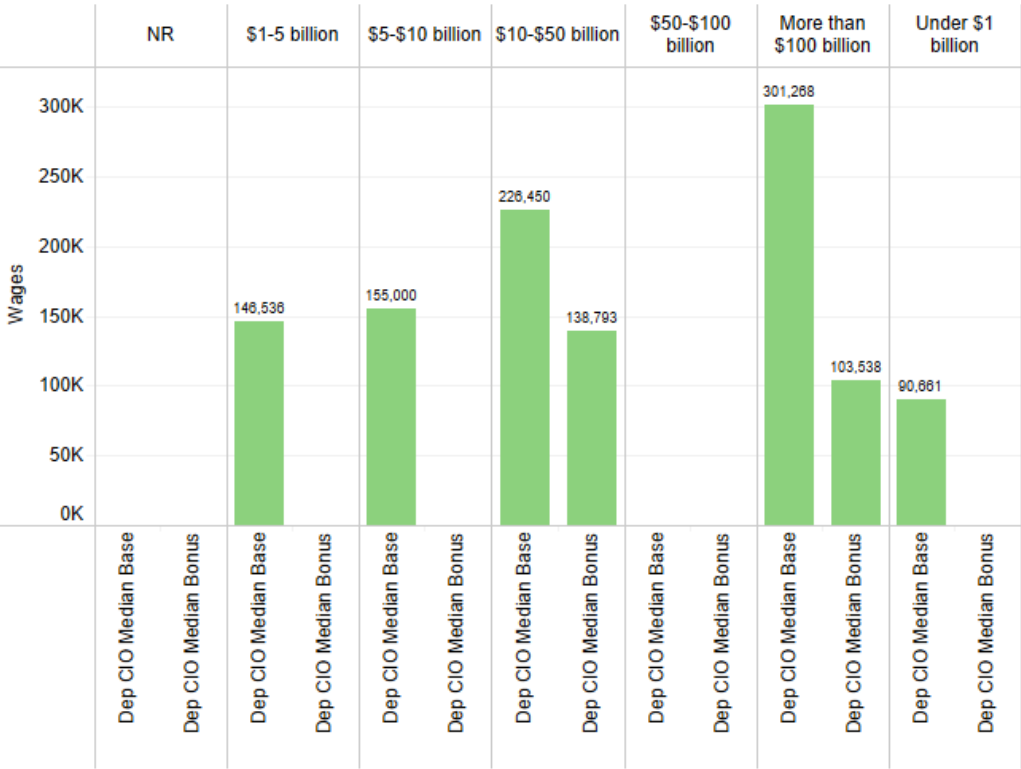
# Deputy Chief Investment Officer Compensation

## Roles and Other Responsibilities

Average Salary by Fund Assets



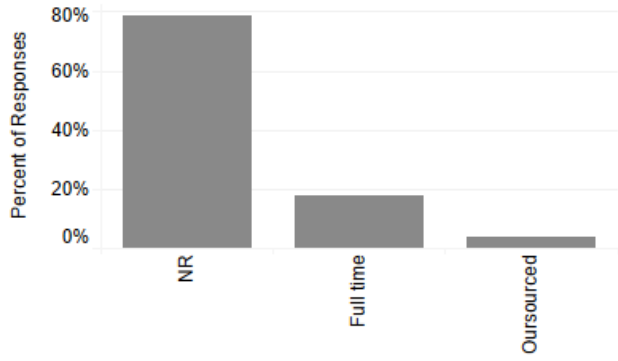
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Dep CIO: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Null					155,000	241,009	326,436
0		161,559	216,134	242,423		276,100	
5				261,893			
10		144,158		221,899			
15							
Averag...	Null						
0				138,793		103,538	
5							

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

Position Type  
All

Union  
All

Years in position  
All

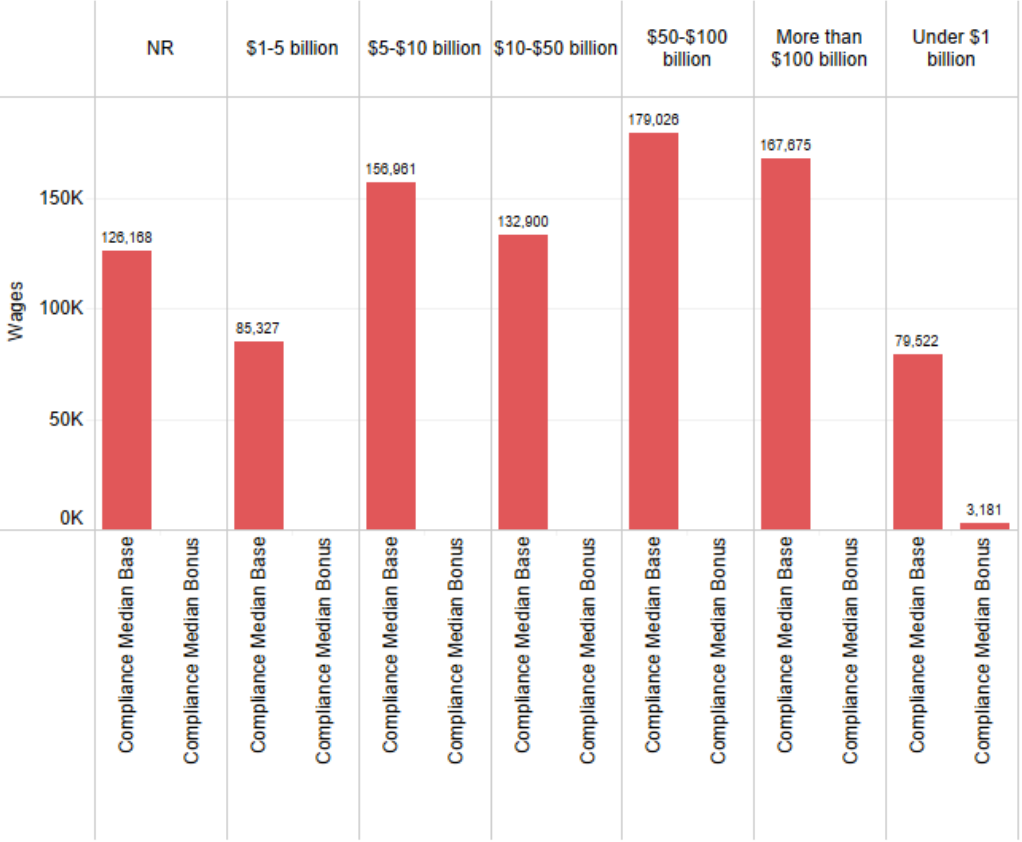
Compliance Officer Compensation

[Roles and Other Responsibilities](#)

Average Salary by Fund Assets



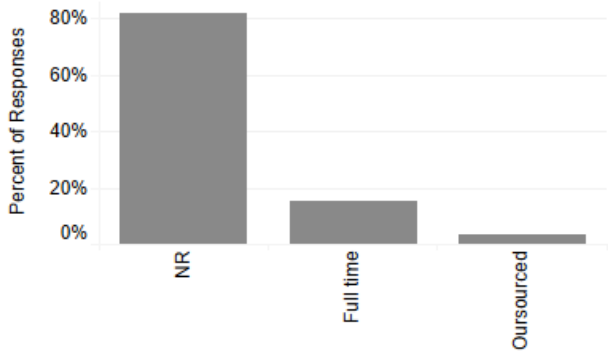
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Compliance Officer: Years in service (bi..	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Null						190,486	
0	126,168	85,327	156,961	132,401		180,226	
5				156,368		99,944	
10				162,897	179,026		
15						155,124	
Null							
0							
5							

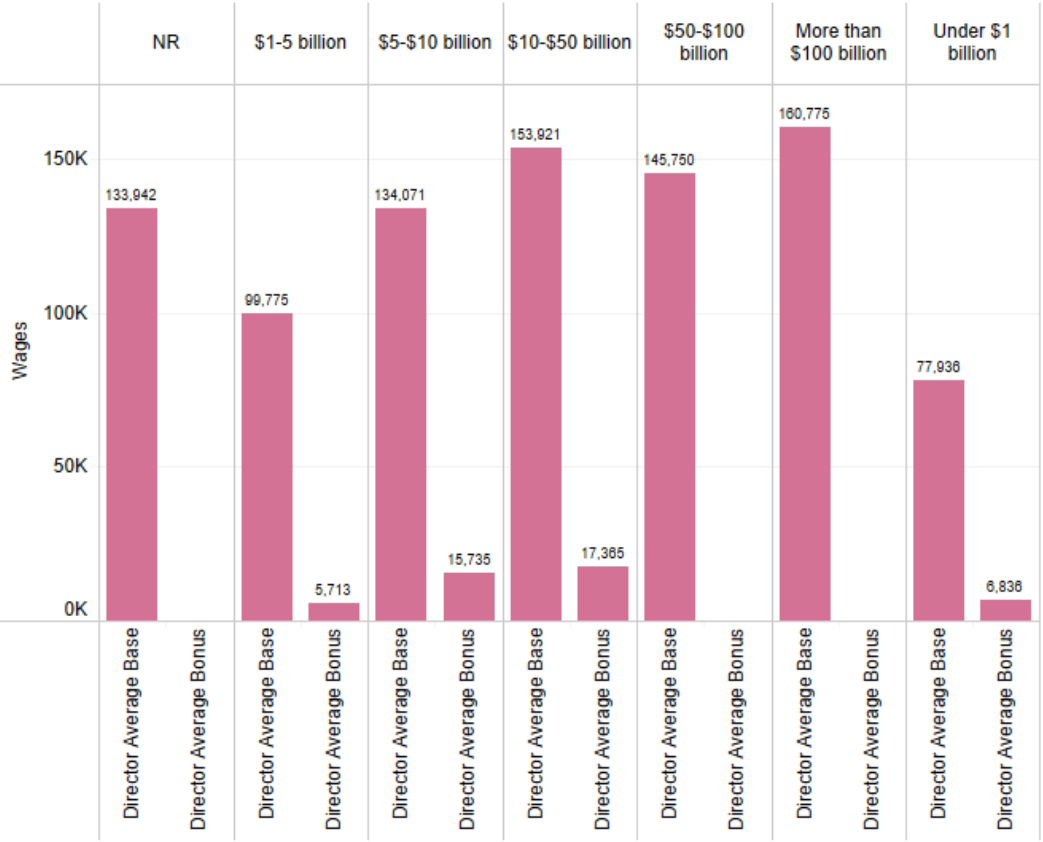
Position



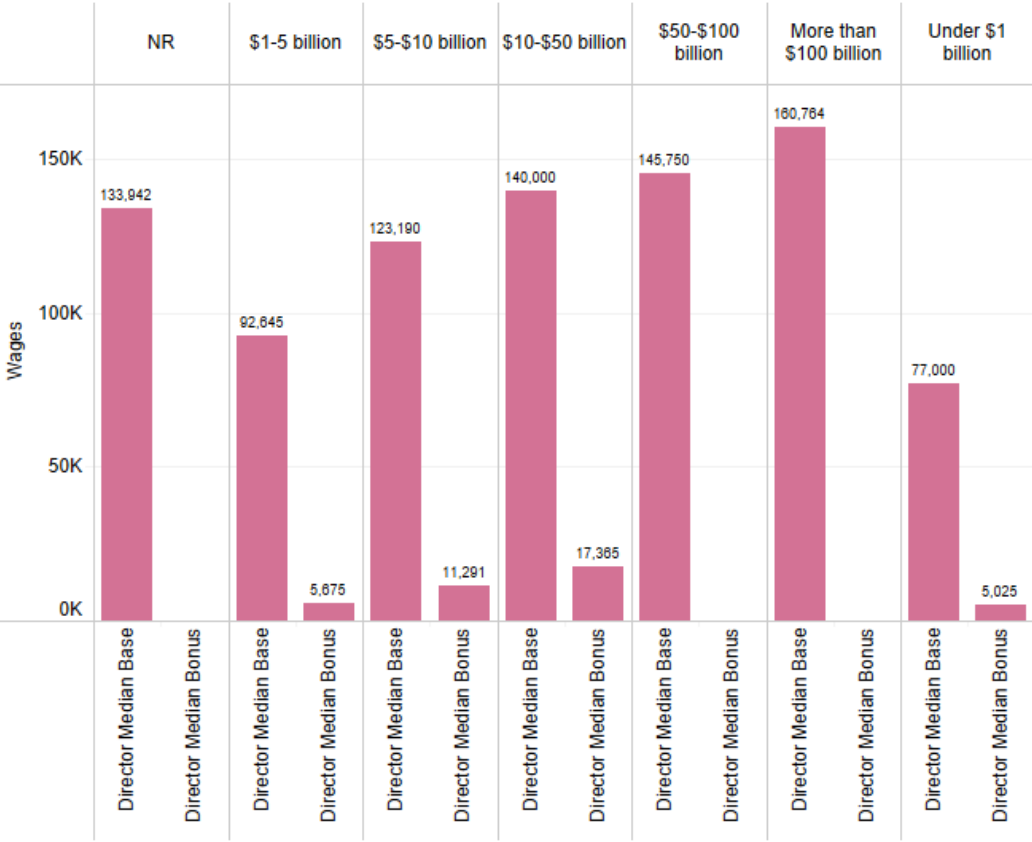
# Member Services Director Compensation

## Roles and Other Responsibilities

Average Salary by Fund Assets



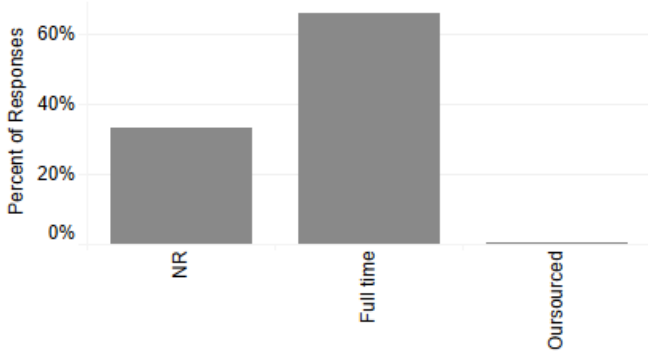
Median Salary by Fund Assets



Average Salary by Fund Assets and Tenure

Member Services Director: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under
Null				179,690	100,000	158,079	
0	133,942	98,642	99,826	150,430	16,000	196,796	
5		96,647	136,183	137,066	275,500		
10		103,859	180,630	187,128		130,146	
15		105,548		213,517			
20		97,191		106,082			
25		84,000					
30				123,012			

