

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, JUNE 24, 2025 – 9:30 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 May 27, 2025.
- II. Chief Investment Officer Report.
- III. Investment Committee Report.
- IV. Administration & Operations Committee Report.
 - A. Approval of CliftonLarsonAllen (CLA) Contract.
 - B. Approval of DS Consulting Contract.
- V. Legislative Committee Report.
 - A. Approval of Proposed Amendment to Board Rule II.B.2.
- VI. New Business.
 - A. Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald and Acceptance of 2025 Actuarial Valuation Report and Consider Approval of Updated Funding Policy Reports.
 - B. Retirements, Death Claims, and Refunds (May).
 - C. Conference Requests – June 24, 2025 Board Meeting.
 - D. Approval of Retired Member Election Bulletin No. 199.
 - E. Approval of At Large Member Election Bulletin No. 200.

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

- F. Consider Approval of Management Recruitment Firm Contract.

VII. Medical Reports.

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

VIII. Unfinished Business.

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.

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

- C. Pending Litigation Report.
- D. Executive Director's Report – Inventory of ERS Projects.

IX. Informational.

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Minutes of the Special Administration & Operations Committee Meeting Held May 22, 2025.
- D. Minutes of the Special Administration & Operations Committee Meeting Held June 3, 2025.
- E. Minutes of the Investment Committee Meeting Held June 5, 2025.
- F. Minutes of the Administration & Operations Committee Meeting Held June 11, 2025.
- G. Report on Bills.
- H. Deployment of Assets.
- I. Securities Lending Revenue and Budget Report.
- J. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, JULY 22, 2025 – 9:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

A. Regular Meeting Held May 27, 2025.

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

Minutes of the Regular Meeting
held May 27, 2025 via teleconference

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

Board Members Present: Matthew Bell, Chair
Bill Christianson
Justin DeCleene
Deborah Ford
Timothy Heling
Thomas Klusman
Rudolph Konrad
Nik Kovac

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

Others Present: Larry Langer, Aaron Chochon, Cavanaugh Macdonald; Patrick McClain, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., six members of the public called in to the meeting.

Approval of Minutes.

Regular Meeting Held April 22, 2025. It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Regular Meeting Held April 22, 2025.

Special Board Meeting Held May 8, 2025. It was moved by Mr. Bell, seconded by Mr. Konrad, and unanimously carried, to approve the Special Board Meeting Held May 8, 2025.

Chief Investment Officer Report. Mr. Sauer noted the Fund value as of April 30, 2025 was \$6.00 billion. He said the Fund return of 0.3% in April, net of fees, underperformed by approximately 25 basis points. Mr. Sauer said the main relative performance drivers were Manager Selection within Public Equity which detracted 24 basis points, that was due to eight of 10 active mandates underperforming and Public Equity Style Bias detracted nine basis points, primarily from the Fund's value exposure and partially offset by a benefit from the Fund's International bias. He said the Fund underperformed the benchmark in the year-to-date and one-year periods while outperforming in the longer time periods. Mr. Sauer stated through May 26, 2025, the Fund is up

1.1% month-to-date in May, which brings the year-to-date return up 2.6%, and the Fund value is \$6.07 billion. He noted five out of the Fund's 15 active mandates are outperforming year to date. Mr. Sauer said the Public Equity and Fixed Income asset classes are outperforming their respective benchmarks year to date, net of fees. He said year to date, the Fund had a change in the value of investments of \$161.3 million, received contributions of \$224.6 million, and paid benefits and expenses of \$171.5 million. Mr. Sauer concluded that Mr. Silber would touch on cash activity. Mr. Silber noted that the stock market has had a really strong rally since the middle of April. He stated that a new asset allocation, that reduced the target allocation to public equity and increased the target allocation to fixed income, was approved as part of the Glide Path during the peak of the volatility. Mr. Silber said when the stock market rallied and recovered from April's trough, money was rebalanced from Public Equity and into Fixed Income. He said that as the Fund value has continued to increase throughout May, additional money has been rebalanced from Public Equity and into Fixed Income. Mr. Silber said that since interest rates have continued to increase, the allocation to Fixed Income provides a more powerful diversification benefit to the Fund, along with higher return potential going forward. He noted at the upcoming June 5 Investment Committee Meeting, two investment managers will present: one Global Growth Stock manager and one Private Equity manager, who will both hopefully have good perspectives on the market and the Fund's investments.

Investment Committee Report. Mr. Silber stated the closed session item was a placeholder. Mr. Klusman stated, at its May 8th meeting, the Investment Committee approved an update to the Fund's Statement of Investment Policy that incorporates the new asset class targets the Board approved in April. He said while Staff has already begun taking incremental steps to implement the new strategic allocation, the Fund's new benchmark will have an inception date of July 1, 2025 for performance reporting purposes. Mr. Klusman noted that Staff also went over the Fund's 1st quarter performance report, and Callan provided an update on the Fund's Real Estate portfolio in both open and closed session. He said the Committee went into closed session to discuss two additional items. Mr. Klusman said the first item was to Consider, Discuss, and Potentially Approve a Recommendation regarding Public Equity Investment Manager Developments and for this item, the Committee Authorized the Chief Investment Officer to proceed as directed in the closed session. He said the second item was to Consider, Discuss, Potentially Negotiate, and Potentially Approve the BlackRock Institutional Trust Company, N.A. Contract Amendment. Mr. Klusman said for this item, the Committee Approved the BlackRock Institutional Trust Company, N.A. Contract Amendment. Mr. Klusman said since delaying approval of the Amendment would have prevented the Fund from promptly implementing risk reduction measures recently approved by the Committee, 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. He concluded that the Investment Committee recommends approval of the following two items: 1. Approve Recommendation regarding Public Equity Investment Manager Developments and 2. Approval of Statement of Investment Policy Update.

Please be advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or

the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Investment Committee may then vote to reconvene in open session following the closed session.

Consider, Discuss, and Potentially Approve Recommendation regarding Public Equity Investment Manager Developments.

The Board did not convene in closed session as noticed. It was moved by Ms. Ford, seconded by Mr. Christianson, and unanimously carried, to Consider, Discuss, and Potentially Approve Recommendation regarding Public Equity Investment Manager Developments.

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

New Business.

Retirements, Death Claims, and Refunds (April). Mr. Allen presented the following activity for the month of April 2025.

Administrative Withdrawal	\$7,813.07
Full Refund	\$347,173.59
Active Death Benefits reported	\$0.00
Deferred Death	\$42,797.64
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$0.00
Retired Death Benefits reported	\$8,264.43
Survivor Death – Termination Benefits reported	\$6,916.68
Refund of Member Contributions paid	\$102,754.58

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Retirements, Death Claims, and Refunds report for April 2025.

Conference Requests – May 27, 2025 Board Meeting. Mr. Allen presented the conference requests for May.

Bill Christianson	NCPERS 2025 Annual Conference & Exhibition (ACE)
Sponsor:	NCPERS
Location:	Denver, CO
Date(s):	May 18-21, 2025
Estimated Cost:	\$2,420.00

David Silber	Mid-Year Outlook 2025 – Austan Goolsbee, President & CEO Federal Reserve Bank of Chicago
Sponsor:	Milwaukee Business Journal, Baird, CIBC, Foley and Lardner
Location:	Milwaukee, WI
Date(s):	June 23, 2025
Estimated Cost:	\$85.00

Erich Sauer, Keith Dickerson	Principal Due Diligence
Sponsor:	Principal Asset Management
Location:	Des Moines, IA
Date(s):	July 7-8, 2025
Estimated Cost:	\$700.00 per person

Erich Sauer	LaSalle Annual Conference / Principal Due Diligence
Sponsor:	LaSalle / Principal
Location:	New York, NY
Date(s):	September 9-11, 2025
Estimated Cost:	\$1,500.00

Keith Dickerson	Prologis Investor Conference and Principal Due Diligence
Sponsor:	Prologis and Principal Asset Management
Location:	New York, NY
Date(s):	September 10-12, 2025
Estimated Cost:	\$2,200.00

It was moved by Mr. DeCleene, seconded by Mr. Klusman, and unanimously carried, to approve the Conference Requests – May 27, 2025 Board Meeting.

Actuarial Reconciliation Letter Requested as Follow-up from the April 16, 2025 F&P Meeting – Larry Langer of Cavanaugh Macdonald to Present. As a matter of information, Board members received from Cavanaugh Macdonald (CavMac) a memo regarding the Actuarial Reconciliation Letter regarding Reconciliation of City Contributions, a copy of which is on file with the Board Secretary and is by reference incorporated as a part of these minutes. Messrs. Langer and Chochon provided a presentation to the Board. Discussion ensued.

The Chair called for a break at 10:53 a.m.

The Chair resumed the meeting at 11:02 a.m.

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

ERS Investment Staff Compensation (Analyst). The Board did not convene in closed session as noticed. It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to approve the corrected pay increase for the ERS Investment Staff Compensation (Analyst) as outlined in a memo from deputy Chief Investment Officer, Erich Sauer, dated May 27, 2025 .

Medical Reports.

Mr. Petropoulos presented certifications (May 2025) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

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

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Anthony Bialecki	Approval
John Fredericks	Approval
Dexter Love	Approval
Christopher Manney	Approval
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Angela Algee-Cotton	Approval
Lisa Heath	Approval
James McNichol	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Bradley Davis	Approval
John Schmaelzle	Approval
William Soderbeck	Approval
<u>General City – Applications – Duty</u>	<u>Recommendation</u>
Dawn Warfield	Denial
01/15/2025	

<u>General City – Applications – Ordinary</u>	<u>Recommendation</u>
Cheryl Strand 09/27/2024	Approval
Dawn Warfield 01/15/2025	Approval
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Thomas Weir	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Renee Gibbs	Approval

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations for May.

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain stated he did not have any specific comments to make in addition to what is listed in the report, but would be happy to answer any questions. Mr. Klusman asked that the Pending Litigation Report be moved to the Unfinished Business section rather than the Informational section. He thought it was an important issue that Mr. McClain could speak to each month. Mr. McClain said he would support that and would put together a brief update each month. He noted that in Litigation, there can be big movements in cases and then there can be four or five months where nothing changes, but Mr. McClain said he can provide more information if that is the Board’s pleasure. Mr. McClain noted he will make a comment if there have been big movements in cases, but when he does not comment on cases, it means there is a relative stasis. Mr. Bell noted no one was opposed to moving the Litigation Report and it was agreed to move the Litigation Report to Unfinished Business rather than Informational.

Pending Legislation Report. Mr. Allen stated there was nothing to report in the Pending Legislation Report.

Executive Director’s Report – Inventory of ERS Projects. As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the Board Secretary and by reference incorporated as part of these minutes.

2026 Budget – 5% Reduction from 2025 Adopted Budget. As a matter of information, Board members received from Mr. Gopalan, a memo regarding the “2026 Budget – 5% Reduction from 2025 Adopted Budget.” He noted under Act 12, the City of Milwaukee is required to submit two budgets each year – the 2026 Budget and an additional 2026 Budget with a 5% reduction. He said the normal budget request was approved by the Board last month and then a 2026 budget with

a 5% reduction, based on the 2025 adopted budget. Mr. Gopalan said the 2025 adopted budget for the ERS was about \$24.5 million dollars and a 5% reduction would require the ERS to reduce the maximum 2026 budget to \$23.3 million. He said the 2026 adopted budget approved by the Board was \$24.6 million and to comply with the Act 12, the 5% reduction, the 2026 approved budget needs to be reduced by \$1.3 million. Mr. Gopalan said he would do that with three reductions, the first one being a reduction in investment management fees of \$425,000. He noted they would also cut the IT budget by \$413,000 which is split between systems support and equipment purchases which can be pushed to 2027. Mr. Gopalan said the final item is a \$500,000 reduction in fiduciary insurance. He said \$1,075,000 was budgeted for that which includes the fiduciary insurance premiums of \$575,000 and he proposed removing the \$500,000 deductible. Discussion ensued. Mr. Bell accepted and placed the 2026 Budget – 5% Reduction from 2025 Adopted Budget on file.

Informational.

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

Mr. McClain said closed session is not required today as all three active matters in the report are pending either dispositive motions or appellate briefs and the three cases are in stasis until decisions are received back from the court.

The Board did not convene in closed session as noticed.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2025 YTD.
- 4) Adjusted Quarterly Cost Basis of Equity.
- 5) Minutes of the Investment Committee Meeting Held April 10, 2025.
- 6) Minutes of the Special Administration & Operations Committee Meeting scheduled for April 17, 2025.
- 7) Minutes of the Legislative Committee Meeting Held April 22, 2025.
- 8) Minutes of the Investment Committee Meeting Held May 8, 2025.

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

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

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

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

Mr. Bell adjourned the meeting at 11:25 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 - June 24, 2025

Fund as of May 31, 2025

*Fund value of \$6.08b.

*Fund return of 2.0% in May, net of fees, underperformed by approximately 16bp.

*Primary Relative Perf. Drivers:
Public Equity Style Bias -28bp
Primarily Value

Overall Allocation -18bp

Manager Selection

Private Equity 14bp
Loomis Sayles 9bp

*Fund has underperformed the benchmark in the YTD and 1-year periods, while outperforming in the longer time periods shown.

June Update (as of 6/17/25)

*Fund return 0.7% MTD

*Fund return 4.3% YTD

*Fund value \$6.13b

*4 out of 15 active mandates outperforming YTD.

*Public Equity and Fixed Income asset classes are outperforming their respective benchmarks YTD, net of fees.

