

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, OCTOBER 24, 2023 – 9:00 A.M.**

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

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

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

REGULAR MEETING

- I. Approval of Minutes.
 - A. Regular Meeting Held September 26, 2023.
- II. Chief Investment Officer Report.
- III. Administration & Operations Committee Report.
 - A. Renewal of Property Insurance.
 - B. Renewal of Cyber Insurance.

Please be advised that the Annuity & Pension Board may vote to convene in closed session on the following item (III.C.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- C. Approval of Banking Services Contract.
- IV. New Business.
 - A. Retirements, Death Claims, and Refunds (September).
 - B. Conference Requests – October 2023 Board Meeting.
- V. Medical Reports.
 - A. All Duty & Ordinary Disability Applications & Re-examinations (October).

VI. Unfinished Business.

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

VII. Informational.

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

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2023 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held September 20, 2023.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

INVESTMENT COMMITTEE MEETING

THURSDAY, NOVEMBER 9, 2023 – 9:00 A.M.
789 N. WATER ST.

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, NOVEMBER 28, 2023 – 9:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held September 26, 2023.

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

Minutes of the Regular Meeting
held September 26, 2023 via teleconference

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

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

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

Others Present: John Jackson, David Zee, Callan; Patrick McClain, Alex Foundos, Travis Gresham, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., six members of the public called in to the meeting.

Regular Meeting.

Approval of Minutes.

Regular Meeting Held July 25, 2023. It was moved by Mr. Konrad, seconded by Mr. Heling, and unanimously carried, to approve the minutes of the Regular Meeting Held July 25, 2023.

Chief Investment Officer Report. As a matter of information, Board members received the September 26, 2023 Performance Update. Mr. Sauer said the Fund as of August 31, 2023, had a value of \$5.62 billion. He said the Fund had a -1.3% return in August, gross of fees, and outperformed the blended benchmark by approximately 8 basis points. Mr. Sauer commented the main relative performance driver was Manager Selection, and the stock portfolio held up relatively better than the benchmark in a down market with Public Equity adding 31 basis points. He said nine out of 11 active equity mandates outperformed, with the standout being Brandes who added 17 basis points. The Fund's Style Bias subtracted 21 basis points, primarily from the US Small Cap and the US Large Cap Value biases. He added the Fund has underperformed the benchmark

in the year-to-date period, while outperforming in the one-, five-, 10-, 15- and 20-year periods. Mr. Sauer remarked as of September 25, 2023, the Fund was down 1.9% month-to-date for September, which brought the year-to-date return to 3.9%, and the Fund value to \$5.52 billion. He noted 10 of the Fund's 16 active mandates are outperforming year-to-date, and the Fixed Income and Real Assets asset classes are outperforming their respective benchmarks year-to-date. He said year-to-date the Fund has seen a gain in the value of investments of \$228.2 million, paid benefits and expenses of \$326.0 million, and received contributions of \$151.2 million. Mr. Sauer concluded that for benefit payments this month, the following monthly withdrawals would be \$14.1 million from Brandes, \$6.8 million from MFS, \$6 million from DFA US Small Cap, \$5.3 million from Polen, \$4.8 million from DFA US Large Cap, \$3.4 million from Earnest, and \$3.2 Million from the S&P 500 Index.

Mr. Silber said, at the beginning of the year, Staff was spending a lot of time talking about liquidity because stocks and bonds both experienced double-digit declines in 2022. He noted as 2023 has progressed, the liquidity challenges faced earlier in the year have dissipated thanks to the rally in stocks, which has allowed Staff to focus on implementing the Fund's new strategic asset allocation that the Board approved in June. Mr. Silber said the Fund's portfolio is now as close to its new asset allocation targets as it has been all year. He commented Staff was able to make these moves in a time of rising stock markets, so gains from Public Equity were recycled into Fixed Income to increase that allocation. Mr. Silber said he's pleased that the Fund has been able to get its Fixed Income allocation close to the new 29% target with interest rates still above Callan's beginning of the year capital market assumptions.

Investment Committee Report. Mr. Klusman said at its September 7th meeting, Callan presented the 2024 Private Equity Pacing and Reinvestments analysis. He stated the Committee later approved the 2024 Private Equity Commitment Recommendation, which was to commit \$40 million to Abbott Capital's AP 2024 vehicle, and \$30 million to Apogem's APEF XI vehicle. Mr. Klusman said Staff provided routine due diligence reports on Abbott Capital and Neuberger Berman. He added that Staff also went over the Fund's 2nd quarter performance report. Mr. Klusman commented that Loomis Sayles presented proposed guideline changes that will likely come before the Committee for formal consideration later this year, and Reams gave a presentation on the Fixed Income strategy they manage for the Fund. He stated the Committee voted to hold the Reams Asset Management Guideline Change request to today's Board meeting pending written guidance from Callan. Mr. Klusman noted the Committee approved an Update to the Fund's Private Equity Statement of Investment Policy that became necessary when the Fund's Strategic Asset Allocation was changed in June, and finally, the Committee went into closed session to discuss the Side Letter Revision related to Mesirow Private Equity Fund IX. He said the Committee then went into open session to approve the Side Letter Revision. Mr. Klusman added that since delaying approval of the Side Letter would have put the Fund at risk of missing the deadline to achieve first close fee savings, Staff utilized its authority to execute an investment-related contract that was approved by the Investment Committee as provided under Board Rule VII.G.2.b. Mr. Klusman concluded that the Investment Committee recommends approval of the following items: Approval of 2024 Private Equity Commitment Recommendation and Approval of Private Equity Statement of Investment Policy Update. He noted that the Investment Committee voted to hold the following item for consideration at today's Board meeting pending written guidance from Callan: Approval of Reams Asset Management Guideline Change.

Approval of 2024 Private Equity Commitment Recommendation. It was moved by Mr. Bell, seconded by Ms. King, and unanimously carried, to approve the Approval of 2024 Private Equity Commitment Recommendation.

Approval of Private Equity Statement of Investment Policy Update. It was moved by Mr. Bell, seconded by Ms. King, and unanimously carried, to approve the Approval of Private Equity Statement of Investment Policy Update.

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

Approval of Reams Asset Management Guideline Change. It was moved by Mr. Klusman and seconded by Mr. Konrad and unanimously carried, to convene in closed session by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Heling, Klusman, Konrad, and Kovac. NOES: None.

The Board convened in closed session at 9:13 a.m.

The Board reconvened in open session at 9:39 a.m.

It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, from the motion Mr. Bell put forward, “to **not** approve the Reams Asset Management Guideline Change, and instead, address it based on the discussion that we had in closed session.”

Administration & Operations Committee Report. Ms. Sawa reported that the A&O Committee met on September 20 at 9:00 a.m. and had two approvals of contracts that the Committee does recommend for approval – the extension of the Wells Fargo Contract and the approval of the CliftonLarsonAllen Contract for internal audit services. Ms. Sawa said the Board did not convene in closed session as noticed on the agenda.

Approval of Extension of Wells Fargo Contract Pending Further Negotiations. It was moved by Mr. Heling, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of Extension of Wells Fargo Contract Pending Further Negotiations.

Approval of CliftonLarsonAllen (CLA) Contract. It was moved by Mr. Bell, seconded by Ms. King, and unanimously carried, to approve the Approval of CliftonLarsonAllen (CLA) Contract.

Ms. Sawa also added from the Committee Report that they had a renewal of the Fiduciary and Cyber insurance with a minimal increase. She said there was also a discussion on the State Legislative Audit Bureau Engagement and added the State Legislative Audit Bureau would be working with the ERS and doing the financial audits going forward as well as the actuarial audit every five years. She concluded the Committee also went through the IT Projects Portfolio and

Organizational/Personnel Update and there is one vacancy to fill. Mr. Allen said the Fiduciary Liability Insurance and Cyber Insurance was not listed for approval this month as the cyber quote was just received yesterday, but would be brought back at the end of the month.

New Business.

Retirements, Death Claims, and Refunds (July and August). Mr. Allen presented the following activity for the months of July and August 2023.

Administrative Withdrawal	\$16,702.45
Full Refund	\$476,660.85
Active Death Benefits reported	\$0.00
Deferred Death	\$5,162.32
Deferred Death-Member Only Refund	\$118,675.73
Ordinary Death Benefits reported	\$16,163.81
Retired Death Benefits reported	\$21,713.29
Survivor Death – Termination Benefits reported	\$9,099.36
Refund of Member Contributions paid	\$612,039.03

Discussion ensued. It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Retirements, Death Claims, and Refunds (July and August 2023).

Conference Requests – September 2023 Board Meeting. Staff presented the Conference Requests this month.

David Silber	The Fall Retreat - Conference
Sponsor:	with.Intelligence
Location:	Chicago, IL
Date(s):	September 18-19, 2023
Estimated Cost:	\$650.00
David Silber,	Principal Due Diligence
Thomas Courtright	
Sponsor:	Principal
Location:	New York, NY & Des Moines, IA
Date(s):	September 20-21, and October 11-12, 2023
Estimated Cost:	\$2,200.00 per person

Erich Sauer	2023 Real Estate Annual Meeting
Sponsor:	JP Morgan
Location:	New York, NY
Date(s):	October 25-26, 2023
Estimated Cost:	\$1,250.00

Erich Sauer	2023 Alternatives Summit
Sponsor:	Goldman Sachs
Location:	New York, NY
Date(s):	October 31 – November 2, 2023
Estimated Cost:	\$1,750.00

Thomas Courtright	2023 MFS Global Investment Institute
Sponsor:	MFS
Location:	Boston, MA
Date(s):	November 6-10, 2023
Estimated Cost:	\$2,250.00

David Silber	2024 Visions, Insights & Perspectives (VIP) Americas + possible Brandes visit
Sponsor:	Institutional Real Estate, Inc.
Location:	Carlsbad, CA
Date(s):	January 22-25, 2024
Estimated Cost:	\$2,250.00

It was moved by Mr. Heling, seconded by Ms. Ford, and unanimously carried, to approve the Conference Requests – September 2023 Board Meeting.

Medical Reports.

All Duty & Ordinary Disability Applications & Re-examinations (August and September). Mr. Petropoulos presented certifications (August and September 2023) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Alejandro Arce	Approval
Nicole Belmore	Approval
Graham Kunisch	Approval
Tracy Martinez	Approval
Frank Vrtochnick	Approval
<u>Fire – Applications – Duty</u>	<u>Recommendation</u>
Tony Jones	Approval
Effective 03/09/2023	

<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Christopher Gauthier	Approval
Julie Hall	Approval
Claude Hunter	Approval
Timothy Newman	Approval
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Michael Albright	Approval
Katrina Warren	Approval
<u>GC – Applications – Ordinary</u>	<u>Recommendation</u>
Eric Brown	Approval
Effective 03/14/2023	
<u>GC – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Renee Gibbs	Approval
Annie Hatcher	Approval
Damion Powell	Approval
Tia Smith	Approval
Kenneth Trudeau	Approval
Gregory Zarling	Approval

It was moved by Mr. Konrad, seconded by Mr. Heling, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations (August and September).

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain said the survivorship legal opinion has been delayed due to the City Attorney's Office implementing Act 12. He said the opinion would be ready by next month.

Pending Legislation Report. Mr. Allen noted the charter ordinance relating to the ERS and its implementation was approved by the Finance & Personnel Committee and adopted by the Common Council. He noted next week there would be a proposed charter amendment for Chapter 36 to authorize the ERS to serve as the designated WRS agent, alternate agent and retirement contact for implementing the conversion to the WRS for new hires. He commented that Mr. Gopalan would be the WRS agent and Ms. Johnson the alternate. Mr. Allen stated these are non-trust activities so the City would be billed. He said the City must be enrolled in the WRS by November 15 to secure the sales tax revenues pursuant to Act 12. He concluded the wage and service reporting and new hire eligibility for WRS will also be administered by ERS as appropriate with assistance from other city departments.

Executive Director's Report – Inventory of ERS Projects. Mr. Bell stated the Board did not convene in closed session as noticed. 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.

Mr. Bell stated the Board did not convene in closed session as noticed.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2023 YTD.
- 4) Minutes of the Special Administration & Operations Committee Meeting Held July 18, 2023.
- 5) Minutes of the Special Legislative Committee Meeting (Committee of the Whole) Held July 24, 2023.
- 6) Minutes of the Special Legislative Committee Meeting (Committee of the Whole) Held August 29, 2023.
- 7) Minutes of the Investment Committee Meeting Held September 7, 2023.

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

- 8) Report on Bills.
- 9) Deployment of Assets.
- 10) Securities Lending Revenue and Budget Report.
- 11) Preliminary Performance Report and Asset Allocation.

Mr. Bell accepted and placed the Informational items on file.

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

Mr. Bell 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.)

II.

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employees' Retirement System - October 24, 2023

Fund as of September 30, 2023

*Fund value of \$5.47b.

*Fund return of -2.1% in Sept, net of fees, underperformed by approximately 40bp

*Primary Relative Perf. Drivers:
Manager Selection

Private Equity -83bp
Real Estate 19bp

Overall Allocation 21bp
Primarily overweight Private Equity

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

Oct Update (as of 10/16/23)

*Fund return -0.4% MTD

*Fund return 3.3% YTD

*Fund value \$5.45b

10 out of 16 active mandates outperforming YTD.

*Fixed Income and Real Assets asset classes outperforming their respective benchmarks YTD.