Position



Local  
All

County  
All

Educational  
All

State  
All

Other  
All

Public Safety  
All

Active and Retirees  
All values

Investment Staff Positions  
All values

Systems Administered  
All values

Staff Positions  
All values

Inhouse Asset Management  
All

Multiple Roles  
All

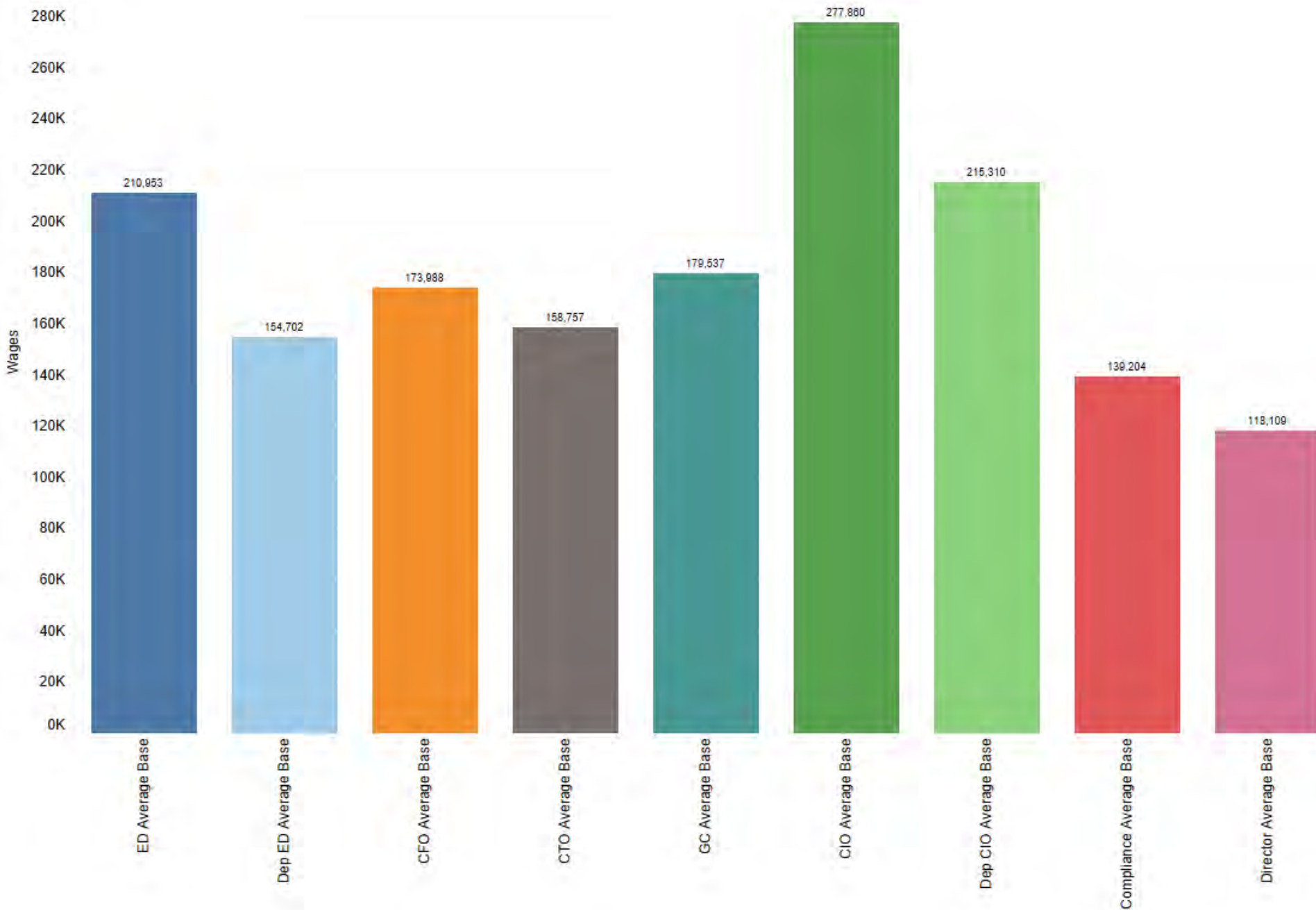
Position Type  
All

Union  
All

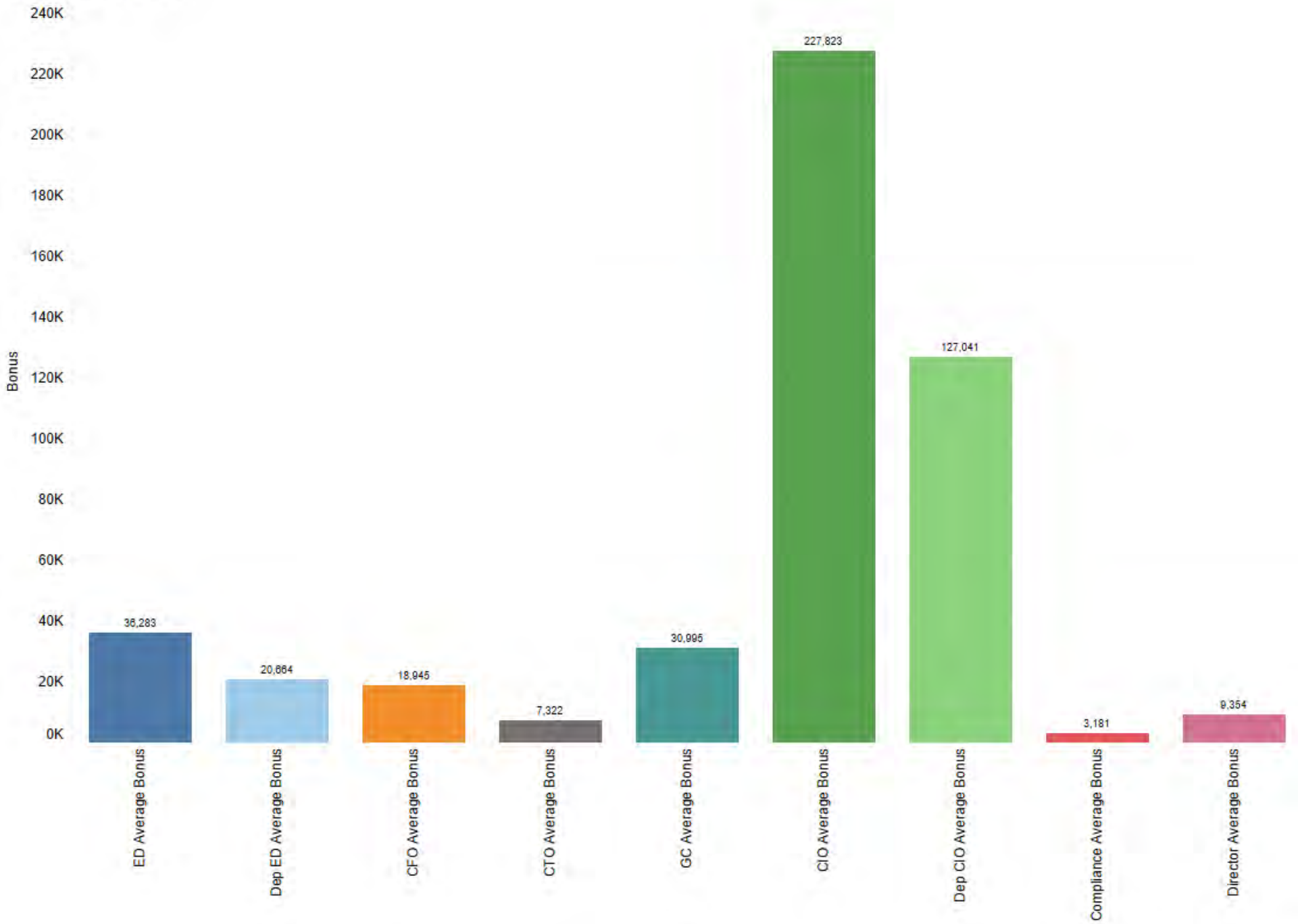
Years in position  
All

Individual graphs

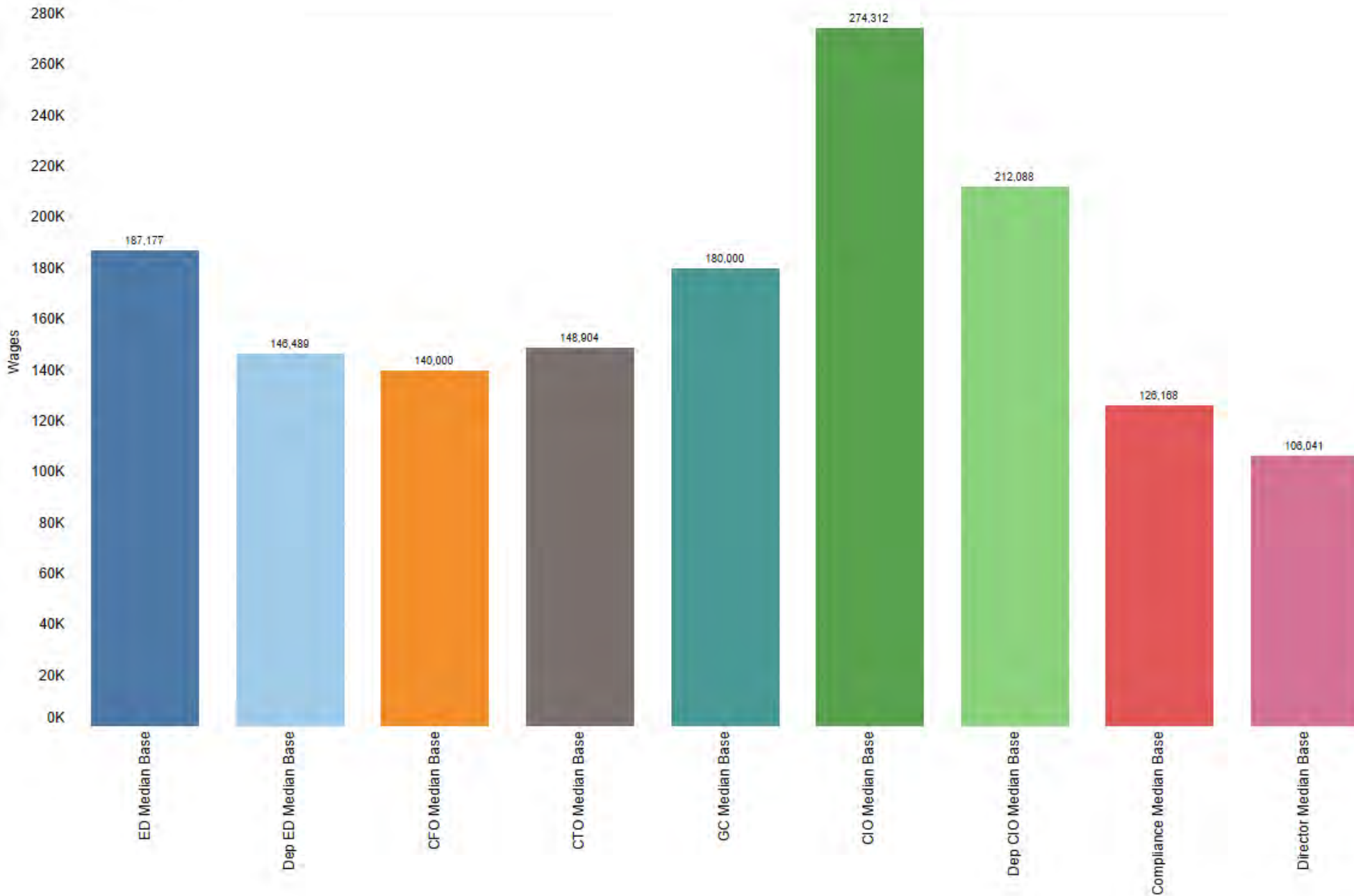
# Average Salary



Average Bonus

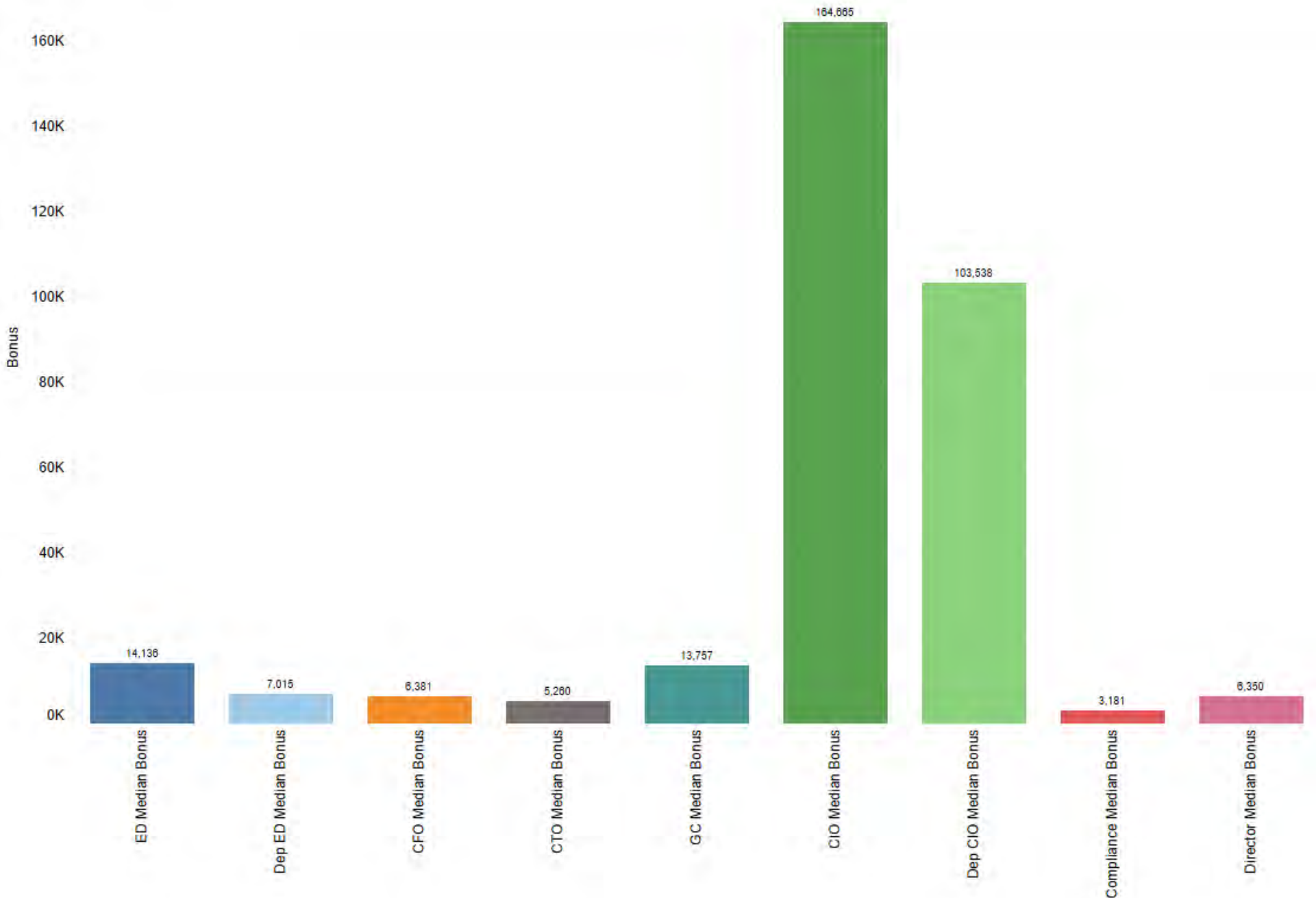


# Median Salary

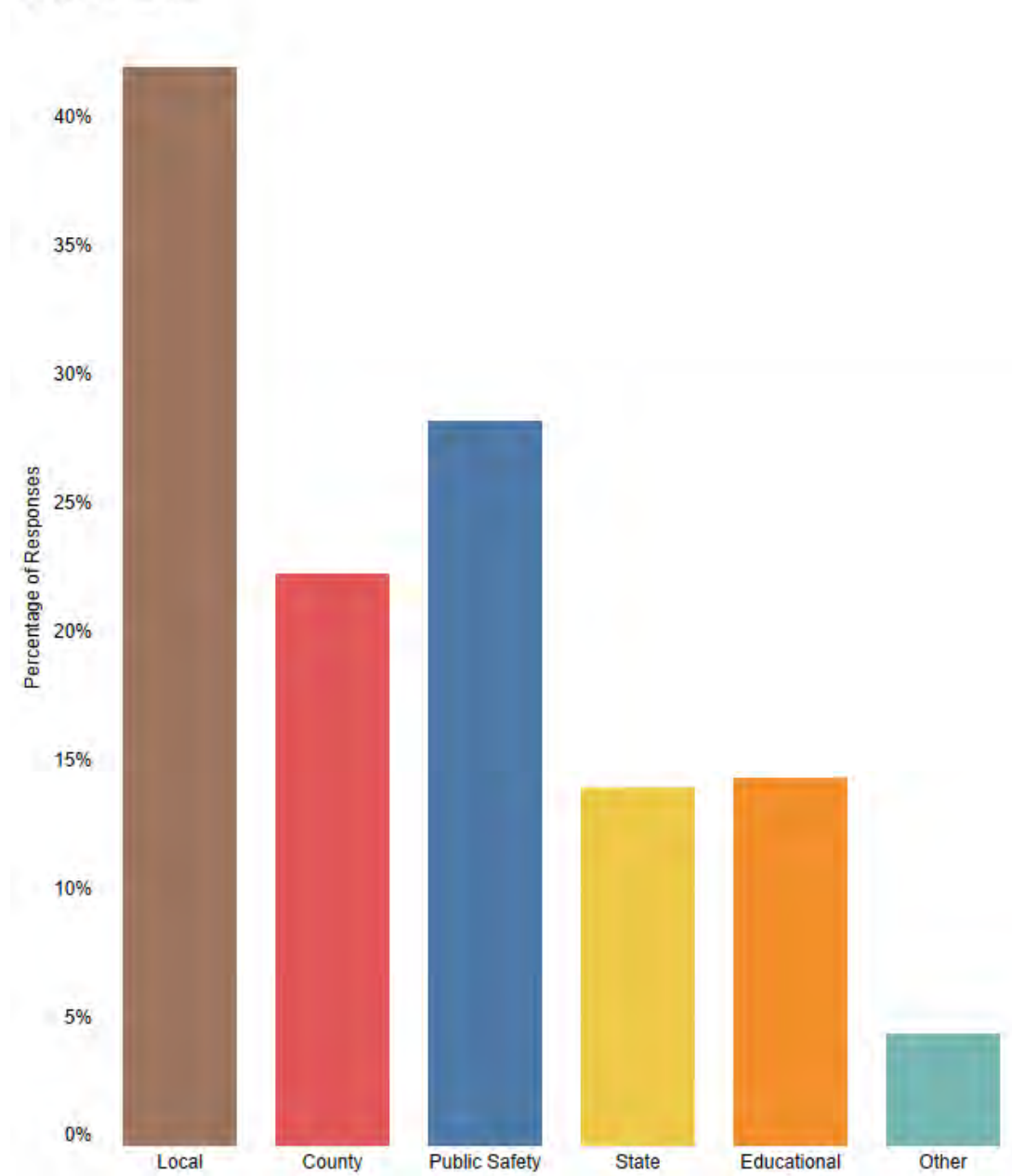




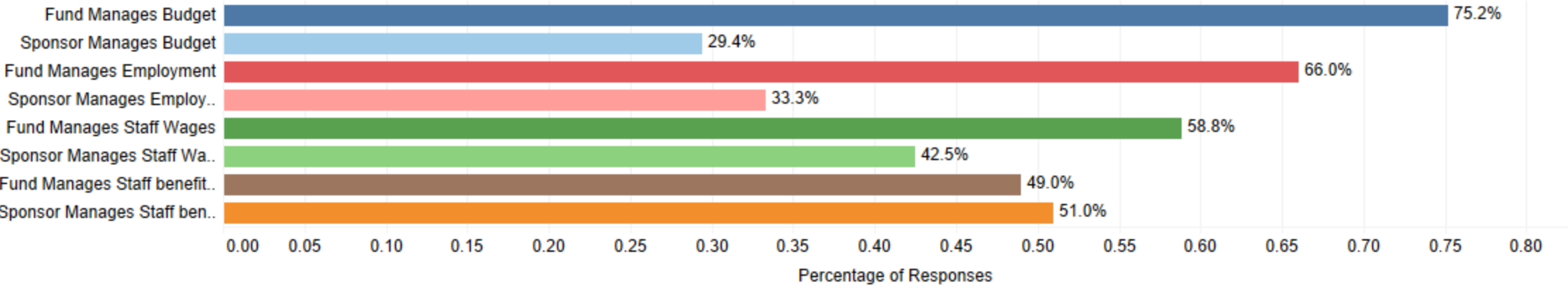
# Median Bonus



## Jurisdiction

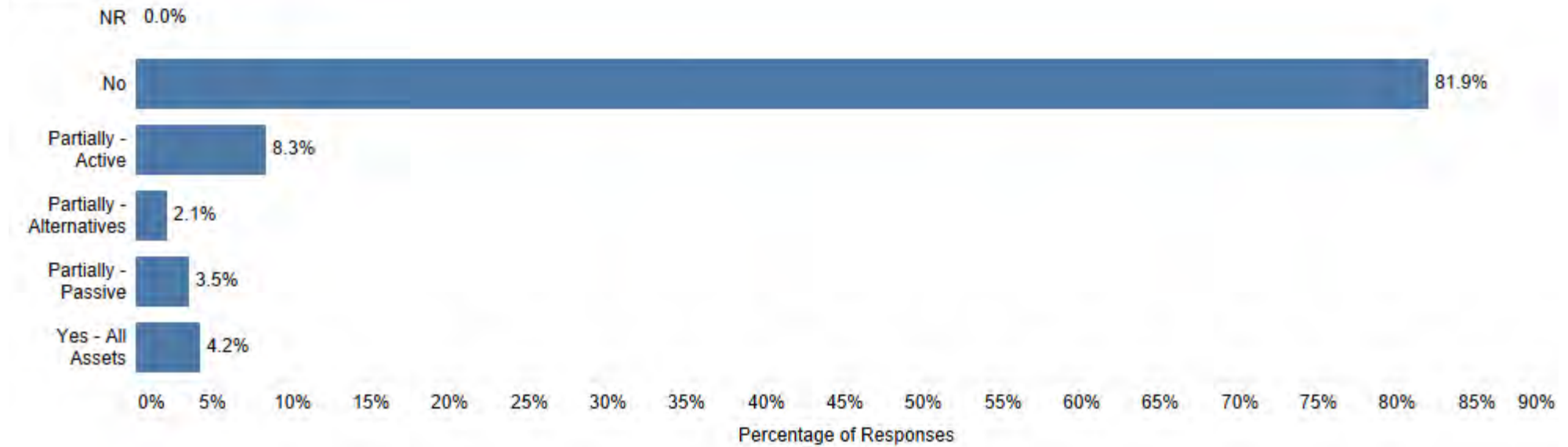


# Oversight Responsibilities



## Assets Managed by Fund

Inhouse Ass..



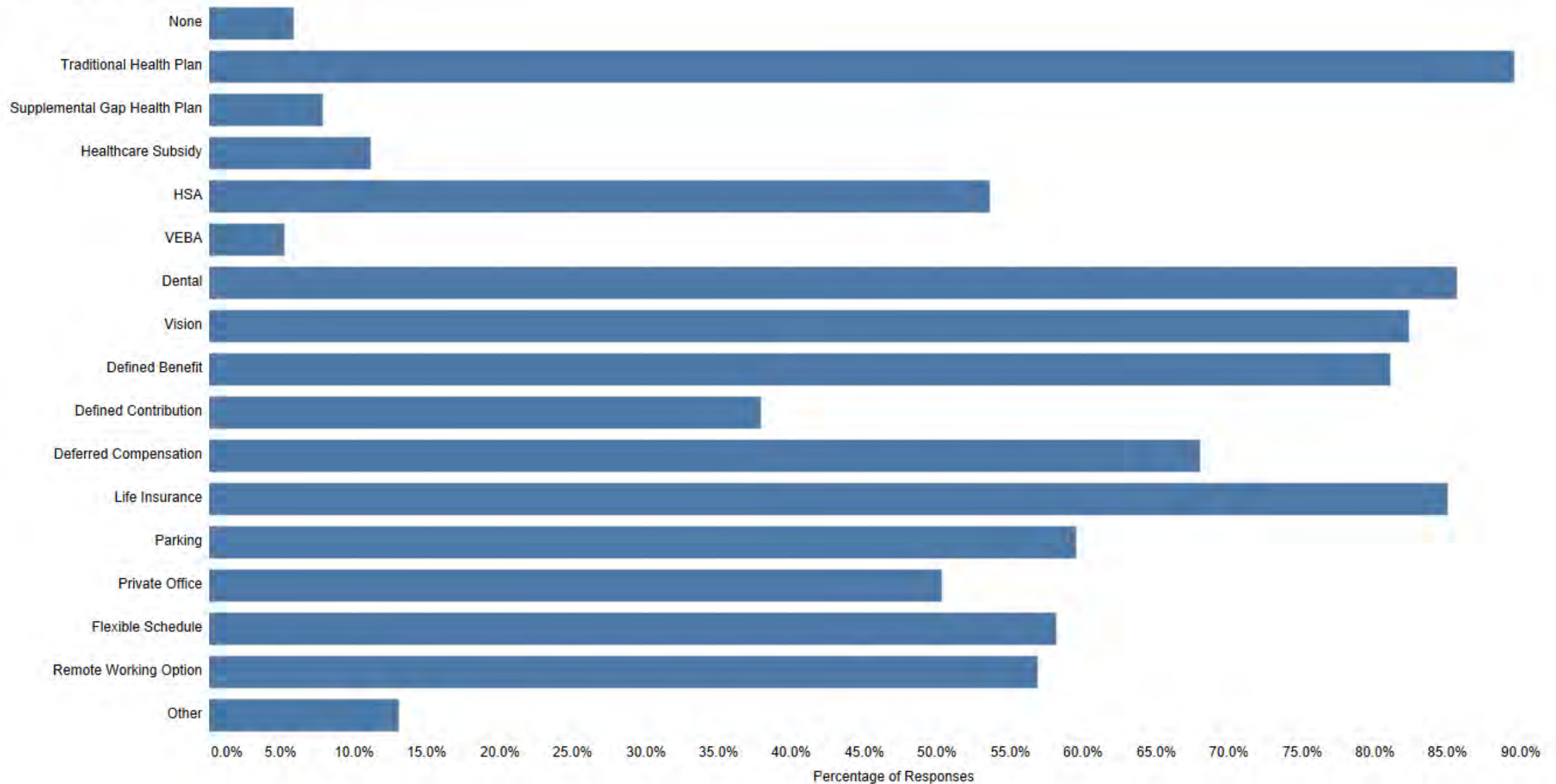
# Summary Counts

Count of Active and Retired Individuals	9,270,043
Count of Staff Positions	11,617
Count of Systems Administered	1,714
Count of Investment Staff Positions	1,074