*Investment Change: \$261.2m

*Contributions: 226.5m

*Benefits & Expenses: 212.3m

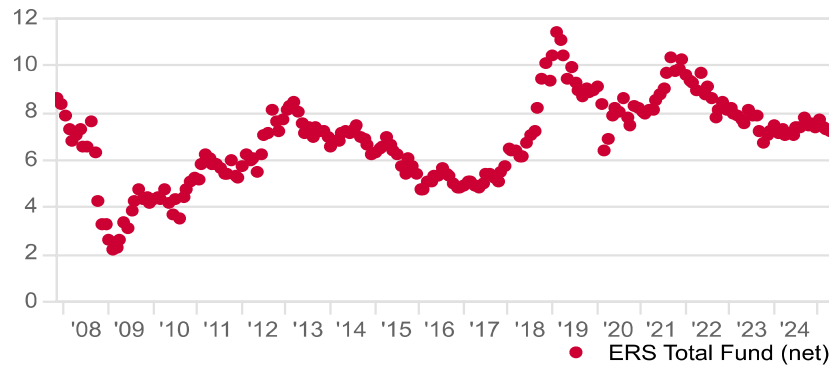
Monthly Withdrawals:

AQR \$3.8m

Transition \$25.0m

Total Fund - 10-Year Rolling Returns

11/28/1997 to 5/31/2025



Return Data

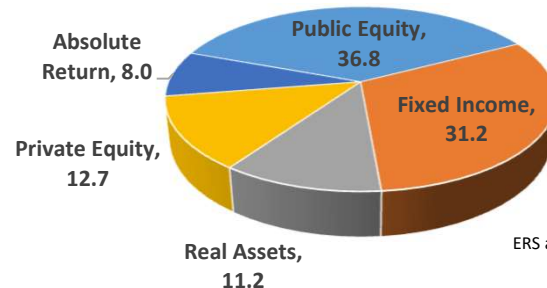
Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	2.0	3.5	7.3	9.8	7.3	8.5	7.0
ERS Benchmark	2.2	3.7	10.3	8.3	7.1	8.4	6.9

Total Fund - 20-Year Risk & Return Data

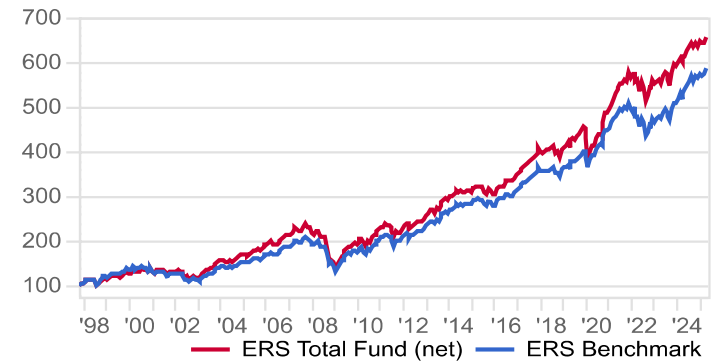
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.0	10.2	2.5	0.0	0.5	-0.4	1.1
ERS Benchmark	6.9	9.1	--	--	0.6	0.0	1.0

ERS Allocation as of May 31, 2025



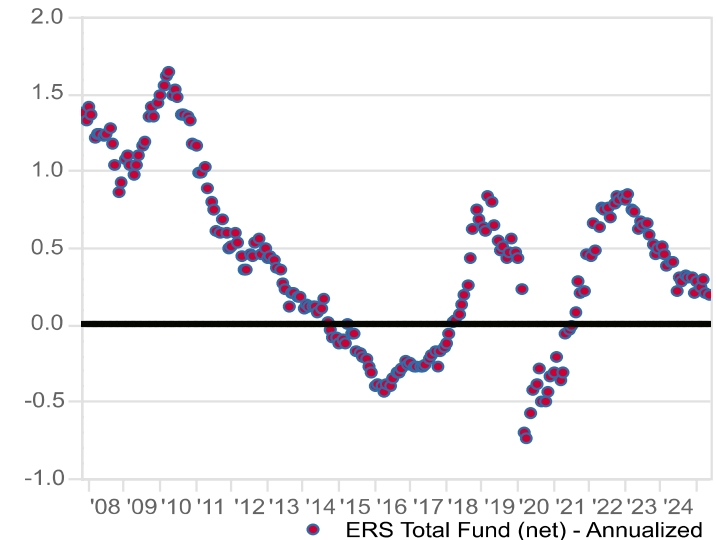
Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 5/31/2025

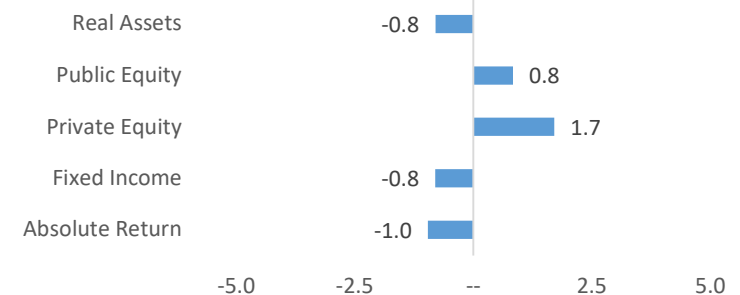


Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 5/31/2025



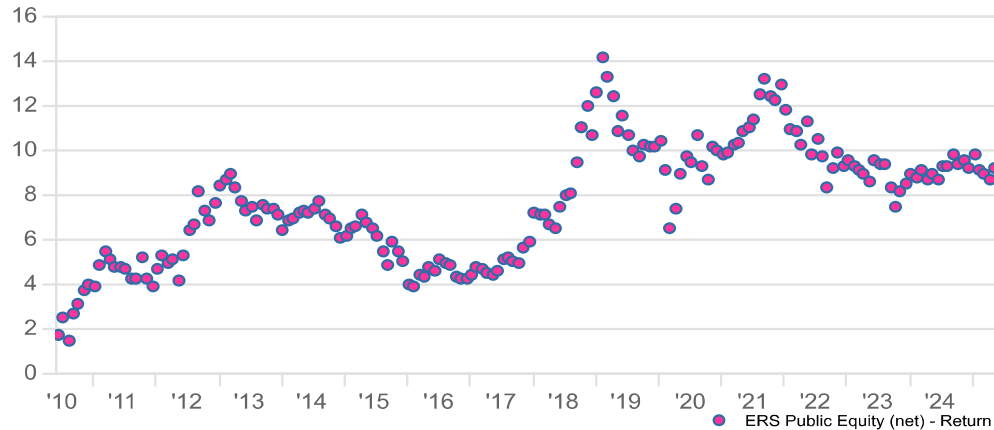
Asset Allocation vs Targets approved in April, as of May 31, 2025



Milwaukee Employees' Retirement System - June 24, 2025

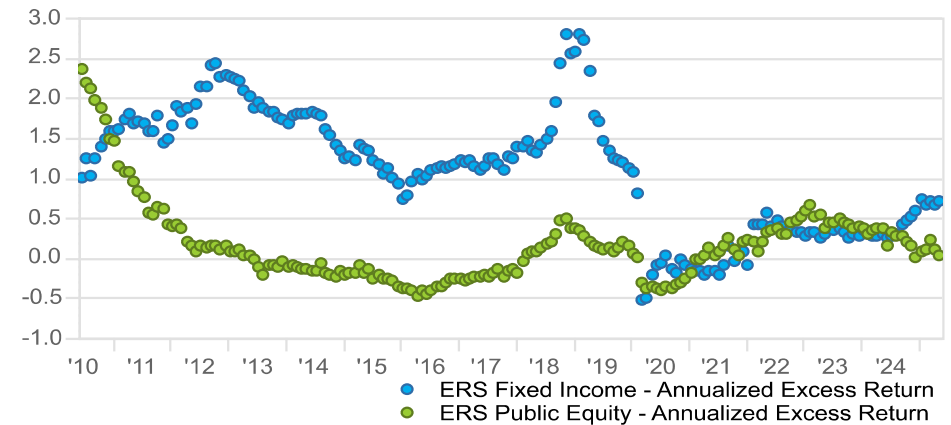
Public Equity - 10-Year Rolling Returns

06/30/2000 to 5/31/2025



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 5/31/2025

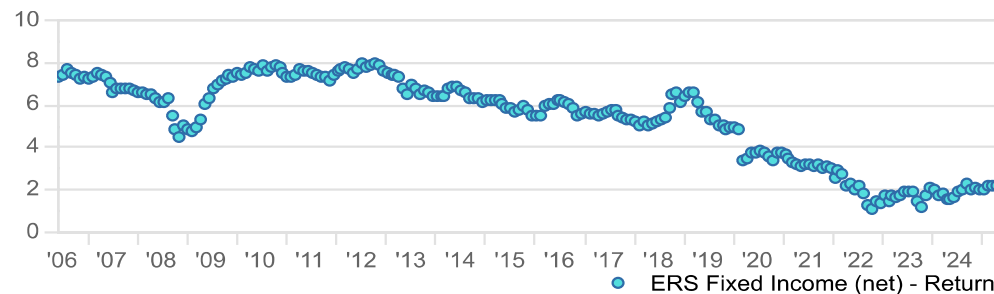


Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	5.0	5.4	9.9	14.1	9.6	10.9	8.3
Public Equity (net)	5.0	5.3	9.5	13.7	9.2	10.5	8.0
Public Equity Benchmark	5.8	5.1	12.9	13.1	9.1	10.6	8.0
MSCI ACWI IMI NR USD	5.8	5.1	12.9	13.1	9.0	9.9	8.0

Fixed Income - 10-Year Rolling Returns

06/28/1996 to 5/31/2025



Return Data

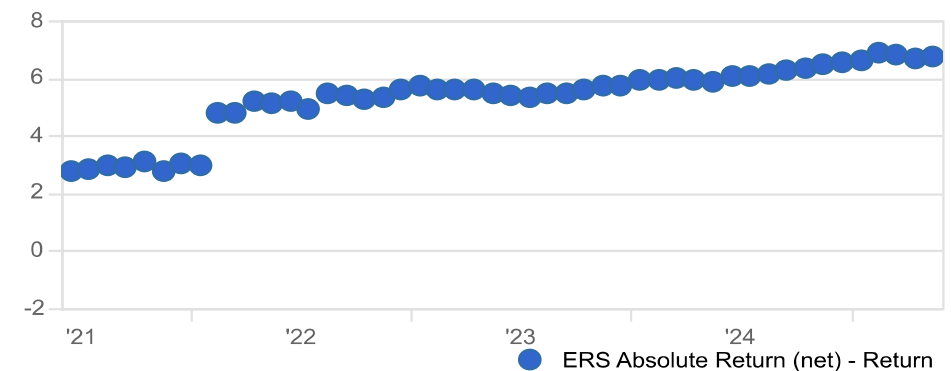
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	-0.3	3.0	6.8	2.1	2.3	3.2	4.2
Fixed Income (net)	-0.3	3.0	6.7	2.0	2.2	3.1	4.1
Bbg US Agg Bond TR USD	-0.7	2.4	5.5	-0.9	1.5	2.3	3.0

Risk Adjusted Returns (6/30/14 - 5/31/25)*

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	8.8	15.1	0.5	-25.3
Fixed Income (net)	2.0	6.4	0.0	-13.6
Absolute Return (net)	6.3	8.9	0.5	-27.1

Absolute Return - 7-Year Rolling Returns

06/30/2014 to 5/31/2025



Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	Inception*
Absolute Return (net)	1.0	3.3	10.4	12.9	6.1	6.3
90-Day T-Bill + 3%	0.6	3.0	7.8	5.9	5.0	4.9

*Absolute Return inception date is June 30, 2014

III.

INVESTMENT COMMITTEE REPORT

IV.

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

- A. Approval of CliftonLarsonAllen (CLA) Contract.
- B. Approval of DS Consulting Contract.

SERVICE AGREEMENT
between
CliftonLarsonAllen LLP
and
Employees' Retirement System of the City of Milwaukee

General Service Description:	External Audit Services (ERS Schedules of Employer Allocations and Pension amounts by Employer report (Employer Schedules))
Time of Performance:	July 1, 2025 – June 30, 2028
Maximum Compensation Not to Exceed:	\$138,500

THIS AGREEMENT is effective July 1, 2025, (the “Effective Date”), by and between CliftonLarsonAllen LLP (“CONTRACTOR”) and the Employees’ Retirement System of the City of Milwaukee, a body corporate and politic under the laws of the State of Wisconsin (“ERS”).

WHEREAS, CONTRACTOR represents self as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Agreement as an independent business and not as an employee of the ERS; and

WHEREAS, ERS wishes to retain the services of CONTRACTOR as described herein.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. RETENTION OF SERVICES, STANDARDS, CONTRACT DOCUMENTS.

- 1.1. The ERS hereby agrees to engage CONTRACTOR and CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the ERS, the services hereinafter set forth, all in accordance with the terms and conditions of this Agreement.
- 1.2. CONTRACTOR agrees that the performance of CONTRACTOR’s work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR’s field of endeavor and like services, and as more specifically set forth on pages 5 and 6 of the ERS Request for Quote dated March 26, 2025 (Exhibit B) and as further described in Contractor’s proposal to provide professional external audit services to ERS (Exhibit A).
- 1.3. The following constitute the contract documents (collectively the “Agreement”). If there is a conflict or ambiguity (including but not limited to the Effective date and/or the dates of service), the Agreement shall be governed by these listed documents in descending order of precedence:

First:	Service Agreement (this document)
Second:	CONTRACTOR’S Proposal to Provide Professional External Audit Services to: City of Milwaukee Employees’ Retirement System (Exhibit A)

Third: ERS Request for Quote dated March 26, 2025 (Exhibit B)

2. TIME OF PERFORMANCE.

- 2.1. The term of this Agreement (“Term”) shall begin on the Effective Date and shall end upon June 30, 2028, or if applicable, earlier termination pursuant to the provisions of this Agreement. The term of this Agreement may be extended by mutual written agreement for an addition term of not more than two years.
- 2.2. Continuation of the Agreement, or any subsequent extension beyond December 31st of any year, is contingent upon the proper ERS and City of Milwaukee officials appropriating funds for this purpose.
- 2.3. In addition to all other remedies inuring to the ERS should CONTRACTOR’s obligations and duties under the Agreement not be completed by the end of the Term, CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to complete the scope of services and to execute any necessary amendments to this Agreement.

3. SCOPE OF SERVICES.

- 3.1. CONTRACTOR shall provide services as specified in set forth on pages 5 and 6 of the ERS Request for Quote dated March 26, 2025 (Exhibit B) and as further described in Contractor’s proposal to provide professional external audit services to ERS (Exhibit A).

4. CONDITIONS OF PAYMENT.

- 4.1. CONTRACTOR shall submit invoices to ERS on a monthly basis. Upon receipt of a properly submitted and approved invoice, CONTRACTOR shall be compensated for services and equipment actually provided at the rates and prices set forth in Exhibit A; however, no payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in Section 11 has been provided.
- 4.2. All other costs, fees, charges and expenses (including but not limited to travel and administrative costs and fees) not set forth in Exhibit A are excluded hereunder unless ERS agrees to those additional fees by written amendment, before they are incurred.
- 4.3. Total compensation to CONTRACTOR shall not exceed \$138,500 over the Term, except as provided in section 14.
- 4.4. ERS strives to make timely payment on all invoices. Payment to CONTRACTOR shall be deemed timely if the payment is mailed, delivered, or transferred within 30 calendar days after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later. If ERS does not make payment by the 45th calendar day, ERS shall pay simple interest beginning with the 31st calendar day at the rate of 1% per month (unless ERS disputes the amount of the invoice). *Reference* Common Council File No. 101137 adopted January 19, 2011, provisions of state statute section 66.0135.
- 4.5. Compensation for services required under this Agreement shall be contingent upon each activity being reviewed for approval by the ERS and approved by ERS for payment. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the ERS Executive Director or its designee shall prevail.

5. **NOTICES.** Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

CliftonLarsonAllen LLP
10401 West Innovation Drive, Suite 300
Wauwatosa, WI 53226
Attention: Jordan Boehm

With a copy (not to count as notice) to:

CliftonLarsonAllen LLP
Attn: Legal
220 South Sixth Street
Unit 300
Minneapolis, Minnesota 55402

and to the ERS at:

Employees' Retirement System
789 N Water Street, Suite 300
Milwaukee, WI 53202
Attention: Bernard J. Allen, Executive Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

6. **REPORTS.** At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information (collectively "Reports") as the ERS may request pertaining to matters covered by this Agreement. Contractor may require ERS to adhere to reasonable confidentiality restrictions regarding use and disclosure of any workpapers which contain CONTRACTOR's proprietary information and to which access is generally restricted by CONTRACTOR.