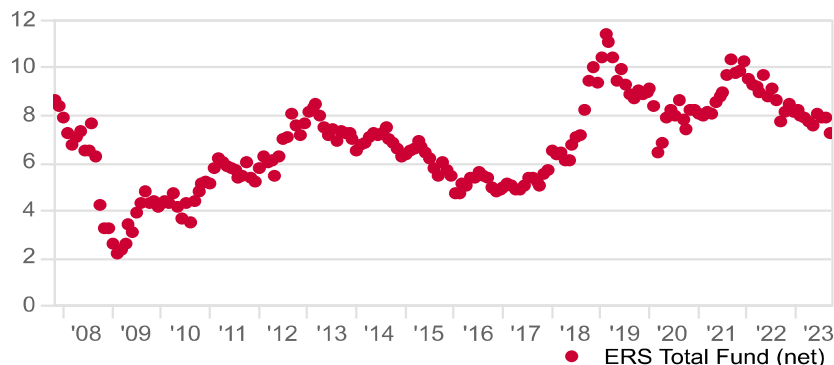
*Investment Change: \$196.9m
*Benefits & Expenses: 365.4m
*Contributions: 153.9m

Monthly Withdrawals:

UBS \$20 million

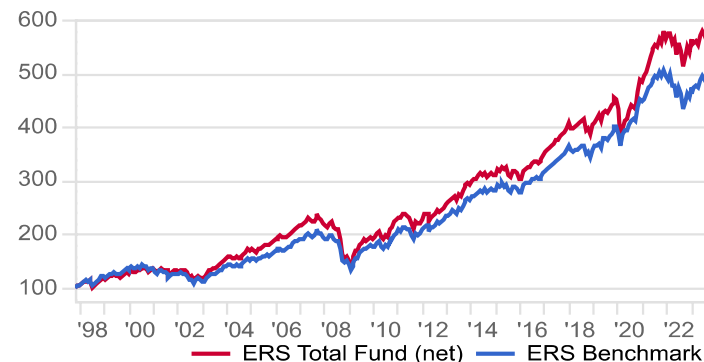
Total Fund - 10-Year Rolling Returns

11/28/1997 to 09/30/2023



Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 09/30/2023



Return Data

Source Data: Monthly Return

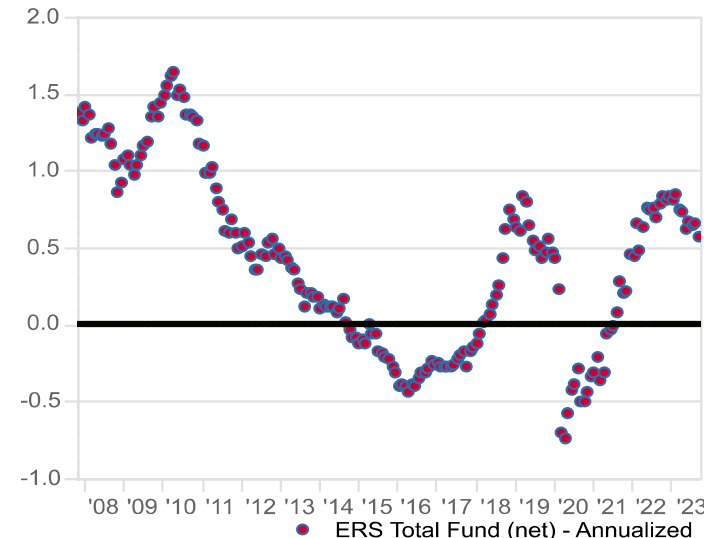
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	-2.1	3.7	9.5	6.2	7.2	7.5	7.3
ERS Benchmark	-1.7	5.9	11.0	5.6	6.6	7.1	6.9

Total Fund - 20-Year Risk & Return Data

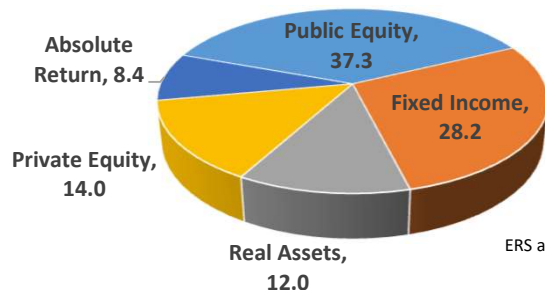
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.3	10.3	2.5	0.2	0.6	-0.2	1.1
ERS Benchmark	6.9	9.1	--	--	0.6	0.0	1.0

Total Fund - 10-Year Rolling Excess Returns

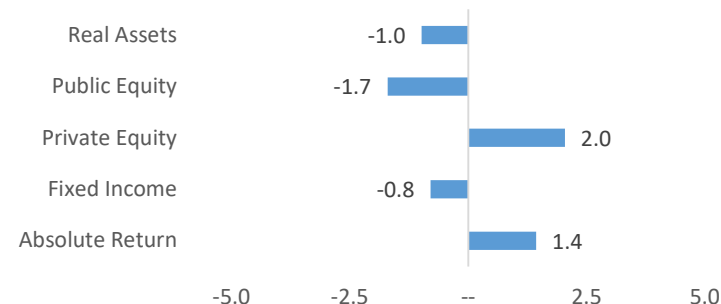
11/28/1997 to 09/30/2023



ERS Allocation as of September 30, 2023



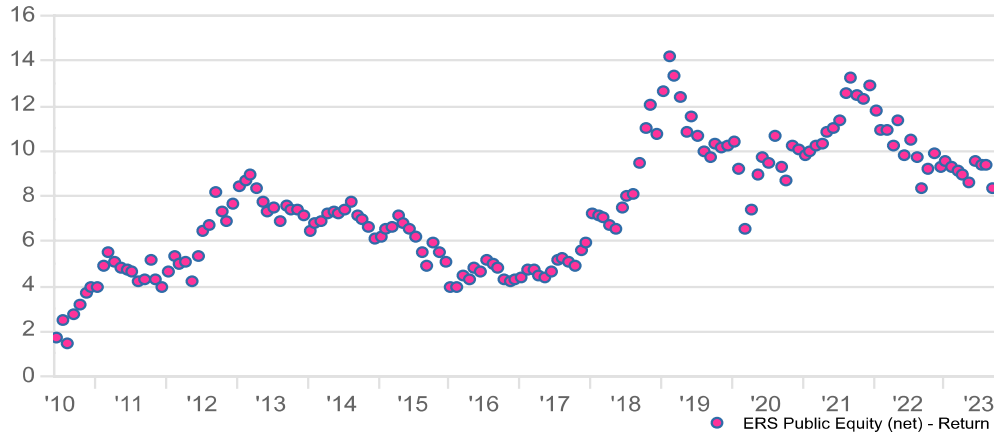
Asset Allocation vs Policy as of September 30, 2023



Milwaukee Employees' Retirement System - October 24, 2023

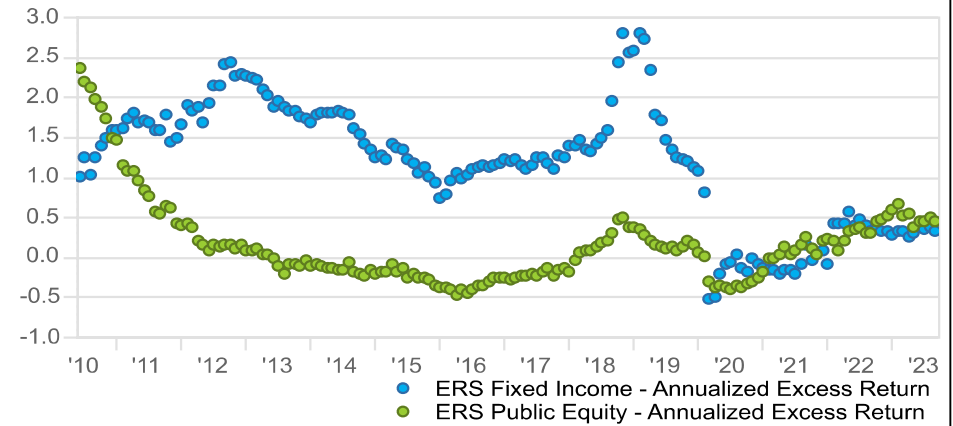
Public Equity - 10-Year Rolling Returns

06/30/2000 to 09/30/2023



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 09/30/2023

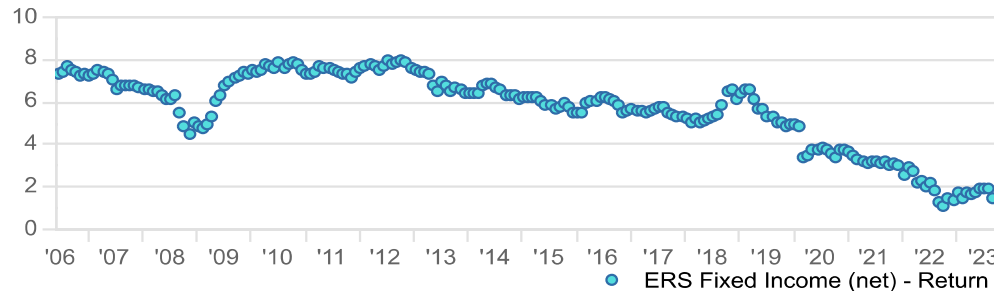


Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	-4.0	9.0	22.4	6.8	8.6	8.8	8.3
Public Equity (net)	-4.1	8.7	22.0	6.5	8.3	8.4	7.9
Public Equity Benchmark	-4.2	9.4	20.2	6.1	7.8	8.1	7.7
MSCI ACWI IMI NR USD	-4.2	9.4	20.2	6.1	7.4	7.7	7.8

Fixed Income - 10-Year Rolling Returns

06/28/1996 to 09/30/2023



Return Data

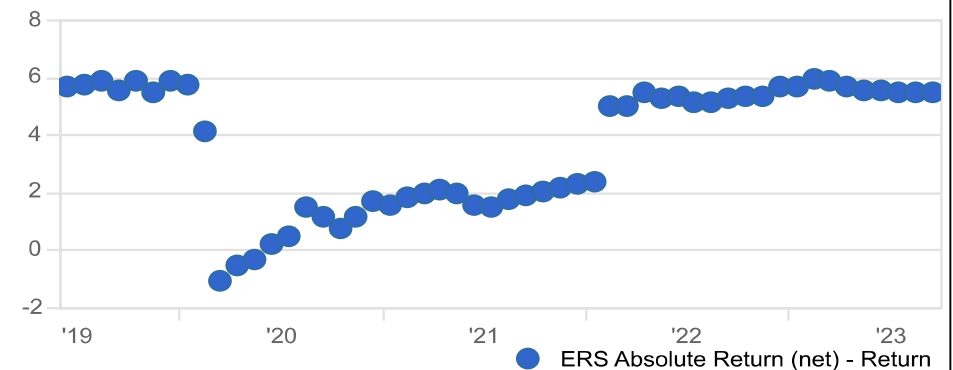
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	-2.6	-0.2	2.4	0.3	1.6	4.0	4.1
Fixed Income (net)	-2.6	-0.3	2.3	0.2	1.4	3.9	3.9
Bbg US Agg Bond TR USD	-2.5	-1.2	0.6	0.1	1.1	2.5	2.8

Risk Adjusted Returns (6/30/14 - 09/30/23)

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	7.3	15.6	0.4	-25.3
Fixed Income (net)	1.0	6.4	0.0	-13.6
Absolute Return (net)	5.5	9.6	0.4	-27.1

Absolute Return - 5-Year Rolling Returns

06/30/2014 to 09/30/2023



Return Data

	1 Month	YTD	1 Year	3 Year	5 Year	7 Year
Absolute Return (net)	0.5	3.5	7.1	13.6	5.5	5.4
90-Day T-Bill + 3%	0.7	6.2	8.0	5.0	4.8	4.7

III.

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

- A. Approval of Banking Services Contract.
- B. Renewal of Property Insurance.
- C. Renewal of Cyber Insurance.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF
MILWAUKEE

Package and Excess Liability

Insurance Proposal

Policy Term December 1, 2023 – December 1, 2024

Presented October 18, 2023



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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.

Package and Excess Liability Premium Summary

COVERAGE	HANOVER EXPIRING 12/01/22 - 12/01/23 PREMIUM	HANOVER RENEWAL 12/01/23 - 12/01/24 PREMIUM	HANOVER % CHANGE	CINCINNATI RENEWAL 12/01/23 - 12/01/24 2024 PREMIUM	HANOVER RENEWAL VS. CINCINNATI RENEWAL % CHANGE
Package Premium (Includes Terrorism)	\$9,100	\$10,329	13.5% Increase	\$9,289	-10.07%
Property Limit	\$6,791,180	\$7,334,474	8.0% Increase	\$7,334,474	
Property Deductible	\$1,000	\$1,000	N/A	\$10,000	
\$5Mil Excess Liability Premium	\$4,700	\$4,700	Flat	\$2,500	-46.8%
Total Policy Year Premium	\$13,800	\$15,029	8.9% Increase	\$11,789	-21.6%



Payment Plan

Hanover: Direct Bill – Annual Payment. The ERS may have already received an invoice direct from Hanover regarding these policies

Marketing Efforts

We are pleased to provide the Employees' Retirement System of the City of Milwaukee with the December 1, 2023 – 2024 Office Package and Umbrella Liability insurance renewal.

We approached alternate markets again this year. Our results are as follows:

- Hanover (Incumbent)- Quoted with similar rates, but increase in premium due to increase in exposures. Total annual premium for Package and \$5Mil Excess Liability is \$15,029. This quote is showcased within the proposal.
- Cincinnati- Quoted with a competitive Package and \$5Mil Excess Liability premium of \$11,789, but there are some slight differences in coverage and Property deductible. This quote is showcased within the proposal.
- C.N.A- Declined to quote as not a market for Pension Funds, Retirement Administrators or governmental entities.
- Philadelphia – Declined to quote as not a market for any governmental entity.

The renewal quote from Hanover is competitive for the current marketplace. Continued inflation warrants additional increases in the value of insured business contents. Rate increases of 8-12% are common for small property programs. Hanover increased values by 8% and the rate by less than 1%. The Umbrella market has finally settled, after several years of rate increases and Hanover has offered a flat Umbrella renewal.

The Hanover renewal annual premium is up 8.9% / \$1,229.

Cincinnati Insurance has provided a compelling alternate quote and it deserves your consideration. They are an AM Best rated A+, XV insurer that has a very strong small business appetite. Our agency works with them regularly. Their quote option provides \$3,240 in annual premium savings. There are a few coverage differences, the most notable of which is the Property deductible is \$10,000 compared with \$1,000 from Hanover. Our comparison can be seen in the following pages.

Currently the ERS purchases a \$5,000,000 Excess Liability Policy. The primary risk is the use of Automobiles for ERS business. The severity of automobile claims continues to be unpredictable. The ERS program provides coverage in excess of the members personal Automobile policies, and protects ERS if named in a suit.