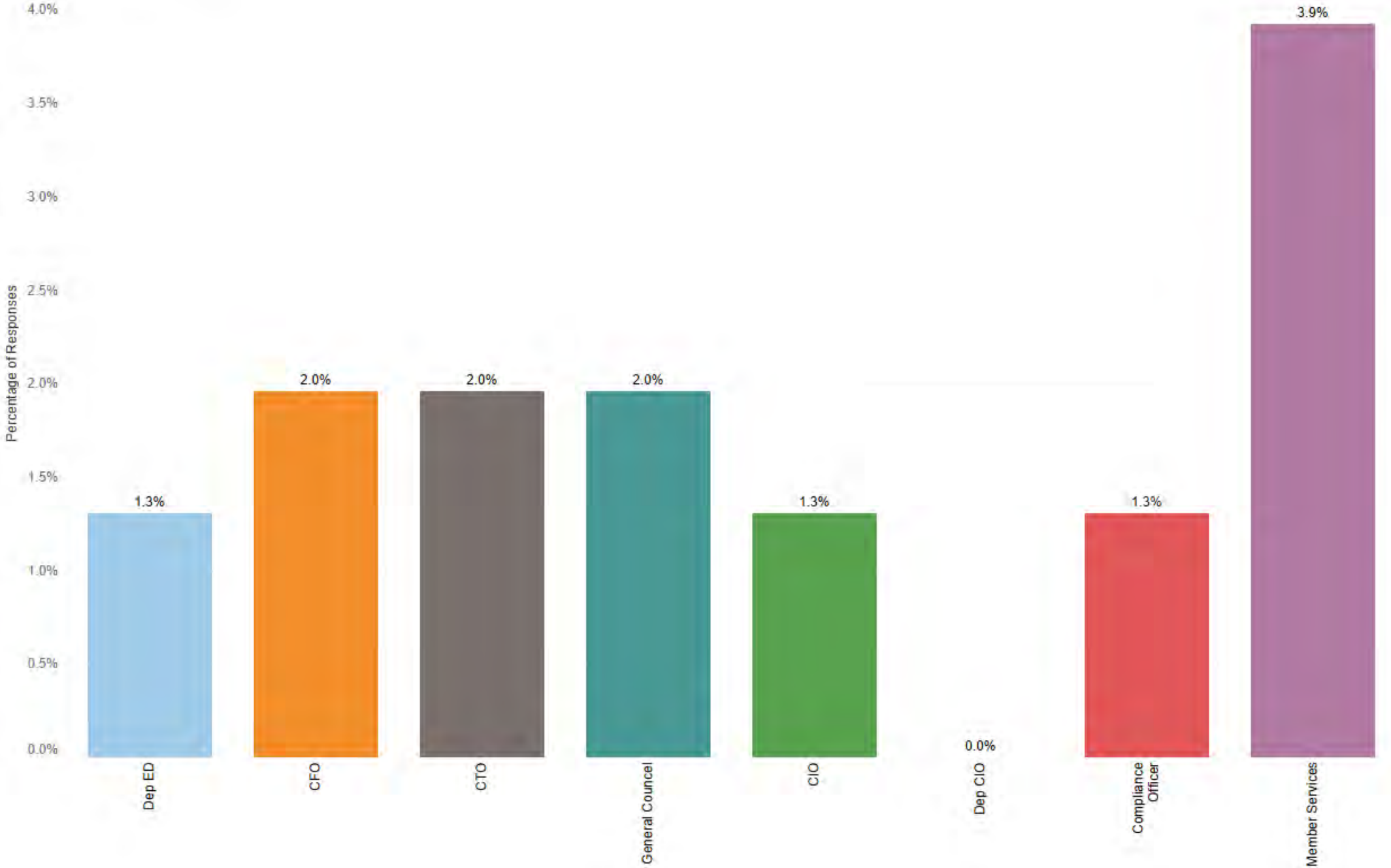
# Summary Means

Avg. Count of Active and Retired Individuals	62,635
Avg. Count of Staff Positions	78
Avg. Count of Systems Administered	12
Avg. Count of Investment Staff Positions	8

# Benefits Provided

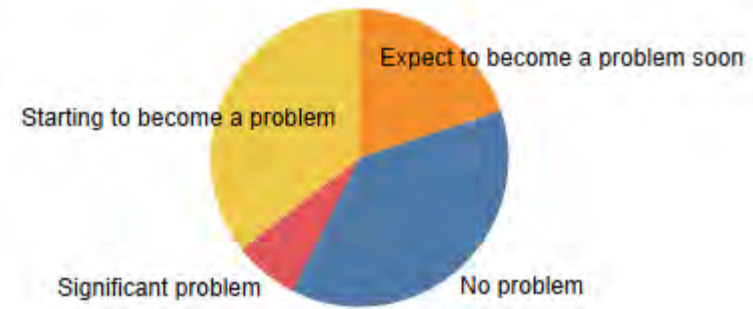


# Union Participation



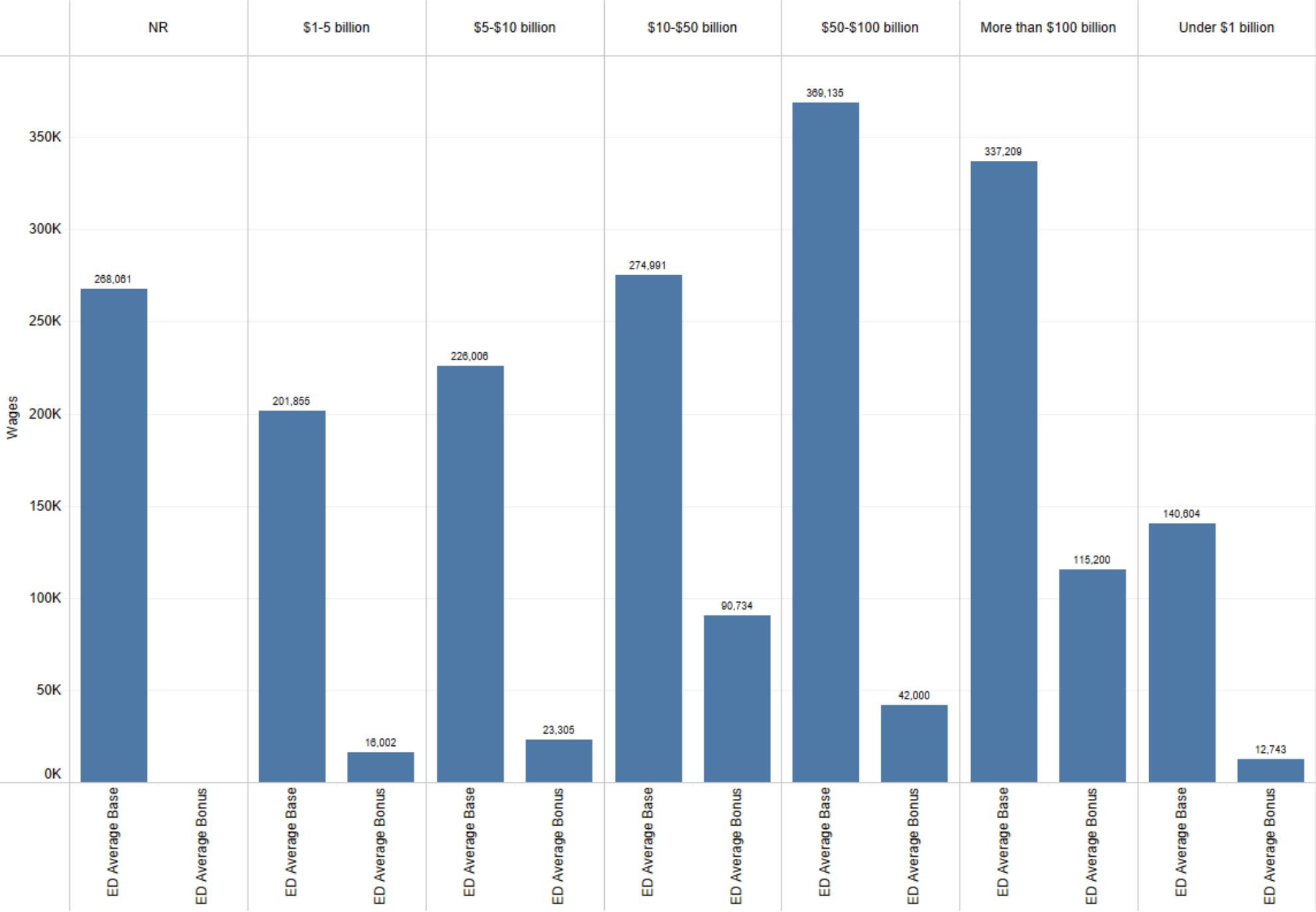


## Ability to Attract and Retain Skilled Staff

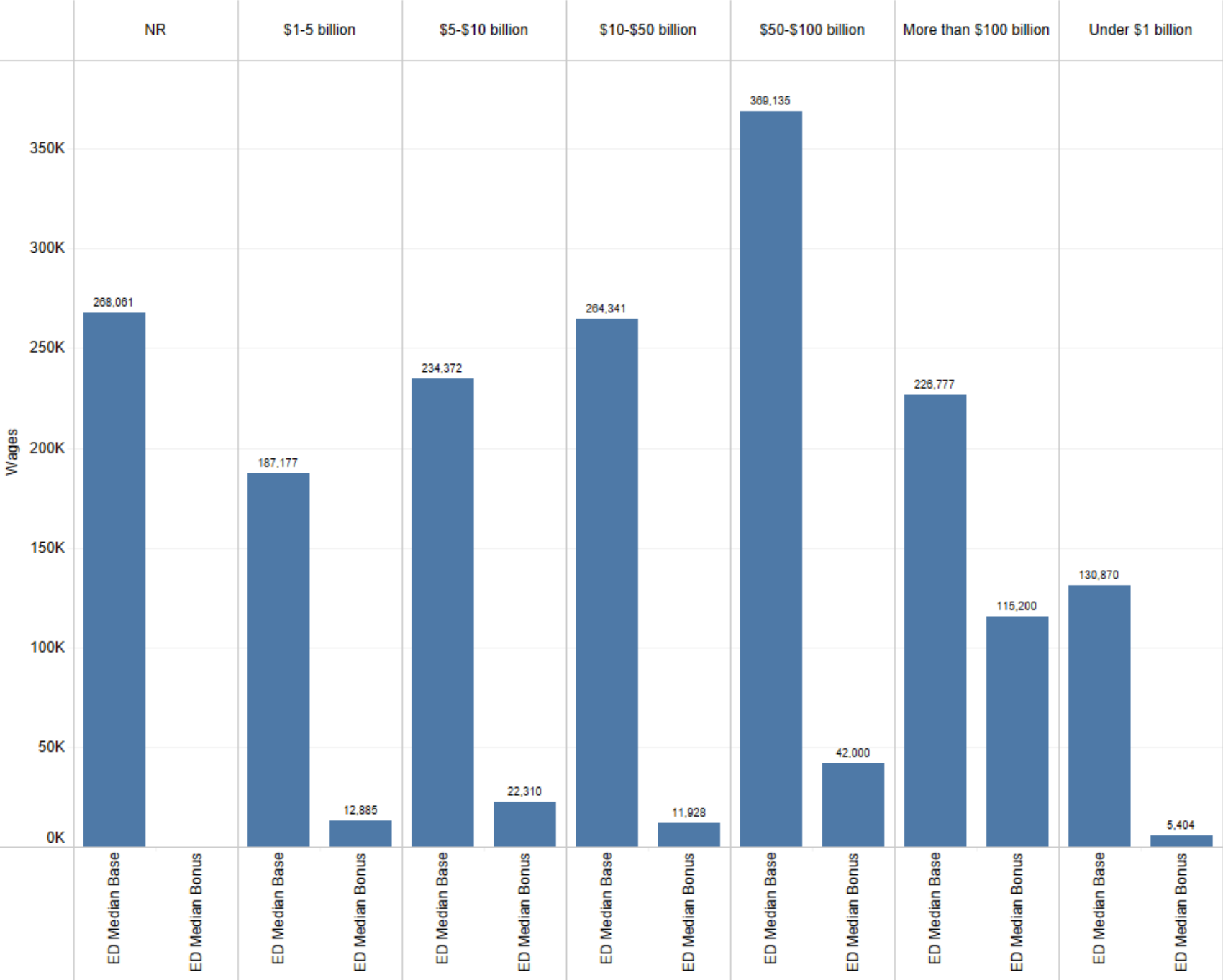


Executive Director

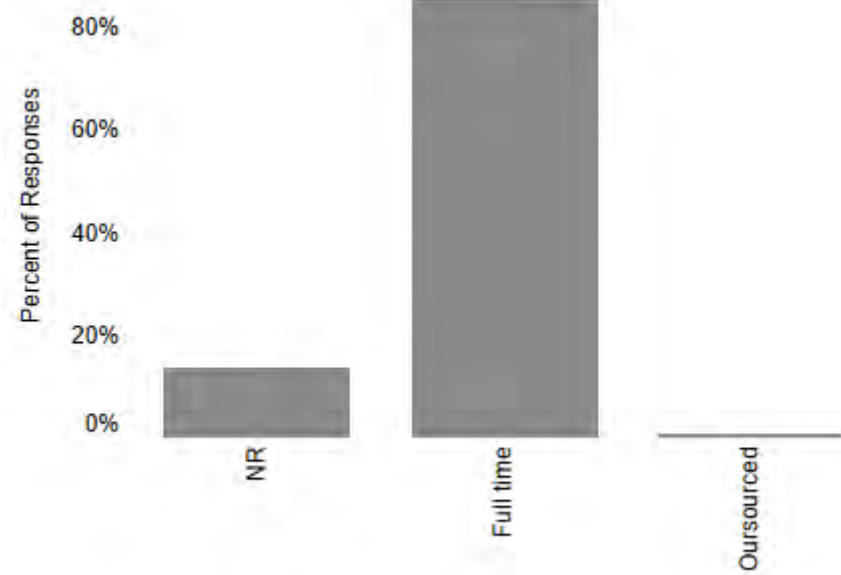
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position

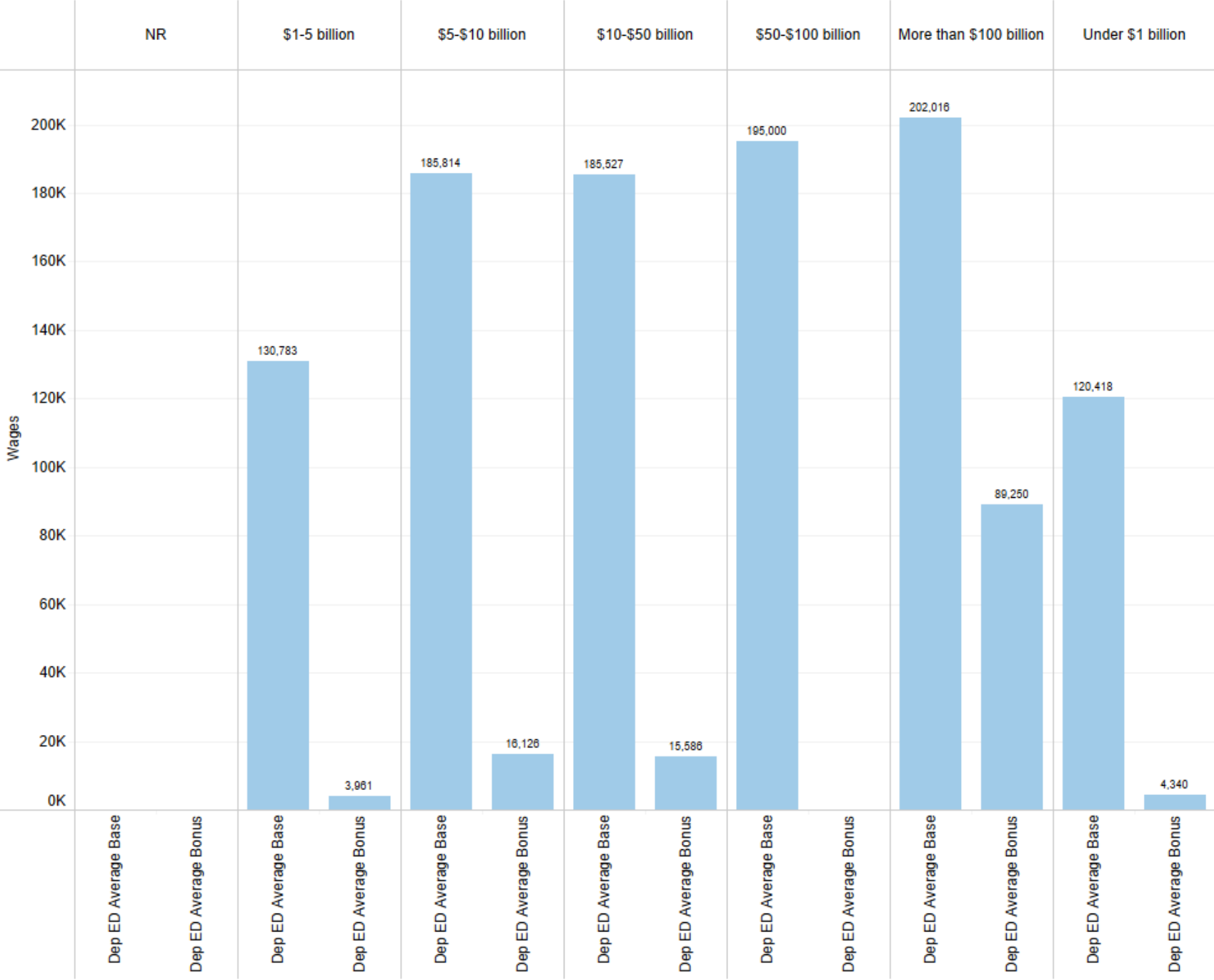


Average Salary by Fund Assets and Tenure

	Exec Dir: Years in position (bin)	NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
ED Average Base	NR			235,599				90,000
	0	268,061	203,266	252,060	253,639	369,135	286,345	143,360
	5		201,053	224,189	255,223			152,098
	10		239,686	147,335	312,202		607,011	160,000
	15		163,975				220,000	85,000
	20		180,738		196,210			149,515
	25		226,032					111,500
	30				277,938			100,000
	35							138,125
	40							
	45				890,573			
ED Average Bonus	NR			14,136				
	0		12,885	27,250	10,338	42,000	218,400	2,500
	5		7,411	23,731	331,923			17,654
	10		50,000				12,000	
	15							
	20							2,000
	25		22,603					35,000
	30							
	35							1,650
	40							
	45							
ED Median Base	NR			235,599				90,000
	0	268,061	186,000	254,180	264,341	369,135	226,777	135,000
	5		194,264	233,145	216,000			145,000
	10		257,254	147,335	312,202		607,011	153,000
	15		186,430				220,000	85,000
	20		180,000		196,210			109,935
	25		226,032					111,500
	30				277,938			100,000
	35							138,125
	40							
	45				890,573			
ED Median Bonus	NR			14,136				
	0		12,885	27,250	8,855	42,000	218,400	2,500
	5		3,250	30,484	331,923			17,654
	10		50,000				12,000	
	15							
	20							2,000
	25		22,603					35,000
	30							
	35							1,650
	40							
	45							