7. **DOCUMENT OWNERSHIP & CONFIDENTIALITY.**

- 7.1. Document ownership. All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement (collectively "Deliverables") shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same outlined in the Scope of Work in Exhibit B without any additional compensation to CONTRACTOR. For the avoidance of doubt, Deliverables does not include Contractor's workpapers (i.e., notes and non-final drafts) which are proprietary information and to which access is generally restricted by CONTRACTOR.

7.2. Confidentiality.

- 7.2.1. All of the reports, information, data, documents, etc., whether electronic, hard copy, or in any other format (1) prepared or assembled by CONTRACTOR under this Agreement, (2) provided to CONTRACTOR by ERS, and/or (3) developed by CONTRACTOR based on information provided by the ERS in the performance of this Agreement (collectively referred to herein as "confidential material") are confidential and CONTRACTOR agrees that

confidential material shall not be made available to any individual or organization, other than an appropriate agency of the United States Government or as otherwise required by law, without the prior written approval of the ERS Executive Director. CONTRACTOR will not disclose any of ERS's confidential material to any person or party unless ERS authorizes CONTRACTOR to do so in writing, the confidential material is published or released by ERS, the confidential material becomes publicly known or available other than through disclosure by CONTRACTOR, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit CONTRACTOR from disclosing ERS information to one or more of CONTRACTOR's affiliated companies in order to provide services that ERS has requested from CONTRACTOR or from any such affiliate, provided that any such affiliate shall be subject to the same restrictions on the use and disclosure of ERS's confidential information as apply to CONTRACTOR. ERS also consents to CONTRACTOR's disclosure of information regarding the nature of services CONTRACTOR provides to ERS to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

- 7.2.2. Pursuant to authority given by law, regulation, or professional standards, CONTRACTOR may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. CONTRACTOR will notify ERS of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CONTRACTOR personnel and at a location designated by CONTRACTOR. Furthermore, upon request, CONTRACTOR may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute copies or information contained therein to others, including other governmental agencies.
- 7.2.3. Upon termination of this Agreement, CONTRACTOR shall deliver all confidential material of the ERS in its possession to the ERS within thirty (30) business days of such termination and provide ERS with a certification that all of CONTRACTOR's copies of the material delivered to ERS have been destroyed. If there are certain confidential materials that CONTRACTOR cannot practicably return to ERS, or provide a copy to ERS and then provide certification of destruction as described above, or must continue to retain by law or regulation, CONTRACTOR shall provide notice of those retained documents to ERS, and ERS and CONTRACTOR shall consult regarding the ongoing retention, return and/or destruction of those documents. Irrespective of the foregoing, any confidential materials retained by CONTRACTOR must be maintained subject to the confidentiality restrictions set forth in this Agreement, and subject to the requirements of Section 17 "RECORDS". Additionally, nothing herein shall require the return or destruction of Confidential Material stored in automatic backup systems, including but not limited to email, if such return would be technically infeasible, provided that any such retained Confidential Material shall be subject to the non-disclosure and use restrictions imposed herein for so long as such Confidential Material is retained.
- 7.2.4. CONTRACTOR further agrees to abide by all federal, state, and local laws, and best business practices, related to the collection, use, storage, protection and dissemination of personally identifiable information.
- 7.2.5. CONTRACTOR regularly anonymizes client data and performs a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, CONTRACTOR is always careful to preserve the confidentiality of the separate

information that CONTRACTOR obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. ERS's acceptance of this Agreement will serve as ERS's consent to CONTRACTOR's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analysis.

7.2.6. CONTRACTOR may, at times, use third-party software applications to perform services under this Agreement. ERS acknowledges the software vendor may have access to its data. CONTRACTOR shall not share any data with any software vendor unless it has a written agreement in place with such vendor and the confidentiality provisions of such agreement are no less strict than the confidentiality and non-disclosure provisions of this Agreement.

7.2.7. Notice of Unauthorized Acquisition of Confidential Information. CONTRACTOR shall notify the ERS if it has knowledge of an unauthorized acquisition of confidential information within one business day of such knowledge.

8. CONTRACTOR IS INDEPENDENT CONTRACTOR.

8.1. No fringe benefits. Neither CONTRACTOR, nor CONTRACTOR's employees, shall receive or be eligible for any fringe benefits or any other benefits to which ERS salaried employees are entitled to or are receiving.

8.2. Taxes, Social Security, Insurance, and Government Reporting. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of CONTRACTOR receiving payment under this Agreement shall be the sole responsibility of CONTRACTOR. Insurance requirements are set forth in Section 11.

8.3. Responsibility for CONTRACTOR's Insurance. CONTRACTOR shall be solely responsible to meet CONTRACTOR's insurance needs as required by the ERS during the terms of this Agreement or any extension thereof.

9. SUBCONTRACTING. CONTRACTOR shall not subcontract for the performance of any of the services set forth in this Agreement without prior written approval obtained from the ERS Executive Director. CONTRACTOR shall be as fully responsible to the ERS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for acts and omissions of persons directly employed by it.

10. INDEMNIFICATION AND DEFENSE OF SUITS.

10.1. Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") from all losses, damages, costs, expenses, judgements, or decrees ("Claims") arising out of such action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees.

CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom. CONTRACTOR's indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.

- 10.2. Indemnification. CONTRACTOR will save and indemnify and keep harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") against all liabilities, judgments, costs, attorneys fees, and expenses ("Claims") which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.
- 10.3. Nothing in this Agreement shall be construed to waive any privilege, right of recovery, cause of action, defense, remedy, category of damages, or immunity to which ERS is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind ERS.

11. INSURANCE.

11.1. General Insurance Requirements.

- 11.1.1. CONTRACTOR will secure and maintain throughout the duration of the Agreement, insurance of such types and in such amounts as may be necessary to protect itself and the interests of the ERS against all hazards or risks of loss as hereafter specified.
- 11.1.2. The form, limits, and underwriter of all required insurance coverage is subject to ERS approval; however, regardless of any ERS review, it shall be the responsibility of CONTRACTOR to maintain adequate insurance coverage at all times.
- 11.1.3. Failure of CONTRACTOR to maintain the specified coverage or to ensure that any subcontractors maintain the specified coverage will not relieve CONTRACTOR of any contractual responsibility or obligation.
- 11.1.4. All policies are to contain notice requirements that ensure that 30 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.
- 11.1.5. Insurers which provide the insurance coverage referenced in this section are to have an A.M. Best rating of no less than A/VIII. CONTRACTOR will provide immediate written notice to the ERS if there is any change in the A.M. Best rating of any insurer.
- 11.1.6. Certificates of Insurance for all of the coverage limits referenced herein must be provided prior to the Effective Date and for each year that the Agreement is in effect.
- 11.1.7. If subcontractors are used, each subcontractor shall meet all requirements in this section 11 (Insurance). It shall be the responsibility of CONTRACTOR to ensure that all subcontractors are in compliance with all insurance and bonding requirements.

11.1.8. All policies other than Workers Compensation/Employers Liability, Professional Liability, Crime and Cyber Risk/Network Security are to include the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives as additional insureds. CONTRACTOR shall ensure that the additional insured status is shown on the Certificates of Insurance and shall provide a copy of the endorsements.

11.1.9. No payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in this section has been provided by CONTRACTOR to ERS.

11.1.10. All policies shall be written on an occurrence form, other than professional liability and Crime and Cyber Risk/Network Security as noted below.

11.2. Commercial Automobile Liability.

Combined Single Limit	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	\$1,000,000 per occurrence
Medical Expense	\$10,000 each person

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- If CONTRACTOR owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.
- Coverage shall be modified to include a Waiver of Subrogation on all of CONTRACTOR's insurance policies except for Professional Liability in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.3. Commercial General Liability.

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate – other than Products/Completed Operations	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must be equivalent to ISO form CG0001 or better.
- Coverage must be occurrence based.
- Coverage will apply on a primary and non-contributory basis. We suggest the following

wording:

“If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance.”

- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.4. Professional Liability (Errors and Omissions).

Combined Single Limit	\$1,000,000 each claim
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	\$1,000,000 Aggregate
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.
- Coverage is to be provided on a “per project” basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.
- CONTRACTOR will certify that the policy will be renewed each year of the contract.

11.5. Workers’ Compensation Insurance.

Workers’ Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$100,000 each employee
	\$500,000 policy limit

In addition to those requirements noted above in sections 11.1.1-11.1.9:

- Employer’s Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.6. Umbrella (Excess) Liability.

Umbrella (Excess) Liability	\$5,000,000 each occurrence
	\$5,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- The Umbrella insurance policy shall provide coverage excess of the Commercial General Liability, Auto Liability, and Employer's Liability Coverages, including the amendments stated above.

11.7. Cyber Insurance.

Cyber Insurance	\$10,000,000 per loss
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must include third party loss due to identity theft or unlawful disclosure of confidential information.

11.8. Crime Coverage.

Computer Fraud	\$100,000,000
Employee Theft—Blanket (must apply to theft of ERS assets by employees of CONTRACTOR)	\$100,000,000
Forgery or Alteration	\$100,000,000
Funds Transfer Fraud	\$100,000,000
Outside the Premises	\$100,000,000
Inside the Premises Theft of Money and Securities	\$100,000,000

11.9. Self Insurance. Any request for self-insurance must be submitted in writing to the ERS and the ERS' Risk Management Consultant for consideration.

12. REGULATIONS. CONTRACTOR agrees to comply with all of the requirements of all applicable federal, state and local laws related to the scope of work.

13. TERMINATION.

13.1. Termination of Agreement for cause. If, through any cause, CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Agreement, the ERS Executive Director shall thereupon have the right to terminate this Agreement by giving written notice to CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of the termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, or other materials related to the services prepared by CONTRACTOR under this Agreement shall, at the option of the ERS, become the property of the ERS. Notwithstanding the foregoing, CONTRACTOR shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the Agreement by CONTRACTOR, and the ERS may withhold any payments to CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the ERS from CONTRACTOR is determined.

- 13.2. Termination for convenience. The ERS may terminate this Agreement at any time for any reason by giving at least thirty (30) days' notice in writing to CONTRACTOR. If CONTRACTOR is terminated by the ERS as provided in this section 13.2, and not if terminated for cause pursuant to section 13.1, CONTRACTOR will be paid an amount for the services actually and satisfactorily performed.
- 13.3. In no event shall CONTRACTOR charge ERS fees or penalties for termination under this Section 13.
14. **CHANGES.** The ERS Executive Director may, from time to time, request changes in the scope of services of CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR's compensation which is mutually agreed upon by and between the ERS and CONTRACTOR, shall be incorporated in written amendments to the Agreement.
15. **PERSONNEL.**
- 15.1. CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the ERS.
- 15.2. All of the work or services required hereunder will be performed by CONTRACTOR or under their supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.
16. **ASSIGNABILITY.** CONTRACTOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the ERS Executive Director. Provided, however that claims for money due or to become due CONTRACTOR from the ERS under this Agreement may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the ERS Executive Director.
17. **RECORDS.**
- 17.1. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that "any record produced or collected under" this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS.

- 17.2. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Agreement and shall be clearly identified and readily accessible.
18. **AUDITS AND INSPECTIONS**. At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. CONTRACTOR may require ERS or other appropriate federal or state agency to abide by reasonable confidentiality restrictions with regard to workpapers which are proprietary information and to which access is otherwise restricted when ERS is completing audits and inspections under this section.
19. **CONFLICT OF INTEREST**.
- 19.1. Interest in Contract. No officer, employee or agent of the City of Milwaukee or the ERS who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Agreement pertains, shall have any personal interest, direct or indirect in this Agreement.
- 19.2. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Agreement shall have any personal interest, direct or indirect, in this Agreement.
- 19.3. Interest of Contractor and Employees. CONTRACTOR covenants that no person described in sections 19.1 and 19.2 above who presently exercises any functions or responsibilities in connection with the Agreement has any personal financial interest, direct or indirect, in this Agreement. CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. CONTRACTOR further covenants that in the performance of this Agreement no person having any conflicting interest shall be employed. An interest on the part of CONTRACTOR or its employees must be disclosed to the ERS. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.
20. **DISCRIMINATION PROHIBITED**.
- 20.1. In all hiring or employment made possible by or resulting from this Agreement there (1) will not be any discrimination against any employee or applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or

recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.

20.2. No person in the United States shall, on the ground of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. The ERS and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.

20.3. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

20.4. CONTRACTOR agrees that they will comply with all applicable requirements of the Americans with Disability Act of 1990, 42 U.S.C. 12101, et seq.

21. WITHHOLDING OF SALARIES. If in the performance of this Agreement there is any underpayment of salaries by CONTRACTOR or by any subcontractor thereunder, the ERS shall withhold from CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the ERS for and on account of CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

22. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES. Claims and disputes pertaining to salary rates or to classifications of architects, draftsmen, technical engineers, and technicians, if any, performing work under this Agreement shall be promptly reported in writing by CONTRACTOR to the ERS for the latter's decision, which shall be final with respect thereto.

23. SEVERABILITY. If any term or condition of the Agreement shall be held invalid or unenforceable, the remainder of the Agreement shall not be affected and shall be valid and enforceable.

24. GOVERNING LAW & JURISDICTION.

24.1. Governing Law. The provisions of the Agreement will be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin.

24.2. Jurisdiction. The venue for any proceedings before a court of law (whether federal or state) will be geographically located in Milwaukee County, Wisconsin.

25. MISCELLANEOUS.

25.1. Headings. All headings and titles used in contract documents exist for the purposes of document organization and reference and will not be considered a term or condition of any agreement

entered into by CONTRACTOR and the ERS.

25.2. Consent to Breach Not Waiver. The consent to a breach of any term or condition of this Agreement by either party will not be considered a waiver of such term or condition nor will such breach be considered consent to a subsequent breach.

25.3. Force Majeure. Neither party will be liable for any failure or delay in the performance of its obligations under this Agreement (and the failure or delay will not be deemed a default of this Agreement or grounds for termination) if both of the following conditions are satisfied: (1) the failure or delay could not have been prevented by reasonable precautions, and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and (2) the failure or delay is caused, directly or indirectly, by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, equipment, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the non-performing party. Upon the occurrence of an event which satisfies both of the above conditions (a "Force Majeure Event"), the non-performing party will be excused from any further performance of those obligations under this Agreement affected by the Force Majeure Event for as long as (a) the Force Majeure Event continues; and (b) the non-performing party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Upon the occurrence of a Force Majeure Event, the non-performing party will immediately notify the other party by telephone (to be confirmed by written notice within two business days of the failure or delay) of the occurrence of a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

25.4. CONTRACTOR agrees time is of the essence and will meet all deadlines and any schedules as set forth in this Agreement.