Subjectivities - Hanover:

- Hanover- None
- Cincinnati- None

Market Security Analysis (as of 10/12/23)

Insurer	Line of Coverage	AM Best Rating	Financial Strength Rating Outlook	Credit Rating Outlook
Citizens Insurance Company of America (Hanover)	Package	A / XV	Stable	Stable
The Hanover Insurance Company	Excess Liability	A / XV	Stable	Stable
The Cincinnati Insurance Company	Package and Excess Liability	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>

Package

Employees' Retirement System of the City of Milwaukee- Office Property, General Liability, and Crime

Policy Term December 1, 2023 – December 1, 2024

Business Personal Property (Including EDP & Media) Coverage

Location	Expiring Hanover	Renewal Hanover	Renewal Cincinnati
789 Water Street, Suite 300 (Location 1)	\$4,653,653	\$5,025,945)	\$5,025,945
10850 W. Park Place Suite 450 (Location 2)	\$946,827	\$1,022,573	\$1,022,573
5830 Femrite Drive, Madison, WI (Location 3)	\$1,190,700	\$1,285,956	\$1,285,956
Hanover increased their automatic inflation guard for 2023 to 8% (was 5%)			
Cincinnati's automatic inflation guard for 2023 is 4% (within CinciPlus Expanded Property Endt)			
Business Income / Extra Expense	Actual Loss Sustained Basis – 12 Months	Actual Loss Sustained Basis – 12 Months	Actual Loss Sustained Basis – up to \$100,000 per location
Valuation	Replacement Cost	Replacement Cost	Replacement Cost
Co-insurance	Agreed Value	Agreed Value	Agreed Value
Extended Business Income	90 Days	90 Days	180 Days
Equipment Breakdown Coverage	\$4,903,653	\$5,275,945	Included for all three locations
Business Income	\$250,000	\$250,000	\$100,000
Emergency Event Management	\$10,000	\$10,000	No Coverage
Expediting Expense	\$25,000	\$25,000	No coverage
Extra Expense	\$50,000	\$50,000	Included in BI
Fine Arts	Included in \$250,000 Basket Limit of Insurance	Included in \$250,000 Basket Limit of Insurance	\$50,000
Accounts Receivable	Included in \$250,000 Basket Limit of Insurance	Included in \$250,000 Basket Limit of Insurance	Included in \$250,000 Basket Limit of Insurance
Valuable Papers	Included in \$250,000 Basket Limit of Insurance	Included in \$250,000 Basket Limit of Insurance	Included in \$250,000 Basket Limit of Insurance
Debris Removal	\$100,000	\$100,000	Included in \$250,000 Basket Limit of Insurance

	Expiring Hanover	Renewal Hanover	Renewal Cincinnati
Sewer Backup	\$100,000	\$100,000	\$100,000
Pollutant Clean-Up Removal	\$50,000	\$50,000	\$50,000
Property in Transit	\$100,000	\$100,000	\$10,000

	Expiring Hanover	Renewal Hanover	Renewal Cincinnati
Newly Acquired – Business Personal Property	\$250,000	\$250,000	\$500,000
Temporary Relocation of Property	\$50,000	\$50,000	\$25,000
Utility Services – Direct Damage	\$50,000	\$50,000	\$75,000
Utility Services – Business Income	\$50,000	\$50,000	\$75,000
Computer and Funds Transfer Fraud	\$50,000	\$50,000	No Coverage
Employee Theft Including ERISA	\$100,000	\$100,000	No Coverage
Employee Tools and Work Clothing	\$10,000	\$10,000	\$25,000 (\$1K for loss by theft)
Forgery or Alteration	\$50,000	\$50,000	No Coverage
Money & Securities	\$25,000	\$25,000	No Coverage
Terrorism	Included	Included	Included
Property (Including Glass)	\$1,000	\$1,000	\$10,000
Business Income	24 Hours	24 Hours	24 Hours

General Liability Coverages

	Expiring Hanover	Renewal Hanover	
General Aggregate	\$2,000,000	\$2,000,000	2,000,000
Products / Completed Operations Aggregate	Included in General Aggregate	Included in General Aggregate	2,000,000
Personal and Advertising Injury	\$1,000,000	\$1,000,000	\$1,000,000
Each Occurrence Limit	\$1,000,000	\$1,000,000	\$1,000,000
Damage to Premises Rented to You	\$1,000,000	\$1,000,000	\$1,000,000
Medical Payments – Any One Person	\$10,000	\$10,000	10,000
Auto Coverage: Hired & Non- Owned Auto Liability Only	\$1,000,000	\$1,000,000	\$1,000,000

IMPORTANT NOTES:

- Both the Hanover and Cincinnati renewal include Hired and Non-Owned Automobile Liability Coverage.
 - This responds excess of an Employees personal insurance when driving their own car for business
 - This responds primary for LIABILITY ONLY when an employee rents a car for business. Employees need to purchase Comprehensive & Collision coverage from the rental company.

In the past, we have offered the following coverage / options which you have declined:

- Flood Coverage

Excess Liability

Employees' Retirement System of the City of Milwaukee Office
Policy Term December 1, 2023 – December 1, 2024

ERS Excess Liability Coverage

	Expiring Hanover	Renewal Hanover	Renewal Cincinnati
General Aggregate Limit	\$5,000,000	\$5,000,000	\$5,000,000
Retained Limit	\$0	\$0	\$0

Schedule of Underlying Policies

	Expiring Hanover	Renewal Hanover	Renewal Cincinnati
General Liability	Included	Included	Included
Hired and Non-owned Automobile Liability	Included	Included	Included

Notice of Carrier Financial Status

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

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**



\$2.613 B
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





EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF
MILWAUKEE

Cyber Risk

Insurance Proposal to Board Summary

Policy Term November 1, 2023 – November 1, 2024

Presented 10/3/2023



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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.

Cyber Risk Premium Summary

EXPIRING PROGRAM - \$5,000,000 LIMIT		
NOVEMBER 1, 2022 – NOVEMBER 1, 2023 POLICY PERIOD		
INSURER	PROGRAM LIMITS	PREMIUM
Primary (Chubb)	Primary \$1M with \$100,000 Retention	\$33,438
1 st Excess (EmergInRisk/Lloyd's London)	\$2.5M xs of Primary \$1M	\$80,501*
2 nd Excess (Starr)	\$1.5M excess of \$3.5M	\$51,662*
Total Policy Year Premium All Layers		\$165,601*

RENEWAL PROGRAM - \$5,000,000 LIMIT		
NOVEMBER 1, 2023 – NOVEMBER 1, 2024 POLICY PERIOD		
INSURER	PROGRAM LIMITS	PREMIUM
Primary (Chubb)	Primary \$3M with \$100,000 Retention	\$67,932
1 st Excess (Starr)	\$2M excess of \$3M	\$41,983*
Total Policy Year Premium All Layers		\$109,915*

*Surplus Lines taxes and fees included

Cyber Risk

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 each claim retention. Last year, the limit of \$5M was achieved through three insurer layers provided by Chubb, Emergin (London) and Starr. This year, the proposed program has been reduced to two insurers:

Program Layers	Expiring Program Insurers
Primary \$2M	Chubb / ACE American Insurance Company
Excess \$3M	Starr Surplus Lines Insurance Company

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

Marketing Effort

This year, we only approached the incumbent markets, with the intent to approach additional markets if the results from the incumbent were not satisfactory. Brown & Brown approached 27 markets in 2022, and 29 markets in 2021.

Emergin was first approached with the opportunity to write the \$2M excess \$3M layer, as the 1st excess insurer. Emergin has changed their War exclusion and the language was less favorable to ERS. Starr was then approached, and they indicated similar pricing with more favorable language.

Subjectivities - Chubb:

- Currently signed and dated application.

Subjectivities – Starr

- Currently signed and dated application.

Analysis of Results

The Cyber market has stabilized for organizations with strong security measures in place, including Multi Factor Authentication, robust backups, and training for employees. In some instances, we are even seeing reductions in premium compared to expiring. This is all as a result of the successful impact of the additional security measures required by the insurance marketplace starting in 2020-2021. The ERS results are exceptional for the current market which reflects a premium reduction of \$55,686 (33%).

Coverage Changes

- Chubb has removed the following endorsements:
 - Neglected Software Exploit
 - Coinsurance – Contingent Business Interruption (50%)

- Chubb has increased the limit for Extended Period of Attrition to full limits from a \$250,000 sub-limit.
- Chubb has added a Biometric Privacy Sublimit Endorsement which removes any coverage for wrongful collection of biometric information.
- The retention for using a Chubb Cyber Incident Response Coach has increased to \$50,000 from \$25,000

Cyber Benchmarking

Chubb Cyber Index, Accessed 10/3/2023

Estimated Incident Costs

Refine Number of Records Compromised



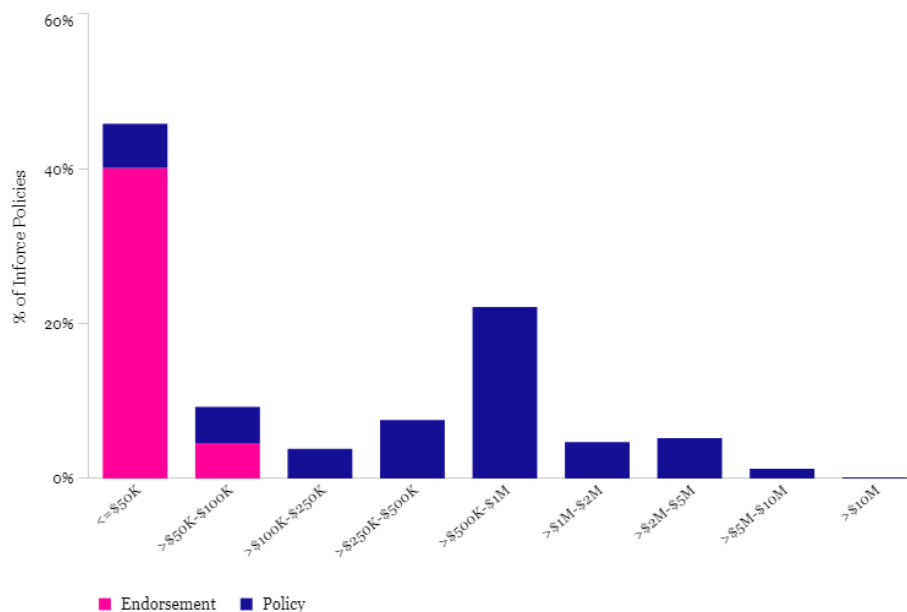
Incident Investigation*	\$405,300
Crisis Management*	\$454,100
PCI*	\$25,000
Fines/Penalties*	\$232,900
Ransomware	\$1,000,000
Data Restoration	\$405,300
Business Interruption	\$529,000

CHUBB®

*In partnership with
NetDiligence®

Inforce Primary Limits Distribution

Global, Public Entity and All Revenue Sizes



* Please note - Endorsement refers to Cyber Endorsements Added to Multi-Line Policies and Policy refers to Cyber-Specific Policies

CHUBB®

Market Security Analysis

Insurer	Line of Coverage	AM Best Rating	Financial Strength Rating Outlook	Credit Rating Outlook
ACE American Insurance Company (Chubb)	Cyber	A++ / XV	Stable	Stable
Starr Surplus Lines Insurance Company	Excess Cyber	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>

Cyber Liability

Policy Term November 1, 2023 – November 1, 2024

Named Insured:	Employees' Retirement System of the City of Milwaukee
Insurance Company:	ACE American Insurance Company (Chubb)
Policy Form	PF-48169 (02/19)

Cyber Risk Coverage

	Expiring Chubb	Renewal Chubb
Policy Aggregate Limit	\$1,000,000	\$3,000,000
Third Party Insuring Agreements		
Cyber, Privacy and Network Security Liability	\$1,000,000	\$3,000,000
Payment Card Loss	\$1,000,000	\$3,000,000
Regulatory Proceedings	\$1,000,000	\$3,000,000
Electronic, Social and Printed Media Liability	\$1,000,000	\$3,000,000
First Party Liability Insuring Agreements		
Cyber Incident Response Fund		
Cyber Incident Response Team	\$1,000,000	\$3,000,000
Non-Panel Response Provider	\$500,000	\$1,500,000
Network Extortion	\$1,000,000	\$3,000,000
Digital Data Recovery	\$1,000,000	\$3,000,000
Business Interruption and Extra Expense	\$1,000,000	\$3,000,000
Contingent Business Interruption & Extra Expense	\$1,000,000	\$3,000,000
Retentions (Each Incident)		
All Insuring Agreements (except Business Interruption / Contingent Business Interruption)	\$100,000	\$100,000
Business Interruption	\$100,000 / 18 Hours	\$100,000 / 18 Hours
Contingent Business Interruption	\$100,000 / 24 Hours	\$100,000 / 24 Hours
Coverage Form	Claims Made and Reported	Claims Made and Reported
Pending and Prior Proceedings	11/1/2019	11/1/2019
Retro Active Date	Full Prior Acts	Full Prior Acts
Defense Expenses	Within the Limit	Within the Limit

Endorsements

1. Cyber Service Solutions [17-01-0291 (11/2021)]
2. Chubb Producer Compensation Practices & Policies [ALL-20887a (03/16)]
3. Policyholder Notice Cyber Services for Loss Mitigation [PF-48260 (10/16)]
4. Policyholder Notice Cyber Services for Incident Response [PF-48259 (02/19)]
5. U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") [PF-17914a (04/16)]
6. Trade or Economic Sanctions Endorsement [PF-46422 (07/15)]
7. Policyholder Disclosure Notice of Terrorism Insurance Coverage [TR-19606e (08/20)]
8. Cap on Losses from Certified Acts of Terrorism [PF-45354 (02/19)]
9. Disclosure Pursuant to Terrorism Risk Insurance Act [TRIA-11e (08/20)]
10. Signature Endorsement [CC1k11j (03/21)]
11. Important Notice - Wisconsin [ALL-38969 (08/12)]
12. Wisconsin Notice to Policyholders [ALL-5X51a]
13. Additional Insured - Blanket Pursuant to a Contract - Cyber ERM [PF-48155 (02/19)]
14. Non-Malicious Computer Act - Systems Failure - Business Interruption and Contingent Business Interruption [PF-48275 (02/19)] - Amends Interruption in Service to include non-Malicious Computer Related Act which includes 'human error' and 'programming error'. Full limit applicable to the option selected.
15. Application Amended [PF-49452 (02/19)]
16. **(UPDATED)** Extended Period of Attrition [PF-49494 (02/19)] – **Full Limits** - Business Interruption is amended to include Customer Attrition Loss which is the Insured's net profit before income taxes that would have been earned had no Interruption in Service occurred, only if such difference can be proven by a quantifiable reduction in customers and seasonally-adjusted daily revenue amounts caused by damage to the Insured's reputation as a direct result of the Interruption in Service
17. Hardware or Equipment Replacement Endorsement [PF-49492 (02/19)] - Digital Data Recovery Costs is amended to include the replacement or repair costs of physical hardware or equipment that are part of an Insured's Computer System which have been damaged electronically but for which there is no Property Damage, and which have been determined by the insurer it is more practical to physically replace the hardware than to restore the Digital Data or determined by the insurer to be permanently vulnerable or unstable due to the corruption or destruction of firmware
18. Conduct Exclusion Amended - Final, Non-Appealable Adjudication [PF-49491 (02/19)]
19. Preventative Shutdown [PF49501 (02/19)] - 14 days - Amends Interruption in Service coverage to be triggered by a Preventative Shutdown which means an Insured's intentional shutdown of their computer system but only to the extent the shutdown is in response to a credible threat of a Malicious Computer Act directed against such Insured's computer system which may reasonably be expected to cause an Interruption in Service in the absence of such shutdown.
20. Invoice Fraud Financial Loss Endorsement - \$100,000 Sublimit [PF-50954 (02/19)]
21. Duty to Defend a Regulatory Proceeding [PF49445 (02/19)]
22. Control Group Member Redefined - Variable [PF-48148 (09/16)]
23. Breach Response Indemnatee - Blanket Pursuant to a Contract [PF-49485 (02/19)]
24. Betterment Endorsement [PF50960 02/19]
25. Extortion Threat Enhancement for Protected Information [PF-49495 (02/19)]
26. Extended Reporting Period Election Time Period Endorsement PF-49460 (02/19) - 60 days
27. Period of Restoration [PF-48160 (02/19)] - increased from 60 to 120 days.