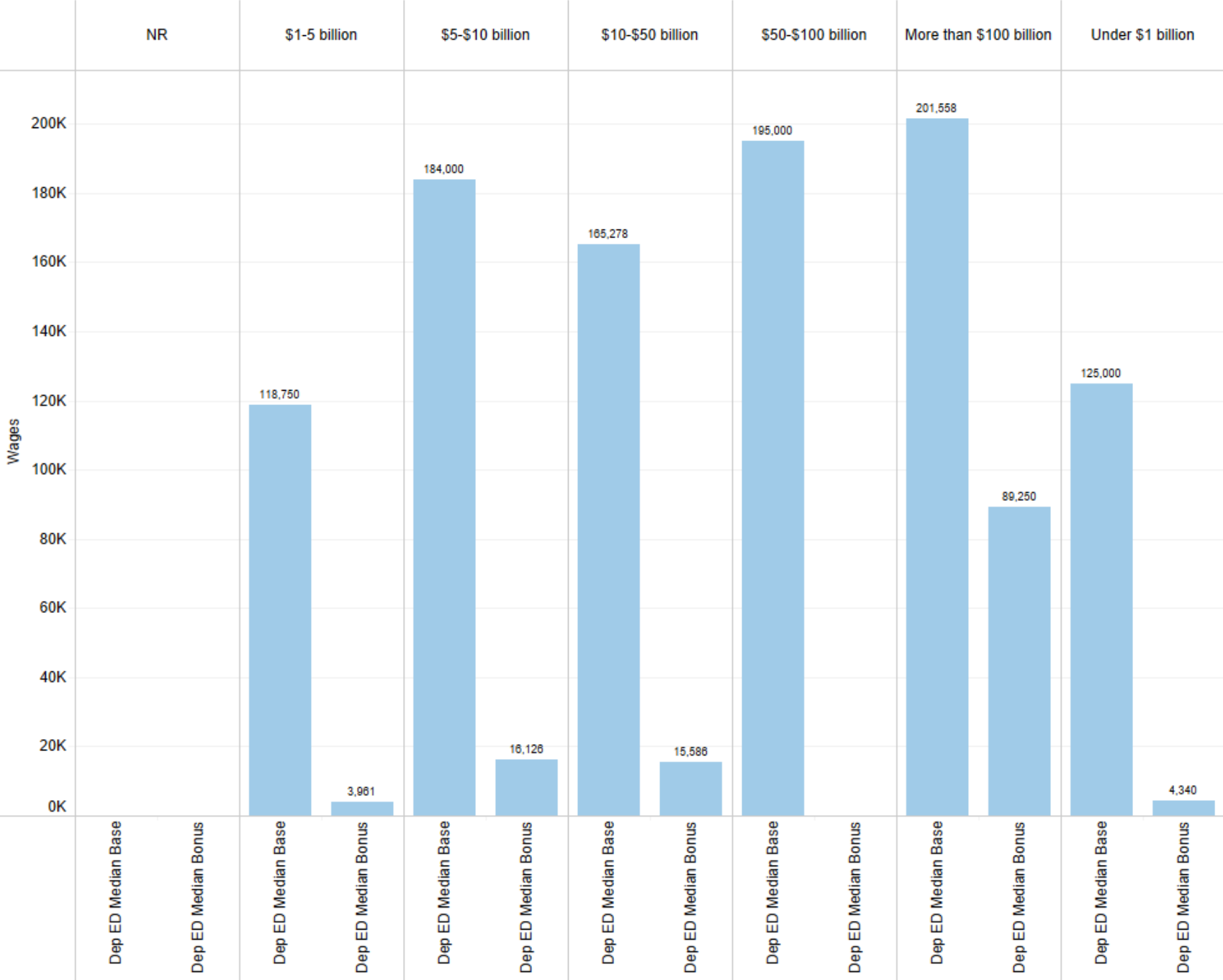
Deputy Executive Director

Average Salary by Fund Assets





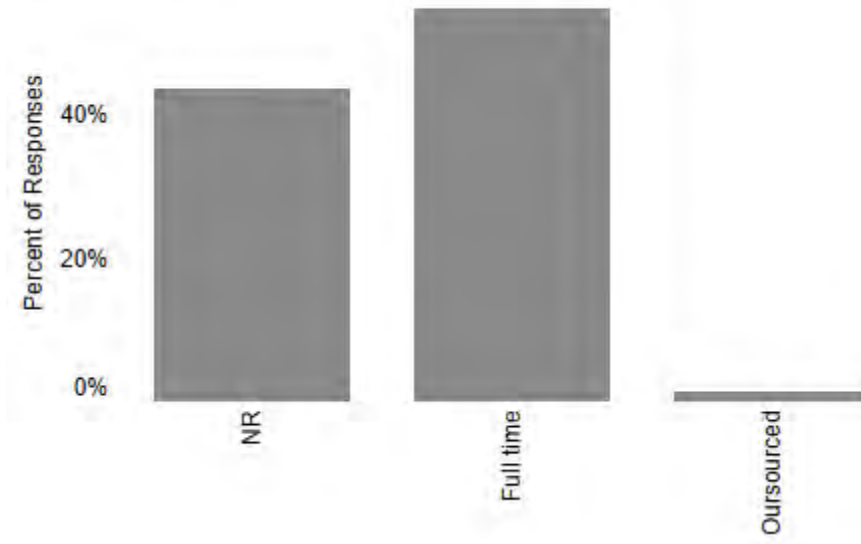
Median Salary by Fund Assets



## Average Salary by Fund Assets and Tenure

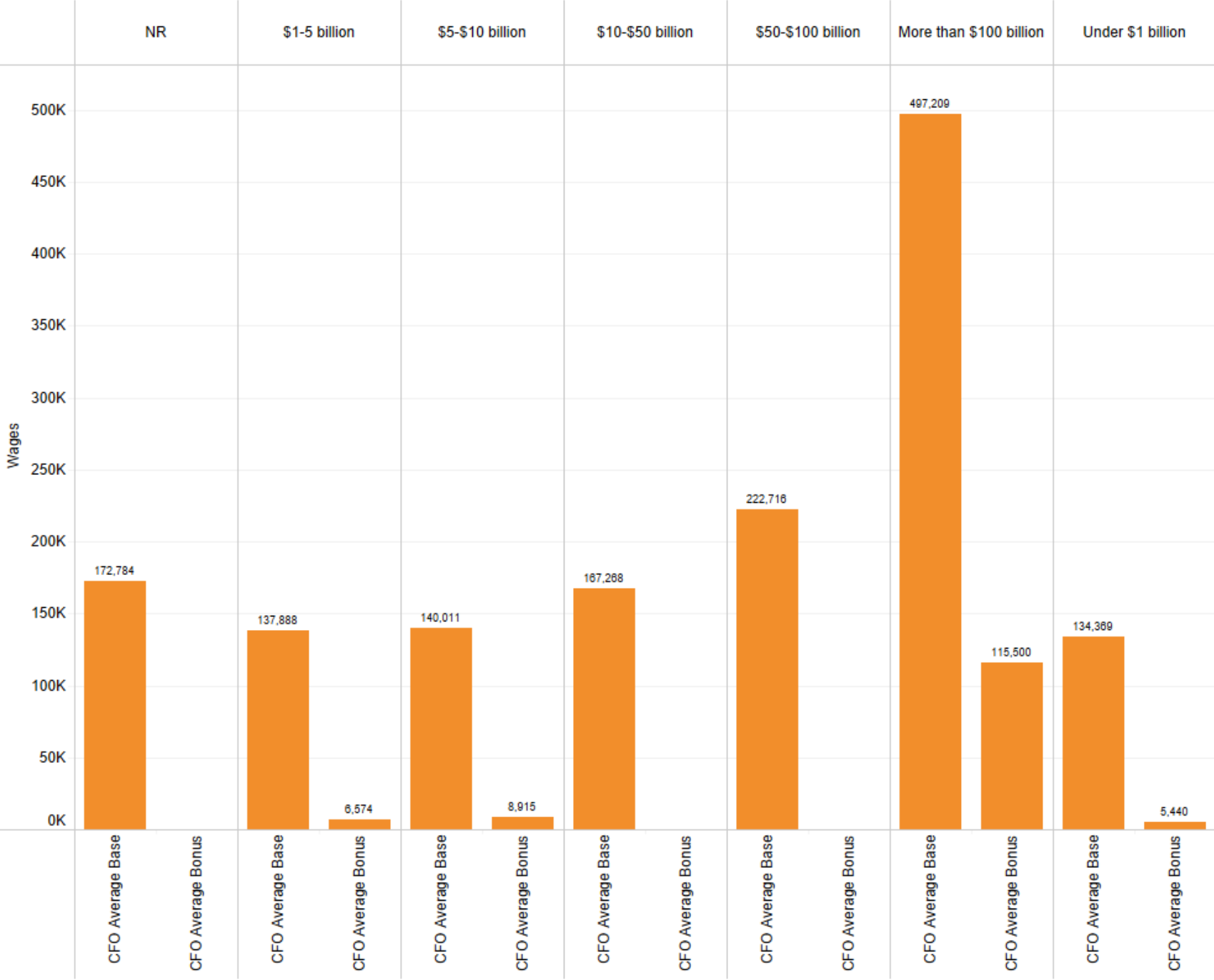
Dep Exec Dir: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Dep ED Average Base	Null				139,306			
	0		132,799	188,036	188,189	195,000	180,382	123,162
	5		126,101	175,511	212,224		238,000	112,569
	10		127,888	262,650	145,968		209,301	111,120
	15		125,116					149,890
	20			131,000	186,336			
	25				170,000			126,400
	30		146,000					
Dep ED Average Bonus	Null							
	0				15,586			
	5			16,126			89,250	4,340
	10		3,961					
	15							
	20							
	25							
	30							
Dep ED Median Base	Null				139,306			
	0		114,500	193,758	166,000	195,000	180,382	110,133
	5		118,750	184,000	219,448		238,000	107,000
	10		100,000	262,650	145,968		209,301	111,120
	15		125,116					149,890
	20			131,000	186,336			
	25				170,000			126,400
	30		146,000					
Dep ED Median Bonus	Null							
	0				15,586			
	5			16,126			89,250	4,340
	10		3,961					
	15							
	20							
	25							
	30							

## Position

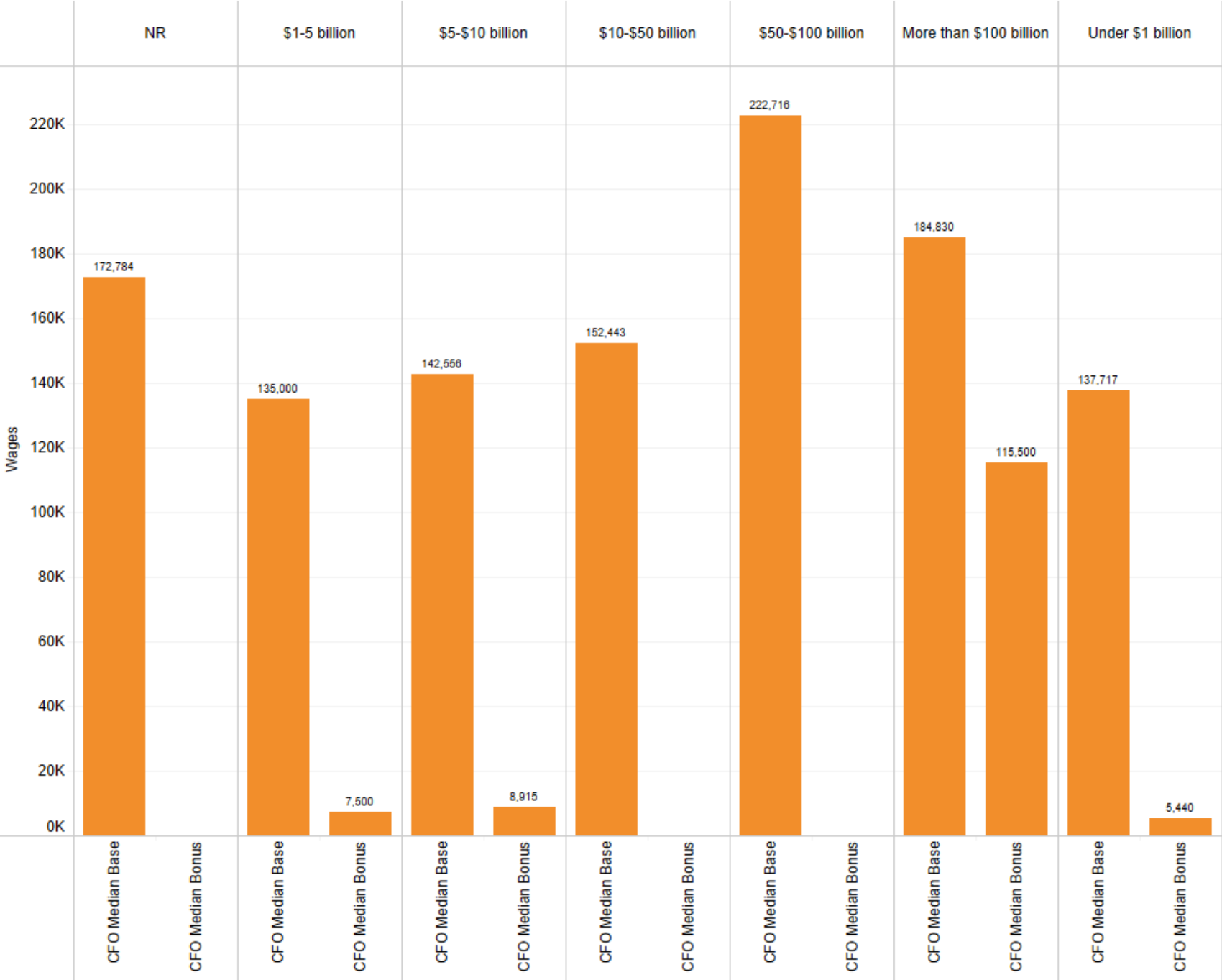


CFO

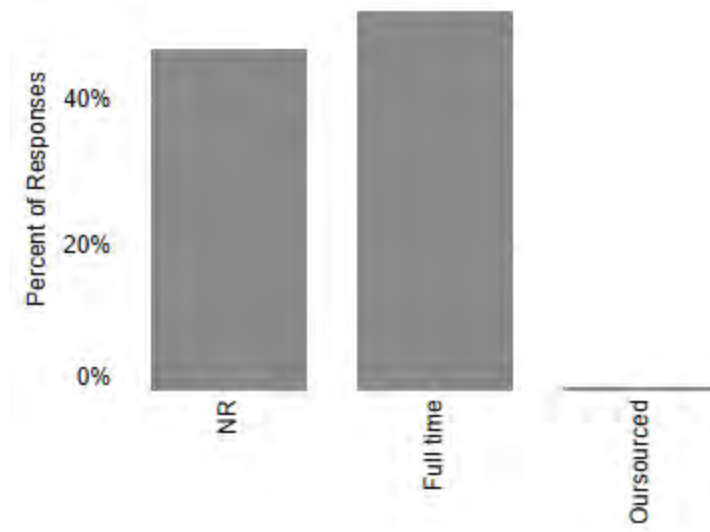
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



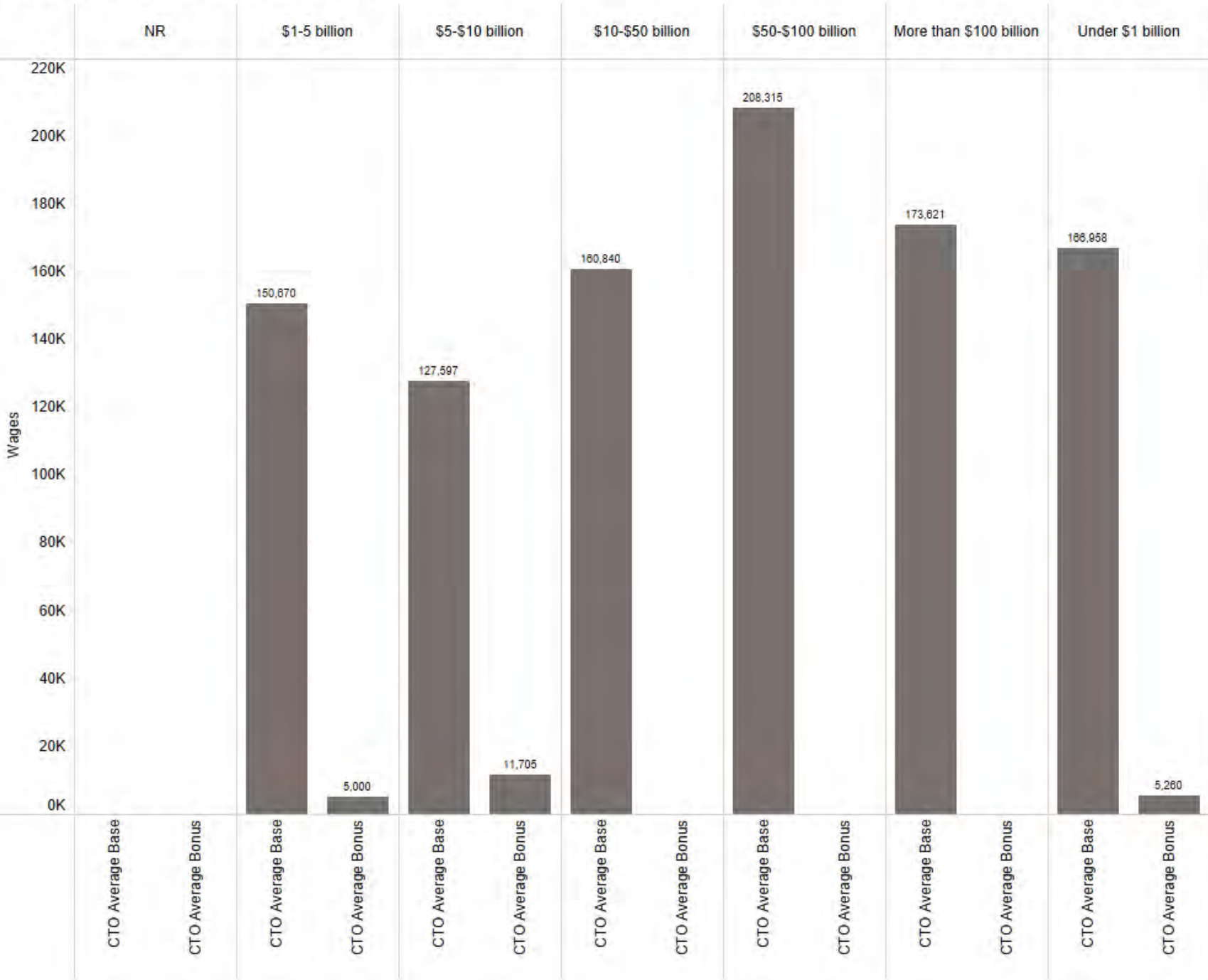
## Average Salary by Fund Assets and Tenure

CFO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CFO Average Base	Null				135,000		169,977	159,523
	0		131,980	131,209	147,685	222,716	1,700,000	139,226
	5	172,784	143,625	154,681	177,174		223,046	161,121
	10		132,388		157,277			82,246
	15		154,633		235,604			
	20		140,000		222,950			110,300
	30				232,296			
CFO Average Bonus	Null							6,381
	0		5,433	6,000				
	5		10,000	11,830			115,500	
	10							
	15							
	20							4,500
	30							
CFO Median Base	Null				135,000		169,977	159,523
	0		121,000	139,111	135,000	222,716	1,700,000	137,717
	5	172,784	131,582	189,286	195,645		223,046	161,121
	10		135,583		152,443			82,246
	15		154,633		235,604			
	20		140,000		222,950			110,300
	30				232,296			
CFO Median Bonus	Null							6,381
	0		5,000	6,000				
	5		10,000	11,830			115,500	
	10							
	15							
	20							4,500
	30							

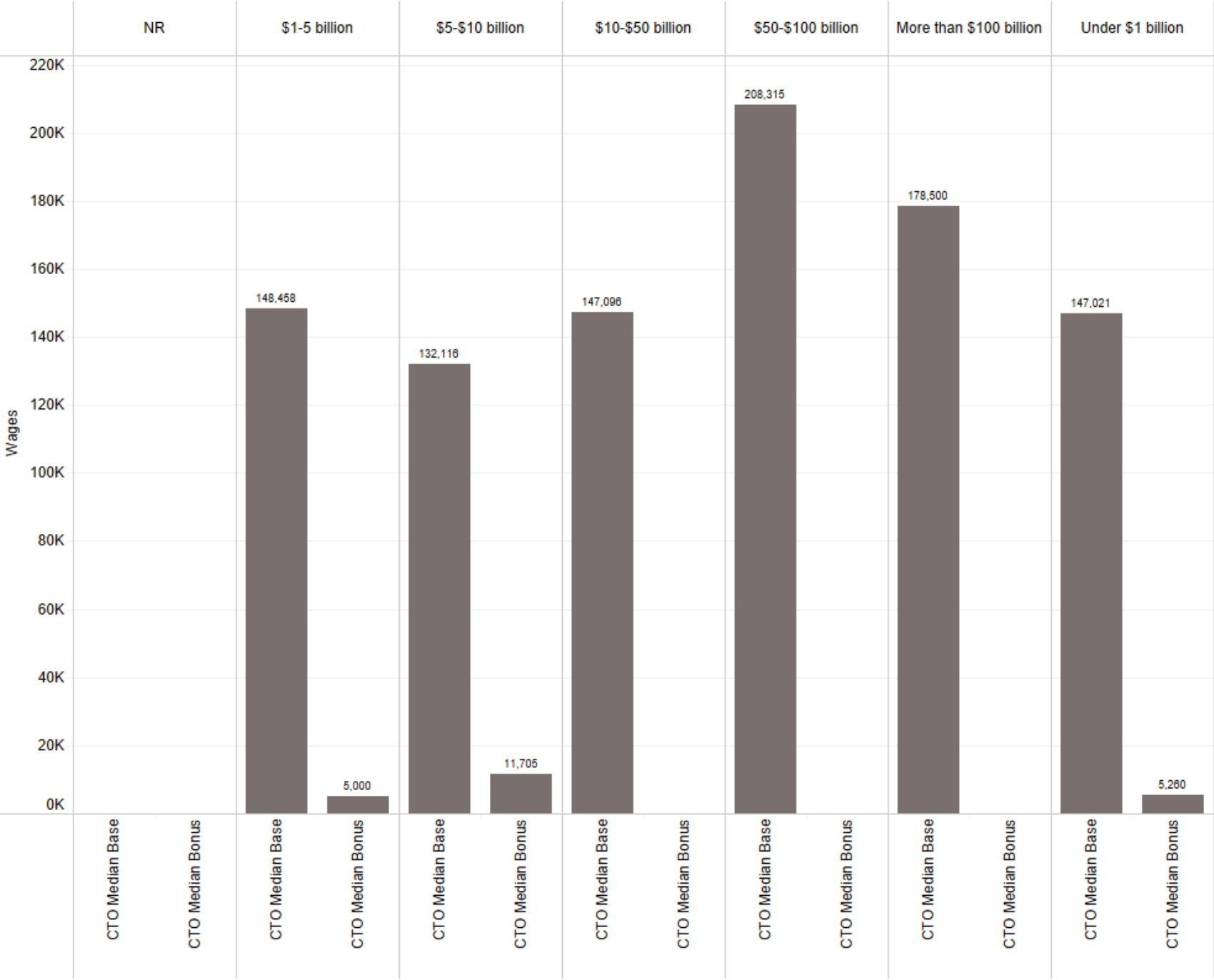


CTO

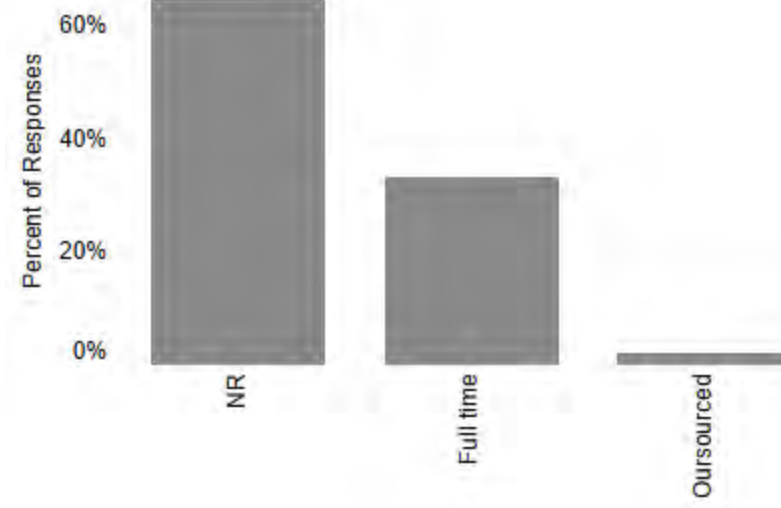
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position