26. Additional Terms Requested By CONTRACTOR. CONTRACTOR requests "Additional Language to be added to City of Milwaukee ERS RFP" on pages 6 and 7 of the Appendix to its proposal, attached as Exhibit A. The additional terms are not accepted or made part of this Agreement, except for the following provisions or as incorporated elsewhere in other sections of this Agreement:

26.1. Limitations.

26.1.1. Except as required by CONTRACTOR's proposal (Exhibit A) or reasonably related to the scope of work ("SOW") therein described, CONTRACTOR's services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations.

26.1.2. Except as required by CONTRACTOR's proposal (Exhibit A) or reasonably related to the SOW therein described, CONTRACTOR has no responsibility to identify and communicate deficiencies in ERS's internal controls as part of any service.

26.2. Time limitations. The nature of CONTRACTOR's services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between ERS and CONTRACTOR. The parties agree that, notwithstanding any statute or law that might otherwise apply to a dispute, including one arising out of this Agreement or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by ERS against CONTRACTOR must be commenced as provided below, or ERS shall be forever barred from commencing a lawsuit or obtaining a legal or equitable relief

or recovery. An action to recover on a dispute shall be commenced within these periods (“Limitation Period”), which vary based on the services provided, and may be modified as described in the following paragraph:

SERVICE	Time after the date CONTRACTOR delivers the services or work product (pursuant to the SOW on which the dispute is based)
Tax Consulting Services	24 months
Tax Return Preparation	24 months
Examination, compilation, and preparation services related to prospective financial statements	24 months
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months
All other services	24 months

[THE REMAINDER OF THIS PAGE IS BLANK]

IN WITNESS WHEREOF, the CONTRACTOR and the ERS have caused this Agreement to be executed for and on their respective behalf as of the dates hereinafter set forth.

EMPLOYES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE:

CliftonLarsonAllen LLP:

By: _____
Matthew Bell, Chair
Pension and Annuity Board

By: _____

Print Name: _____

Date: _____

Title: _____

By: _____
Bernard J. Allen, Executive Director

Date: _____

Date: _____

COUNTERSIGNED:

By: _____
Bill Christianson
Comptroller, City of Milwaukee

Date

EXAMINED AND APPROVED
AS TO FORM AND EXECUTION:

By: _____
Assistant City Attorney

Date

1054-2025-820

[EXHIBIT A - CONTRACTOR'S Proposal to Provide Professional External Audit
Services to: City of Milwaukee Employees' Retirement System]

[EXHIBIT B - ERS Request for Quote dated March 26, 2025]

Request for Quote (RFQ)



The response shall be addressed and delivered
via Bonfire

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

**Responses must be received no later than 5:00 P.M., CST,
on Wednesday, April 30, 2025**

Questions can be e-mailed via Bonfire

Please note: ERS reserves the right to reject a Request for Quote (RFQ) that is not completed as specified within this document. ERS also reserves the right to accept or reject any response, to not to proceed with any action and to accept only those response that are in the best interest of the ERS. The ERS will incur no liability for the cost of the RFQ preparation.

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Introduction and purpose of the RFQ

With this RFQ, we request information regarding your company and your external audit services and pricing. The purpose of this RFQ document is to gain a better understanding of the current market for the services.

Scope

Specific information is requested according to the form below.

RFQ procedure

- ✓ Please respond to each item in the attached Questionnaire.
- ✓ Provide a cover letter with primary point of contact and contact information (name, title, address, telephone number(s), fax number and e-mail address).
- ✓ Provide a signature of an individual authorized to enter into a contract.
- ✓ Describe your organization and the services you provide.
- ✓ Provide information demonstrating your ability to fulfill the services identified in this RFQ. Include information about working with public pension plans.
- ✓ E-mail the contact listed below with any questions by the date and time given.
- ✓ Answers to this RFQ will be evaluated by the management from different areas of the ERS.
- ✓ The ERS may require oral presentations by telephone or WebEx. Responses should be complete on their face. The ERS reserves the right to request clarifying information at any point.

Questions

Any questions concerning this RFQ may be submitted via Bonfire. The deadline for questions is 5:00 p.m., Central time, on Friday, April 11, 2025. The ERS will transmit responses via Bonfire to questions received by 5:00 p.m., Central time, on Friday, April 18, 2025. Responders may not rely on any representations from the ERS or Annuity and Pension Board members other than the responses provided through the above-described procedure.

Timeline

3/26/25 Issue RFQ.
4/11/25 Last date for questions via Bonfire (5:00 pm CST).
4/18/25 Responses to questions issued via Bonfire (5:00 pm CST).
4/30/25 RFQ response deadline via Bonfire (5:00 pm CST).
5/31/25 Selection of Vendor
7/1/25 Contract start date

Scoring Criteria

ERS will evaluate all submitted proposals along the following criteria including, but not limited to:

- | | |
|---|-----|
| • Proposer experience and references | 40% |
| • Approach, work plan, exceptions to contract | 30% |
| • Cost | 30% |

Background Description of What is Requested

The Employees' Retirement System of the City of Milwaukee (ERS) invites qualified vendors to submit Requests for Quote (RFQs) in providing professional services to perform external audit services specifically for ERS' Schedules of Employer Allocations and Pension Amounts by Employer report (Employer Schedules). All RFQ responses must be submitted by a single primary vendor.

Objectives

The objectives of this RFQ are to:

- ✓ Convey ERS' external audit requirements to qualified vendors.
- ✓ Understand the vendor's approach and work plan, organizational and personnel qualifications, previous experience, price and ability to perform external audit work.
- ✓ Contract with a professional services firm to fulfill the RFQ requirements.

ERS Overview

The ERS manages a \$6.0 billion defined-benefit pension fund. The ERS was created by an act of the Wisconsin Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries. Chapter 36 of the Milwaukee City Charter is the codified provisions of the pension law and the Board Rules and Regulations further define the law. The Annuity and Pension Board (Board) governs ERS, and serves as trustee of the System's funds. The ERS' Executive Director is responsible for daily operations, and also serves as Secretary to the Board. 2023 WI Act 12 closed the ERS to new members as of 1/1/2024 and required the WI Legislative Audit Bureau to perform an annual financial statement audit.

Background

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

- ✓ Service retirement benefits
- ✓ Disability retirement benefits
- ✓ Separation benefits
- ✓ Death benefits
- ✓ Survivorship options
- ✓ Group life insurance for all City employees
- ✓ Health and COBRA dental insurance programs for eligible retirees

The ERS covers approximately 14,000 active or deferred employees from the City of Milwaukee or its participating city agencies. Participating agencies include any board, commission, division, department, office, or agency of the City government, including Milwaukee Public Schools (noncertified staff), Milwaukee Metropolitan Sewerage District, Milwaukee Area Technical College, Veolia, Wisconsin Center District, and the Housing Authority of the City of Milwaukee. Approximately 13,867 retirees, survivors, and beneficiaries receive monthly pension payments.

The ERS is a cost-sharing , multi-employer governmental pension plan.

Current Organization

ERS currently has 52 full time equivalent budgeted positions and 1 contractor who provide IT services.

ERS' Executive Director is responsible for daily operations, and reports to the Annuity and Pension Board. Functional areas include Member Services: counseling and providing direct service to members, administering group life, health, and dental insurance benefits; Fiscal Services: accounting and financial reporting activities, retiree payroll, staff payroll, benefit calculations; Investment Services: monitoring of investment managers' performance, fund re-balancing; Information Services: handling the network, hardware and software functions and maintenance of the information systems; and, Administration: agency governance, research activities and general administrative functions.

ERS staff is experienced, well trained and very knowledgeable about the activities needed to be performed in its various areas for the successful functioning of all its business concerns.

Actuarial Consultants

The ERS' consulting actuary is Cavanaugh MacDonald Consulting LLC. They provide ERS with actuarial valuations, experience investigations, asset/liability studies, actuarial audits, and pension consulting services.

Cavanaugh MacDonald prepares Governmental Accounting Standards Board (GASB) 68 reports for ERS. The reports provide information required under GASB statement 68, which establishes accounting and financial reporting requirements for governmental employers who provide pension benefits to their employees through a trust. The 2024 GASB 68 report will be based upon the January 1, 2024 actuarial valuation with actuarial liabilities rolled forward to December 31, 2024.

Business Applications

ERS' primary line-of-business application is a pension management information system named MERITS. MERITS is a java-based n-tier application that provides the capability to process customers throughout the membership lifecycle from enrollment to withdrawal, retirement, or death. Each month the system is used to pay about 13,500 annuitants and process employer contribution reports for 10,800 active members. ERS also uses the Sage AccPac accounting package for general ledger and accounts receivable processing. Departmental payroll and accounts payable services are delivered by the City under a cooperation agreement, and use PeopleSoft products. Investments are held by ERS' custodian, Northern Trust.

More information can be found at www.cmers.com.

Services Required

ERS is soliciting the services of a qualified firm to conduct external audit services for a period of three years with an option to renew for an additional two years.

Scope of Work to be Performed

General

ERS' current auditor is the WI Legislative Audit Bureau (LAB) and they will complete their financial audit of the ERS' Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2024 by July 2025. ERS also prepares the Employer Schedules, which will also need to be audited. ERS believes that WI Act 12 requiring that LAB audit ERS only

covers its ACFR and the Employer Schedules are outside of the scope of the LAB audit requirement. The Employer Schedules audit will occur after the conclusion of the LAB's audit of the ACFR. Due to LAB's confidentiality statute, they cannot disclose audit information to third parties until after their audit is concluded.

Areas for Audit

ERS staff is seeking bids for the external audit of its Schedule of Employers Allocations and Pension Amounts by Employer for the year ended December 31, 2024. The external auditor selected may need to work with LAB to review the ACFR audit, as it is closely intertwined with the Employer Schedules.

Irregularities and/or Illegal Acts

Auditors shall be required to make a written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the ERS Board.

Additional Services

Should the Board decide to request additional external audit work outside the agreed upon schedule, the auditor will perform such work at an agreed upon rate and time schedule.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Auditor's expense, for a minimum of 7 years, unless notified in writing from the ERS of the need to extend the retention period. The Auditor will be required to make working papers available upon request to the ERS.

Available Documents

Attached to this RFQ are copies of the 2023 ACFR, 2023 Employer Schedules, GASB 68 Actuarial Report, A&O Audit Charter and a Sample Contract (See appendixes A, B, C, D and E).

Additional actuarial and financial reports can be found on ERS' website. Please see: https://www.cmers.com/CMERS_RD/About-ERS--The-Fund/Financial-Reports--Policies.htm

Proprietary Information

Proprietary data or trade secrets should be clearly identified as such in the proposal. ERS will not disclose any portion of the proposals except to members of the evaluation term prior to the contract award. ERS reserves the right to disclose the names of the Proposers, proposals and any other information pertinent to the selection of the Proposer.

LBE/SBE Policies

If a Local Business Enterprise (LBE) is a responsive and responsible bidder, the LBE shall be awarded the contract provided its bid does not exceed the lowest bid by more than 5% and the difference does not exceed \$25,000. If the LBE is certified as a Small Business Enterprise (SBE) with the City of Milwaukee's Office of Small Business Development, the LBE shall be awarded the contract provided its bid does not exceed the lowest bid by more than 10% and the difference does not exceed \$30,000.

Submission of a proposal constitutes acceptance of all conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed and expressly excepted in the subsequent contract between the firm and the ERS.

Questionnaire

Background of the consulting firm (2 page maximum)

1. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners. Provide an organization chart of your firm and describe the relationship between each component and your consulting group.
2. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization?
3. Please give the address of your corporate office and indicate which office(s) will service the ERS.
4. Will one primary contact be assigned to our account? If so, provide complete contact information.
5. List any exceptions to the Sample Contract (Appendix E).

Standards of conduct (1 page maximum):

1. Does your firm have a written code of conduct or a set of standards for professional behavior? If so, how are they monitored and enforced?
2. Within the last five years, has your organization or an officer or principal been involved in litigation or other legal proceedings relating to your external audit services assignments? If so, please provide an explanation and indicate the current status or disposition.
3. Has your firm ever been censured by any regulatory body? If so, please describe the situation.

Conflicts of Interest (3 page maximum):

1. Are there any potential conflict of interest issues your firm would have in servicing the ERS? If so, describe them.
2. How does your firm identify and manage conflicts of interest?
3. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any ERS Board member or staff during the past 12 months? If yes, please describe the amount of expenses and what it was for.

Audit team (2 page maximum):

1. How many external audit consultants does your firm have?
2. Please provide contact information for each consultant that will be assigned to the ERS in a grid similar to the following:

Name	Address	Business Phone	Business Fax	E-mail Address

3. Please describe the role of each consultant for this assignment.
4. Please describe your team's experience with similar work performed for other public retirement systems or corporate pension.
5. State whether the individuals assigned to the work have any responsibilities other than providing audit services, and if so, specify such responsibilities.
6. Describe the resources your firm has that specifically address the needs of public sector clients.

References:

1. Please provide three references from current clients for whom work similar to that requested in this RFQ has been performed.
2. Please list public sector clients who have terminated your relationship during the past three years and their reasons for doing so. Please include their names, titles and telephone numbers.

Fees:

1. Please list your fees for the external audit services, assuming this will be a three year contract.
2. Please give hourly rates you will charge for work within the scope of services for which the precise number of hours is unknown.

Appendix A: A&O Audit Charter

Appendix B: 2023 Annual Comprehensive Financial Report

**Appendix C: 2023 Schedules of Employer Allocations and Pension Amounts by
Employer**

Appendix D: 2023 GASB 68 Actuarial Report

Appendix E: Sample Contract



April 30, 2025

Proposal to provide professional
external audit services to:

City of Milwaukee Employees' Retirement System

Prepared by:

Jordan Boehm, CPA, Principal

jordan.boehm@CLAconnect.com

Direct 414-721-7510

CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



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CliftonLarsonAllen LLP
CLAconnect.com

Cover Letter

April 30, 2025

Mary Turk, Contract Administrator
City of Milwaukee Employees' Retirement System
789 N Water St., Suite 300
Milwaukee, WI 53202-3584
[ERS Procurement Portal](#)

Via portal submittal only

RE: RFQ for External Audit Services

Dear Ms. Turk:

Thank you for inviting us to propose. We look forward to the opportunity to provide services to City of Milwaukee Employees' Retirement System (ERS).

Primary point of contact

I, Jordan Boehm, CPA, your engagement principal, will serve as ERS' primary contact person for this engagement. My contact information is:

Jordan Boehm, CPA, Principal
Phone: 414-721-7510
Fax: 414-476-7286
Email: jordan.boehm@CLAconnect.com

Address:
10401 West Innovation Drive
Suite 300
Wauwatosa, WI 53226

Authorized individual

As a principal of CLA, I, Jordan Boehm your engagement principal, am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and ERS' RFP.

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for ERS's consideration:

- ***We know you!*** We know and understand ERS. By providing services to you in the past, we have established an understanding of your organization. The work we've performed provides your project with momentum before we begin the engagement. We don't have to spend a lot of time up front learning about your core operations, we know them well.