28. General Amendatory [PF-54812 (06/21)] – clarifies the Infrastructure, Force Majeure, and Governmental Authority exclusions. The endorsement also adds a False Claims Act Exclusion and Indecent Content Exclusion. This endorsement works in tandem with the widespread event endorsement and clarifies that the infrastructure exclusion does not apply to a “limited impact event”. It also amends the war exclusion to be more specific regarding acts by or on behalf of sovereign states or state-sponsored actors or groups.
29. Ransomware Encounter [PF-54814 (06/21)] This endorsement allows for a sub-limit and/or coinsurance to any coverage triggered as a result of a ransomware attack. However, the Chubb quote offers full limits. Also, adds a requirement to report ransomware events to law enforcement.
30. Widespread Event [PF-54815 (06/21)] - The endorsement classifies cyber incidents as a “limited impact event” or a “widespread event”. A widespread event is a cyber event where many companies are impacted from a single or related event that do not have a relationship with one another. A Limited Impact Event is a cyber incident that is not a widespread event or an event that impacts only the insured and persons and entities that have a direct business relationship with the insured. The endorsement also replaces Section X. Proof of Loss for First Party Insuring Agreements with X. Duties in the Event of a Cyber Incident. The amendment broadens the duties of the insured in the event of a claim in order to classify an event as a “limited impact event” or a “widespread event”.
31. Coordination of Coinsurance, Retention and Limits of Insurance [PF-56230 (12/21)] - clarifies that if a Widespread Event, Neglected Software Exploit, Ransomware Encounter or Non-Malicious Computer Related Act is covered under more than one Insuring Agreement or Coverage Extension, the single lowest applicable limit will apply and the coinsurance and retention applicable to such limit shall also apply.
32. Musical Work or Composition Exclusion [PF-56258 (02/22)] – language narrows Media Liability to exclude musical work or composition.
33. **(NEW)** Biometric Privacy Sublimit Endorsement [PF-50965 (02/19)]
34. Amendatory Endorsement – Wisconsin [PF48333 (02/19)]
35. Primary Insurance for Specified Insuring Agreements– Cyber Incident Response Fund [PF-49484 (02/19)]
36. **(REMOVED)** Coinsurance - Contingent Business Interruption PF-49467b (03/21) - 50% Coinsurance applies to Contingent Business Interruption
(REMOVED) Neglected Software Exploit Endorsement [PF-54813 (06/21)] – 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)

1st Excess Cyber Risk

Policy Term November 1, 2023 – November 1, 2024

Named Insured:	Employees' Retirement System of Milwaukee
Insurance Company:	Starr Surplus Lines Insurance Company
Coverage:	Excess Network Security / Privacy Liability
Policy Form	Excess Cyber Liability Form SS FL 002 XS (10/12)
Prior and Pending Litigation Date	11/1/2021

	Expiring Starr	Renewal Starr
Policy Aggregate Limit	\$1,500,000 excess \$3,500,000	\$2,000,000 excess \$3,000,000

Endorsements

1. Reliance Endorsement (Specified Applications) SS FL 097 XS (10-12)
2. OFAC Endorsement SS FL 089 XS (10-12)
3. Pending or Prior Litigation Exclusion SS FL 091 XS (10-12)
4. **(AMENDED)** Non-Follow Form Endorsement - But Recognize Erosion SS FL 154 XS (03-13) – Invoice Fraud Financial Loss; Betterment. **Expiring Included Extended Period of Attrition.**
5. Service of Suit Clause - Starr Surplus SS FL 156 XS (03-13)
6. **(AMENDED)** Follow Form to Specified Sublimit(s) Endorsement – Non-Panel Response Provider \$1,000,000 xs \$1,500,000 SILC FL 087 XS (10/12) **Expiring Included Neglected Software Exploit sublimits.**

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- 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

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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.	

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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



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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**



\$2.613 B
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





IV.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (September).
- B. Conference Requests – October 2023 Board Meeting.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	LINDSEY	KEITH	6/20/2018	MAX	MMSD
Regular	Deferred	FEROZE	NYELLA	5/12/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ARBANELLA	CLAUDIA	6/17/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	WINN	LISA	8/1/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WAGNER	CARLYN	8/4/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	THOMPSON	CYNTHIA	8/5/2023	50	HEALTH-LABORATORIES
Regular	Service	EHLER	ROBERT	8/7/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KING	ESMOND	8/7/2023	100	DPW-OPS-FLEET SERVICES
Regular	Service	VANDERKOLK	DOROTHY	8/7/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	MISHEFSKE	SARA	8/9/2023	100	HEALTH DEPARTMENT
Regular	Deferred	SMAXWILL	SHERRIE	8/11/2023	100	DPW-WATER-BUSINESS
Regular	Service	BLACKBURN	DONNA	8/14/2023	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	COLLENBURG	LORI	8/15/2023	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	MLSNA	KATHRYN	8/16/2023	50	LIBRARY - CENTRAL LIBRARY
Regular	Service	FELZER	DANIEL	8/19/2023	MAX	FIRE - FIREFIGHTING
Regular	Service	KNAPP	KLAYTON	8/19/2023	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	ROGERS	LORRAINE	8/19/2023	MAX	DPW-WATER-ENGINEERING
Regular	Deferred	DAWSON	AUNDRA	8/20/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BARBEE-MATTHEWS	DAPHYNIE	8/20/2023	MAX	DEPARTMENT OF EMERGENCY COMMUNICATIONS
Regular	Deferred	KROTTS	THEODORE	8/21/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	ACOMPANADO	JOCELYN	8/22/2023	MAX	HEALTH DEPARTMENT
Regular	Deferred	GIUFFRE	ANN	8/22/2023	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	URBANIAK	MICHELLE	8/22/2023	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	RODEN	ERICH	8/23/2023	100	FIRE - FIREFIGHTING
Regular	Deferred	PARK	PETER	8/24/2023	75	DEPT OF CITY DEVELOPMENT
Regular	Service	SCHNEIDER	JASON	8/24/2023	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SAVAGIAN	WILLIAM	8/25/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	WOOLFOLK	AUDREY	8/28/2023	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	BRIGGS	JEFFERY	8/28/2023	MAX	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Deferred	WARDECKE	JON	8/31/2023	100	HEALTH DEPARTMENT
Regular	Service	PASHA	AMEENAH	8/31/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	REVELS	TRACY	8/31/2023	50	HACM
Regular	Service	SCHUTTE	CHRISTOPHER	8/31/2023	100	FIRE - FIREFIGHTING
Regular	Service	LAND	CYNTHIA	9/1/2023	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MOEWS	CHRISTOPHER	9/1/2023	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	NOWICKI	THOMAS	9/1/2023	MAX	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT

Board Report - September 2023

Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	LUCKY	JAMES	6/12/2014	9/29/2023	\$ 17,404.25
Retiree Death-Termination	ANDERSON	DENISE	8/5/2023	9/29/2023	\$ 489.63
Retiree Death-Termination	BANACH	WILLIAM	6/21/2023	9/29/2023	\$ 2,166.22
Retiree Death-Termination	BAVUSO	BENITA	9/26/2021	9/29/2023	\$ 395.80
Retiree Death-Termination	BIEK	RICHARD	7/13/2023	9/29/2023	\$ 271.19
Retiree Death-Termination	BRANDA	JOSEPH	6/4/2023	9/29/2023	\$ 352.83
Retiree Death-Termination	DENEMARK	HAROLD	7/8/2023	9/29/2023	\$ 1,050.25
Retiree Death-Termination	DUKES	FLORENCE	8/20/2023	9/29/2023	\$ 1,677.17
Retiree Death-Termination	FRASCH	JOSEPH	10/18/2021	9/29/2023	\$ 312.97
Retiree Death-Termination	GABOR	ANNE	7/9/2023	9/29/2023	\$ 36.49
Retiree Death-Termination	GARACCI	MARLENE	9/28/2021	9/29/2023	\$ 688.62
Retiree Death-Termination	HOLLOWAY	W	5/23/2023	9/29/2023	\$ 1,830.86
Retiree Death-Termination	JACOBSON	JOANNE	4/11/2023	9/29/2023	\$ 676.18
Retiree Death-Termination	JOHNSON	GWENDOLYN	7/15/2023	9/29/2023	\$ 416.39
Retiree Death-Termination	JUST	DIANE	7/11/2023	9/29/2023	\$ 733.82
Retiree Death-Termination	KARBOUSKI	JAMES	7/29/2023	9/29/2023	\$ 4,042.54
Retiree Death-Termination	KOSIDOWSKI	KENNETH	7/17/2023	9/29/2023	\$ 1,426.08
Retiree Death-Termination	MAHNKE	STEVEN	8/13/2023	9/29/2023	\$ 1,169.25
Retiree Death-Termination	MANEY	HOWARD	7/31/2023	9/29/2023	\$ 308.25
Retiree Death-Termination	MILLER	RICHARD	8/8/2023	9/29/2023	\$ 781.39
Retiree Death-Termination	ORTIZ	NORMA	5/29/2023	9/29/2023	\$ 218.47
Retiree Death-Termination	PEREZ	HILDA	7/1/2021	9/29/2023	\$ 13.97
Retiree Death-Termination	SWANSBY	GARY	5/29/2023	9/29/2023	\$ 898.84
Retiree Death-Termination	TARNOWSKI	PATRICIA	8/15/2023	9/29/2023	\$ 47.67
Retiree Death-Termination	THOMAS	EDWARD	7/15/2023	9/29/2023	\$ 465.67
Retiree Death-Termination	WASNIEWSKI	RUTH	8/14/2023	9/29/2023	\$ 255.09
Retiree Death-Termination	WILHITE	MARY	7/9/2023	9/29/2023	\$ 755.32
Retiree Death-Termination	WINK	MICHAEL	7/10/2023	9/29/2023	\$ 1,063.86
Surv Death-Termination	ANTCZAK	LOIS	6/25/2023	9/29/2023	\$ 1,270.78
Surv Death-Termination	CHUCKA	MARY	7/13/2023	9/29/2023	\$ 519.27
Surv Death-Termination	DAVIS	JEAN	6/8/2022	9/29/2023	\$ 1,269.47
Surv Death-Termination	FOSSUM	BARBARA	12/12/2021	9/29/2023	\$ 266.45
Surv Death-Termination	GRZECOWIAK	LORRAINE	3/18/2023	9/29/2023	\$ 1,267.39
Surv Death-Termination	HENDRICKSON	ARLINE	7/6/2023	9/29/2023	\$ 200.54

Type	Last Name	First Name	Death Date	Payment Date	Amount
Surv Death-Termination	MC CORMICK	ALICE	7/25/2023	9/29/2023	\$ 487.92
Surv Death-Termination	TARNOWSKI	PATRICIA	8/15/2023	9/29/2023	\$ 681.19
Surv Death-Termination	VOMBERG	GEORGE	12/29/2021	9/29/2023	\$ 247.58
Surv Death-Termination	WOZNIAK	LAVERNE	9/9/2022	9/29/2023	\$ 296.78
TOTAL					\$ 46,456.44
Retiree Death-Cont Opt	ALFORD	RICHARD	8/16/2023	9/1/2023	
Retiree Death-Cont Opt	GRADINJAN	JAMES	9/12/2023	9/1/2023	
Retiree Death-Cont Opt	KAKO	JOHN	8/24/2023	9/1/2023	
Retiree Death-Cont Opt	LEBRON	JAMES	9/4/2023	9/1/2023	
Retiree Death-Cont Opt	LUNDGREN	RALPH	8/11/2023	9/1/2023	
Retiree Death-Cont Opt	MALDONADO	CARMEN	8/25/2023	9/1/2023	
Retiree Death-Cont Opt	MUSLIM	JAMEEL	9/8/2023	9/1/2023	
Retiree Death-Cont Opt	SCHMIT	CARLOTTA	9/3/2023	9/1/2023	
Retiree Death-Cont Opt	WIRTH	DONALD	9/15/2023	9/1/2023	