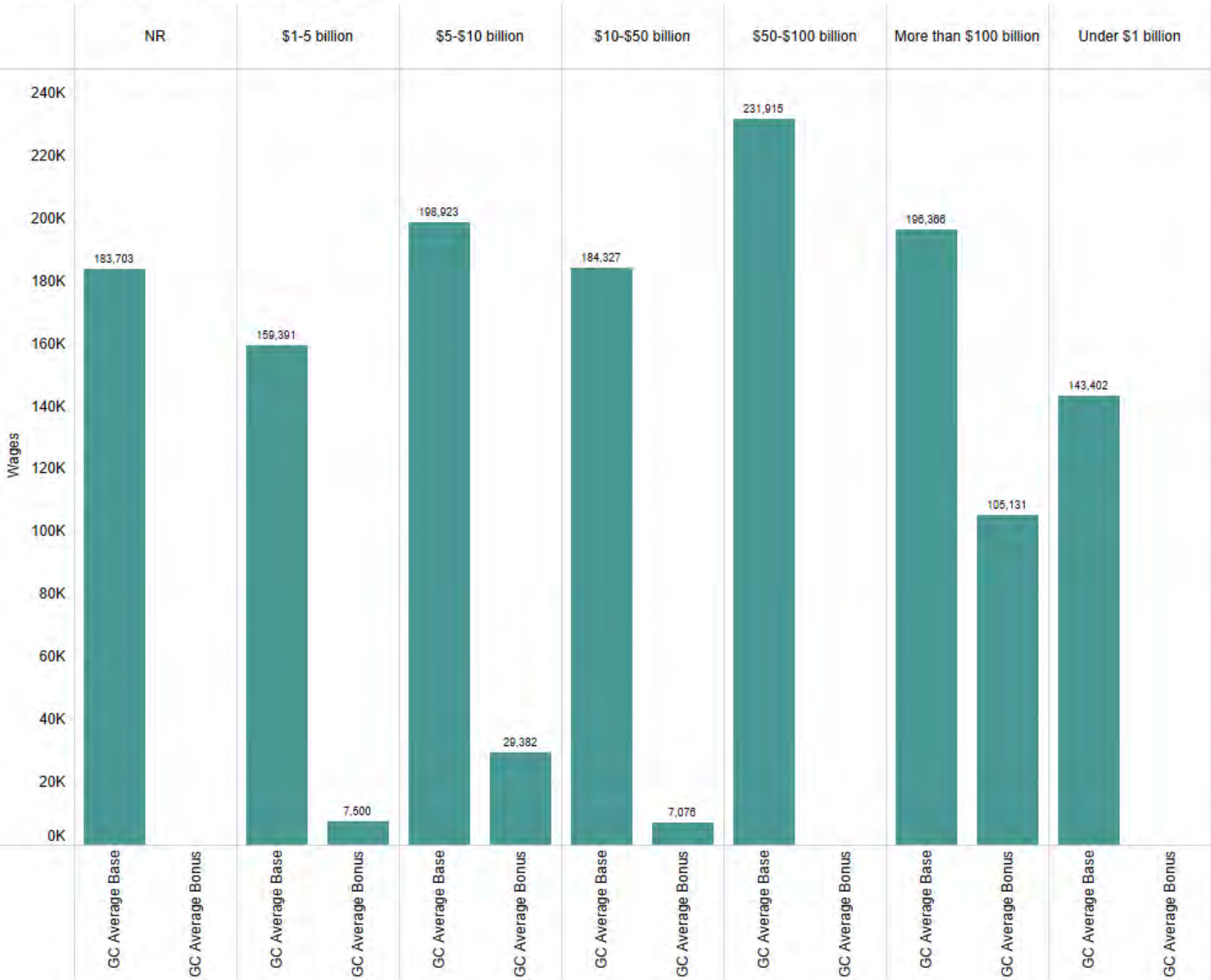


## Average Salary by Fund Assets and Tenure

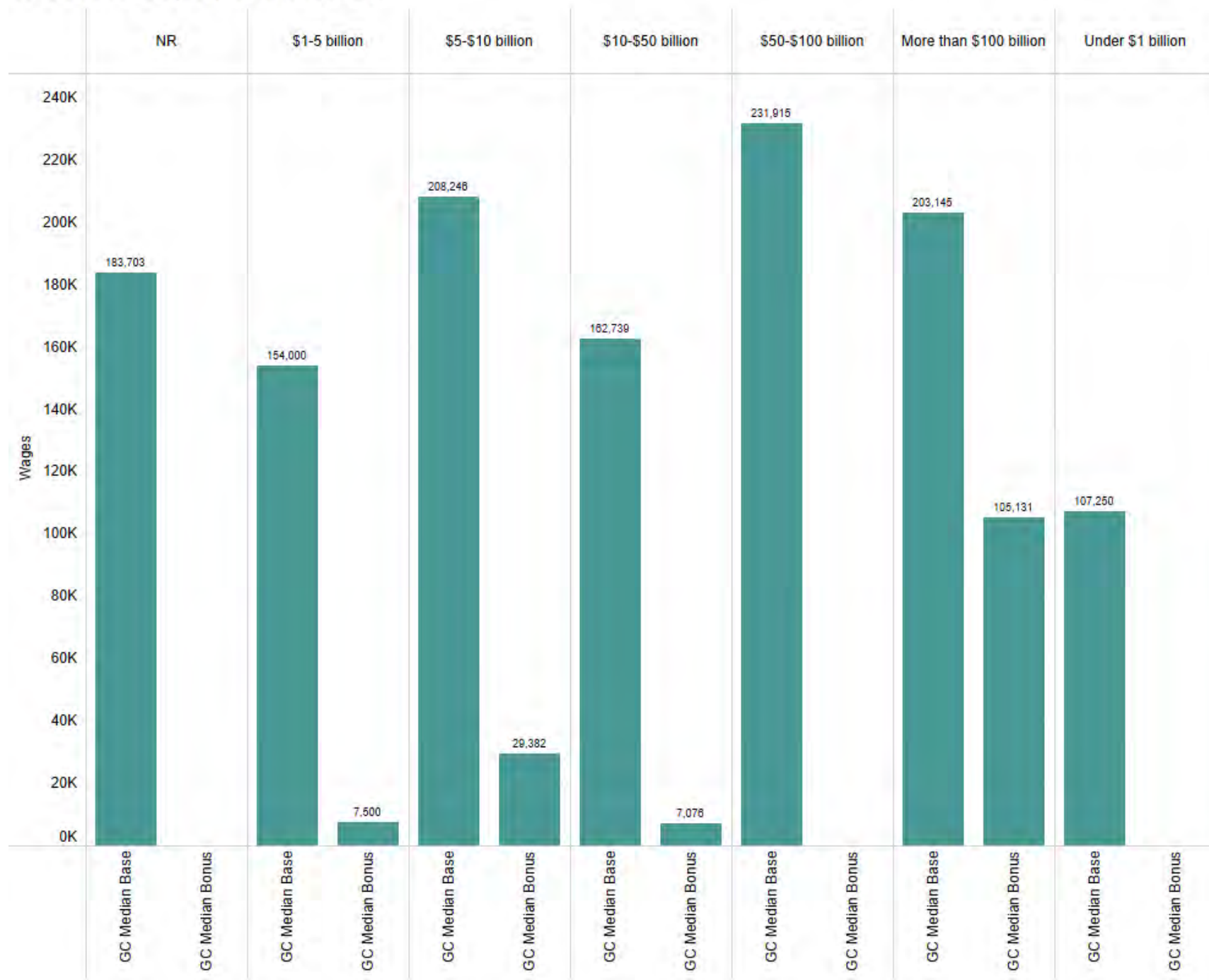
CTO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
CTO Average Base	Null						178,500	131,505
	0		128,679	130,203	143,979	149,350	164,157	191,083
	5		182,487	64,296	188,931		180,646	142,939
	10		175,000	132,116	221,715			
	15			187,283	119,157			202,200
	20				112,236	267,280		
	30			184,780				
CTO Average Bonus	Null							5,260
	0							
	5							
	10		5,000					
	15			11,705				
	20							
	30							
CTO Median Base	Null						178,500	131,505
	0		135,289	130,203	134,192	149,350	164,157	191,083
	5		182,487	64,296	191,927		180,646	142,939
	10		175,000	132,116	195,500			
	15			187,283	119,157			202,200
	20				112,236	267,280		
	30			184,780				
CTO Median Bonus	Null							5,260
	0							
	5							
	10		5,000					
	15			11,705				
	20							
	30							

General Council

Average Salary by Fund Assets

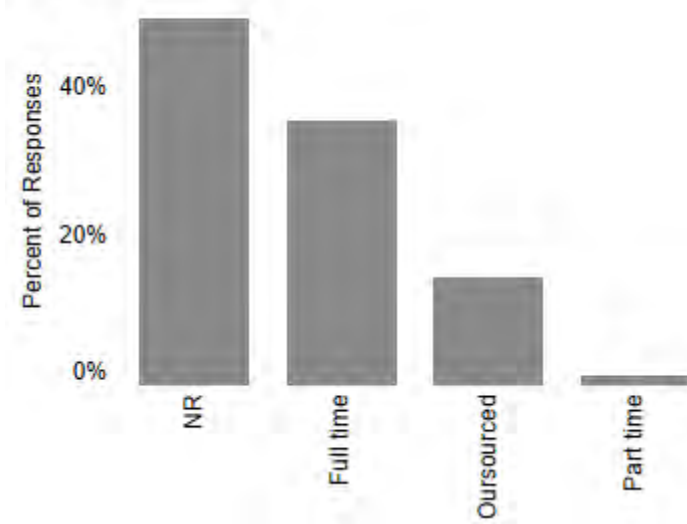


### Median Salary by Fund Assets





## Position

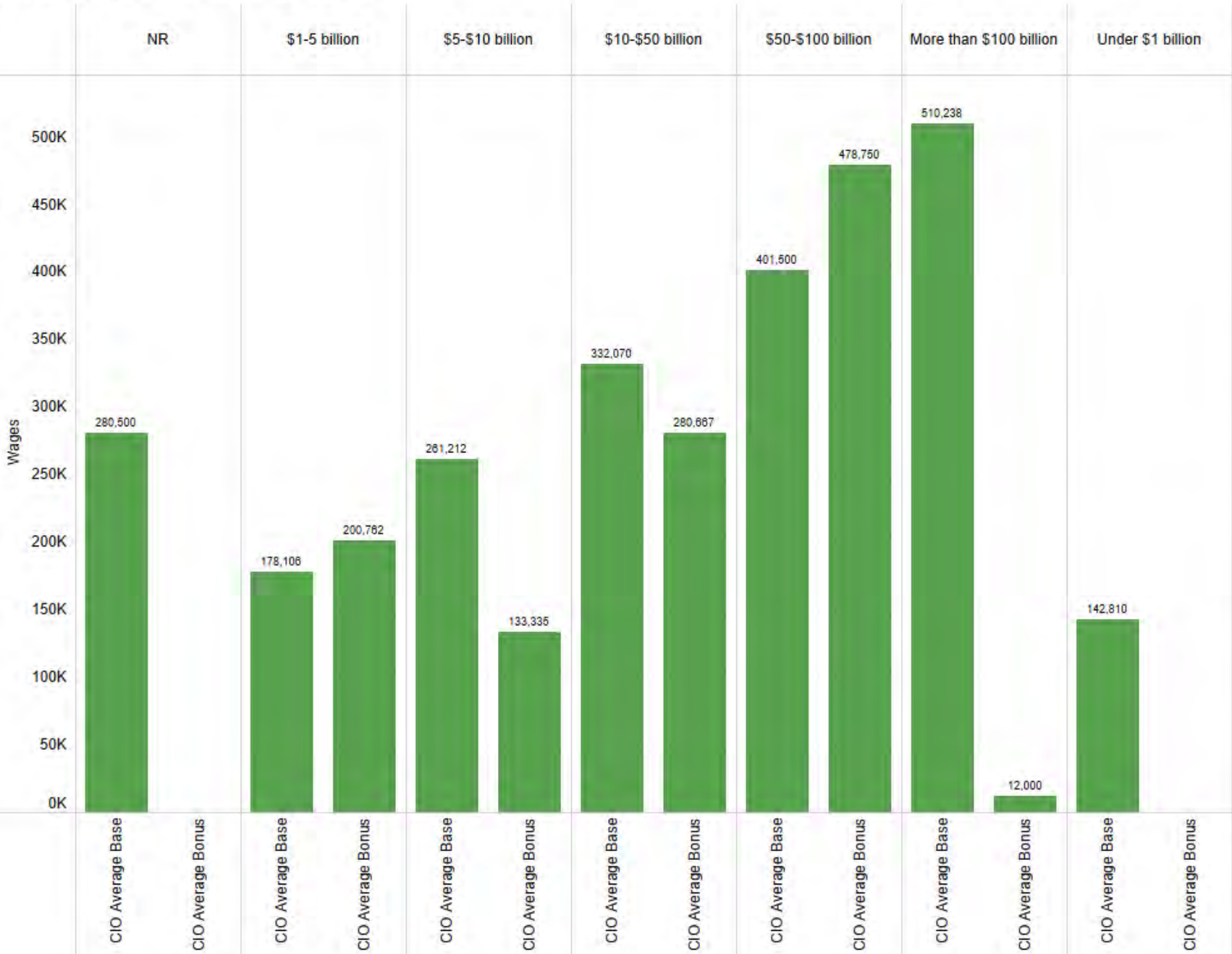


## Average Salary by Fund Assets and Tenure

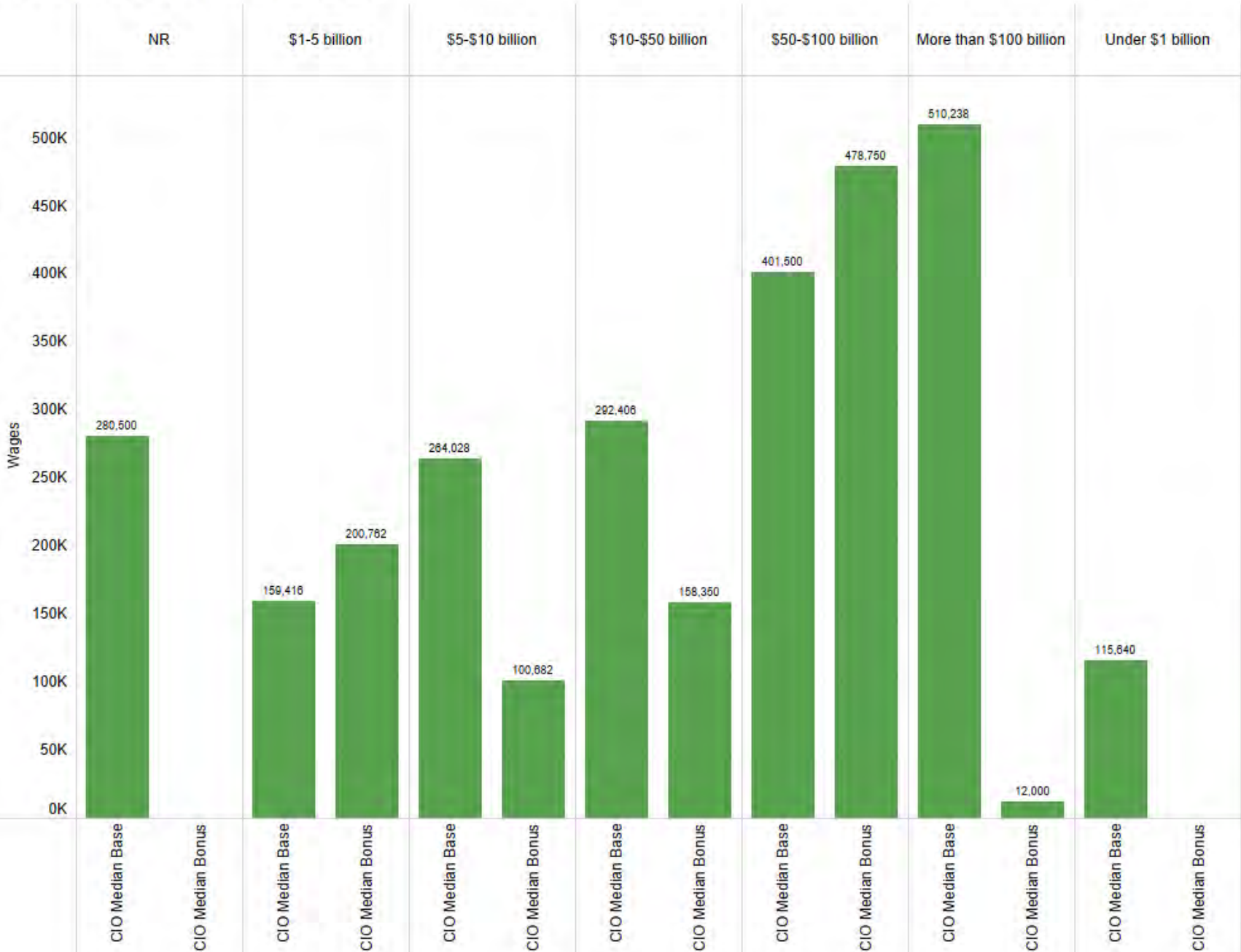
General Counsel: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
GC Average Base	Null		113,000		119,938		154,374	100,000
	0	183,703	156,681	257,623	176,656	231,915		142,243
	5		130,500	145,447	208,854			250,001
	10		294,614	180,000	233,580		280,350	152,160
	15			173,811				107,250
	20				159,643			
	30							100,000
GC Average Bonus	Null							
	0		5,000	29,382	7,076			
	5							
	10		10,000				105,131	
	15							
	20							
	30							
GC Median Base	Null		113,000		119,938		154,374	100,000
	0	183,703	165,369	275,000	163,300	231,915		142,243
	5		130,500	145,447	213,322			250,001
	10		294,614	180,000	233,580		280,350	152,160
	15			173,811				107,250
	20				159,643			
	30							100,000
GC Median Bonus	Null							
	0		5,000	29,382	7,076			
	5							
	10		10,000				105,131	
	15							
	20							
	30							

CIO

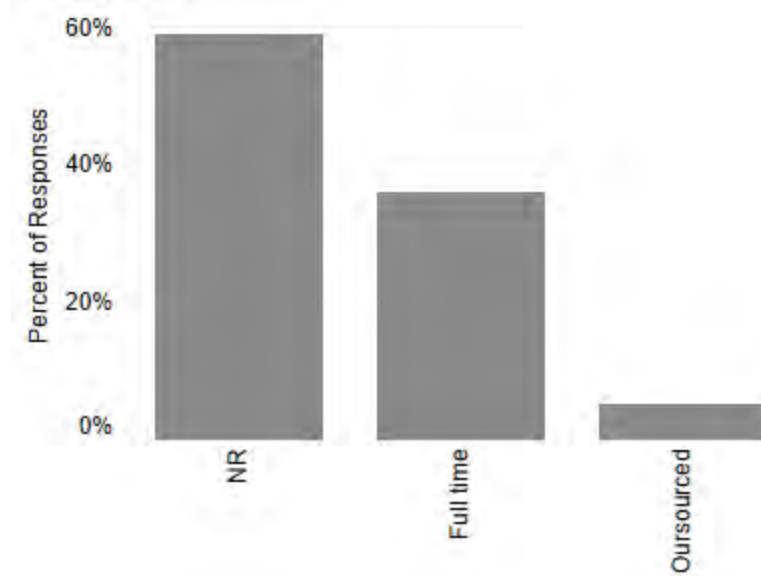
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



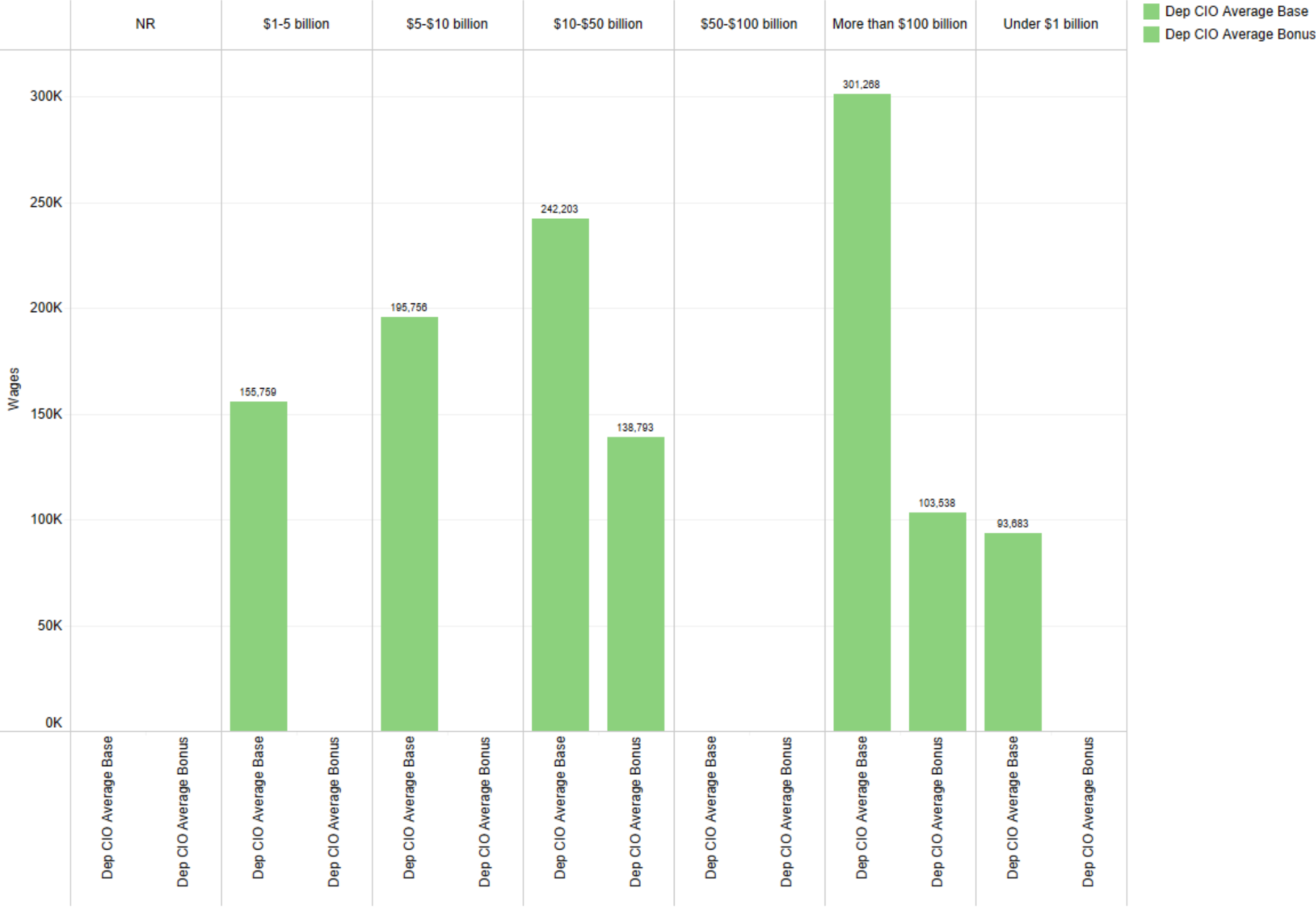
## Average Salary by Fund Assets and Tenure

CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
C/O Average Base	Null			102,559	265,000		510,238	100,000
	0	280,500	137,454	280,807	328,060	383,000		157,080
	5		187,254	267,585	350,000			
	10		223,667	341,960	257,936			
	15		232,027		442,709	420,000		
	25				295,000			
C/O Average Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			169,432	250,000			
	10			170,980	83,650			
	15		200,762		558,685			
	25							
C/O Median Base	Null			102,559	265,000		510,238	100,000
	0	280,500	125,648	215,390	304,015	383,000		131,280
	5		172,075	312,666	350,000			
	10		223,667	341,960	255,070			
	15		186,557		435,792	420,000		
	25				295,000			
C/O Median Bonus	Null						12,000	
	0			23,497	215,000	478,750		
	5			169,432	250,000			
	10			170,980	83,650			
	15		200,762		558,685			
	25							

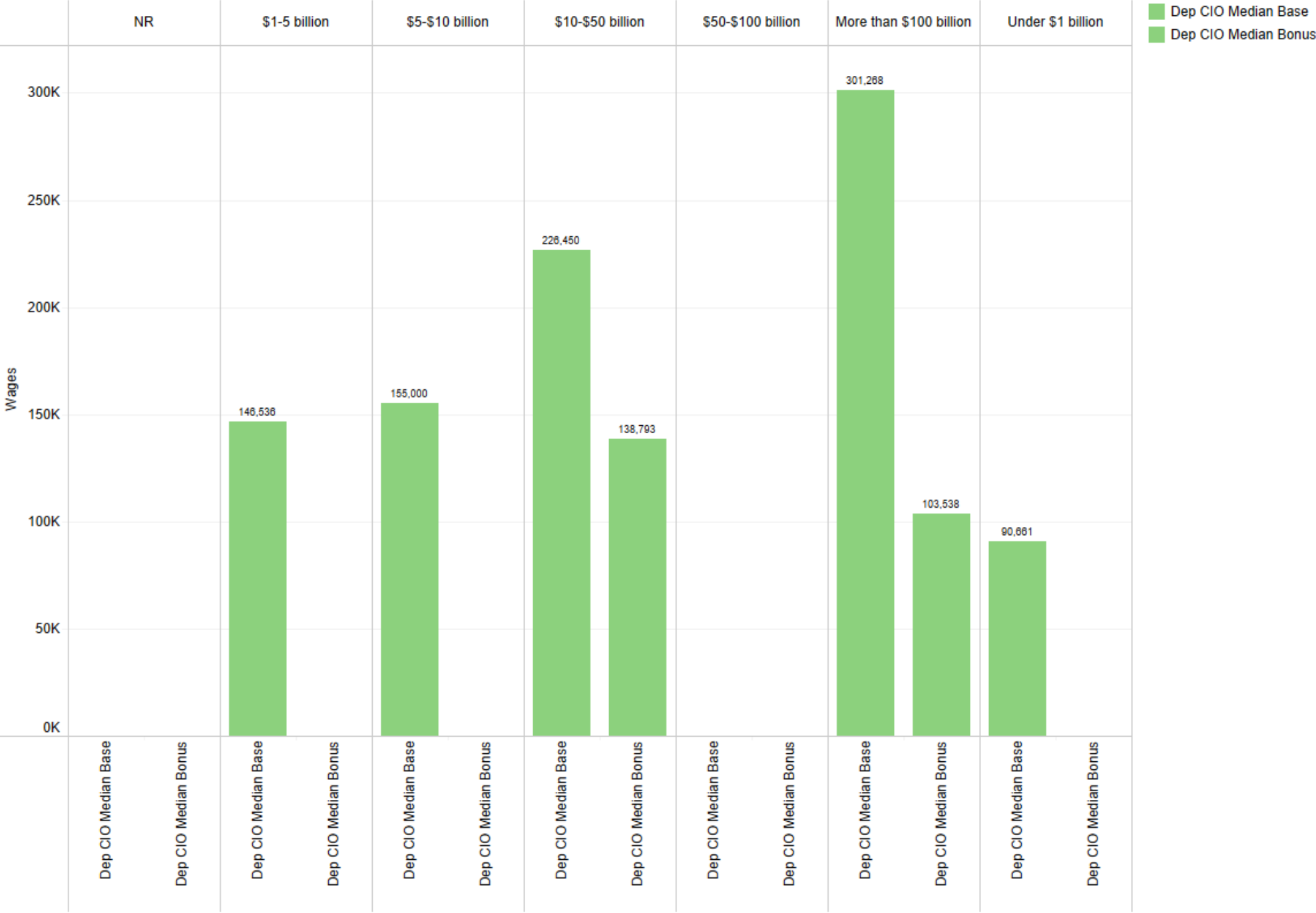
Deputy CIO



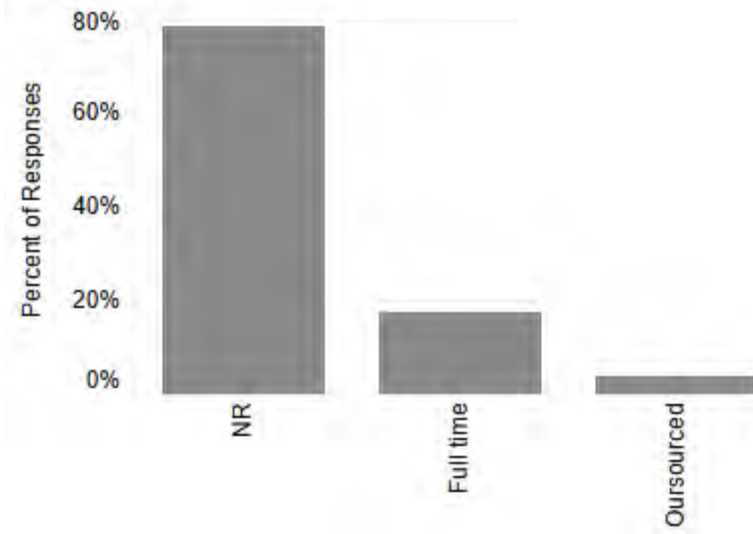
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position

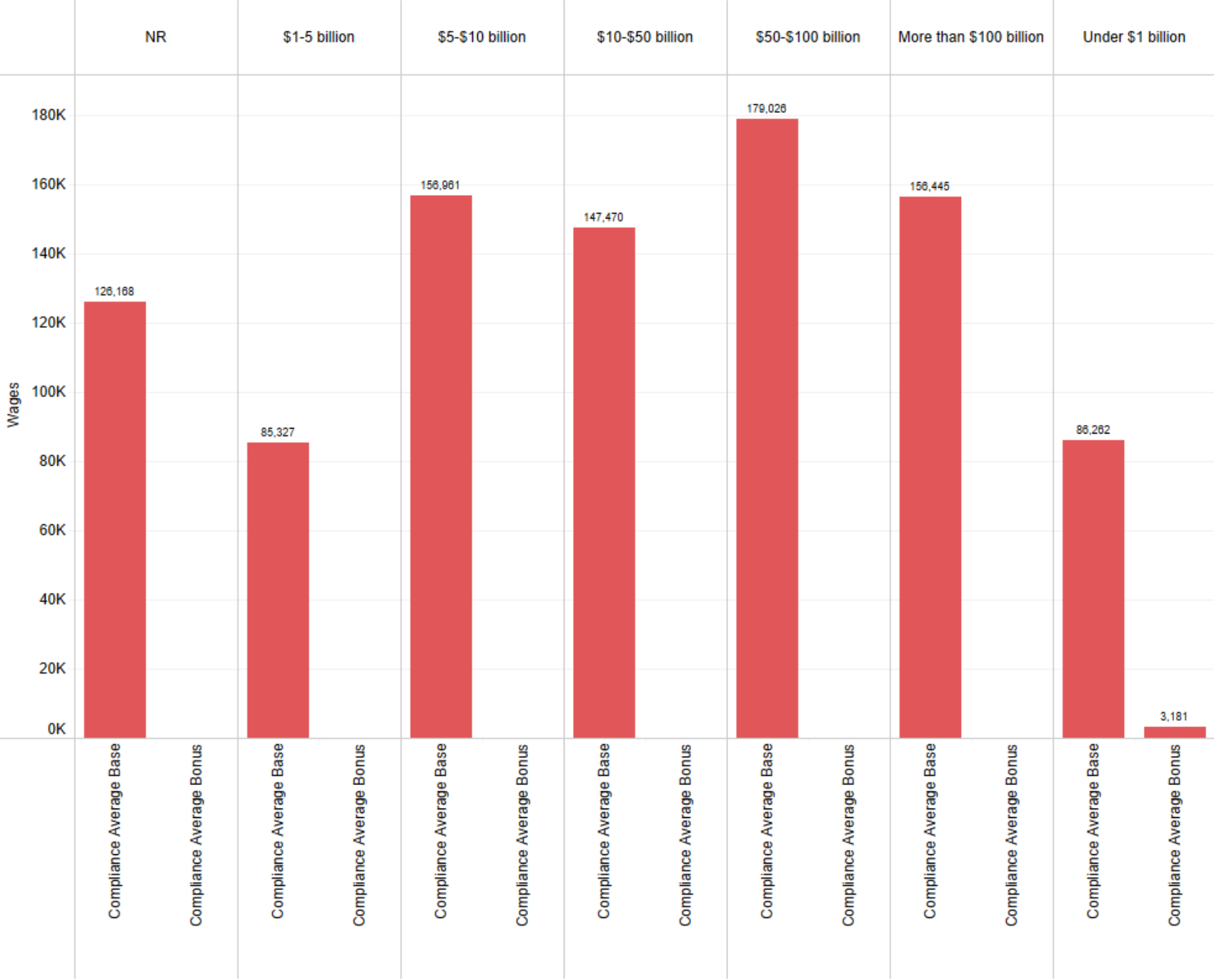


## Average Salary by Fund Assets and Tenure

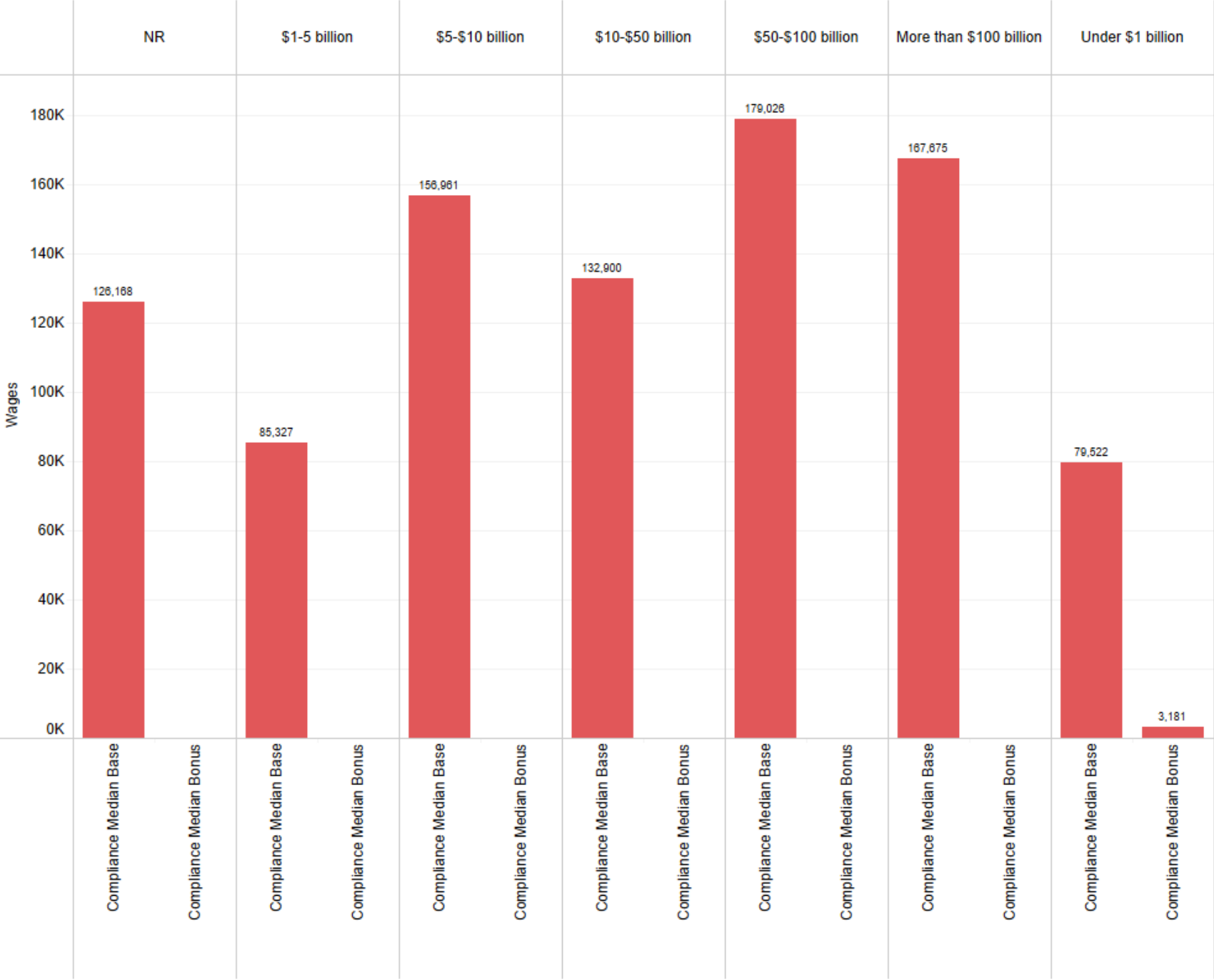
Dep CIO: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Dep CIO Average Base	Null			155,000	241,009		326,436	72,388
	0		161,559	216,134	242,423		276,100	
	5				261,893			
	10		144,158		221,899			90,661
	15							118,000
Dep CIO Average Bonus	Null							
	0				138,793		103,538	
	5							
	10							
	15							
Dep CIO Median Base	Null			155,000	241,009		326,436	72,388
	0		161,559	216,134	217,102		276,100	
	5				261,893			
	10		144,158		221,899			90,661
	15							118,000
Dep CIO Median Bonus	Null							
	0				138,793		103,538	
	5							
	10							
	15							

Compliance Officer

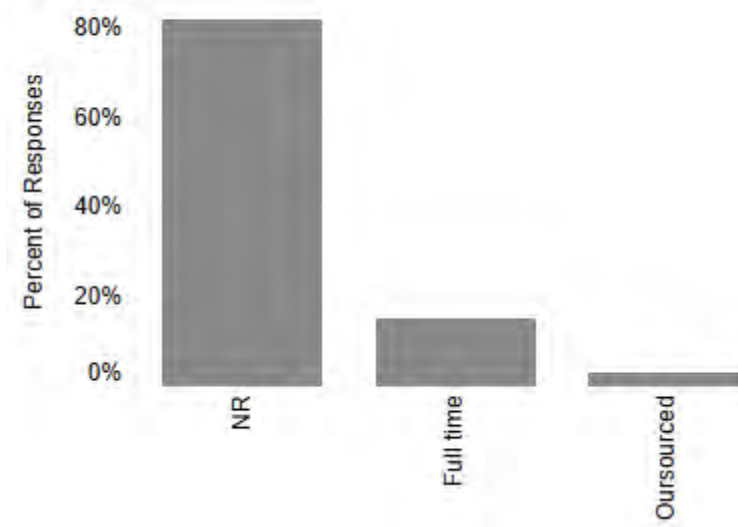
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position





## Average Salary by Fund Assets and Tenure

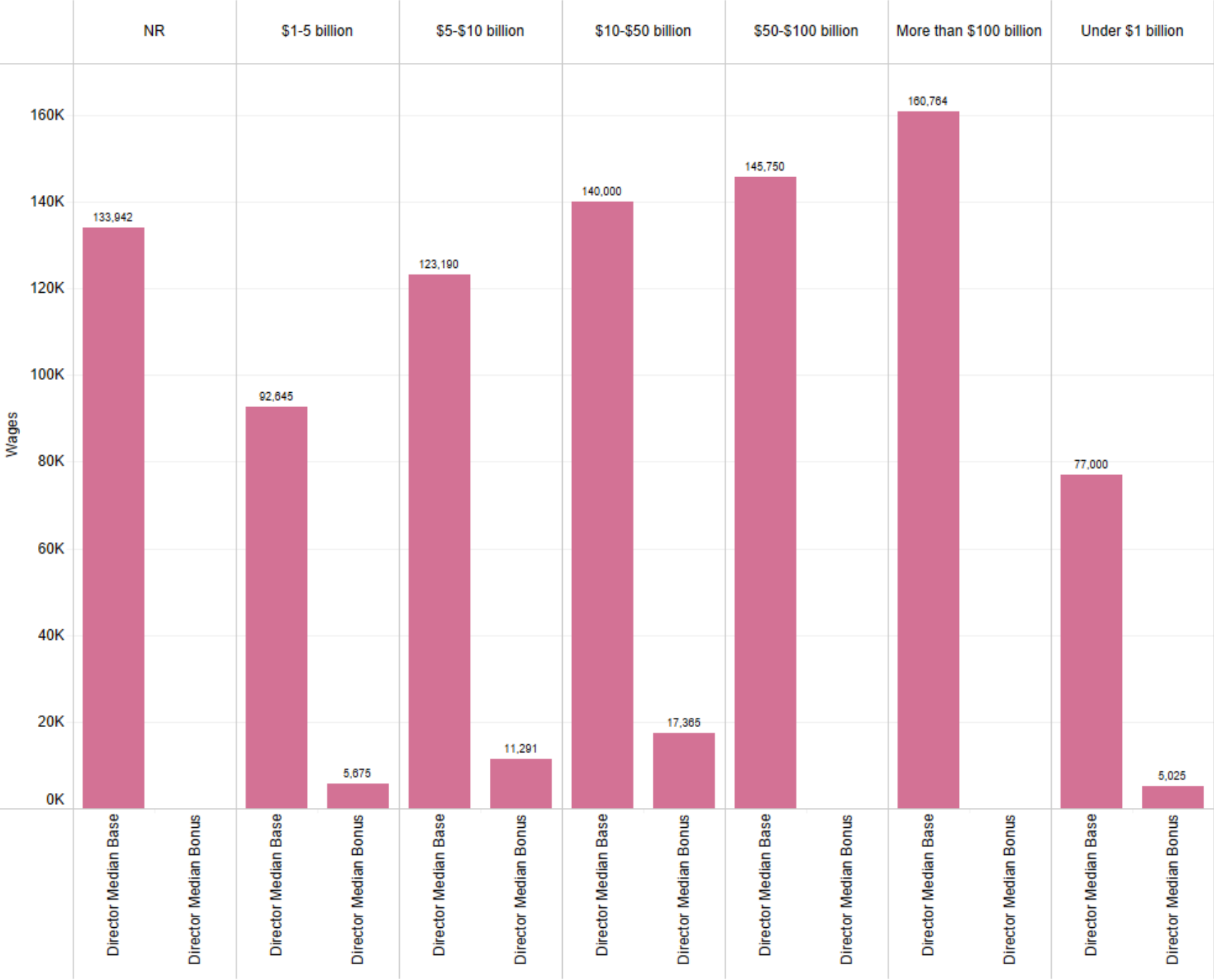
Compliance Officer: Years in service (bi..		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Compliance Average Base	Null						190,486	79,522
	0	126,168	85,327	156,961	132,401		180,226	110,000
	5				156,368		99,944	
	10				162,897	179,026		69,264
	15						155,124	
Compliance Average Bonus	Null							3,181
	0							
	5							
	10							
	15							
Compliance Median Base	Null						190,486	79,522
	0	126,168	85,327	156,961	122,074		180,226	110,000
	5				169,334		99,944	
	10				162,897	179,026		69,264
	15						155,124	
Compliance Median Bonus	Null							3,181
	0							
	5							
	10							
	15							