- **Industry-specialized insight and resources** – As one of the nation’s leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist ERS with their audit needs. In addition to your experienced local engagement team, ERS will have access to one of the country’s largest and most knowledgeable pools of regulated industry resources.
- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – ERS will benefit from a high level of hands-on service from our team’s senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at ERS and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies’ SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, ERS will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.

We want to continue to serve you, and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we’ll work together and the value you can come to appreciate when we exceed expectations. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Questionnaire*.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP


Jordan Boehm, CPA
Principal



Background of the Consulting Firm

1. Firm background

It takes balance.™ With CLA by your side, you will find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

History of CLA

On January 1, 2012, two regional firms, Clifton Gunderson and LarsonAllen, merged to become CLA. They were driven by a shared vision to be a different kind of firm and a dream to be America's leading provider of professional services.

We're celebrating 13 years as CLA, but the roots of our culture reach back much further. Across decades, the philosophies that drove our legacy firms — from how they served clients and treated their people to how they did business — shared many attributes. We still find them present today in what we call the CLA Promise.



Firm ownership and subsidiaries

CLA (CliftonLarsonAllen LLP) is a limited liability partnership and is duly licensed to practice public accountancy in the state of Wisconsin and other states.

The following are wholly owned subsidiaries of CLA:

- CLA International, Inc.
- CliftonLarsonAllen Wealth Advisors, LLC
- CLA Trademarks Holding Company LLC
- CliftonLarsonAllen UK Limited

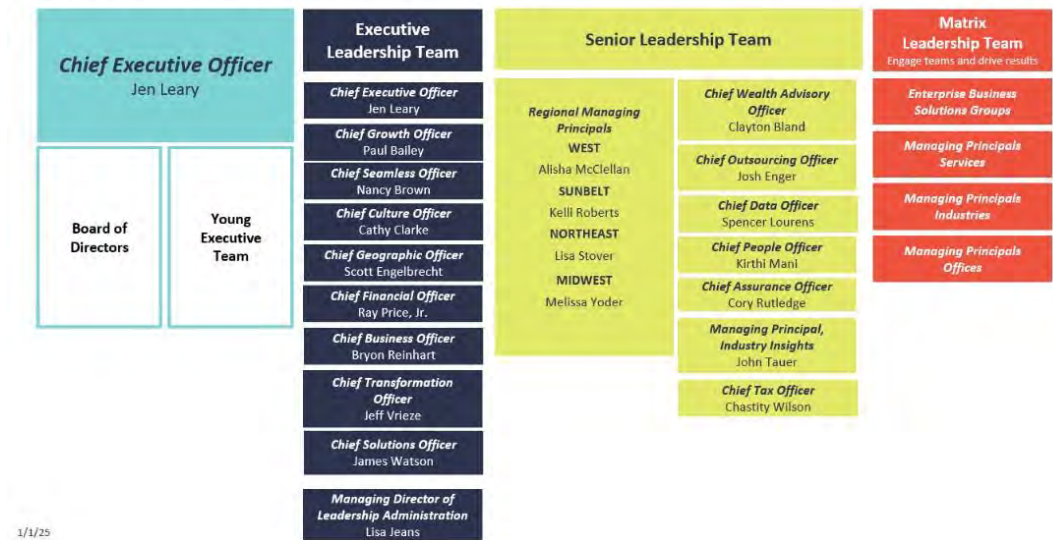
Firm organizational structure

CLA is a national professional services firm built around five primary areas of focus — public accounting, wealth advisory, audit, digital solutions and consulting and outsourcing — all highly integrated and seamless in capabilities and delivery of services.



We have developed the credibility, reputation, and resources of a leading professional services firm while working hard to maintain the individualized service of a smaller firm. Our emphasis is on serving privately held businesses and their owners, as well as governmental and nonprofit organizations.

CLA Firm-wide Structure



2. Significant organization developments

Over the past three years, all the changes in our organization have had the purpose to broaden the scope and quality of services we provide to our clients. We do not anticipate any merger with another accounting firm or the acquisition of assets from another accounting firm that would have a material impact on CLA.

3. Corporate office

CLA does not have a corporate office — there is not a place from which the firm is controlled or directed. Leadership, ownership, and entrepreneurship permeate the firm, independent of location. Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide ERS higher quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

ERS will be served by an industry-specialized engagement team located in our Milwaukee office at 10401 West Innovation Drive, Suite 300, Wauwatosa, WI 53226.

4. Primary account contact

Jordan Boehm, your engagement principal, will serve as ERS’s primary contact person for this engagement. My contact information is as follows: Jordan Boehm; Office: 414-721-7510; Email: jordan.boehm@CLAconnect.com

5. Exceptions to the Sample Contract (Appendix E)

Refer to **Appendix A** of our proposal for our proposed revisions to *Appendix E, Sample Contract*.



Standards of Conduct

1. Code of conduct

As one of the leading providers of professional services in the country, CLA adheres to the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct. Firm and professional standards of independence are understood to apply to all audit, attest, accounting, review, and other services for which standards have been established by the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee under Rule 201 or 202 of the AICPA Code of Professional Conduct. Firm and professional standards of integrity and objectivity are understood to apply to all professional services.

CLA and all professionals assigned to this engagement meet the independence requirements of the AICPA, including the provisions of Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics.

Business ethics

In addition to being bound by the ethical standards established by the American Institute of Certified Public Accountants, our principals and employees are also held to a strict moral and ethical code when working with clients. At all times, our personnel are expected to act in a professional manner and display unimpaired, sound judgment when working on engagements. Client information and findings are also held in strict confidence.

2. Litigation

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend it vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.

3. Professional ethics and regulatory issues or complaints against team members

From time to time, individuals in the firm are parties to an inquiry from a regulatory or ethics body. In all cases the individual, with the firm's backing, shall cooperate in providing the information required to respond appropriately to the inquiry.

The firm and professionals within the firm presently do not have any regulatory or ethics inquiries outside the normal course of our practice.



Conflicts of Interest

1. Potential conflicts of interest

CLA has been providing services to ERS for a number of years. As such, we are required to remain free of conflicts of interest. We are not presently aware of any current or potential relationships with ERS or its affiliates that may represent a conflict of interest.

We have no conflicts of interest, either inherent or explicit with either ERS or any of its component units. In situations where we perform services for a primary government and its component units, we generally assign independent engagement principals to each unit. We would not propose on an entity in which we determined there was an inherent or explicit conflict of interest or a lack of independence that existed either in fact or appearance.

2. Identifying and managing conflicts of interest

CLA's policies include detailed procedures designed to foster compliance with independence requirements and to avoid conflicts of interest. Our policies are extensive and designed to meet the requirements of the American Institute of Certified Public Accountants (AICPA), the U.S. Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB), state licensing agencies, and/or the U.S. Government Accounting Office's *Government Auditing Standards*, as required.

Some of the key elements of our policies are:

- For all personnel who perform client services, conflicts of interest training
- From all personnel who perform client services, annual written representations and approvals of certain roles that may create conflicts of interest
- Extensive client and engagement acceptance and continuance policies
- Separate sections in our policies specific to conflicts of interests and required approvals
- Maintenance of a firm-wide client list and a restricted entities list

3. Gifts, travel and room expenses, entertainment, or meals

No one in our firm has provided any gifts, travel and room expenses, entertainment, or meals to any ERS Board members or staff during the past 12 months.



Audit Team

Considering the page limit required by the RFP for this section please refer to **Appendix C** of this proposal for additional pertinent information. Also, for our approach to the services, please refer to **Appendix D** of this proposal.

1. Number of external audit consultants

Our 17 Wisconsin offices employ more than 685 professionals, including 244 external audit professionals.

We staff our engagements based on your specific needs, offering local or national resources as necessary to generate exceptional service. Our principals, signing directors, directors, and managers are directly involved in fieldwork to help proactively identify significant issues and resolve them with management — which means the engagement is essentially complete when fieldwork ends. While it is not our policy to rotate the engagement team management, we have the resources to offer additional involvement or bring in other members of our firm, as necessary.

Our approach recognizes that the most valuable time at your location is spent with key decision makers, asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective, cost-efficient, and produces a high-quality audit.

2. Team members contact info

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Name	Address	Business Phone	Business Fax	Email Address
Jordan Boehm	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-721-7510	414-476-7286	jordan.boehm@CLAconnect.com
Mike Anderson	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-721-7541	414-476-7286	michael.anderson@CLAconnect.com
Daniel Ludwig	10401 West Innovation Drive, Suite 300 Wauwatosa, WI 53226	414-467-6735	414-476-7286	daniel.ludwig@CLAconnect.com

Detailed biographies can be found in **Appendix B**.

Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.

Collaborative: Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.



3. Team members roles

Jordan Boehm, CPA - **Relationship principal** – Jordan will serve as ERS’s relationship principal. He will be responsible for total client satisfaction through the deployment of all required resources and communication with management and the audit team will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year.

Michael (Mike) Anderson, CPA - **Engagement manager** – Mike will act as the lead manager on the engagement. In this role, he will assist the engagement principal with planning the engagement and performing complex audit areas. Mike will perform a technical review of all work performed and is responsible for the review of all reports.

Daniel (Dan) Ludwig, CPA, CIA, CGMA - **Technical resource director** – Dan will be the technical resource for the audit team as well as ERS personnel. His many years of serving ERS, and similar entities, will be an invaluable resource.

4. Team’s relevant experience

CLA has developed a niche working with large state and local government retirement plans. Our experience includes auditing plans ranging in size up to \$736 billion in assets, which enhances our staff’s understanding of your complexities not just from a compliance standpoint, but also from an operational point of view. We have consulted on specific operational focus areas for state pensions such as contributions processing, benefit payment calculations and processing, and data analytics, to name a few. Multiple team members also attend the Public Pension Financial Forum for relevant government retirement system CPE and training.

CLA provides services to government retirement systems with a combination of assets totaling more than \$2 trillion and 13 million members.

5. Other responsibilities

The individuals assigned to the work will only provide external audit services. Our goal is to provide ERS with high-quality services at a competitive fee with no surprises. The time and fee estimates reflect our knowledge and extensive experience in providing similar services to similar clients. We are confident we can provide the services you need to help accomplish your goals.

Our professionals are well-balanced when it comes to managing workloads and have never had a problem prioritizing client deadlines. We focus on well-established project management techniques to keep all parties on track and accountable to each other. CLA recognizes and understands the sense of urgency required in meeting regulatory deadlines, and we make continual efficiency improvements to our process so we can provide a smooth, timely engagement.

6. CLA’s resources for public sector clients

State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit, so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face of changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents



References

1. Current client references

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear it firsthand.

Employees Retirement System of Texas	
Client Contact	Tony Chavez, Director of Internal Audit
Phone Number Email	512-86-7443 tony.chavez@ers.texas.gov

Texas Municipal Retirement System	
Client Contact	Michael Apperley, Chief Administrative Officer
Phone Number Email	512-225-3759 mapperley@tmrs.com

Public Employees' Retirement Association of Colorado	
Client Contact	Catherine Meaniger, Director of Finance/Controller
Phone Number Email	512-225-3759 cmaninger@copera.org

Transparent: We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.



2. Lost clients

As a matter of policy, CLA does not disclose information regarding former clients as it may violate the confidentiality terms of the clients at issue, especially if the reason for their departure is governed by a non-disclosure agreement, confidentiality agreement, or confidentiality terms/provisions found in the engagement terms.

From time to time, clients will leave CLA to engage another CPA firm for audit services. It is not our practice to publicly identify the clients we are engaged to serve, including discussing specific reasons organizations chose to leave our firm. In general terms, any clients who decided to engage a new public accounting firm have done so for the following reasons:

- Organization was acquired by or sold to a larger organization and audits were no longer necessary, or the larger organization had a different audit firm
- Long-term clients attempting to comply with interpretations of the Sarbanes-Oxley Act had the impression they should change auditors
- Transition at the CEO or CFO level caused the decision to engage a firm with whom they had a previously established relationship

As part of this, it is important to note none of the client transitions described above was the result of unresolved auditing or accounting matters or due to poor client service.



Recent public retirement plan experience

Below is a listing of government retirement system clients we either currently or recently have served.

Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Anne Arundel County Retirement and Pension System	X						\$2	8,470	10
Arizona State Retirement System	X			X	X		\$50	637,386	9
Arizona Public Safety Personnel Retirement System*	X				X		\$18	59,615	3
Baltimore City Police & Fire Pension	X						\$3	10,073	9
Baltimore County Employees' Retirement System	X						\$3	18,274	10
Board of Pensions – City of Philadelphia	X						\$8	64,241	16
California State Teachers Retirement System				X			\$349	1,002,045	11
Commonwealth of Massachusetts***	X						\$72	353,990	3
City of Austin Employee Retirement System	X						\$3	21,902	3
City of Norfolk Employees' Retirement System	X						\$1	8,850	6
Employees' Retirement System of Texas	X						\$34	492,299	3
Federal Retirement Thrift Investment Board	X						\$838	6,500,000	16
Fresno County Employees' Retirement Assoc.	X						\$6	19,923	4
Illinois Municipal Retirement Fund				X			\$49	474,920	1



Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Kansas Public Employees' Retirement System	X		X				\$25	333,781	9
Kern County Employees' Retirement System	X						\$5	22,106	10
Maine Public Employees Retirement System		X					\$19	162,555	2
Massachusetts Water Resources Authority (MWRA) Employees' Retirement System	X						\$1	1,950	6
Minnesota Public Employees' Retirement System						X	\$40	463,210	7
Minnesota State Retirement System				X			\$18	140,867	11
Minnesota Teachers Retirement Association						X	\$26	210,914	1
New Mexico Public Employees Retirement Assoc.	**	X					\$20	125,849	7
New York City Deferred Compensation Plan	X		X	X			\$26	238,653	6
North Dakota Retirement and Investment Office	X						\$18	24,490	11
North Dakota Public Employees Retirement System	X						\$4	55,266	8
North Carolina Department of State Treasurer Investment Programs	X						\$153	n/a	10
Pennsylvania School Employees'			X				\$83	517,822	19



Public Retirement Plan	Financial Statement Audit	Internal Audit	SOC1 Examination	Cybersecurity Services	Control Consulting	Other Services	Asset Size (in billions)	Total Membership	Number of Years as Client
Retirement System*									
Public Employees' Retirement Assoc. of Colorado	X						\$64	671,911	9
Seattle City Employees' Retirement System	X						\$4	20,308	12
State of Vermont***	X						\$6	60,919	5
State Retirement & Pension System of Maryland	X						\$74	412,397	13
Texas Municipal Retirement System*	X		X				\$36	280,937	6

*The System has a multiple employer agent plan.

**Starting in fiscal year 2022 CLA began performing internal audit work for this client and will no longer perform the financial statement audit.

***Includes large (> \$5B) state and teachers' retirement systems and OPEB plans. Assets refer to retirement specific assets.