Board Report - September 2023**Withdrawals**

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	KEHOE	TYLER	9/14/2023	\$ 1,732.08
Member Only Refund	MOORER	MONIQUE	9/14/2023	\$ 2,378.99
Member Only Refund	FREE	ELNOR	9/28/2023	\$ 788.82
Administrative Withdrawal	ARNOLD	ZACHARY	9/29/2023	\$ 922.53
Administrative Withdrawal	BITERMAN	AARON	9/29/2023	\$ 278.55
Administrative Withdrawal	FREDA	REBEKAH	9/29/2023	\$ 1,438.89
Administrative Withdrawal	HAGANS	KEVEN	9/29/2023	\$ 2,003.12
Administrative Withdrawal	HUGHES	DAVID	9/29/2023	\$ 1,088.86
Administrative Withdrawal	HURT	STEVE	9/29/2023	\$ 1,745.42
Administrative Withdrawal	JEWELL	ROCHELLE	9/29/2023	\$ 1,116.35
Administrative Withdrawal	KINNISON	MIKAYLA	9/29/2023	\$ 1,465.20
Administrative Withdrawal	NUKUNA	SANDILE	9/29/2023	\$ 3,737.02
Administrative Withdrawal	SCHILLING	EDWARD	9/29/2023	\$ 2,012.18
Administrative Withdrawal	SILVA	STACY	9/29/2023	\$ 2,840.47
Administrative Withdrawal	SMITH	DARREN	9/29/2023	\$ 917.66
Administrative Withdrawal	WEBB	TASHIANA	9/29/2023	\$ 2,083.42
Full Refund	ACEVEDO	LUIS	9/29/2023	\$ 80,784.83
Full Refund	AROCHO	BRYANT	9/29/2023	\$ 596.36
Full Refund	BONDS	MICHAEL	9/29/2023	\$ 732.90
Full Refund	HOLMAN	JUDITH	9/29/2023	\$ 27,818.81
Full Refund	IVES	JUAN	9/29/2023	\$ 25,168.79
Full Refund	JAN	JASON	9/29/2023	\$ 8,061.90
Full Refund	JEFFERSON	RANDELL	9/29/2023	\$ 3,406.26
Full Refund	LEE	SYNTHIA	9/29/2023	\$ 5,485.42
Full Refund	MARTINEZ	MIGUEL	9/29/2023	\$ 15,823.70
Full Refund	MONTE	STEPHANIE	9/29/2023	\$ 10,629.28
Full Refund	MORRISE	CHERICA	9/29/2023	\$ 16,349.66
Full Refund	PAUKNER	STEVEN	9/29/2023	\$ 45,859.89
Full Refund	RANDOLPH	ANDRE	9/29/2023	\$ 381.32

Type	Last Name	First Name	Payment Date	Amount
Full Refund	RIVERA	ADRIAN	9/29/2023 \$	2,172.92
Full Refund	SCHMITT	ANN	9/29/2023 \$	10,584.54
Full Refund	WIERZCHOWSKI	MATTHEW	9/29/2023 \$	21,687.74
Full Refund	WILLIAMS	DELON	9/29/2023 \$	4,034.94
Full Refund	WILLIAMS	DEWAYNE	9/29/2023 \$	807.17
Member Only Refund	ALLGOOD-BEAL	LISA	9/29/2023 \$	857.64
Member Only Refund	BAYLIS	JORDIN	9/29/2023 \$	2,050.68
Member Only Refund	COLEMAN	MORGAN	9/29/2023 \$	881.43
Member Only Refund	CZAPLA	BRIAN	9/29/2023 \$	15,702.13
Member Only Refund	DAVIS	TANISHA	9/29/2023 \$	2,700.39
Member Only Refund	FORMAN	KEVIN	9/29/2023 \$	7,138.29
Member Only Refund	HARMS	STEVEN	9/29/2023 \$	8,917.15
Member Only Refund	HUNTER	LIBERTY	9/29/2023 \$	5,194.85
Member Only Refund	HUTCHINSON	DESHAYLA	9/29/2023 \$	278.91
Member Only Refund	JOHNSON	BRITTANY	9/29/2023 \$	2,983.59
Member Only Refund	KELLY	NATESHA	9/29/2023 \$	2,305.64
Member Only Refund	LESHOK	MATTHEW	9/29/2023 \$	5,209.25
Member Only Refund	MCHENRY	CHRISTOPHER	9/29/2023 \$	1,286.16
Member Only Refund	MEALEY	ASIA	9/29/2023 \$	893.90
Member Only Refund	MOORE	STACY	9/29/2023 \$	516.98
Member Only Refund	MURPHY	MATTHEW	9/29/2023 \$	4,532.46
Member Only Refund	RUTECKI	DOUGLAS	9/29/2023 \$	2,725.86
Member Only Refund	SARAUER	SCOTT	9/29/2023 \$	5,692.22
Member Only Refund	UKENA	BRYAN	9/29/2023 \$	3,162.64
Member Only Refund	VANG	SHAWNDEE	9/29/2023 \$	2,035.88
Member Only Refund	VEASEY	ALEXIS	9/29/2023 \$	2,499.96
TOTAL \$				384,502.00

V.

MEDICAL REPORTS

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

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Panel Approvals Report	DATE RAN :	10/12/2023
Approved by Executive Director	Pension Board Meeting Date 10/24/2023	TIME RAN :	11:37

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>
1004	RILEY, JILL	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		03/23/2012	

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	Page Number: 1 OF 1
	Medical Council Approvals Report	DATE RAN : 10/05/2023
	Board Meeting: 10/24/2023	TIME RAN : 07:41

<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
ESQUEDA, RUBY	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	01/31/2019	10/04/2023	
FRISKE, VIRGINIA	Urban Forestry Specialist	DPW - FORESTRY	Ordinary Disability	Application	06/12/2023	10/04/2023	
GIFFORD, LINDA	BOILER ATTENDANT	MPS	Ordinary Disability	Re-Examination	04/23/2014	10/04/2023	
GRIMES, SAHAGIAN	SANITATION YARD ATTENDANT	DPW-OPERATIONS	Duty Disability 75%	Re-Examination	01/10/2020	10/04/2023	
KATHREIN, KARA	ID SUPERVISOR	MPD	Ordinary Disability	Re-Examination	08/25/2009	10/04/2023	
KORDUCKI, ANDREW	FIRE FIGHTER	MFD	Duty Disability 75%	Re-Examination	05/25/2018	10/04/2023	
RENDON, TODD	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	01/30/2018	10/04/2023	
ROBINSON, LATICIA	EMERGENCY COMM OPERATOR	MPD	Ordinary Disability	Re-Examination	05/25/2018	10/04/2023	
SCHULZE, MATTHEW	POLICE OFFICER	MPD	Duty Disability 75%	Re-Examination	03/24/2020	10/04/2023	

Number of Cases: 9

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Council Denials Report	DATE RAN :	10/05/2023
	Board Meeting: 10/24/2023	TIME RAN :	07:41

<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>	<u>In Person Exam Waiver</u>
1566	FRISKE, VIRGINIA	Urban Forestry Specialist	DPW - FORESTRY	DD 75%	Application	06/12/2023	10/04/2023	

Number of Cases: 1

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

VI.

UNFINISHED BUSINESS

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



October 24, 2023 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

05/04/23 Optional Joint and Survivor Benefits

Pension Board has requested a legal opinion on whether it has administrative discretion to determine whether to adopt a combined set of actuarial tables applying to both General City and Public Safety employees and separate sets tables for each employment class and further for beneficiaries eligible for cost of living adjustments distinct from those beneficiaries who are not so eligible.

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.

10/12/22 ERS received proposed Second Amendment to extend current banking services agreement with Wells Fargo Bank.

10/25/22 Contract extension approved by Pension Board. City Attorney's Office continues negotiations with Wells Fargo for a new banking services agreement.

03/14/23 Third Amendment to extend current banking services agreement with Wells Fargo received from City Attorney's Office.

03/28/23 Third Amendment (extension) approved by Pension Board.

06/13/23 Received from City Attorney's Office the proposed Fourth Amendment to extend current banking services agreement as negotiations continues with Wells Fargo Bank.

06/21/23 Amendment approved by A&O Committee.

06/27/23 Pension Board approved Fourth Amendment.

09/13/23 Received proposed Fifth Amendment from City Attorney's Office.

09/20/23 Scheduled for A&O Committee consideration.

09/26/23 Pension Board approves Fifth Amendment.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

04/25/23

Real Estate Investment Manager

ERS requests legal assistance in the reviewing of various legal documents and subsequent negotiations as it relates to a private real estate investment.

04/16/23 City Attorney's Office approves referral of this matter to Reinhart Boerner Van Deuren SC.

09/22/23

Abbott Capital Private Equity Investors 2024 Vehicle

Investment staff requests legal assistance in negotiation of the Side Letter and Limited Partnership Agreement.

09/25/23 City Attorney's Office has approved referring this matter to Reinhart Boerner Van Deuren SC to conduct the negotiations of the LPA and Side Letter.



October 24, 2023 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION

CCFN 230362 A charter ordinance relating to the Employees' Retirement System.

06/20/23 Common Council assigns file to F&P Committee.

09/08/23 Substitute ordinance drafted.

09/13/23 Committee recommends passage.

09/19/23 Substitute charter ordinance passed by Common Council.

CCFN 230821 Substitute resolution relating to the City of Milwaukee's enrollment in the Wisconsin Retirement System.

09/19/23 Common Council assigns file to F&P Committee.

09/28/23 Substitute ordinance drafted.

10/04/23 Committee recommends adoption of the substitute ordinance.

10/10/23 Substitute resolution adopted by Common Council.

CCFN 230822 A substitute charter ordinance relating to the City of Milwaukee's enrollment in the Wisconsin Retirement System.

09/19/23 Common Council assigns file to F&P Committee.

09/28/23 Substitute ordinance drafted.

10/04/23 Committee recommends passage.

10/10/23 Substitute ordinance passed by Common Council.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

Pension Contribution Offset

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

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

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

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

PART 4. PENDING STATE LEGISLATION

None.

Employees' Retirement System – Executive Director's Report

October 2023

I. Personnel Update

- A. ERS is working with DER to fill the positions of Benefit Services Coordinator and Investment Analyst- Senior.

II. Member Services

- A. New retirees on payroll in September - 40; 30 are currently anticipated for the October payroll.
- B. Retiree/Employee deaths in August - 47.
- C. ERS will be at the Open Enrollment Fairs that the City has set up to answer any questions related to pension, retiree health insurance, and retiree and active life insurance. ERS will also be having virtual fairs where people can call or email their questions to get the answers that they need immediately.
- D. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	26
Death - Ordinary	98
Disability - Duty	363
Disability - Ordinary	574
Retirement	12,765
Separation	39
Total Annuitants	13,865
Active	11,062
Deferred	3,170
Total Population	28,097

III. Financial Services

- A. A total of 293 unclaimed property letters were mailed out at the end of August and as of October 5th we have received responses from 94 people.
- B. Staff has completed all benefit recalculations due to members as a result of the 5.8% pension offset lawsuit for members receiving disability benefits. We are still waiting for direction from the Court regarding the retro payments.
- C. We have been named as the City's designated agent for WRS enrollment and reporting. We are working through the new employer checklist provided by the Wisconsin Department of Employee Trust Funds and are on track to make the January 1, 2024, deadline to start enrolling new City employees. ERS will cross charge the City for time spent working on enrollment similar to how we bill the City for Group Life and Retiree Health and Dental Benefits.

IV. Information Services

- A. Struts Upgrade and Modernize MERITS Website in progress.
- B. VMware Host Servers Upgrade completed.
- C. Tape Libraries and Tape Media Upgrade completed.
- D. AD Review and Cleanup in progress.
- E. Firewall Review and Cleanup in progress.
- F. Microsoft Office Upgrade in progress.
- G. Domain Controller Upgrade in progress.

V. Administration

- A. On October 12, 2023 the City Clerk filed the following documents with the Wisconsin Department of Revenue and the WRS Employee Trust Fund required by Act 12 to enroll the City as a participating employer in the WRS for all City new hires on or after January 1, 2024 and for the City to receive Sales and Use Tax receipts from the state beginning, effective as of January 1, 2024:
 - 1. Resolution of Inclusion (form ET-1319)
 - 2. Designation of Agent (form ET 1313)
 - 3. A certified copy of Common Council File Number 230357, an ordinance electing to have the City of Milwaukee participate in the Wisconsin Retirement System.
 - 4. A certified copy of Common Council File Number 230821, a resolution designating, by title, the City's agent and alternate agent for the purposes of the Wisconsin Retirement System.

Item # 4 was duly adopted by the Common Council on October 10, 2024 designating ERS Chief Financial Officer, Daniel Gopalan, as the WRS Employer Agent for the City and the ERS Deputy Director, Melody Johnson, as alternate WRS Employer Agent for the purpose of all communication between the WRS and the City, especially monthly payroll wage and service data and employer contribution payments to WRS.
- B. ERS staff initiated discussions with the banking services RFP runner-up firm, U.S. Bank, following continued protracted and unsuccessful negotiations with between the CA's office and counsel for the finalist firm. U.S. Bank provides banking services for both the state of Wisconsin and the City and advises it will incorporate the state records statute language in the agreement with ERS. U.S. Bank. The current banking services contract expires January 26, 2024.

Basic Website Metrics

	2022				2023								
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.
Visits	3,791	5,538	8,511	4,837	5,930	4,981	5,474	5,447	5,137	4,907	5,735	5,601	5,341
Users	2,640	3,979	7,068	3,496	3,947	3,585	3,894	3,859	3,589	3,380	3,663	3,667	3,490
Page Views	9,856	13,918	20,851	11,753	14,873	11,668	12,933	13,201	12,927	12,220	13,694	13,930	12,747
Ave. Visit	1:29	1:12	:52	1:27	1:39	1:27	1:25	1:28	1:33	1:40	1:32	2:24	1:31

- In November 2022, numbers are inflated due to IT Vulnerability Audit.

VII.

INFORMATIONAL

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

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2023 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held September 20, 2023.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.



October 24, 2023 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

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

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

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

- 09/05/23 Appellants' Brief filed. Respondents' Brief due October 5, 2023.
- **10/02/23** Respondents Brief filed with court. Appellants' Reply Brief is due October 17, 2023.

Sandrah Crawford v. City of Milwaukee ERS, et al; Case No. 2022CV007800

Member requests judicial review of Pension Board's denial of duty disability retirement benefits.

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

- **09/20/23** Petition to Dismiss filed.
- **09/21/23** Case dismissed; Order for Dismissal signed and filed with the Court.

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

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

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

- 08/23/23 Status Conference held. Court adjourns case for November 2, 2023 motion hearing.
- **08/17/23** Defendants' Motion to Dismiss filed.
- **10/02/23** Plaintiff's motion to consolidate with Case No. 18-CV-1274 and request to hold Defendants' motion to dismiss filed.
- **11/02/23** Motion hearing scheduled for Defendants' motion to dismiss.

Benjean Lara v. City of Milwaukee, et al; Case No. 2023CV005113

Petitioner filed Petition for Writ of Mandamus demanding that the court enter an order requiring the Respondents process his application for disability benefits in accordance with the Findings issued by the Hearing Examiner.