Member Services Director

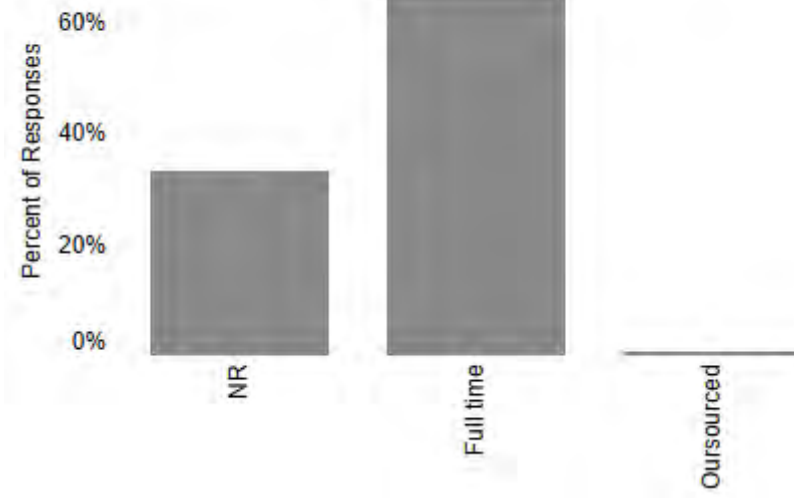
Average Salary by Fund Assets



Median Salary by Fund Assets



## Position



# Average Salary by Fund Assets and Tenure

Member Services Director: Years in position (bin)		NR	\$1-5 billion	\$5-\$10 billion	\$10-\$50 billion	\$50-\$100 billion	More than \$100 billion	Under \$1 billion
Director Average Base	Null			179,690	100,000		158,079	84,110
	0	133,942	98,642	99,826	150,430	16,000	196,796	70,520
	5		96,647	136,183	137,066	275,500		70,105
	10		103,859	180,630	187,128		130,146	88,000
	15		105,548		213,517			70,000
	20		97,191		106,082			86,879
	25		84,000					77,000
	30				123,012			
	45							115,145
Director Average Bonus	Null							4,853
	0		5,750	5,000	17,365			
	5		5,000	21,103				
	10							
	15							6,800
	20		6,350					5,025
	25							2,500
	30							
	45							15,000
Director Median Base	Null			179,690	100,000		158,079	72,000
	0	133,942	84,500	100,479	143,506	16,000	196,796	66,000
	5		96,729	116,379	149,369	275,500		77,600
	10		97,907	180,630	156,800		130,146	88,000
	15		108,654		213,517			70,000
	20		99,006		106,082			86,879
	25		84,000					77,000
	30				123,012			
	45							115,145
Director Median Bonus	Null							4,853
	0		5,750	5,000	17,365			
	5		5,000	21,103				
	10							
	15							6,800
	20		6,350					5,025
	25							2,500
	30							
	45							15,000

# Basic Website Metrics

	2021						2022						
	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	June
Visits	4,188	4,592	4,678	5,442	5,180	4,728	5,053	4,698	5,107	4,872	4,212	4,565	4,852
Users	3,203	3,566	3,533	4,015	3,813	3,667	3,810	3,551	3,375	3,751	3,147	3,458	3,408
Page Views	11,411	11,868	12,240	16,046	13,712	12,305	13,532	12,267	13,227	12,458	11,258	10,415	11,694
Ave. Visit	2:10	2:10	2:23	2:35	2:10	2:09	2:18	2:10	2:10	2:14	2:29	1:13	1:09

# Basic Website Metrics

	2021						2022						
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Visits	4,592	4,678	5,442	5,180	4,728	5,053	4,698	5,107	4,872	4,212	4,565	4,852	<b>5,268</b>
Users	3,566	3,533	4,015	3,813	3,667	3,810	3,551	3,375	3,751	3,147	3,458	3,408	<b>3,728</b>
Page Views	11,868	12,240	16,046	13,712	12,305	13,532	12,267	13,227	12,458	11,258	10,415	11,694	<b>13,000</b>
Ave. Visit	2:10	2:23	2:35	2:10	2:09	2:18	2:10	2:10	2:14	2:29	1:13	1:09	<b>1:07</b>



## VIII.

### INFORMATIONAL

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2022 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held  
July 20, 2022.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.



## September 28, 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\*\***

- **07/25/22** Petitioner's Reply Brief filed with the Supreme Court
- **10/12/22** Oral Arguments scheduled before WI Supreme Court.

##### **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.

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

- **07/25/22** Petitioner's Brief filed.
- **08/25/22** Respondents' Brief filed.

##### **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.

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

- **06/16/22** Scheduling Conference held. Pre-Trial Conference set December 19, 2022.

## **Part 2. ERS Administrative Appeal Hearings through the City Attorney**

### **Jason Rodriguez; Administrative Case No. 1443**

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

### **Sandrah Crawford; Administrative Case No. 1457**

- Scheduling Conference held July 12, 2022. The Appeal Hearing scheduled for October 26, 2022 at 9:00 am.

### **Albert Greene Jr; Administrative Case Nos. 1511 and 1512**

- Appeal hearing requested; pending scheduling.

## **Part 3. Notice of Claim filed with ERS**

None.

## **Part 4. ERS Litigation through Outside Legal Counsel**

None.

**Client Conferences 2022-2023****Board Meeting: September 28, 2022**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
November 8, 2022	Abbott Capital Management Advisory Board Meetings New York, New York	Abbott Capital
April 2 – 4, 2023	Callan Institute's 2023 National Conference Scottsdale, AZ	Callan Associates

# Trustee Conferences 2022-2023

**Board Meeting: September 28, 2022**

DATE(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
November 2, 2022 Noon – 1:00 pm	Stock Markets and Crisis 2022H2: Insights from Inside the Pentagon – Joel Litman Virtual	CFA Society of Milwaukee
November 8, 2022 11:45am – 1:00 pm	Has Factor-Building Been Overdone? Assessing Tradeoffs in Systematic Strategies – Phil McInnis Milwaukee, WI	CFA Society of Milwaukee
November 29, 2022	IREI : Live – Topic of the Day: ESG Virtual	Institutional Real Estate, Inc.
November 30 – December 1, 2022	Pension Bridge Alternatives 2022 Bi-Coastal Conference New York, NY & Los Angeles, CA	with.Intelligence
January 17 – 19, 2023	2023 Visions, Insights & Perspectives (VIP) Rancho Palos Verdes, CA	Institutional Real Estate, Inc.
January 22 – 24, 2023	2023 Legislative Conference Washington, DC	NCPERS
March 6 – 8, 2023	CII Spring 2023 Conference Washington, DC	Council of Institutional Investors
April 24 – 26, 2023	2023 Public Funds Roundtable Los Angeles, CA	Institutional Investor
April 30 – May 3, 2023	Global Conference Los Angeles, CA	Milken Institute
May 20 – 21, 2023	NCPERS Accredited Fiduciary (NAF) Program & Trustee Education Seminar (TEDS) TBD	NCPERS

## Trustee Conferences 2022-2023

**Board Meeting: September 28, 2022**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
May 21 – 24, 2023	Annual Conference & Exhibition (ACE) TBD	NCPERS
August 20 – 22, 2023	Public Pension Funding Forum TBD	NCPERS
September 11 – 13, 2023	CII Fall 2023 Conference Long Beach, CA	Council of Institutional Investors
October 21 – 22, 2023	NCPERS Accredited Fiduciary (NAF) Program Las Vegas, NV	NCPERS
October 22 – 25, 2023	Financial, Actuarial, Legislative and Legal Conference (FALL) Las Vegas, NV	NCPERS

# Upcoming Due Diligence Meetings

Date	Manager(s)	Team
October 2022	AQR, UBS, Morgan Stanley (New York, NY and Greenwich, CT)	Erich and Dave W.
November 2022	Mesirow (Chicago, IL)	Erich, Tom, Dave W.
November or December 2022	Polen and Earnest (Boca Raton, FL and Atlanta, GA)	Erich and Tom

## 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
Equifax, Inc.	4/22/2022 \$	624
Royal Bank of Scotland	5/16/2022 \$	84,200
GTT Communications, Inc.	5/27/2022 \$	6,946
HP Company	7/8/2022 \$	20
OSI Systems, Inc.	7/11/2022 \$	953
Amedisys, Inc.	7/19/2022 \$	303
Curo Group Holdings Corp.	7/19/2022 \$	209
Joy Global, Inc.	8/1/2022 \$	15
Extreme Networks, Inc.	8/25/2022 \$	24
<b>Total Class Action Income Received in 2022 YTD</b>		<b>\$ 112,797</b>



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

Minutes of the Administration and Operations Committee Meeting  
held July 20, 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  
Erich Sauer, Deputy Chief Investment Officer  
Robin Earleywine, Pension Accounting Manager  
Mary Turk, Business Operations Analyst

Others Present: Jason Coyle, Darlene Middleman, Baker Tilly; Terry Siddiqui, DS Consulting Partners, Inc., one member of the public called in to the meeting.

**Acceptance of Baker Tilly 2021 Financial Audit.** As a matter of information, Committee members received the "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards." Committee members also received as a matter of information the "Reporting and insights from 2021 Audit: Employees' Retirement System of the City of Milwaukee." Mr. Coyle discussed the 2021 Fiscal Audit and the three-page opinion that goes into the ERS' financial statements. Ms. Middleman said they take a look at management's internal controls of their financial statements and key reporting cycles. She noted Baker Tilly does not audit the internal controls and cannot express an opinion on them. Ms. Middleman said the financial statements look similar to the prior year. She said there was a new auditing standard 134, which impacted the look of the auditing opinion and the auditing opinion is listed first in the report. Ms. Middleman noted that plans, which have alternative investments, amounts, are undervalued by about \$10 million while waiting for the final numbers. Discussion ensued.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to accept the Acceptance of Baker Tilly 2021 Financial Audit.

**Approval of Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2021.** As a matter of information, Committee members received the Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2021. Mr. Gopalan noted there were positive audit results with a clean opinion. He said there were no major audit findings or recommendations. Mr. Gopalan noted the ERS received two awards in 2021 for

financial reporting. One was from the National Conference of Pensions and Employees Retirement System (NCPERS). He said the certificate was for transparency in completing NCPERS' surveys and other data requests. Mr. Gopalan said the ERS also received the Certificate of Achievement in Financial Reporting, which was for the 2020 ACFR. He commented that the 2021 ACFR would also be submitted for award consideration. Mr. Gopalan added that CMERS had a \$140 million legal settlement that was resolved in 2022 and it was accrued as a receivable on the ERS' financial statements. He noted that investment returns in 2021 were 18.9%, which does not include the settlement income but will be reflected in next year's return numbers. He added that for the past 10 years, annualized returns were 10.2%, net of fees, which exceed the benchmark by 45 basis points. Mr. Gopalan mentioned that \$3.7 billion dollars were spent on benefit payments during the last 10 years, while increasing the ERS' fiduciary net position from \$4.4 billion in 2012 to \$6.4 billion in 2021. He said, the funded status in 2018 was 78%, due to a reduction of the discount rate in 2019, and the funded status was at 93.4% as of the end of 2021. Mr. Gopalan said investment income represents 82% of the ERS' asset value. He said in other words every \$1.00 of ERS assets, 82 cents is attributable to investment return and the remaining 18 cents from contributions. Mr. Gopalan concluded that in 2021, \$445 million was spent on benefit payments and \$6.7 million was spent on administrative expenses, which are down \$400,000 from 2018, due to a decrease in IT expenditures in 2021. Discussion ensued.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2021.

**Approval of Annual Report of the Annuity & Pension Board 84<sup>th</sup> Edition, December 31, 2021.** Mr. Gopalan said this tri-fold pamphlet is sent to the retirees in August and is a condensed version of the financial statements. He noted it shows some actuarial items and a list of consultants, investment managers, and Board members. Mr. Gopalan also added that the report would be posted on the website.

It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of Annual Report of the Annuity & Pension Board 84<sup>th</sup> Edition, December 31, 2021.

Ms. Sawa advised that the Administration and Operations Committee may vote to convene in closed session on the following item (IV.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Committee may then vote to reconvene in open session following the closed session.

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 9:36 a.m.

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

**Selection of Bank for Banking Services.** It was determined in closed session to proceed with Staff recommendation.

**Organizational/Personnel Update.** As a matter of information, Committee members received the “Organizational/Personnel Update” dated July 20, 2022. Ms. Johnson provided an update and stated there is a vacancy in the Accounting Department for the Benefit Services Coordinator position, which will be an internal promotion. She said Mr. Gopalan is currently accepting resumes from the ERS staff through today. Ms. Johnson said the position would be filled in early August. She said there had been a vacancy in the Records Department for a Records Tech. II but the position was filled last week. Ms. Johnson noted that person transferred from the Department of Neighborhood Services. She said when the Benefit Services Coordinator position is filled, it will open a vacancy in another area. Discussion ensued.

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

There being no further business, Ms. Sawa adjourned the meeting at 10:07 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: 2022-08-31

	Budget	2022-6	2022-7	2022-8	Year to Date Expended	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	-	206,420.03	205,610.45	211,510.55	1,844,643.67	-	(1,844,643.67)
Overtime Premium	-	388.85	303.17	127.77	1,782.93	-	(1,782.93)
Other Worked Compensation	-	-	-	1,389.30	6,229.67	-	(6,229.67)
Non-Worked Compensation	-	(24.00)	-	-	(24.00)	-	24.00
Time Paid Not Worked	-	40,135.03	41,307.82	41,479.35	327,196.47	-	(327,196.47)
Employee Salaries & Wages	\$ 3,583,222.00	246,919.91	247,221.44	254,506.97	\$ 2,179,828.74	\$ -	\$ 1,403,393.26
Fringe Benefits Applied	1,648,282.00	-	-	-	-	-	1,648,282.00
Fringe Benefits Applied	-	106,492.12	106,074.44	109,118.29	951,651.73	-	(951,651.73)
Applied Employee Benefits	\$ 1,648,282.00	106,492.12	106,074.44	109,118.29	\$ 951,651.73	\$ -	\$ 696,630.27
Operating Expenditures	15,558,400.00	-	-	-	-	-	15,558,400.00
Office Supplies	-	1,597.07	956.70	270.96	3,335.75	-	(3,335.75)
Printed Forms	-	-	-	7,389.07	7,389.07	-	(7,389.07)
Magazines,Subscription	-	233.67	2,390.84	59.00	2,902.03	-	(2,902.03)
Postal and Mailing Services	-	9,478.96	9,785.65	14,141.15	90,788.20	-	(90,788.20)
Electricity	-	2,113.58	-	4,022.76	10,854.89	-	(10,854.89)
Films & Other Educational Item	-	-	-	-	7,653.31	-	(7,653.31)
Other Operating Supply	-	-	-	-	6,903.27	-	(6,903.27)
Building Rental	-	31,269.28	46,939.34	32,176.86	297,914.65	-	(297,914.65)
Printing & Dupl Machine Rental	-	3,116.42	3,218.39	1,143.14	18,651.65	-	(18,651.65)
Consulting	-	90,341.97	40,666.67	47,500.01	279,410.30	-	(279,410.30)
Medical,Surgical & Lab	-	29,168.30	8,941.90	9,052.38	77,222.27	-	(77,222.27)
Administrative Charges	-	50,997.20	44,178.91	20,998.55	356,983.43	-	(356,983.43)
Other Professional Services	-	895,858.01	1,277,800.21	937,294.27	4,162,097.21	-	(4,162,097.21)
Systems Support	-	24,472.00	67,669.00	131,367.50	405,551.00	-	(405,551.00)
IT Infrastructure	-	-	-	-	103,889.56	-	(103,889.56)
Infrastructure	-	-	-	-	49,203.13	-	(49,203.13)
Telephone, Communications	-	5,291.11	10,700.62	5,617.49	47,248.90	-	(47,248.90)
Bldgs-Machinery & Equip Repair	-	390.00	5,121.00	-	9,127.25	-	(9,127.25)
Travel & Subsistence	-	5,951.04	3,708.94	450.80	25,453.25	-	(25,453.25)
Equipment Repair (Parts & Labo	-	440.77	-	-	532.77	-	(532.77)
Printing Services	-	667.30	2,446.62	610.99	4,953.86	-	(4,953.86)
Insurance-Non Health	-	-	-	-	12,724.00	-	(12,724.00)
Other Misc Services	-	337.75	341.02	364.34	20,358.71	-	(20,358.71)
Operating Expenditures	\$ 15,558,400.00	1,151,724.43	1,524,865.81	1,212,459.27	\$ 6,001,148.46	\$ -	\$ 9,557,251.54
All Equipment	873,000.00	-	-	-	-	-	873,000.00
Total Equipment	\$ 873,000.00	-	-	-	\$ -	\$ -	\$ 873,000.00
Total Regular Class	\$ 21,662,904.00	1,505,136.46	1,878,161.69	1,576,084.53	\$ 9,132,628.93	\$ -	\$ 12,530,275.07
<i>Other Departmental Appropriations:</i>							
Poi Pension Lump-Sum Sup Cont	10,000.00	-	-	-	10,000.00	-	-
PABF Payroll	55,000.00	2,764.95	-	1,996.29	22,631.26	-	32,368.74
Group Life Insurance Premium	4,560,000.00	373,733.03	369,837.56	372,374.99	3,008,064.20	-	1,551,935.80
Retiree's Benefit Adjustment	32,000.00	329.15	1,889.92	2,219.07	17,413.64	-	14,586.36
Other Classes	\$ 4,657,000.00	376,827.13	371,727.48	376,590.35	\$ 3,058,109.10	\$ -	\$ 1,598,890.90
Total Dept Appropriations	\$ 26,319,904.00	1,881,963.59	2,249,889.17	1,952,674.88	\$ 12,190,738.03	\$ -	\$ 14,129,165.97

# Monthly Board Report

31-Aug-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-TOWNSEND CASH 2602846	0.00 0.00%	4,742,595.06 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	4,742,595.06 0.08%
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	47,571,480.42 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	47,571,480.42 0.83%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	299,610,000.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	299,610,000.20 5.24%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	587,877.59 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	587,877.59 0.01%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,504.33 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,504.33 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	166,095,428.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	166,095,428.60 2.90%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	3,033,660.39 2.80%	105,384,528.40 97.20%	0.00 0.00%	0.00 0.00%	0.00 0.00%	108,418,188.70 1.90%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	460,764,964.30 100.00%	0.00 0.00%	460,764,964.30 8.05%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	186,692,369.10 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	186,692,369.10 3.26%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	27,368,284.37 34.01%	0.00 0.00%	56,050,259.77 69.66%	0.00 0.00%	-2,950,753.83 -3.67%	80,467,790.31 1.41%
MILWAUKEE-CASTLEARK 2697782	0.00 0.00%	798,793.12 0.94%	84,507,081.50 99.11%	0.00 0.00%	0.00 0.00%	-37,934.90 -0.04%	85,267,939.72 1.49%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	146,350,675.40 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	146,350,675.40 2.56%
MILWAUKEE-LOOMIS SAYLE CME01	4,230,635.86 1.16%	0.00 0.00%	7,460,263.87 2.04%	356,039,435.50 97.51%	0.00 0.00%	-2,590,969.79 -0.71%	365,139,365.40 6.38%
MILWAUKEE-BRANDES INT'L EQUITY CME03	6,007,596.93 1.84%	0.00 0.00%	319,062,907.30 97.69%	0.00 0.00%	1,543,761.81 0.47%	0.00 0.00%	326,614,266.00 5.71%
MILWAUKEE-REAMS CME04	19,336,658.90 3.61%	0.00 0.00%	0.00 0.00%	597,157,547.00 111.50%	3,141,362.05 0.59%	-84,074,867.66 -15.70%	535,560,700.30 9.36%

# Monthly Board Report

31-Aug-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	6,959,429.87 2.63%	0.00 0.00%	256,889,919.80 97.15%	0.00 0.00%	759,586.53 0.29%	-186,884.25 -0.07%	264,422,052.00 4.62%
MILWAUKEE-MFS CME12	1,529,207.37 0.85%	0.00 0.00%	178,454,287.60 98.94%	0.00 0.00%	378,343.08 0.21%	0.00 0.00%	180,361,838.10 3.15%
MILWAUKEE-POLEN 2644553	0.00 0.00%	6,989,548.36 4.92%	135,059,144.20 95.08%	0.00 0.00%	0.00 0.00%	0.00 0.00%	142,048,692.60 2.48%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	195,808,643.10 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	195,808,643.10 3.42%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	251,264,346.30 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	251,264,346.30 4.39%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	77,960,511.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	77,960,511.00 1.36%
MILWAUKEE- NEUBERGER SOF V-SL 4479679	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	9,040,512.00 100.00%	0.00 0.00%	9,040,512.00 0.16%
MILWAUKEE - ABBOTT 2022-SL 4479680	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	5,406,208.00 100.00%	0.00 0.00%	5,406,208.00 0.09%
MILWAUKEE - DFA US LCV CME15	491,266.73 0.34%	0.00 0.00%	145,372,544.20 99.69%	0.00 0.00%	0.00 0.00%	-44,730.14 -0.03%	145,819,080.80 2.55%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	583,695,395.35 100.13%	-783,841.99 -0.13%	582,911,553.35 10.19%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	301,253,750.70 100.00%	0.00 0.00%	0.00 0.00%	301,253,750.70 5.27%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	750,397,741.00 100.00%	0.00 0.00%	750,397,741.00 13.12%

# Monthly Board Report

31-Aug-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	38,554,795.66	91,094,743.64	2,555,972,650.57	1,310,500,992.97	1,815,127,874.12	-90,669,982.56	5,720,581,074.38
% for consolidation	0.67%	1.59%	44.68%	22.91%	31.73%	-1.58%	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.