Fees

1. Fees for a three-year contract

Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

Based on our understanding of your requirements, we propose the following fees:

Professional Services	2025	2026	2027
Audit of the Schedules of Employer Allocations and Pension Amounts by Employer	\$42,500	\$44,200	\$44,960
Technology and client support fee (5%)	\$2,125	\$2,210	\$2,248
Total	\$44,625	\$46,410	\$47,208

Our fee quote is designed with an understanding that:

- ERS personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are no significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.

Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size and/or operational structure. If fee increases are expected outside of the ranges provided above, we would discuss with management prior to the completion of the work.



2. Hourly rates

The table below shows our standard hourly billing rates by classification:

Staff Level	ERS Hourly Rates
Principal/Signing Director	\$428
Manager/Director	\$261
Senior	\$171
Associate	\$152

No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any “out-of-scope” work is required — we'll discuss a revised fee proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.

Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.

Transparent: Clear, authentic communication and market-based fees.



Appendix



A. Exceptions to Appendix E – Sample Contract

We have reviewed *Appendix E, Sample Contract* with our internal legal, insurance, and assurance service teams and have summarized our proposed revisions below. These revisions specifically tailor the contract to better align with the scope of work and remove generic language not applicable to the related services.

We believe ERS will find these modifications reasonable and appropriate. However, we are willing to discuss these proposed revisions in an effort to achieve a mutually agreed-upon contract.

Edit to clause 1.2 as shown below:

1.2. → ~~CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR's field of endeavor and like services~~ applicable professional standards, and as more specifically set forth in [Exhibit ###].¶

Edit to clause 6 as shown below:

6. → **REPORTS.** ~~At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information (collectively "Records") as the ERS may request pertaining to matters covered by this Agreement. For the avoidance of doubt, Records does not include Contractor's workpapers which are proprietary information and access is restricted.¶~~

Edit to clause 7.1 as shown below:

7.1. → Document ownership. ~~All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement (collectively "Deliverables") shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same for any purpose pursuant to the provisions outlined in the Statement of Work without any additional compensation to CONTRACTOR. For the avoidance of doubt, Deliverables does not include Contractor's workpapers which are proprietary information and access is restricted.¶~~

Recommendation to add the following to clause 7.2.2

Additionally, nothing herein shall require the return or destruction of Confidential Material stored in automatic electronic backup systems, including but not limited to email, if such return would be commercially or technically infeasible, provided that any such retained Confidential Material shall be subject to the non-disclosure and use restrictions imposed herein for so long as such Confidential Material is retained.



Edit to clause 10.1 as shown below:

10.1.→Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") from all losses, damages, costs, expenses, judgements, or decrees ("Claims") arising out of such

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action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees. CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.¶

Edit to clause 10.2 as shown below:

10.2.→Indemnification. CONTRACTOR will save and indemnify and keep harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives ("Indemnitees") against all liabilities, judgments, costs, attorneys fees, and expenses ("Claims") which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever. CONTRACTOR'S indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.¶

Edit to clause 11.1.4 as shown below:

11.1.4.→All policies are to contain notice requirements that ensure that 3060 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.¶

Note on Clause 11.1.8

Additional insured is done as a blanket endorsement such that ERS is not specifically named as an additional insured but is an additional insured by nature of the contractual obligation.

Edit to clause 11.2 as shown below:

11.2. Commercial Automobile Liability.		
Combined Single Limit	→	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	→	\$1,000,000 per occurrence
Medical Expense	→	\$10,000 each person
In addition to those requirements noted above in sections 11.1.1-11.1.10:		
<ul style="list-style-type: none">→ If CONTRACTOR owns or has any <u>long term</u> leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).→ Coverage shall include contractual liability for risks assumed in this contract.→ Coverage shall apply to the risks associated with or arising out of the services provided under this contract.→ If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.→ Coverage shall be modified to include a Waiver of Subrogation <u>on all of CONTRACTOR'S insurance policies, except for Professional Liability</u> in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.		

Edit to clause 11.4 as shown below:

11.4. Professional Liability (Errors and Omissions).		
Combined Single Limit	→	\$1,000,000 each accident incident claim
		\$1,000,000 Aggregate
In addition to those requirements noted above in sections 11.1.1-11.1.10:		
<ul style="list-style-type: none">→ Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.→ If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.→ Coverage is to be provided on a "per project" basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.→ CONTRACTOR will certify that the policy will be renewed each year of the contract.		

Edit to clause 12 as shown below:

12. → **REGULATIONS.** CONTRACTOR agrees to comply with all of the requirements of all applicable federal, state and local laws related to the scope of work.¶

Edit to clause 17.1 as shown below:

17.1. → **Establishment and Maintenance of Records.** Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that “any record produced or collected under” this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS. For the avoidance of doubt, Records as identified in this section do not include CONTRACTOR’S workpapers which are proprietary information and access is restricted.¶

Edit to clause 18 as shown below:

18. → **AUDITS AND INSPECTIONS.** At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, ¶

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payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. For the avoidance of doubt, records and data as identified in this section do not include CONTRACTOR’S workpapers which are proprietary information and access is restricted.¶

Additional Language to be added to City of Milwaukee ERS RFP

CONTRACTOR's services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations. Except as described in this Agreement or any applicable SOW, CONTRACTOR has no responsibility to identify and communicate deficiencies in ERS'S internal controls as part of any services.

Time limitations

The nature of CONTRACTOR's services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between ERS and CONTRACTOR. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this Agreement or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by ERS against CONTRACTOR must be commenced as provided below, or ERS shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within these periods ("Limitation Period"), which vary based on the services provided, and may be modified as described in the following paragraph:

Service	Time after the date CONTRACTOR delivers the services or work product*
Tax Consulting Services	36 months
Tax Return Preparation	36 months
Examination, compilation, and preparation services related to prospective financial statements	12 months
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months
All Other Services	12 months

* pursuant to the SOW on which the dispute is based

If this Agreement is terminated or ERS'S ongoing relationship with CONTRACTOR is terminated, then the applicable Limitation Period is the lesser of the above periods or 12 months after termination of this Agreement or ERS'S ongoing relationship with CONTRACTOR. The applicable Limitation Period applies and begins to run even if ERS has not suffered any damage or loss or have not become aware of the existence or possible existence of a dispute.

CONTRACTOR will not disclose any of ERS'S confidential, proprietary, or privileged information to any person or party, unless ERS authorizes CONTRACTOR to do so, it is published or released by ERS, it becomes publicly known or available other than through disclosure by CONTRACTOR, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit CONTRACTOR from disclosing ERS's information to one or more of CONTRACTOR's affiliated companies in order to provide services that ERS has requested from CONTRACTOR or from any such affiliated ERS. Any such affiliated ERS shall be subject to the same restrictions on the use and disclosure of ERS's information as apply to CONTRACTOR. ERS also consents to CONTRACTOR's disclosure of information regarding the nature of services CONTRACTOR provide to ERS to

another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

The workpapers and files supporting the services CONTRACTOR performs are the sole and exclusive property of CONTRACTOR and constitute confidential and proprietary information. CONTRACTOR does not provide access to its workpapers and files to ERS or anyone else in the normal course of CONTRACTOR. Unless required by law or regulation to the contrary, CONTRACTOR retain its workpapers and files in accordance with its record retention policy that typically provides for a retention period of seven years. After this period expires, CONTRACTOR's workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time CONTRACTOR's records are available. The workpapers and files of CONTRACTOR are not a substitute for ERS's records.

Pursuant to authority given by law, regulation or professional standards CONTRACTOR may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. CONTRACTOR will notify ERS of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CONTRACTOR personnel and at a location designated by CONTRACTOR. Furthermore, upon request, CONTRACTOR may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

CONTRACTOR may, at times, utilize external web applications to receive and process information from its clients; however, any sensitive data, including protected health information and personally identifiable information, must be redacted by ERS to the maximum extent possible prior to uploading the document or file. In the event that ERS is unable to remove or obscure all sensitive data, please contact CONTRACTOR to discuss other potential options for transmitting the document or file.

CONTRACTOR and certain owners of CONTRACTOR are licensed by the California Board of Accountancy. However, CONTRACTOR has owners not licensed by the California Board of Accountancy who may provide services under this Agreement. If ERS has any questions regarding licensure of the personnel performing services under this Agreement, please do not hesitate to contact CONTRACTOR.

CONTRACTOR regularly aggregates anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, CONTRACTOR is always careful to preserve the confidentiality of the separate information that CONTRACTOR obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. ERS's acceptance of this Agreement will serve as ERS's consent to CONTRACTOR's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

CONTRACTOR may, at times, use third-party software applications to perform services under this Agreement. ERS acknowledges the software vendor may have access to its data.



B. Your service team biographies





Jordan Boehm, CPA

CLA (CliftonLarsonAllen LLP)

Principal
Milwaukee, Wisconsin

414-721-7510
jordan.boehm@CLAconnect.com



Profile

Jordan has been providing assurance, consulting, and advisory services to state and local government organizations and higher education institutions for more than 13 years. Jordan focuses on developing custom strategies to challenges the state and local government organizations and higher education institutions face with respect to their finance and accounting and compliance functions. Services provided include assurance, tax, federal and state grant compliance, Wisconsin tax increment district rules and regulations, Wisconsin Public Service Commission reporting, and Wisconsin Department of Revenue Form A, C, and CT. In addition, Jordan serves as the Wisconsin Growth Network Leader for our higher education practice.

Technical experience

- Responsible for the performance of financial statement audits, *Uniform Guidance* audits, and State of Wisconsin single audits for governmental and nonprofit entities
- CLA Audit Innovation team that assists in the maintenance and improvement of the CLA audit methodology
- CLA designated quality reviewer team for state and local government reporting entities
- Wisconsin Government Finance Officers Association (WGFOA), *Technical speaker*
- Wisconsin Association of School Business Officials (WASBO), *Technical speaker*
- Wisconsin Comptroller's Office training, *Technical speaker*

Education and professional involvement

- Bachelor of business administration, accounting, and finance from University of Wisconsin-Milwaukee, Milwaukee, Wisconsin
- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants – Editorial Advisory Committee
- Government Finance Officers Association
- Wisconsin Government Finance Officers Association
- Certified Public Accountant in the state of Wisconsin





Michael T. Anderson, CPA

CLA (CliftonLarsonAllen LLP)

Manager
Milwaukee, Wisconsin

414-721-7541
michael.anderson@CLAconnect.com



Profile

Michael has been a member of the CLA regulated industries team for 9 years, with an industry focus on governmental and nonprofit higher education entities. He has worked with local government clients throughout Wisconsin as well as governmental entities on the East Coast.

Technical experience

- Audits of state and local governments
- Audits of school districts, technical college districts, and nonprofit higher education entities
- Financial statement consulting and preparation for governmental and nonprofit entities
- Single audits in accordance with Uniform Grant Guidance and state single audit requirements

Education and professional involvement

- Bachelor of arts in business administration, accounting, and finance, from Wisconsin Lutheran College, Milwaukee, Wisconsin
- American Institute of Certified Public Accountants
- Wisconsin Government Finance Officers Association
- Certified Public Accountant in the state of Wisconsin

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CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





Dan Ludwig

CLA (CliftonLarsonAllen LLP)

Areas of Focus

- SEC Reporting - 10-Q, 10-K, S-1, MD&A
- Mergers & Acquisitions
- System Implementation
- Internal Audit
- SOX Documentation/ Testing
- Budgeting/ Forecasting
- Financial Modeling
- Performance Metrics
- Audit Preparation
- Balance Sheet Clean-up
- Internal Control Environment
- Policy Development/ Process Documentation
- Process Improvement
- Project Management
- Cost Accounting
- Inventory Accounting
- Account Reconciliations
- Variance Analysis

Industries

- Manufacturing
- Distribution
- Food & Beverage
- Government
- Retail
- Transportation and Logistics
- Public Accounting- Audit

Technology

- Microsoft Excel

Education

- University of Wisconsin - Milwaukee
Bachelor of Business Administration

Certifications

- Certified Public Accountant
- Chartered Global Management Accountant

About Dan

Dan has more than 20 years of diverse Financial management experience in Public Accounting, Consulting and Corporate Management. He is experienced in audit, M&A, internal controls, enterprise risk management, and fraud investigations.

Experience

- As a **CLA CAAS Consultant**, provided internal audit and consulting services
- Performed ongoing Internal Audits for a \$1.3B packaging corporation
- Performed ongoing Internal Audits for a large Midwestern City's Retirement System
- Performed forensic accounting procedures as part of the sale of a business
- Provided multiple internal control assessments for large real estate property management companies
- As **Audit, Risk and Finance Consultant**, served as Audit Director for outsourced/co-sourced Internal Audit and Financial Compliance functions
- Aligned the audit function with an organization's strategy and risk profile to create a tailored audit plan; managed and/or performed Financial Audits, Technical Accounting/GAAP Reviews, Network Security Audits, Operational/Procedural Reviews, Cost Recovery Audits and Forensic Analysis; tested and remediated Financial and IT internal controls environments
- Developed Enterprise Risk Management (ERM) programs to identify key organizational risks and mitigating activities/controls
- As **Director of Audit & Risk Management at A.O. Smith Corp.**, responsible for global Audit and Risk functions
- Directed Internal Audit and SOX compliance process, managed external audit relationships, implemented a continuous control process, prepared and reviewed SEC footnotes and filings (10K, 10Q, S4), audited system conversion to QAD/PeopleSoft
- Developed and implemented an ERM program; conducted assessments, presented results to Senior Management and advised in development of action plans; managed, mentored and developed 10 audit/risk professionals in the U.S. and China
- As **Manager of Internal Audit at Rexnord Corp.**, established the Internal Audit Function
- Served as **Manager of Internal Audit at Woodhead Industries, Inc.**
- Served as **Senior Auditor at Deloitte**

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C. Audit team section additional information

4. Team's relevant experience continued

Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.



We're also actively involved in and/or are members of these professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants
- Public Pension Financial Forum (P2F2)
- Association of Public Pension Fund Auditors (APPFA)
- National Association of State Retirement Administrators (NASRA)

In addition to our pension plan experience, our professionals have extensive knowledge of specialized investment industry practices, including:

- Investments in fixed income (MBS, ABS, corporate bonds, and structured products)
- Public equity
- Alternative equity
- Real estate
- Timber
- Derivatives (including options, swaps, futures, and forwards)
- Foreign exchange
- Securities lending and collateral

Our clients have diverse holdings such as joint ventures, real estate investment holdings, offshore investments, private company holdings, partnerships, common collective funds, hedge funds, and insurance contracts. We've worked through several valuation and disclosure issues to determine whether such investments are appropriately stated and adequately disclosed. Our audit efforts concentrate on confirming the existence of investments and assessing their proper valuation at year-end.

6. CLA's resources for public sector clients (continued)

Support at every turn

With [dedicated services specific to state and local governments](#), you have access to guidance on all aspects of your operations.

- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [Cybersecurity](#)
- [Enterprise risk management](#)
- [Forensic accounting, auditing, and fraud investigation](#)
- Fraud risk management
- [Grant compliance](#)
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- [Internal audit](#)
- [Outsourced business operations](#)
- [Performance auditing](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)
- Strategic, financial, and operational consulting
- [Telecom management services](#)
- [Business opportunity assessments](#)
- [System optimization and selection](#)



GASB requirements for retirement systems

CLA routinely helps clients with implementing GASB statements. Many of our principals provide training and aid in implementation of new standards, including the accounting, preparation of financial statements, and required disclosures. We help you understand the reasons behind the standards — as well as existing alternatives. This includes the creation of templates (general and client specific) in use by some governmental entities.

A significant amount of time in our training is spent on financial statement preparation and understanding the reporting models, as well as the impact of GASB standards. We've helped our clients produce financial statements that continue to receive the GFOA Certificate of Excellence in Financial Reporting, and have aided first-time filers in acquiring and maintaining their certificates.

CLA was actively involved in providing direct feedback to the GASB throughout the implementation of GASB 67 and 68. We've spoken multiple times at the Public Pension Financial Forum (P2F2) and the Association of Public Pension Fund Auditors on the topic. Members of your assigned team helped state pensions around the country with initial implementation and adoption of GASB 67 and assisted employers with the requirements under GASB 68. In 2013, CLA engaged an external actuary as an auditor's specialist to strengthen our audit work over the actuarial requirements of GASB 67, while our government retirement team has built out tools to assist with GASB 68 calculations and verifications. We've developed risk-based census data testing procedures to prioritize value over effort from the required employer testing.



D. Services approach

Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures, such as:

- Meet with ERS personnel to agree on responsibilities and timeframes. The agenda will include audit approach, assistance from ERS personnel, initial concerns, and principal contacts.
- Understand ERS operations using budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations.
- Perform a preliminary overall risk assessment.
- Compile an initial comprehensive list of items to be prepared by ERS

One of the key elements in the planning of this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact with ERS as to what we are finding and where we expect it will lead.

Phase 2: Systems evaluation

- Understand the internal control structure of ERS for financial accounting and relevant operations
- Identify control objectives for each type of control that is material to the financial statements
- Determine the nature, timing and extent of our control testing and perform tests of controls

Our assessment will determine whether ERS has established and maintained internal controls to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized
- Assets are safeguarded against loss
- Transactions are executed in accordance with laws and regulations

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client list based on our test results and our anticipated substantive testing. Additionally, we will review general and application information systems (IS) controls to conclude whether they are properly designed and operating effectively.

Phase 3: Testing and analysis

Schedule of Employer Allocations

As a part of our audit related to the schedule of employer allocations, we will do the following:

Note: This schedule would display the proportionate relationship of each employer to all employers and each employer's allocation percentage.

- We will obtain an understanding of the plan methodology for allocating the individual employers' collection pension amounts.

Note: The basis of allocation must be consistent with the manner in which contributions to the plan are determined. GASB Statement No. 68 encourages an allocation method, often prepared by an actuary, based on an employer projected long-term contribution effort to the plan, and as compared to the total projected long-term contributions efforts of all employers contributing to the plan. The standard also allows for other allocation methods to be used, including allocations based on historical measures such as actual contributions or covered payroll. Allocations of historical measures may not be appropriate in certain circumstances (i.e. different classes of benefits) and should be evaluated to determine it is consistent with GASB Statement No. 68.

- We will obtain a schedule of the allocation base by employer, and then test the schedule's clerical accuracy and trace totals to the general ledger, if appropriate. Our testing will include the following:

Note: IDEA can be used to test clerical accuracy. It may not be necessary to test clerical accuracy if the schedule is computerized and the software was tested in prior years.

- Confirm a sample of the allocation base for the plan year with employers participating in a multiemployer plan.

Note: The sample used to confirm the allocation base can be the same sample selected for testing of employer reporting. Confirmation should generally be requested if (1) the allocation base will not be traced to employer records, or (2) reconcile any differences on confirmation replies.

Note: If confirmation replies are received via facsimile, consider verifying the source and response by telephone and documenting this verification in the workpapers.

- Relate the testing performed in the participant data above to the schedule of the allocation base by employer provided by the plan.

Schedule of Pension Amounts by Employer

We will perform the following for the schedule of pension amounts by employer.

Note: The AICPA State and Local Government Expert Panel recommends the schedule of pension amounts by employer; however, plans have the option to present the simpler schedule of collective pension amounts. If the schedule of pension amounts by employer is presented two additional deferred inflow/outflow of resources will need to be included, (1) the net impact of changes in proportion (that

is, the allocation percentage) between periods, and (2) differences between actual employer contributions and the employer's proportionate share of contributions.

- Perform the following procedures related to the actuary and the information provided by the actuary:
 - Obtain satisfaction regarding the professional qualifications and reputation of the actuary.
 - Obtain a confirmation from the plan actuary as of the benefit information date. The confirmation can be designed to either request a copy of the actuary's report as part of the response, or to request verification of information in a report provided by the actuary to the client.
 - Reconcile the aggregate census data (number of participants and total compensation) from the employers' records to the actuary's report and confirmation.
 - Compare the relevant plan provisions and amendments per review of plan documents with those summarized in the actuary's report as used in the actuarial determination.
 - Consider whether the actuary's assumptions and methods conform to standards for measuring the total pension liability and to the standards for assumptions in GASB Statement No. 68, Financial Reporting for Pension Plans and appear reasonable in relation to the plan's provisions and experience. Specifically, we will consider the reasonableness of the following assumptions:
 - The discount rate (i.e. the rate of return on plan assets)
 - Mortality rates
 - Trends and nature of benefit distributions (for example, lump sum versus annuity)
 - Turnover and retirement assumptions
 - Note: For example, a shift in the plan population over time could warrant a different assumption for turnover or retirement if participants are retiring earlier or later than assumed.
 - The effects of plan benefit formula changes or a freezing of the plan
 - Review the total pension liability for reasonableness.

Note: If the amounts in the actuary's report or confirmation appear unreasonable, additional procedures such as obtaining the opinion of another specialist will be necessary.

- Trace amounts in the Schedule of Pension Amounts by employer to the actuary report or other supporting schedules confirmed with the actuary.
- Test the clerical accuracy of the schedule and the allocation of the various elements which include the net pension liability, deferred inflows and outflows of resources and the pension expense.

Phase 4: Reporting and follow-up

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, our opinion, the financial statements, and management letter will be issued.

Reports to management will include oral and/or written reports regarding:

Independent Auditor's Report

- Independent Auditor's Report on the Employer Schedules and Other Reporting Required by *Government Auditing Standards*



Management Letter

- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Any significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Any disagreements with ERS
 - ERS's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Any difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, the financial statements and management letter will be issued.

ERS will be provided a draft of any comments that we propose to include in the management letter, enabling you to review the comments for accuracy prior to final release. Any items that come to our attention that are not what we consider major items may be discussed verbally with management and not included in the management letter. Our management letter will include items noted during our analysis of your operations. We will also make a formal presentation of the results of the audit to those charged with governance of ERS, if requested.



E. Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.



Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1[®] and SOC 2[®] engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
Charlotte, North Carolina
November 18, 2022

SERVICE AGREEMENT
between
DS CONSULTING GROUP, LLC
and
Employees' Retirement System of the City of Milwaukee

General Service Description:	Professional Management, Information Services, and Quality Assurance Consulting Services
Time of Performance:	January 1, 2027 through December 31, 2031
Maximum Compensation Not to Exceed:	\$1,769,040.00

THIS AGREEMENT is effective January 1, 2027 (the "Effective Date"), by and between DS Consulting Group, LLC, a Wisconsin domestic limited liability company ("CONTRACTOR") and the Employees' Retirement System of the City of Milwaukee, a body corporate and politic under the laws of the State of Wisconsin ("ERS").

WHEREAS, CONTRACTOR represents self as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Agreement as an independent business and not as an employee of the ERS; and

WHEREAS, ERS wishes to retain the services of CONTRACTOR as described herein.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. RETENTION OF SERVICES, STANDARDS, CONTRACT DOCUMENTS.

- 1.1. The ERS hereby agrees to engage CONTRACTOR and CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the ERS, the services hereinafter set forth, all in accordance with the terms and conditions of this Agreement.
- 1.2. CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results produced pursuant to the terms and conditions of this Agreement shall conform to such recognized high professional standards as are prevalent in CONTRACTOR's field of endeavor and like services, and as more specifically set forth in Exhibit B – Contractor's Proposal for Services.
- 1.3. The following constitute the contract documents (collectively the "Agreement"). If there is a conflict or ambiguity (including but not limited to the Effective date and/or the dates of service), the Agreement shall be governed by these listed documents in descending order of precedence:

First:	Service Agreement (this document)
Second:	Pledge of Confidentiality (Exhibit A)
Third:	Contractor's Proposal for Services (Exhibit B)

2. TIME OF PERFORMANCE.

- 2.1. The term of this Agreement (“Term”) shall begin on the Effective Date and shall end upon December 31, 2031, or if applicable, earlier termination pursuant to the provisions of this Agreement. The term of this Agreement may be extended by mutual written agreement for an addition term of five years.
- 2.2. Continuation of the Agreement, or any subsequent extension beyond December 31st of any year, is contingent upon the proper ERS and City of Milwaukee officials appropriating funds for this purpose.
- 2.3. In addition to all other remedies inuring to the ERS should CONTRACTOR’s obligations and duties under the Agreement not be completed by the end of the Term, CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR’s responsibility to complete the scope of services and to execute any necessary amendments to this Agreement.

3. SCOPE OF SERVICES.

- 3.1. CONTRACTOR shall provide services as specified in Contractor’s Proposal for Services, attached as Exhibit B.

4. CONDITIONS OF PAYMENT.

- 4.1. CONTRACTOR shall submit invoices to ERS on a monthly basis. Upon receipt of a properly submitted and approved invoice, CONTRACTOR shall be compensated for services and equipment actually provided at the rates and prices set forth on p. 4 of Attachment B (Statement of Work and Estimate) of Exhibit B; however, no payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in Section 11 has been provided. Services are to be provided by Terry Siddiqui at the following hourly wages for an average of 1,800 hours per year: \$180 per hour for 2027 to be increased in 2028, 2029, 2030, and 2031 by the increase in the CPI-W, CPI for Urban Wage Earners and Clerical Workers, US city average, not-seasonally adjusted as published by the U.S. Bureau of Labor Statistics in November of 2027, 2028, 2029, and 2030, respectively, provided that the "not to exceed" shall not be exceeded over the Term.
- 4.2. All other costs, fees, charges and expenses (including but not limited to travel and administrative costs and fees) not set forth in Exhibit B are excluded hereunder unless ERS agrees to those additional fees by written amendment, before they are incurred.
- 4.3. Total compensation to CONTRACTOR shall not exceed \$1,769,040.00 over the Term, except as provided in section 14.
- 4.4. ERS strives to make timely payment on all invoices. Payment to CONTRACTOR shall be deemed timely if the payment is mailed, delivered, or transferred within 30 calendar days after receipt of a properly completed invoice or receipt and acceptance of the property or

service under the order or contract, whichever is later. If ERS does not make payment by the 45th calendar day, ERS shall pay simple interest beginning with the 31st calendar day at the rate of 1% per month (unless ERS disputes the amount of the invoice). *Reference* Common Council File No. 101137 adopted January 19, 2011, provisions of state statute section 66.0135.

- 4.5. Compensation for services required under this Agreement shall be contingent upon each activity being reviewed for approval by the ERS and approved by ERS for payment. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the ERS Executive Director or its designee shall prevail.
5. **NOTICES.** Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

DS Consulting Group
4775 Spartan Circle
Brookfield, WI 53005
Attention: Terry Siddiqui

and to the ERS at:

Employees' Retirement System
789 N Water Street, Suite 300
Milwaukee, WI 53202
Attention: Bernard J. Allen, Executive Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

6. **REPORTS.** At such times and in such forms as the ERS may require, there shall be furnished to the ERS Executive Director such statements, records, reports, data, and information as the ERS may request pertaining to matters covered by this Agreement.

7. **DOCUMENT OWNERSHIP & CONFIDENTIALITY.**

- 7.1. Document ownership. All reports, studies, analysis, memoranda and related data and material as may be developed specifically for ERS during the performance of this Agreement shall be submitted to and be the exclusive property of the ERS, which shall have the right to use same for any purpose without any additional compensation to CONTRACTOR.

- 7.2. Confidentiality.

- 7.2.1. All of the reports, information, data, documents, etc., whether electronic, hard copy, or in any other format (1) prepared or assembled by CONTRACTOR under this Agreement, (2) provided to CONTRACTOR by ERS, and/or (3) developed by CONTRACTOR based on information provided by the ERS in the performance of this Agreement (collectively referred to herein as "confidential material") are confidential and CONTRACTOR agrees that confidential material shall not be made available to any individual or organization, other than an appropriate agency of the United States

Government or as otherwise required by law, without the prior written approval of the ERS Executive Director.

- 7.2.2. Upon termination of this Agreement, CONTRACTOR shall deliver all confidential material of the ERS in its possession to the ERS within thirty (30) business days of such termination and provide ERS with a certification that all of CONTRACTOR's copies of the material delivered to ERS have been destroyed. If there are certain confidential materials that CONTRACTOR cannot practicably return to ERS, or provide a copy to ERS and then provide certification of destruction as described above, or must continue to retain by law or regulation, CONTRACTOR shall provide notice of those retained documents to ERS, and ERS and CONTRACTOR shall consult regarding the ongoing retention, return and/or destruction of those documents. Irrespective of the foregoing, any confidential materials retained by CONTRACTOR must be maintained subject to the confidentiality restrictions set forth in this Agreement, and subject to the requirements of Section 17 "RECORDS".
- 7.2.3. CONTRACTOR further agrees to abide by all federal, state, and local laws, and best business practices, related to the collection, use, storage, protection and dissemination of personally identifiable information.
- 7.2.4. Notice of Unauthorized Acquisition of Confidential Information. CONTRACTOR shall notify the ERS if it has knowledge of an unauthorized acquisition of confidential information within one business day of such knowledge. CONTRACTOR shall take all steps required by law in the event that personal information in the possession of CONTRACTOR is acquired by a person that is not authorized to acquire the personal information.
- 7.3. Access to ERS database. Without limiting sections 7.1 or 7.2, CONTRACTOR acknowledges that in order to perform the scope of services set forth in this Agreement, CONTRACTOR's employee(s) will need to have access to the ERS computer system.
 - 7.3.1. Some portions of the ERS computer system contain confidential records and personally identifiable information relating to individual members of the ERS system including, but not limited to: (1) applications for enrollment/retirement, (2) home addresses, (3) home phone numbers, (4) email addresses, (5) social security numbers, (6) driver's license numbers, (7) financial account numbers, (8) benefit estimate and computation records, (9) beneficiary designations, (10) benefit election forms, (11) medical information, (12) death/birth/marriage certificates.
 - 7.3.2. Only those individual(s) named here may access the ERS database. Before accessing the ERS computer system, these individual(s) are required to sign the written pledge of confidentiality attached hereto as Exhibit A. Individual(s) authorized: Terry Siddiqui.
 - 7.3.3. CONTRACTOR shall implement administrative, physical, and technical safeguards when accessing, transmitting, or storing any data or records from the ERS computer system.