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

- **10/06/23** Plaintiff's response to Defendants' motion to dismiss filed. Defendants' reply brief due 10/17/2023.
- **11/01/23** Motion hearing scheduled for Defendants' motion to dismiss.

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

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

- 09/20/23 Summons and Petition for Review by Certiorari.
- 09/26/23 ERS served with Pleadings. Legal Representation request to City Attorney's Office.

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

- Hearing stayed pending outcome of Appellant's state workers compensation (WC) appeal hearing. First WC appeal hearing held May 10, 2022. Second WC appeal hearing expected to occur in August or September, 2023.

James Gentry; Administrative Case No. 1522

- Hearing requested. Pending scheduling.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Client Conferences 2023-2024

Board Meeting: October 24, 2023

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 26, 2023 10:00 am – 12:30 pm	2023 October Regional Workshop Chicago, IL	Callan Associates
November 1 – 2, 2023	“Callan College” – Introduction to Investments Atlanta, GA	Callan Associates
November 1 – 2, 2023	The Alternatives Summit New York, NY	Goldman Sachs
November 8 – 9, 2023	BlackRock’s Flagship Institutional Investor Conference New York, NY	BlackRock
November 15 – 18, 2023	BLB&G’s Forum for Institutional Investors New York, NY	BLB&G
December 5 – 6, 2023	Apogem’s 2023 Annual General Meeting Miami, FL	Apogem Capital
April 8 – 10, 2024	Callan’s 2024 National Conference San Francisco, CA	Callan Associates

Trustee Conferences 2023-2024

Board Meeting: October 24, 2023

DATE(S)		
November 14, 2023	Fixed Income & Credit – Reassessing Income and Diversification Chicago, IL	Pensions & Investments
January 21 – 22, 2024	Pension Communications Summit Washington, DC	NCPERS
January 22 – 24, 2024	Legislative Conference Washington, DC	NCPERS
January 22 – 24, 2024	Visions, Insights, & Perspectives (VIP) Americas Carlsbad, CA	Institutional Real Estate, Inc.
March 4 – 6, 2024	CII Spring 2024 Conference Washington, DC	Council of Institutional Investors
April 15 – 17, 2024	Pension Bridge The Annual 2024 Half Moon Bay, CA	with.Intelligence
April 17, 2024	8 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group
April 29 – May 1, 2024	Public Funds Roundtable 2024 Beverly Hills, CA	Institutional Investor
May 5 – 8, 2024	Milken Institute 2024 Global Conference Beverly Hills, CA	Milken Institute
May 14 – 15, 2024	10 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 18 – 19, 2024	NCPERS Accredited Fiduciary (NAF) Program and Trustee Educational Seminar (TEDS) Seattle, WA	NCPERS
May 19 – 22, 2024	Annual Conference & Exhibition (ACE) Seattle, WA	NCPERS

Trustee Conferences 2023-2024

Board Meeting: October 24, 2023

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 16 – 17, 2024	Alternatives Forum - ALTSCHI Chicago, IL	Markets Group
August 18 – 20, 2024	Public Pension Funding Forum Boston, MA	NCPERS
September 9 – 11, 2024	CII Fall 2024 Conference Brooklyn, NY	Council of Institutional Investors
September 25, 2024	10 th Annual Great Plains Institutional Forum Minneapolis, MN	NCPERS
October 26 – 27, 2024	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATs) Palm Springs, CA	NCPERS
October 27 – 30, 2024	Public Safety Conference Palm Springs, CA	NCPERS

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
December 2023 or January 2024	CastleArk (Chicago, IL)	Erich and Tom

Class Action Income 2023 YTD

Asset Description	Date(s)	Amount
Allergan, Inc.	1/11/2023 \$	82
USA Technologies, Inc.	2/13/2023 \$	10,120
JP Morgan Chase Bank	3/23/2023 \$	568
The Bank of New York Mellon	5/12/2023 \$	428
Nine Bank Settlement - Foreign Exchange Benchmark Rates	5/4/2023 \$	6,101
Array Biopharma, Inc.	5/23/2023 \$	2,363
Valeant Pharmaceuticals Int'l Inc.	7/20/2023 \$	59,687
Teva Pharmaceutical	8/1/2023 \$	4,511
GSE Bonds	8/7/2023 \$	25
Total Class Action Income Received in 2023 YTD	\$	83,884

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

Minutes of the Administration and Operations Committee Meeting
held September 20, 2023 via teleconference

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

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

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

Others Present: Ray Emry, Dan Ludwig, CliftonLarsonAllen (CLA); Christine Webb, Ryan Young, Hays Companies; Timothy Heling, ERS Board Trustee; Alex Foundos, Travis Gresham, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., three members of the public called in to the meeting.

CliftonLarsonAllen (CLA) Audit Reports. As a matter of information, Committee members received the Internal Audit Update, Investment Management Process Audit, and the Enrollment and Member Services Audit reports from CliftonLarsonAllen. Mr. Emry discussed the completed two audit reports and stated the remaining six audits are in varying degrees of progress. He said everything would be completed on time and on budget. Mr. Ludwig noted the team has completed approximately 50% of the remaining audits. Discussion ensued. Mr. Ludwig then discussed the processes for the Investment Management Process Audit, and the Enrollment and Member Services Audit.

Ms. Sawa advised that the Administration & Operations Committee may vote to convene in closed session on the following items 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 Administration & Operations Committee may then vote to reconvene in open session following the closed session.

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

The Committee convened in closed session at 9:29 a.m.

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

Approval of Extension of Wells Fargo Contract Pending Further Negotiations. It was moved by Mr. Klusman, seconded by Ms. King, and unanimously carried, to approve the Approval of Extension of Wells Fargo Contract Pending Further Negotiations.

Approval of CliftonLarsonAllen (CLA) Contract. It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Approval of CliftonLarsonAllen (CLA) Contract.

At this point, the Chair took the meeting out of order.

State Legislative Audit Bureau Engagement. Mr. Allen discussed the status of the RFP for the financial audit services agreement. He noted CMERS met yesterday with the director of the state Legislative Audit Bureau and his team. Mr. Allen noted Eide Bailly, a finalist for the financial audit in 2024, has declined to contract for a financial audit engagement with ERS due to the 2023 Wisconsin Act 12 requirement that the state Legislative Audit Bureau conduct the audit. He said Eide Bailly did not want to duplicate the work of the state audit bureau. Mr. Allen said duplicating an audit would not add any value and not be an appropriate use of trust funds. He said in March 2024, the state audit bureau would begin its field work for the ERS audit. Mr. Allen said they provided the state audit bureau with a sample schedule of the sort used for prior audits. The state audit bureau said they would have the audit completed by the Chapter 36 August 15, 2024 deadline. Discussion ensued.

The Chair resumed the meeting to the order of the agenda.

Renewal of Fiduciary and Cyber Insurance. As a matter of information, Committee members received the Fiduciary Liability booklet from Ms. Webb and Mr. Young of the Hays Companies. Ms. Webb reminded the Committee they have been the ERS' broker since 2009 for the fiduciary liability program, and later, the cyber liability program. He noted the insurance is to protect the Trustees of the Board. Mr. Young stated they had approached the incumbent carriers. He said the ERS has \$50 million of fiduciary liability coverage, which is comprised of five different layers. He stated they negotiated a 3% increase with Hudson, the primary layer and the following carriers followed suit with 3% or less. He said the new amount is \$341,491 for a 2.9% increase over the current cost of coverage. Ms. Webb said the renewal rate for cyber is expected to be around \$170,000 and the numbers will be known in the next few days. She expected the deductible to be around \$100,000.

It was moved by Ms. King, seconded by Mr. Klusman, and unanimously carried, to approve the Renewal of Fiduciary Insurance, but not the Cyber Insurance, pending receipt of a quote.

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

Organizational/Personnel Update. As a matter of information, Committee members received the Organizational/Personnel Update. Ms. Johnson stated the ERS is currently working with DER to internally fill the Benefit Services Coordinator position. She said the previous incumbent was promoted to the Management Accountant – Sr. position.

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

Ms. Sawa 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.)

Fiscal Year
2023
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2023-10-31

	Budget	2023-7	2023-8	2023-9	2023-10	Year to Date Expended	Life to Date Commitments	Remaining Budget
Regular Departmental Appropriations:								
Employee Salaries & Wages	3,749,620.00	-	-	-	-	-	-	3,749,620.00
Base Pay-Salary & Wage	-	268,469.72	282,274.41	292,106.85	-	2,637,883.83	-	(2,637,883.83)
Overtime Premium	-	500.67	68.94	63.48	-	1,781.66	-	(1,781.66)
Other Worked Compensation	-	-	-	2,659.14	-	2,942.52	-	(2,942.52)
Non-Worked Compensation	-	-	-	-	-	8,796.45	-	(8,796.45)
Time Paid Not Worked	-	61,601.37	48,061.35	39,100.42	-	524,569.55	-	(524,569.55)
Employee Salaries & Wages	\$ 3,749,620.00	330,571.76	330,404.70	333,929.89	-	\$ 3,175,974.01	\$ -	\$ 573,645.99
Fringe Benefits Applied	1,687,329.00	-	-	-	-	-	-	1,687,329.00
Fringe Benefits Applied	-	136,704.80	143,734.13	148,740.82	-	1,343,210.52	-	(1,343,210.52)
Applied Employee Benefits	\$ 1,687,329.00	136,704.80	143,734.13	148,740.82	-	\$ 1,343,210.52	\$ -	\$ 344,118.48
Operating Expenditures	15,910,400.00	-	-	-	-	-	-	15,910,400.00
Office Supplies	-	279.70	545.65	558.70	415.52	7,213.97	-	(7,213.97)
Printed Forms	-	-	-	-	-	13,246.08	-	(13,246.08)
Magazines, Subscription	-	255.37	38.71	2,246.27	227.65	5,578.32	-	(5,578.32)
Postal and Mailing Services	-	11,573.18	11,773.30	11,287.91	210.05	108,089.98	-	(108,089.98)
Electricity	-	2,156.37	2,357.41	2,186.02	-	21,715.80	-	(21,715.80)
Films & Other Educational Item	-	-	-	-	-	998.00	-	(998.00)
Other Operating Supply	-	35,474.70	-	-	-	56,529.30	-	(56,529.30)
Building Rental	-	38,308.16	37,159.03	35,289.40	-	376,935.87	-	(376,935.87)
Passenger Vehicle Rental	-	-	-	-	-	23.50	-	(23.50)
Printing & Dupl Machine Rental	-	227.83	4,176.95	693.65	-	18,390.03	-	(18,390.03)
Consulting	-	60,195.00	47,585.00	-	40,035.00	376,561.55	-	(376,561.55)
Medical, Surgical & Lab	-	35,585.46	13,312.85	18,689.46	-	128,059.63	-	(128,059.63)
Administrative Charges	-	37,476.89	70,263.96	98,186.20	28,980.28	586,658.54	-	(586,658.54)
Other Professional Services	-	617,607.98	1,015,748.45	391,296.62	-	4,090,722.46	-	(4,090,722.46)
Systems Support	-	54,403.00	43,519.00	62,367.50	-	421,353.00	-	(421,353.00)
IT Infrastructure	-	7,762.50	-	5,562.00	-	103,228.16	-	(103,228.16)
Infrastructure	-	556.29	541.48	594.20	-	8,996.17	-	(8,996.17)
Telephone, Communications	-	3,516.43	3,931.01	5,585.83	3,904.25	60,111.51	-	(60,111.51)
Bldgs-Machinery & Equip Repair	-	41,145.82	422.00	-	-	45,777.11	-	(45,777.11)
Travel & Subsistence	-	4,941.24	1,950.92	3,141.33	253.50	29,138.86	-	(29,138.86)
Equipment Repair (Parts & Labo	-	-	-	-	-	402.29	-	(402.29)
Printing Services	-	7,899.95	1,967.01	-	604.43	14,132.10	-	(14,132.10)
Insurance-Non Health	-	-	-	-	-	13,800.00	-	(13,800.00)
Other Misc Services	-	267.27	1,986.67	867.87	-	20,634.91	-	(20,634.91)
Operating Expenditures	\$ 15,910,400.00	959,633.14	1,257,279.40	638,552.96	74,630.68	\$ 6,508,297.14	\$ -	\$ 9,402,102.86
All Equipment	2,036,000.00	-	-	-	-	-	-	2,036,000.00
Computer Server & Components	-	-	-	-	-	6,328.76	-	(6,328.76)
Total Equipment	\$ 2,036,000.00	-	-	-	-	\$ 6,328.76	\$ -	\$ 2,029,671.24
Total Regular Class	\$ 23,383,349.00	1,426,909.70	1,731,418.23	1,121,223.67	74,630.68	\$ 11,033,810.43	\$ -	\$ 12,349,538.57
Other Departmental Appropriations:								
Pot Pension Lump-Sum Sup Cont	10,000.00	-	-	-	-	10,000.00	-	-
PABF Payroll	24,000.00	1,312.07	989.28	-	988.53	14,293.01	-	9,706.99
Group Life Insurance Premium	4,200,000.00	330,498.65	325,159.04	320,317.90	-	2,964,612.37	-	1,235,387.63
Retiree's Benefit Adjustment	25,000.00	1,881.12	329.15	1,839.49	-	13,793.31	-	11,206.69
Other Classes	\$ 4,259,000.00	333,691.84	326,477.47	322,157.39	988.53	\$ 3,002,698.69	\$ -	\$ 1,256,301.31
Total Dept Appropriations	\$ 27,642,349.00	1,760,601.54	2,057,895.70	1,443,381.06	75,619.21	\$ 14,036,509.12	\$ -	\$ 13,605,839.88