IRS CIRCULAR 230 NOTICE: To the extent that this message or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see <http://www.northerntrust.com/circular230>

**Employees' Retirement System**  
**Securities Lending Income and Expenses: 2022**  
**As of August 31, 2022**

Date	Amounts Expended			Balance
	Income From Lending	Fees	Administrative Transfers	
<b>Balance 12-31-21</b>				<b>\$552,798.88</b>
<b>Quarter 1 Totals</b>	\$205,746.26	\$41,117.46	\$553,000.00	164,427.68
<b>Quarter 2 Totals</b>	\$349,721.49	\$69,872.91	\$0.00	444,276.26
07/06/22	\$358.88	\$0.00	\$0.00	444,635.14
07/15/22	\$112,415.88	\$112,774.76	\$0.00	444,276.26
08/03/22	\$628.40	\$0.00	\$0.00	444,904.66
08/15/22	\$64,615.28	\$65,243.73	\$0.00	444,276.21
<b>Current Totals</b>	<b>\$733,486.19</b>	<b>\$289,008.86</b>	<b>\$553,000.00</b>	<b>\$444,276.21</b>

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



**MERS PERFORMANCE ESTIMATES**  
**August 31, 2022**

Account	2021 Return	1st Quarter 2022	2nd Quarter 2022	Jul 2022	Aug 2022	YTD Thru 8/31/22
<b>Northern Trust S&amp;P 500 Index</b>	28.69%	-4.58%	-16.09%	9.22%	-4.08%	-16.12%
S&P 500	<u>28.71%</u>	<u>-4.60%</u>	<u>-16.10%</u>	<u>9.22%</u>	<u>-4.08%</u>	<u>-16.14%</u>
Difference	-0.01%	0.02%	0.01%	0.00%	0.00%	0.02%
<b>BlackRock Russell 1000 Value Index</b>	25.18%	-0.76%	-12.21%	6.64%	-2.98%	-9.86%
Russell 1000 Value	<u>25.16%</u>	<u>-0.74%</u>	<u>-12.21%</u>	<u>6.63%</u>	<u>-2.98%</u>	<u>-9.85%</u>
Difference	0.02%	-0.02%	0.00%	0.01%	0.00%	-0.01%
<b>DFA US Large Cap Value</b>	27.52%	0.32%	-12.38%	6.31%	-2.54%	-8.93%
Russell 1000 Value	<u>25.16%</u>	<u>-0.74%</u>	<u>-12.21%</u>	<u>6.63%</u>	<u>-2.98%</u>	<u>-9.85%</u>
Difference	2.36%	1.06%	-0.17%	-0.32%	0.44%	0.92%
<b>Polen</b>	24.84%	-13.76%	-24.05%	11.31%	-5.33%	-30.98%
S&P 500	<u>28.71%</u>	<u>-4.60%</u>	<u>-16.10%</u>	<u>9.22%</u>	<u>-4.08%</u>	<u>-16.14%</u>
Difference	-3.86%	-9.16%	-7.95%	2.09%	-1.25%	-14.84%
<b>Earnest</b>	26.09%	-5.49%	-11.67%	9.08%	-4.15%	-12.72%
Russell MidCap	<u>22.58%</u>	<u>-5.68%</u>	<u>-16.85%</u>	<u>9.87%</u>	<u>-3.14%</u>	<u>-16.53%</u>
Difference	3.50%	0.19%	5.18%	-0.79%	-1.01%	3.81%
<b>CastleArk</b>	12.30%	-15.30%	-19.30%	10.48%	-0.99%	-25.22%
Russell 2000 Growth	<u>2.83%</u>	<u>-12.63%</u>	<u>-19.25%</u>	<u>11.20%</u>	<u>-0.94%</u>	<u>-22.29%</u>
Difference	9.46%	-2.67%	-0.05%	-0.72%	-0.05%	-2.93%
<b>DFA US Small Cap Value</b>	40.61%	1.02%	-12.13%	9.62%	-2.15%	-4.78%
Russell 2000 Value	<u>28.27%</u>	<u>-2.40%</u>	<u>-15.28%</u>	<u>9.68%</u>	<u>-3.16%</u>	<u>-12.17%</u>
Difference	12.34%	3.42%	3.15%	-0.06%	1.01%	7.39%
<b>Brandes</b>	14.37%	-2.65%	-10.45%	1.38%	-4.55%	-15.64%
MSCI EAFE	<u>11.26%</u>	<u>-5.91%</u>	<u>-14.51%</u>	<u>4.98%</u>	<u>-4.75%</u>	<u>-19.57%</u>
Difference	3.10%	3.26%	4.06%	-3.60%	0.20%	3.93%
<b>William Blair</b>	12.75%	-14.84%	-18.81%	8.30%	-5.77%	-29.44%
MSCI ACWI ex US	<u>8.29%</u>	<u>-5.33%</u>	<u>-13.54%</u>	<u>3.46%</u>	<u>-3.19%</u>	<u>-18.02%</u>
Difference	4.46%	-9.51%	-5.27%	4.84%	-2.58%	-11.42%
<b>DFA Int'l Small Cap Value</b>	15.90%	-2.58%	-13.68%	4.59%	-4.55%	-16.05%
MSCI EAFE Small Cap	<u>10.10%</u>	<u>-8.53%</u>	<u>-17.69%</u>	<u>6.61%</u>	<u>-4.43%</u>	<u>-23.29%</u>
Difference	5.80%	5.95%	4.01%	-2.02%	-0.12%	7.24%
<b>AQR</b>	0.24%	-3.66%	-13.84%	-0.74%	0.11%	-17.52%
MSCI EM	<u>-2.54%</u>	<u>-6.97%</u>	<u>-11.45%</u>	<u>-0.25%</u>	<u>0.42%</u>	<u>-17.49%</u>
Difference	2.78%	3.31%	-2.39%	-0.49%	-0.31%	-0.03%
<b>BlackRock Global Alpha Tilts</b>	18.72%	-5.28%	-14.93%	5.98%	-3.57%	-17.65%
MSCI ACWI	<u>18.54%</u>	<u>-5.36%</u>	<u>-15.66%</u>	<u>6.98%</u>	<u>-3.68%</u>	<u>-17.75%</u>
Difference	0.18%	0.08%	0.73%	-1.00%	0.11%	0.10%
<b>MFS</b>	19.56%	-7.40%	-13.56%	7.70%	-4.63%	-17.78%
MSCI ACWI	<u>18.54%</u>	<u>-5.36%</u>	<u>-15.66%</u>	<u>6.98%</u>	<u>-3.68%</u>	<u>-17.75%</u>
Difference	1.02%	-2.04%	2.10%	0.72%	-0.95%	-0.03%
<b>BlackRock Gov't Bond Index</b>		-5.42%	-3.89%	1.59%	-2.46%	-9.92%
Bloomberg Gov't Bond		<u>-5.53%</u>	<u>-3.71%</u>	<u>1.58%</u>	<u>-2.46%</u>	<u>-9.87%</u>
Difference		0.11%	-0.18%	0.01%	0.00%	-0.05%
<b>Reams</b>	-1.22%	-5.52%	-4.98%	3.62%	-3.13%	-9.88%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-5.93%</u>	<u>-4.69%</u>	<u>2.44%</u>	<u>-2.83%</u>	<u>-10.75%</u>
Difference	0.32%	0.41%	-0.29%	1.18%	-0.30%	0.87%
<b>Loomis Sayles</b>	2.14%	-5.74%	-6.81%	3.34%	-1.99%	-11.04%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-5.93%</u>	<u>-4.69%</u>	<u>2.44%</u>	<u>-2.83%</u>	<u>-10.75%</u>
Difference	3.69%	0.19%	-2.12%	0.90%	0.84%	-0.29%
<b>UBS</b>	8.12%	1.46%	3.06%	-0.62%	0.61%	4.55%
SOFR + 4% *	<u>4.27%</u>	<u>0.45%</u>	<u>0.99%</u>	<u>0.33%</u>	<u>0.33%</u>	<u>2.11%</u>
Difference	3.86%	1.01%	2.07%	-0.95%	0.28%	2.44%
<b>Principal</b>	17.58%	5.82%	-9.98%	4.61%	-2.35%	-2.69%
Blended Benchmark	<u>15.87%</u>	<u>6.84%</u>	<u>-10.75%</u>	<u>4.99%</u>	<u>-2.39%</u>	<u>-2.28%</u>
Difference	1.72%	-1.02%	0.77%	-0.38%	0.04%	-0.41%
<b>Baird</b>	-0.20%	-1.70%	-0.58%	0.46%	-0.38%	-2.20%
Bloomberg Govt/Credit 1-3 Year	<u>-0.47%</u>	<u>-2.49%</u>	<u>-0.63%</u>	<u>0.53%</u>	<u>-0.78%</u>	<u>-3.36%</u>
Difference	0.27%	0.79%	0.05%	-0.07%	0.40%	1.16%
<b>Total MERS</b>	<b>18.89%</b>	<b>-0.46%</b>	<b>-6.79%</b>	<b>3.78%</b>	<b>-2.28%</b>	<b>-5.91%</b>

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

August 31, 2022

		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	5.40%	\$ 299,610,000	5.31%
	BlackRock (Russell 1000 Value)	2.60%	\$ 146,350,675	2.59%
	Sub-Total Passive Large Cap Equity	8.00%	\$ 445,960,676	7.90%
Active Large Cap Equity	Polen (S&P 500)	2.60%	\$ 142,048,693	2.52%
	DFA (Russell 1000 Value)	2.60%	\$ 145,819,081	2.58%
	Sub-Total Active Large Cap Equity	5.20%	\$ 287,867,773	5.10%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.00%	\$ 108,418,189	1.92%
	CastleArk (Russell 2000 Growth)	1.60%	\$ 85,267,940	1.51%
	DFA (Russell 2000 Value)	3.20%	\$ 186,692,369	3.31%
	Sub-Total Active Mid/Small Cap Equity	6.80%	\$ 380,378,498	6.74%
Total Domestic		20.00%	\$ 1,114,206,946	19.75%
International				
Active International Equity	Brandes (MSCI EAFE)	6.40%	\$ 326,565,952	5.79%
	William Blair (MSCI ACWI ex US)	4.80%	\$ 264,422,052	4.69%
	DFA (MSCI EAFE Small Cap)	3.20%	\$ 166,095,429	2.94%
	AQR (MSCI EM)	1.60%	\$ 78,048,480	1.38%
Total International		16.00%	\$ 835,131,913	14.80%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.80%	\$ 251,264,346	4.45%
	MFS (MSCI ACWI)	3.20%	\$ 180,361,838	3.20%
Total Global		8.00%	\$ 431,626,184	7.65%
<b>Total Public Equity</b>		<b>44.00%</b>	<b>\$ 2,380,965,043</b>	<b>42.20%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 354,403,717	6.28%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 296,678,721	5.26%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 35,686,634	0.63%
	Private Advisors (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 78,075,389	1.38%
<b>Total Private Equity</b>		<b>10.00%</b>	<b>\$ 764,844,461</b>	<b>13.56%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>54.00%</b>	<b>\$ 3,145,809,504</b>	<b>55.75%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash		1.00%	\$ 52,904,457	0.94%
Passive Fixed Income	BlackRock (Bloomberg US Government)	5.50%	\$ 301,253,751	5.34%
	Reams (Bloomberg US Aggregate)	9.90%	\$ 535,560,700	9.49%
	Loomis Sayles (Bloomberg US Aggregate)	6.60%	\$ 365,136,968	6.47%
Sub-Total Active Fixed Income		16.50%	\$ 900,697,669	15.96%
<b>Total Fixed Income</b>		<b>23.00%</b>	<b>\$ 1,254,855,877</b>	<b>22.24%</b>
<b>Absolute Return</b>				
	Goldman/Aptitude	3.00%	\$ -	0.00%
	UBS (SOFR + 4%)	7.00%	\$ 463,587,970	8.22%
<b>Total Absolute Return</b>		<b>10.00%</b>	<b>\$ 463,587,970</b>	<b>8.22%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>33.00%</b>	<b>\$ 1,718,443,847</b>	<b>30.46%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	3.03%	\$ 150,601,067	2.67%
	Morgan Stanley (NFI-ODCE)	3.03%	\$ 187,077,454	3.32%
	LaSalle (NFI-ODCE)	1.52%	\$ 112,856,185	2.00%
	Prologis (NFI-ODCE)	1.52%	\$ 111,048,679	1.97%
	Sub-Total Private Real Estate - Core	9.10%	\$ 561,583,385	9.95%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 20,767,953	0.37%
Public Real Assets	Principal (Blended Benchmark)	3.90%	\$ 195,808,643	3.47%
<b>TOTAL REAL ASSETS</b>		<b>13.00%</b>	<b>\$ 778,159,981</b>	<b>13.79%</b>
<b>TOTAL ERS</b>			<b>\$ 5,642,413,332</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>			<b>R. W. Baird</b>	<b>80,467,790</b>

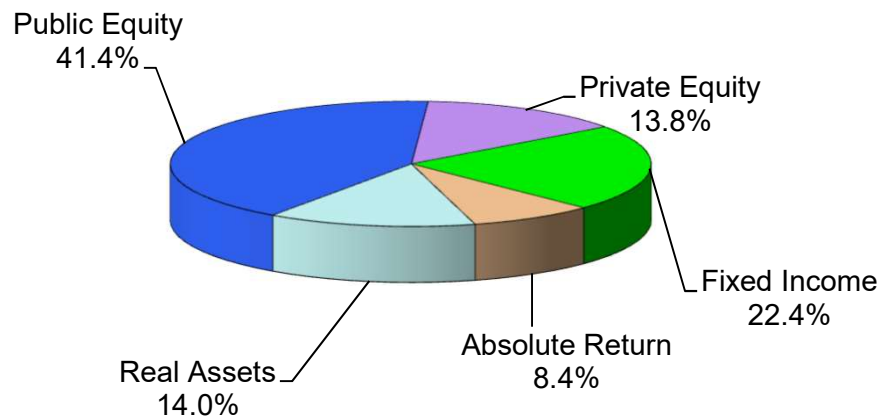
# PROJECTED TARGET ALLOCATIONS

Sep 21, 2022

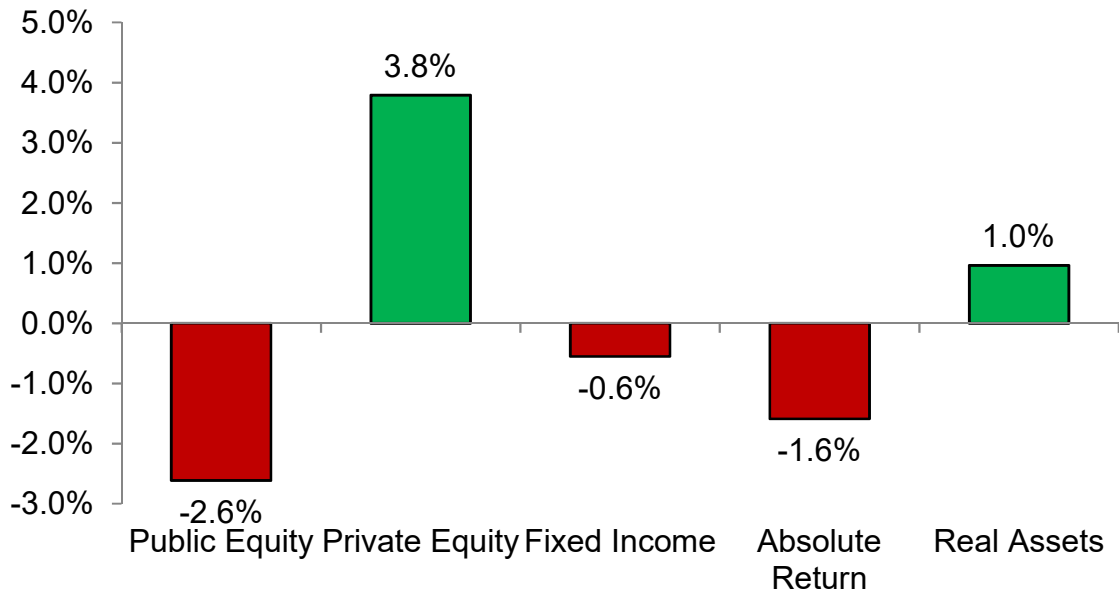
		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	5.40%	\$ 225,588,842	4.09%
	BlackRock (Russell 1000 Value)	2.60%	\$ 194,659,181	3.53%
	Sub-Total Passive Large Cap Equity	8.00%	\$ 420,248,023	7.62%
Active Large Cap Equity	Polen (S&P 500)	2.60%	\$ 133,380,098	2.42%
	DFA (Russell 1000 Value)	2.60%	\$ 140,136,050	2.54%
	Sub-Total Active Large Cap Equity	5.20%	\$ 273,516,148	4.96%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.00%	\$ 103,921,652	1.89%
	CastleArk (Russell 2000 Growth)	1.60%	\$ 82,836,979	1.50%
	DFA (Russell 2000 Value)	3.20%	\$ 179,394,397	3.25%
	Sub-Total Active Mid/Small Cap Equity	6.80%	\$ 366,153,029	6.64%
Total Domestic		20.00%	\$ 1,059,917,199	19.23%
International				
Active International Equity	Brandes (MSCI EAFE)	6.40%	\$ 318,172,686	5.77%
	William Blair (MSCI ACWI ex US)	4.80%	\$ 250,753,473	4.55%
	DFA (MSCI EAFE Small Cap)	3.20%	\$ 167,747,040	3.04%
	AQR (MSCI EM)	1.60%	\$ 73,281,404	1.33%
Total International		16.00%	\$ 809,954,604	14.69%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.80%	\$ 240,720,129	4.37%
	MFS (MSCI ACWI)	3.20%	\$ 170,863,083	3.10%
Total Global		8.00%	\$ 411,583,212	7.47%
<b>Total Public Equity</b>		<b>44.00%</b>	<b>\$ 2,281,455,015</b>	<b>41.39%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 350,883,717	6.37%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 296,678,721	5.38%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 35,508,572	0.64%
	Private Advisors (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 77,276,289	1.40%
<b>Total Private Equity</b>		<b>10.00%</b>	<b>\$ 760,347,299</b>	<b>13.79%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>54.00%</b>	<b>\$ 3,041,802,314</b>	<b>55.18%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash		1.00%	\$ 58,504,232	1.06%
Passive Fixed Income	BlackRock (Bloomberg US Government)	5.50%	\$ 295,923,771	5.37%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.90%	\$ 523,197,073	9.49%
	Loomis Sayles (Bloomberg US Aggregate)	6.60%	\$ 359,814,359	6.53%
	Sub-Total Active Fixed Income	16.50%	\$ 883,011,431	16.02%
<b>Total Fixed Income</b>		<b>23.00%</b>	<b>\$ 1,237,439,434</b>	<b>22.45%</b>
<b>Absolute Return</b>				
	Hedge Fund of Funds Manager	3.00%	\$ -	0.00%
	UBS (SOFR + 4%)	7.00%	\$ 463,587,970	8.41%
<b>Total Absolute Return</b>		<b>10.00%</b>	<b>\$ 463,587,970</b>	<b>8.41%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>33.00%</b>	<b>\$ 1,701,027,404</b>	<b>30.86%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	3.03%	\$ 150,601,067	2.73%
	Morgan Stanley (NFI-ODCE)	3.03%	\$ 187,077,454	3.39%
	LaSalle (NFI-ODCE)	1.52%	\$ 112,856,185	2.05%
	Prologis (NFI-ODCE)	1.52%	\$ 111,048,679	2.01%
	Sub-Total Private Real Estate - Core	9.10%	\$ 561,583,385	10.19%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 20,748,602	0.38%
Public Real Assets	Principal (Blended Benchmark)	3.90%	\$ 187,394,433	3.40%
<b>TOTAL REAL ASSETS</b>		<b>13.00%</b>	<b>\$ 769,726,421</b>	<b>13.96%</b>
<b>TOTAL ERS</b>			<b>\$ 5,512,556,138</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>	<b>R. W. Baird</b>		<b>80,108,664</b>	

# 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>September 21, 2022</u>		
Retiree Payroll Expense		\$ (297,697,128)	
PABF Payroll Expense		\$ (36,829)	
Expenses Paid		\$ (11,536,842)	
GPS Benefit Payments		\$ (6,818,378)	
Sub-Total Monthly Cash Outflows			\$ (316,089,177)
Monthly Cash Inflows thru	<u>September 21, 2022</u>		
Contributions		\$ 100,174,814	
PABF Contribution		\$ 41,407	
Sub-Total Monthly Contributions			\$ 100,216,221
City Reserve Fund Contribution			\$ 40,000,000
Capital Market Gain/(Loss)			<u>\$ (491,596,990)</u>
Value including City Reserve & PABF Accounts as of	<u>September 21, 2022</u>		<u>\$ 5,592,664,802</u>
Less City Reserve Account <sup>1</sup>			\$ 80,108,664
Less PABF Fund <sup>2</sup>			\$ 2,507
Net Projected ERS Fund Value as of	<u>September 21, 2022</u>		<u><u>\$ 5,512,553,631</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.