Monthly Board Report

30-Sep-23

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	54,172,917.50 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	54,172,917.50 0.98%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	174,293,906.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	174,293,906.80 3.14%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	591,766.63 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	591,766.63 0.01%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	3,011.24 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	3,011.24 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	149,255,020.20 100.62%	0.00 0.00%	0.00 0.00%	-924,449.97 -0.62%	148,330,570.20 2.67%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	2,679,044.04 2.96%	87,843,601.31 97.04%	0.00 0.00%	0.00 0.00%	0.00 0.00%	90,522,645.35 1.63%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	291,904,991.70 100.00%	0.00 0.00%	291,904,991.70 5.26%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	159,800,243.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	159,800,243.20 2.88%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	28,322,695.05 34.07%	0.00 0.00%	58,693,481.98 70.61%	0.00 0.00%	-3,894,970.11 -4.69%	83,121,206.92 1.50%
MILWAUKEE-CASTLEARK 2697782	0.00 0.00%	1,197,012.59 1.65%	71,484,251.61 98.66%	0.00 0.00%	0.00 0.00%	-228,477.37 -0.32%	72,452,786.83 1.31%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	176,041,133.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	176,041,133.60 3.17%
MILWAUKEE-LOOMIS SAYLE CME01	10,224,613.37 2.41%	0.00 0.00%	3,976,929.93 0.94%	415,250,958.90 97.95%	0.00 0.00%	-5,508,057.59 -1.30%	423,944,444.60 7.64%
MILWAUKEE-BRANDES INT'L EQUITY CME03	5,835,851.33 2.01%	0.00 0.00%	282,748,307.40 97.24%	0.00 0.00%	1,915,667.08 0.66%	260,637.10 0.09%	290,760,463.00 5.24%
MILWAUKEE-REAMS CME04	152,226,646.50 22.44%	0.00 0.00%	0.00 0.00%	769,661,339.90 113.44%	10,157,676.81 1.50%	-253,560,014.90 -37.37%	678,485,648.40 12.22%
MILWAUKEE-BLAIR CME05	3,798,933.39 1.92%	0.00 0.00%	193,469,546.00 97.84%	0.00 0.00%	924,097.33 0.47%	-450,501.09 -0.23%	197,742,075.70 3.56%

Monthly Board Report

30-Sep-23

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-MFS	1,883,346.00	0.00	175,001,187.00	0.00	415,947.70	0.00	177,300,480.70
CME12	1.06%	0.00%	98.70%	0.00%	0.23%	0.00%	3.19%
MILWAUKEE-POLN	0.00	1,420,917.20	103,956,291.00	0.00	0.00	0.00	105,377,208.20
2644553	0.00%	1.35%	98.65%	0.00%	0.00%	0.00%	1.90%
MILWAUKEE - PRINCIPAL DRA -SL	0.00	0.00	163,954,285.90	0.00	0.00	0.00	163,954,285.90
2677436	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.95%
MILWAUKEE-BLACKROCK GLOBAL-SL	0.00	0.00	224,167,522.80	0.00	0.00	0.00	224,167,522.80
2683493	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	4.04%
MILWAUKEE - APEF X / 4416352	0.00	0.00	0.00	0.00	8,359,862.00	0.00	8,359,862.00
4416352	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.15%
MILWAUKEE - ABBOTT 2023 / 4416356	0.00	0.00	0.00	0.00	1,950,000.00	0.00	1,950,000.00
4416356	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.04%
MILWAUKEE- AQR-SL	0.00	0.00	96,602,426.00	0.00	0.00	0.00	96,602,426.00
4468331	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	1.74%
MILWAUKEE-APTITUDE / 4479682	0.00	0.00	0.00	0.00	167,496,699.40	0.00	167,496,699.40
4479682	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	3.02%
MILWAUKEE - DFA US LCV	511,683.76	0.00	126,506,859.00	0.00	0.00	-72,573.22	126,945,969.50
CME15	0.40%	0.00%	99.65%	0.00%	0.00%	-0.06%	2.29%
MILWAUKEE - BLACKROCK US G-SL	0.00	0.00	0.00	385,825,084.50	0.00	0.00	385,825,084.50
MULTIPLE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	6.95%
MILWAUKEE-PRIVATE EQUITY	0.00	0.00	0.00	0.00	756,492,590.00	0.00	756,492,590.00
MULTIPLE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	13.63%
MILWAUKEE-REAL ESTATE	0.00	0.00	0.00	0.00	493,814,542.23	0.00	493,814,542.23
MULTIPLE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	8.90%

Monthly Board Report

30-Sep-23

Account number COMALL

CITY OF MILW ALL ACCTS

Page 3 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
Total for consolidation	174,481,074.35	88,387,364.25	2,189,101,511.75	1,629,430,865.28	1,733,432,074.25	-264,378,407.15	5,550,454,482.90
% for consolidation	3.14%	1.59%	39.44%	29.36%	31.23%	-4.76%	100.00%

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

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Employees' Retirement System
Securities Lending Income and Expenses: 2023
As of September 30, 2023

Date	Amounts Expended			Balance
	Income From Lending	Fees	Administrative Transfers	
Balance 12-31-22				\$791,432.47
Quarter 1 Totals	\$207,243.48	\$40,423.69	\$792,000.00	166,252.26
Quarter 2 Totals	\$246,329.07	\$48,650.00	\$0.00	363,931.33
07/06/23	\$1,390.12	\$0.00	\$0.00	365,321.45
07/17/23	\$106,530.73	\$21,297.40	\$0.00	450,554.78
08/03/23	\$1,779.64	\$0.00	\$0.00	452,334.42
08/15/23	\$84,408.49	\$16,874.42	\$0.00	519,868.49
09/06/23	\$2,222.99	\$0.00	\$0.00	522,091.48
09/15/23	\$84,161.20	\$16,825.16	\$0.00	589,427.52
Current Totals	\$734,065.72	\$144,070.67	\$792,000.00	\$589,427.52

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

MERS PERFORMANCE ESTIMATES
September 30, 2023

Account	2022 Return	1st Quarter 2023	2nd Quarter 2023	Jul 2023	Aug 2023	Sep 2023	3rd Quarter 2023	YTD Thru 9/30/23
Northern Trust S&P 500 Index	-18.10%	7.50%	8.75%	3.21%	-1.58%	-4.77%	-3.26%	13.09%
S&P 500	-18.11%	7.50%	8.74%	3.21%	-1.59%	-4.77%	-3.27%	13.07%
Difference	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.02%
BlackRock Russell 1000 Value Index	-7.54%	1.02%	4.09%	3.52%	-2.70%	-3.86%	-3.16%	1.83%
Russell 1000 Value	-7.54%	1.01%	4.07%	3.52%	-2.70%	-3.86%	-3.16%	1.79%
Difference	0.00%	0.02%	0.01%	0.01%	0.00%	0.00%	0.00%	0.04%
DFA US Large Cap Value	-4.95%	1.13%	3.42%	4.24%	-2.80%	-2.73%	-1.45%	3.07%
Russell 1000 Value	-7.54%	1.01%	4.07%	3.52%	-2.70%	-3.86%	-3.16%	1.79%
Difference	2.59%	0.12%	-0.66%	0.73%	-0.10%	1.12%	1.72%	1.28%
Polen	-37.54%	14.15%	9.75%	4.70%	-1.34%	-6.35%	-3.27%	21.18%
S&P 500	-18.11%	7.50%	8.74%	3.21%	-1.59%	-4.77%	-3.27%	13.07%
Difference	-19.43%	6.65%	1.00%	1.49%	0.25%	-1.59%	0.01%	8.11%
Earnest	-15.13%	4.69%	4.11%	3.08%	-2.45%	-4.88%	-4.35%	4.24%
Russell MidCap	-17.32%	4.06%	4.76%	3.97%	-3.47%	-5.02%	-4.68%	3.91%
Difference	2.18%	0.63%	-0.65%	-0.89%	1.02%	0.15%	0.33%	0.33%
CastleArk	-27.99%	5.14%	5.35%	1.90%	-4.60%	-6.23%	-8.85%	0.96%
Russell 2000 Growth	-26.36%	6.07%	7.05%	4.68%	-5.21%	-6.60%	-7.32%	5.24%
Difference	-1.63%	-0.94%	-1.70%	-2.78%	0.60%	0.36%	-1.53%	-4.28%
DFA US Small Cap Value	-1.67%	0.83%	4.61%	7.75%	-3.01%	-4.27%	0.04%	5.52%
Russell 2000 Value	-14.48%	-0.66%	3.18%	7.55%	-4.81%	-5.21%	-2.96%	-0.53%
Difference	12.81%	1.49%	1.43%	0.20%	1.80%	0.93%	3.00%	6.05%
Brandes	-6.88%	11.24%	4.87%	5.15%	-0.83%	-2.37%	1.81%	18.77%
MSCI EAFE	-14.45%	8.47%	2.95%	3.24%	-3.83%	-3.42%	-4.11%	7.08%
Difference	7.57%	2.78%	1.92%	1.91%	3.00%	1.05%	5.92%	11.69%
William Blair	-28.99%	8.58%	3.18%	1.48%	-4.58%	-5.26%	-8.26%	2.78%
MSCI ACWI ex US	-15.57%	7.00%	2.67%	4.10%	-4.50%	-3.11%	-3.68%	5.82%
Difference	-13.42%	1.58%	0.51%	-2.62%	-0.08%	-2.14%	-4.58%	-3.04%
DFA Int'l Small Cap Value	-9.75%	6.53%	0.87%	5.63%	-2.76%	-2.57%	0.07%	7.53%
MSCI EAFE Small Cap	-21.39%	4.92%	0.58%	4.43%	-3.33%	-4.42%	-3.51%	1.82%
Difference	11.64%	1.61%	0.30%	1.19%	0.57%	1.85%	3.58%	5.71%
AQR	-20.81%	5.87%	1.85%	6.46%	-5.90%	-0.94%	-0.77%	7.00%
MSCI EM	-20.09%	3.96%	0.90%	6.23%	-6.16%	-2.62%	-2.93%	1.82%
Difference	-0.72%	1.92%	0.95%	0.24%	0.26%	1.67%	2.16%	5.18%
BlackRock Global Alpha Tilts	-16.81%	7.56%	6.09%	3.71%	-2.73%	-3.90%	-3.06%	10.63%
MSCI EAFE	-18.36%	7.31%	6.18%	3.66%	-2.79%	-4.14%	-3.40%	10.06%
Difference	1.55%	0.26%	-0.09%	0.05%	0.06%	0.24%	0.35%	0.57%
MFS	-18.15%	8.46%	6.23%	2.24%	-2.04%	-5.51%	-5.37%	9.03%
MSCI ACWI	-18.36%	7.31%	6.18%	3.66%	-2.79%	-4.14%	-3.40%	10.06%
Difference	0.22%	1.16%	0.05%	-1.42%	0.75%	-1.38%	-1.97%	-1.03%
BlackRock Gov't Bond Index	-12.31%	3.19%	-1.36%	-0.34%	-0.49%	-2.16%	-2.98%	-1.24%
Bloomberg Gov't Bond	-12.32%	2.98%	-1.35%	-0.34%	-0.50%	-2.17%	-2.99%	-1.45%
Difference	0.01%	0.21%	-0.01%	0.00%	0.01%	0.00%	0.01%	0.21%
Reams	-11.39%	4.03%	-0.58%	0.01%	-0.81%	-3.04%	-3.81%	-0.52%
Bloomberg US Aggregate	-13.01%	2.96%	-0.84%	-0.07%	-0.64%	-2.54%	-3.23%	-1.21%
Difference	1.62%	1.07%	0.26%	0.08%	-0.17%	-0.50%	-0.58%	0.69%
Loomis Sayles	-12.21%	3.28%	-0.23%	0.65%	-0.49%	-2.35%	-2.20%	0.78%
Bloomberg US Aggregate	-13.01%	2.96%	-0.84%	-0.07%	-0.64%	-2.54%	-3.23%	-1.21%
Difference	0.80%	0.32%	0.62%	0.72%	0.15%	0.19%	1.03%	1.99%
UBS	8.91%	0.93%	0.96%	0.51%	0.77%	0.49%	1.77%	3.70%
SOFR + 4%	4.90%	2.08%	2.18%	0.74%	0.75%	0.72%	2.23%	6.63%
Difference	4.01%	-1.15%	-1.22%	-0.23%	0.02%	-0.24%	-0.46%	-2.93%
Aptitude		0.18%	1.15%	0.40%	0.88%	0.47%	1.75%	3.12%
SOFR + 4%		2.08%	2.18%	0.74%	0.75%	0.72%	2.23%	6.63%
Difference		-1.90%	-1.03%	-0.34%	0.13%	-0.26%	-0.47%	-3.51%
Principal	-5.88%	1.28%	-0.82%	2.70%	-2.99%	-3.61%	-3.97%	-3.54%
Blended Benchmark	-5.06%	1.11%	-1.20%	3.64%	-3.03%	-3.40%	-2.91%	-3.01%
Difference	-0.82%	0.17%	0.38%	-0.94%	0.04%	-0.21%	-1.06%	-0.53%
Baird	-1.80%	1.32%	0.47%	0.53%	0.42%	0.16%	1.12%	2.94%
Bloomberg Govt/Credit 1-3 Year	-3.69%	1.51%	-0.37%	0.42%	0.35%	-0.05%	0.73%	1.87%
Difference	1.89%	-0.19%	0.85%	0.11%	0.07%	0.20%	0.39%	1.07%
Total MERS	-6.49%	3.33%	2.16%	1.65%	-1.27%	-2.09%	-1.75%	3.71%

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

The returns shown are gross of fees (except Total MERS, DFA International Small Cap Value, William Blair International Growth, AQR, Principal, UBS, and Aptitude)

ACTUAL ALLOCATIONS

September 30, 2023

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 174,293,907	3.19%
	BlackRock (Russell 1000 Value)	3.45%	\$ 176,041,134	3.22%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 350,335,040	6.40%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 105,377,208	1.93%
	DFA (Russell 1000 Value)	2.46%	\$ 126,945,970	2.32%
	Sub-Total Active Large Cap Equity	4.40%	\$ 232,323,178	4.25%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	1.77%	\$ 90,522,645	1.65%
	CastleArk (Russell 2000 Growth)	1.42%	\$ 72,452,787	1.32%
	DFA (Russell 2000 Value)	3.05%	\$ 159,800,243	2.92%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 322,775,675	5.90%
Total Domestic		17.55%	\$ 905,433,894	16.55%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 290,760,463	5.31%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 197,742,076	3.61%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 148,330,570	2.71%
	AQR (MSCI EM)	1.76%	\$ 96,602,426	1.77%
Total International		13.65%	\$ 733,435,535	13.41%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 224,167,523	4.10%
	MFS (MSCI ACWI)	3.51%	\$ 177,300,481	3.24%
Total Global		7.80%	\$ 401,468,004	7.34%
Total Public Equity		39.00%	\$ 2,040,337,432	37.30%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 319,656,559	5.84%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 292,354,895	5.34%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 59,567,133	1.09%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 96,746,032	1.77%
Total Private Equity		12.00%	\$ 768,324,619	14.04%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 2,808,662,051	51.34%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 54,767,695	1.00%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 385,825,084	7.05%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 678,487,609	12.40%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 423,945,301	7.75%
	Sub-Total Active Fixed Income	20.78%	\$ 1,102,432,909	20.15%
Total Fixed Income		29.00%	\$ 1,543,025,689	28.21%
Absolute Return				
	Aptitude (SOFR + 4%)	3.00%	\$ 168,282,969	3.08%
	UBS (SOFR + 4%)	4.00%	\$ 293,325,110	5.36%
Total Absolute Return		7.00%	\$ 461,608,079	8.44%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 2,004,633,768	36.64%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 129,772,931	2.37%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 149,625,395	2.74%
	LaSalle (NFI-ODCE)	2.30%	\$ 114,635,940	2.10%
	Prologis (NFI-ODCE)	1.30%	\$ 88,322,143	1.61%
	New Core Fund (NFI-ODCE)	0.90%	\$ -	0.00%
	Sub-Total Private Real Estate - Core	9.70%	\$ 482,356,409	8.82%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 11,003,300	0.20%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 163,954,286	3.00%
TOTAL REAL ASSETS		13.00%	\$ 657,313,995	12.02%
TOTAL ERS			\$ 5,470,609,814	100.00%
Total City Reserve Fund	R. W. Baird		83,121,207	

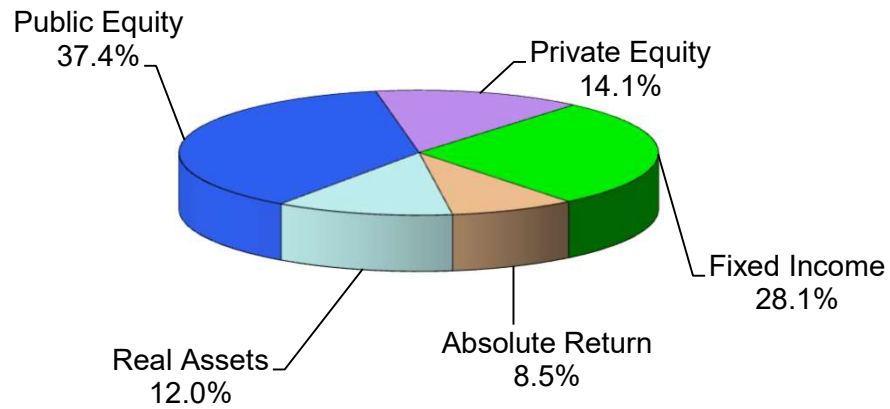
PROJECTED TARGET ALLOCATIONS

Oct 16, 2023

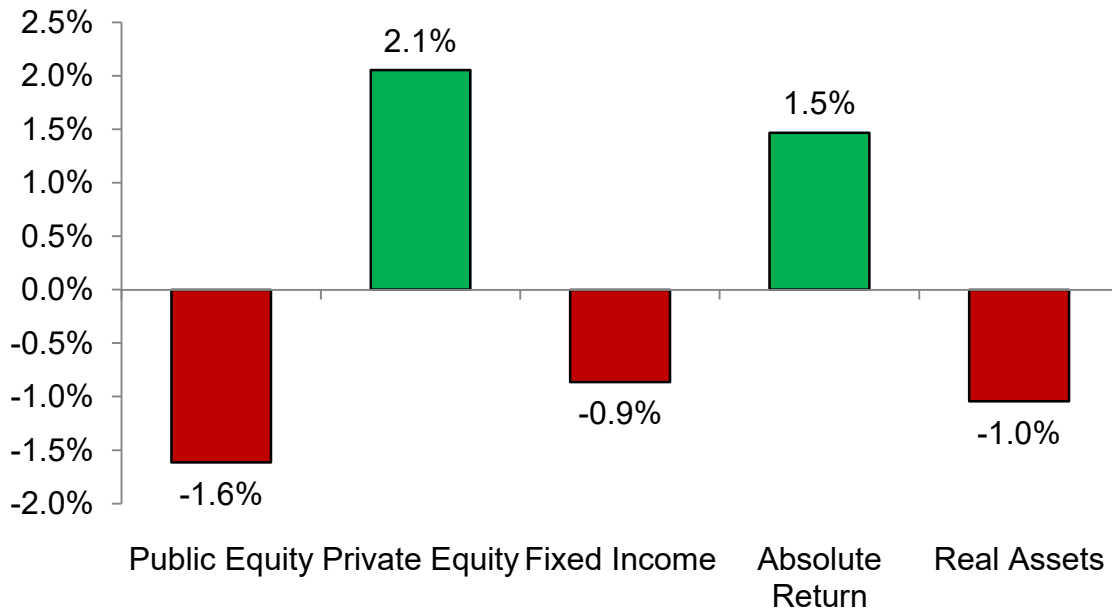
		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 177,883,629	3.26%
	BlackRock (Russell 1000 Value)	3.45%	\$ 176,017,162	3.23%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 353,900,792	6.49%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 107,156,433	1.97%
	DFA (Russell 1000 Value)	2.46%	\$ 126,744,533	2.32%
	Sub-Total Active Large Cap Equity	4.40%	\$ 233,900,966	4.29%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	1.77%	\$ 90,958,673	1.67%
	CastleArk (Russell 2000 Growth)	1.42%	\$ 71,093,730	1.30%
	DFA (Russell 2000 Value)	3.05%	\$ 157,560,568	2.89%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 319,612,971	5.86%
Total Domestic		17.55%	\$ 907,414,728	16.64%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 287,291,056	5.27%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 196,104,218	3.60%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 146,158,052	2.68%
	AQR (MSCI EM)	1.76%	\$ 95,966,662	1.76%
Total International		13.65%	\$ 725,519,988	13.31%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 227,240,244	4.17%
	MFS (MSCI ACWI)	3.51%	\$ 178,120,165	3.27%
Total Global		7.80%	\$ 405,360,409	7.43%
Total Public Equity		39.00%	\$ 2,038,295,125	37.39%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 320,341,559	5.88%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 292,354,895	5.36%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 57,542,698	1.06%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 96,012,805	1.76%
Total Private Equity		12.00%	\$ 766,251,957	14.05%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 2,804,547,082	51.44%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash				
		1.00%	\$ 58,323,008	1.07%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 383,794,061	7.04%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 671,933,205	12.32%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 420,060,572	7.70%
	Sub-Total Active Fixed Income	20.78%	\$ 1,091,993,777	20.03%
Total Fixed Income		29.00%	\$ 1,534,110,846	28.14%
Absolute Return				
	Aptitude (SOFR + 4%)	3.00%	\$ 168,282,969	3.09%
	UBS (SOFR + 4%)	4.00%	\$ 293,325,110	5.38%
Total Absolute Return		7.00%	\$ 461,608,079	8.47%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 1,995,718,925	36.60%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 129,772,931	2.38%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 149,625,395	2.74%
	LaSalle (NFI-ODCE)	2.30%	\$ 111,558,937	2.05%
	Prologis (NFI-ODCE)	1.30%	\$ 86,207,515	1.58%
	New Core Fund (NFI-ODCE)	0.90%	\$ -	0.00%
	Sub-Total Private Real Estate - Core	9.70%	\$ 477,164,778	8.75%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 10,915,868	0.20%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 163,826,297	3.00%
TOTAL REAL ASSETS		13.00%	\$ 651,906,942	11.96%
TOTAL ERS			\$ 5,452,172,949	100.00%
Total City Reserve Fund		R. W. Baird	83,249,128	

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Current Policy Benchmark



YTD Market Value Change

December 31, 2022 Market Value including City Reserve & PABF Accounts			\$ 5,550,112,010
Monthly Cash Outflows thru	<u>October 16, 2023</u>		
Retiree Payroll Expense		\$ (345,305,183)	
PABF Payroll Expense		\$ (22,732)	
Expenses Paid		\$ (13,362,055)	
GPS Benefit Payments		\$ (6,738,406)	
Sub-Total Monthly Cash Outflows			\$ (365,428,376)
Monthly Cash Inflows thru	<u>October 16, 2023</u>		
Contributions		\$ 153,827,639	
PABF Contribution		\$ 24,725	
Sub-Total Monthly Contributions			\$ 153,852,365
Capital Market Gain/(Loss)			<u>\$ 196,886,079</u>
Value including City Reserve & PABF Accounts as of	<u>October 16, 2023</u>		<u>\$ 5,535,422,077</u>
Less City Reserve Account ¹			\$ 83,249,128
Less PABF Fund ²			\$ 3,018
Net Projected ERS Fund Value as of	<u>October 16, 2023</u>		<u><u>\$ 5,452,169,931</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.

2023 ESTIMATED MONTHLY CASH FLOWS

Revised 10/17/2023

(in 000's)

	<u>12/31/2022</u>	<u>1/31/2023</u>	<u>2/29/2023</u>	<u>3/31/2023</u>	<u>4/30/2023</u>	<u>5/31/2023</u>	<u>6/30/2023</u>	<u>7/31/2023</u>	<u>8/31/2023</u>	<u>9/30/2023</u>	<u>10/31/2023</u>	<u>11/30/2023</u>
<u>Beginning Cash Account Balance</u>												
Townsend Cash Account	5,435	-	-	-	-	-	-	-	-	-	-	-
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-
Milwaukee Cash Account	17,447	80,926	44,668	55,372	44,788	51,099	26,178	91,206	40,998	53,916		
Total Cash Available	22,883	80,926	44,668	55,372	44,788	51,099	26,178	91,206	40,998	53,916		
Less: Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500		
Cash Available for Other Outflows	(16,617)	41,426	5,168	15,872	5,288	11,599	(13,322)	51,706	1,498	14,416		
<u>For Monthly Cash Outflows of:</u>												
Retiree Payroll Expense	(39,141)	(39,561)	(39,102)	(38,290)	(39,016)	(38,553)	(39,619)	(39,285)	(39,477)	(40,019)	(40,116)	(40,214)
Normal Retirement Payroll	(38,011)	(38,140)	(38,215)	(38,049)	(38,308)	(38,271)	(38,890)	(38,598)	(38,823)	(38,920)	(39,017)	(39,115)
Retiree Lump Sum Payments	(1,130)	(1,421)	(886)	(241)	(708)	(283)	(729)	(687)	(654)	(1,099)	(1,099)	(1,099)
Real Estate Capital Calls	-	-	-	(43)	-	-	-	-	-	-	-	(43)
Private Equity Capital Calls	(826)	(1,620)	(11,248)	(3,017)	(13,730)	(25,576)	(300)	(2,244)	(9,632)	(794)	-	(68,986)
Expenses Paid through City	(1,949)	(1,554)	(1,410)	(566)	(2,112)	(835)	(1,588)	(2,526)	(822)	(1,031)	(1,949)	(1,949)
PABF Payroll	(2)	(12)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Sub-Total Monthly Cash Outflows	(41,917)	(42,747)	(51,761)	(41,917)	(54,859)	(64,965)	(41,508)	(44,056)	(49,932)	(41,845)	(42,066)	(42,164)
<u>For Monthly Cash Inflows:</u>												
Sponsoring Agency and Employee Contribution	2,514	2,483	3,470	2,779	2,530	2,438	2,263	3,242	2,847	2,854	2,861	2,868
Real Estate Distributions	2,400	42	11,651	345	251	3,330	0	-	248	86	-	-
Private Equity Distributions	235	3,647	9,453	2,389	3,376	11,468	314	7,456	10,616	2,758	-	-
Miscellaneous Income	164	315	277	218	213	269	296	213	238	257	80	80
Security Lending Transfer	792	-	-	-	-	-	-	-	-	-	-	-
City and Agency Required Contribution	101,853	-	-	-	-	-	19,560	5,217	1,319	-	-	-
PABF Inflow	2	2	14	1	-	-	2	1	1	1	1	1
Sub-Total Monthly Cash Inflows	107,961	6,489	24,865	5,733	6,370	17,506	22,437	16,129	15,269	5,956	2,942	2,949
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	66,043	(36,258)	(26,896)	(36,184)	(48,489)	(47,460)	(19,071)	(27,927)	(34,663)	(35,890)	(39,124)	(39,215)
Net Monthly Cash Surplus (Need)	49,426	5,168	(21,728)	(20,312)	(43,201)	(35,860)	(32,394)	23,779	(33,165)	(21,474)	(39,124)	(39,215)
<u>Monthly Cash Withdrawals (Additions)</u>												
AQR												
BlackRock Global Alpha Tilts				9,900		39,600	11,500	5,300				
BlackRock Russell 1000 Value Index					3,000	17,600	9,000	6,300				
BlackRock US Government Bond Index				(50,000)	(44,000)	(15,000)	(59,000)	(8,000)				
Brandes			12,500	12,900	14,300	20,800	19,800	14,500	14,100			
CastleArk						5,300	4,500	1,400				
Dimensional Fund Advisors US Large Cap					4,500	9,100	5,000	6,500	4,800			
Dimensional Fund Advisors International				6,800	7,500	19,700	7,600	5,500				
Dimensional Fund Advisors US Small Cap						11,700	10,500	8,200	6,000			
Earnest						6,700	6,400	3,500	3,400			
Loomis Sayles			5,100			(35,000)	(41,000)	(18,000)				
MFS	(36,000)			8,200	8,900	13,300	12,800	9,100	6,800			
Northern Trust S&P 500 Index				6,000	15,600	22,100	8,900	4,000	3,200			
Polen			4,000	4,600	5,000	7,700	7,500	5,500	5,300			
Principal												
Reams			7,000	(47,000)		(94,000)		(66,000)				
UBS A&Q	28,000			75,000	20,000		50,000		20,000			
Goldman/Aptitude						(6,262)						
William Blair			9,000	9,100	10,100	14,800	13,500	5,400				
Sub-Total Monthly Cash Withdrawals	(8,000)	-	37,600	35,500	44,900	38,138	67,000	(16,800)	43,600			
<u>Estimated Month-End Cash Balance</u>												
Cash Available	41,426	5,168	15,872	15,188	1,699	2,278	34,606	6,979	10,435	(1,474)		
Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500		
Total Cash Estimated on Hand For Next Month	80,926	44,668	55,372	54,688	41,199	41,778	74,106	46,479	49,935	38,026		