8. CONTRACTOR IS INDEPENDENT CONTRACTOR.

- 8.1. No fringe benefits. Neither CONTRACTOR, nor CONTRACTOR's employees, shall receive or be eligible for any fringe benefits or any other benefits to which ERS salaried employees are entitled to or are receiving.
- 8.2. Taxes, Social Security, Insurance, and Government Reporting. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of CONTRACTOR receiving payment under this Agreement shall be the sole responsibility of CONTRACTOR. Insurance requirements are set forth in Section 11.
- 8.3. Responsibility for CONTRACTOR's Insurance. CONTRACTOR shall be solely responsible to meet CONTRACTOR's insurance needs as required by the ERS during the terms of this Agreement or any extension thereof.
9. **SUBCONTRACTING.** CONTRACTOR shall not subcontract for the performance of any of the services set forth in this Agreement without prior written approval obtained from the ERS Executive Director. CONTRACTOR shall be as fully responsible to the ERS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for acts and omissions of persons directly employed by it.
10. **INDEMNIFICATION AND DEFENSE OF SUITS.**
- 10.1. Defense of suits. In case any action in court or proceeding before an administrative agency is brought against the ERS or any of its officers, agents, or employees for the failure or neglect of CONTRACTOR in whole or in part to perform any of the covenants, acts, matters or things required of CONTRACTOR by this Agreement, or undertaken by CONTRACTOR in fulfillment of this Agreement, or for injury or damage caused by the alleged and/or actual negligence of CONTRACTOR, its officers, subcontractors, agents or employees, CONTRACTOR shall indemnify and save harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives from all losses, damages, costs, expenses, judgements, or decrees arising out of such action or proceeding. The ERS shall tender the defense of any claim or action at law or in equity to CONTRACTOR or CONTRACTOR's insurer, and upon such tender it shall be the duty of CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the ERS or its officers, agents, or employees. CONTRACTOR shall be solely responsible for the conduct and performance of its services, obligations and duties under the terms and conditions of this Agreement and for the results therefrom.
- 10.2. Indemnification. CONTRACTOR will save and indemnify and keep harmless the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers and directors, agents and representatives against all liabilities, judgments, costs, attorneys fees, and expenses which may be claimed against, or incurred by, the ERS in consequence of granting this Agreement to CONTRACTOR and which result(s) from negligence and/or willful acts of CONTRACTOR, or the agents, employees, subcontractors, or workmen of CONTRACTOR in any respect whatever.
11. **INSURANCE.**
- 11.1. General Insurance Requirements.

- 11.1.1. CONTRACTOR will secure and maintain throughout the duration of the Agreement, insurance of such types and in such amounts as may be necessary to protect itself and the interests of the ERS against all hazards or risks of loss as hereafter specified.
- 11.1.2. The form, limits, and underwriter of all required insurance coverage is subject to ERS approval; however, regardless of any ERS review, it shall be the responsibility of CONTRACTOR to maintain adequate insurance coverage at all times.
- 11.1.3. Failure of CONTRACTOR to maintain the specified coverage or to ensure that any subcontractors maintain the specified coverage will not relieve CONTRACTOR of any contractual responsibility or obligation.
- 11.1.4. All policies are to contain notice requirements that ensure that 60 days advance written notice will be provided to the ERS prior to cancellation, renewal, or alteration of terms and conditions of the policies.
- 11.1.5. Insurers which provide the insurance coverage referenced in this section are to have an A.M. Best rating of no less than A/VIII. CONTRACTOR will provide immediate written notice to the ERS if there is any change in the A.M. Best rating of any insurer.
- 11.1.6. Certificates of Insurance for all of the coverage limits referenced herein must be provided prior to the Effective Date and for each year that the Agreement is in effect.
- 11.1.7. If subcontractors are used, each subcontractor shall meet all requirements in this section 11 (Insurance). It shall be the responsibility of CONTRACTOR to ensure that all subcontractors are in compliance with all insurance and bonding requirements.
- 11.1.8. **All policies other than Workers Compensation/Employers Liability, Professional Liability, Crime and Cyber Risk/Network Security are to include the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives as additional insureds. CONTRACTOR shall ensure that the additional insured status is shown on the Certificates of Insurance and shall provide a copy of the endorsements.**
- 11.1.9. No payments or disbursements under the Agreement shall be made until satisfactory evidence that compliance with the insurance requirements described in this section has been provided by CONTRACTOR to ERS.
- 11.1.10. All policies shall be written on an occurrence form, other than professional liability and Crime and Cyber Risk/Network Security as noted below.

11.2. Commercial Automobile Liability.

Combined Single Limit	\$1,000,000 each accident
Uninsured Motorists/Underinsured Motorists Protection	\$1,000,000 per occurrence
Medical Expense	\$10,000 each person

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- If CONTRACTOR owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.3. Commercial General Liability.

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate – other than Products/Completed Operations	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must be equivalent to ISO form CG0001 or better.
- Coverage must be occurrence based.
- Coverage will apply on a primary and non-contributory basis. We suggest the following wording:

“If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance.”

- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees' Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.4. Professional Liability (Errors and Omissions).

Combined Single Limit	\$1,000,000 each accident/incident
	\$1,000,000 Aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage must remain in effect for a period of not less than three years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than three years, if the replacement insurer will not preserve the original retroactive date.
- Coverage is to be provided on a “per project” basis or, if not available for reasonable cost, a higher policy aggregate limit may be required by the ERS.
- CONTRACTOR will certify that the policy will be renewed each year of the contract.

11.5. Workers’ Compensation Insurance.

Workers’ Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$100,000 each employee
	\$500,000 policy limit

In addition to those requirements noted above in sections 11.1.1-11.1.9:

- Employer’s Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation in favor of the Employees’ Retirement System of the City of Milwaukee, the Annuity and Pension Board, their staffs, present and former employees, officers, directors, agents and representatives.

11.6. Umbrella (Excess) Liability.

Umbrella (Excess) Liability	\$3,000,000 each occurrence
	\$3,000,000 aggregate

In addition to those requirements noted above in sections 11.1.1-11.1.10:

- The Umbrella insurance policy shall provide coverage excess of the Commercial General Liability, Auto Liability, and Employer’s Liability Coverages, including the amendments stated above.

11.7. Cyber Insurance.

Cyber Insurance	\$1,000,000 each accident
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In addition to those requirements noted above in sections 11.1.1-11.1.10:

- Coverage shall include cost of notification, cost of identity protection and repair insurance for affected individuals and third party liability.

- 11.8. Self Insurance. Any request for self-insurance must be submitted in writing to the ERS and the ERS' Risk Management Consultant for consideration.
12. **REGULATIONS.** CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related to the scope of work.
13. **TERMINATION.**
- 13.1. Termination of Agreement for cause. If, through any cause, CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Agreement, the ERS Executive Director shall thereupon have the right to terminate this Agreement by giving written notice to CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of the termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, or other materials related to the services prepared by CONTRACTOR under this Agreement shall, at the option of the ERS, become the property of the ERS. Notwithstanding the foregoing, CONTRACTOR shall not be relieved of liability to the ERS for damages sustained by the ERS by virtue of any breach of the Agreement by CONTRACTOR, and the ERS may withhold any payments to CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the ERS from CONTRACTOR is determined.
- 13.2. Termination for convenience. The ERS may terminate this Agreement at any time for any reason by giving at least 180 days' notice in writing from the ERS Executive Director to the CONTRACTOR including providing a minimum of 900 billable hours of work during that notice period. Reduction of average billable hours made available to the CONTRACTOR to less than 100 hours per month over two consecutive months may also constitute a notice for termination for convenience unless otherwise mutually agreed upon in writing. If CONTRACTOR is terminated by the ERS as provided in this section 13.2, and not if terminated for cause pursuant to section 13.1, CONTRACTOR will be paid an amount for the services actually and satisfactorily performed.
- 13.3. In no event shall CONTRACTOR charge ERS fees or penalties for termination under this Section 13.
14. **CHANGES.** The ERS Executive Director may, from time to time, request changes in the scope of services of CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR's compensation which is mutually agreed upon by and between the ERS and CONTRACTOR, shall be incorporated in written amendments to the Agreement.
15. **PERSONNEL.**
- 15.1. CONTRACTOR represents that it has or will secure at its own expense all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the ERS.
- 15.2. All of the work or services required hereunder will be performed by CONTRACTOR or

under their supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

16. **ASSIGNABILITY.** CONTRACTOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment, novation or any other manner), without the prior written consent of the ERS Executive Director. Provided, however that claims for money due or to become due CONTRACTOR from the ERS under this Agreement may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the ERS Executive Director.

17. **RECORDS.**

- 17.1. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the ERS with respect to all matters covered by this Agreement. Both parties understand that the City of Milwaukee and ERS are bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. §19.21, et seq. CONTRACTOR acknowledges that it is obligated to assist the ERS and the City of Milwaukee in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that CONTRACTOR must defend and hold the City of Milwaukee and ERS harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. **Particular attention is directed towards Wis. Stat. sec. 19.36, which states that “any record produced or collected under” this Agreement, including those by CONTRACTOR, may be subject to disclosure under the public records law.** CONTRACTOR shall disclose no record without first receiving written approval from ERS.

- 17.2. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Agreement and shall be clearly identified and readily accessible.

18. **AUDITS AND INSPECTIONS.** At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records, or copies thereof, with respect to all matters covered by this Agreement and CONTRACTOR shall permit the ERS or such agency and/or representatives of the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

19. **CONFLICT OF INTEREST.**

- 19.1. Interest in Contract. No officer, employee or agent of the City of Milwaukee or the ERS who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Agreement pertains, shall have any personal interest, direct or indirect in this Agreement.

- 19.2. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Agreement shall have any personal interest, direct or indirect, in this Agreement.
- 19.3. Interest of Contractor and Employees. CONTRACTOR covenants that no person described in sections 19.1 and 19.2 above who presently exercises any functions or responsibilities in connection with the Agreement has any personal financial interest, direct or indirect, in this Agreement. CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. CONTRACTOR further covenants that in the performance of this Agreement no person having any conflicting interest shall be employed. An interest on the part of CONTRACTOR or its employees must be disclosed to the ERS. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.

20. DISCRIMINATION PROHIBITED.

- 20.1. In all hiring or employment made possible by or resulting from this Agreement there (1) will not be any discrimination against any employee or applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. There shall be posted in conspicuous places available to employees and applicants for employment, notices required or to be provided by federal or state agencies involved setting forth the provisions of the clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status.
- 20.2. No person in the United States shall, on the ground of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation or familial status, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. The ERS and each employer will comply with all requirements imposed by or pursuant to the regulations of the appropriate federal agency effectuating Title VI of the Civil Rights Act of 1964.
- 20.3. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- 20.4. CONTRACTOR agrees that they will comply with all applicable requirements of the

Americans with Disability Act of 1990, 42 U.S.C. 12101, et seq.

21. WITHHOLDING OF SALARIES. If in the performance of this Agreement there is any underpayment of salaries by CONTRACTOR or by any subcontractor thereunder, the ERS shall withhold from CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the ERS for and on account of CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

22. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES. Claims and disputes pertaining to salary rates or to classifications of architects, draftsmen, technical engineers, and technicians, if any, performing work under this Agreement shall be promptly reported in writing by CONTRACTOR to the ERS for the latter's decision, which shall be final with respect thereto.

23. SEVERABILITY. If any term or condition of the Agreement shall be held invalid or unenforceable, the remainder of the Agreement shall not be affected and shall be valid and enforceable.

24. GOVERNING LAW & JURISDICTION.

24.1. Governing Law. The provisions of the Agreement will be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin.

24.2. Jurisdiction. The venue for any proceedings before a court of law (whether federal or state) will be geographically located in Milwaukee County, Wisconsin.

25. MISCELLANEOUS.

25.1. Headings. All headings and titles used in contract documents exist for the purposes of document organization and reference and will not be considered a term or condition of any agreement entered into by CONTRACTOR and the ERS.

25.2. Consent to Breach Not Waiver. The consent to a breach of any term or condition of this Agreement by either party will not be considered a waiver of such term or condition nor will such breach be considered consent to a subsequent breach.

25.3. Force Majeure. Neither party will be liable for any failure or delay in the performance of its obligations under this Agreement (and the failure or delay will not be deemed a default of this Agreement or grounds for termination) if both of the following conditions are satisfied: (1) the failure or delay could not have been prevented by reasonable precautions, and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and (2) the failure or delay is caused, directly or indirectly, by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, equipment, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the non-performing party. Upon the occurrence of an event which satisfies both of the above conditions (a "Force Majeure Event"), the non-performing party will be excused from any further

performance of those obligations under this Agreement affected by the Force Majeure Event for as long as (a) the Force Majeure Event continues; and (b) the non-performing party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. Upon the occurrence of a Force Majeure Event, the non-performing party will immediately notify the other party by telephone (to be confirmed by written notice within two business days of the failure or delay) of the occurrence of a Force Majeure Event and will describe in reasonable detail the nature of the Force Majeure Event.

- 25.4. CONTRACTOR agrees time is of the essence and will meet all deadlines and any schedules as set forth in this Agreement.

[THE REMAINDER OF THIS PAGE IS BLANK]

IN WITNESS WHEREOF, the CONTRACTOR and the ERS have caused this Agreement to be executed for and on their respective behalf as of the dates hereinafter set forth.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE:

DS CONSULTING GROUP, LLC:

By: _____
Matthew P. Bell, Chair
Pension and Annuity Board

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____
Bernard J. Allen, Executive Director

Date: _____

COUNTERSIGNED:

By: _____
Bill Christianson
Comptroller, City of Milwaukee

Date

EXAMINED AND APPROVED
AS TO FORM AND EXECUTION:

By: _____
Assistant City Attorney

Date

EXHIBIT A

PLEDGE OF CONFIDENTIALITY

A. _____ (“contractor employee”) pledges that he/she will safeguard all confidential records at all times; that any notes taken by employee or output of any confidential records that are generated as a result of the project will be held in strictest confidence and not be made available to any unauthorized individual without the express, written consent of the City of Milwaukee Employees’ Retirement System (“ERS”) and that upon completion of the project, all notes or output containing confidential information will be returned securely to the custody of the ERS.

B. All requests for confidential records to the contractor employee from third parties shall be referred to the ERS. The contractor employee shall not make any confidential records available to third parties without the express, written consent of the ERS.

Dated at Milwaukee, Wisconsin this ____ day of _____, 20__.

Subscribed and sworn to before me

this ____ day of _____, 20__.

Notary Public, State of Wisconsin

My Commission expires: _____

EXHIBIT B – CONTRACTOR’S PROPOSAL FOR SERVICES



May 19, 2025

Employees' Retirement System
Of the City of Milwaukee
Attn.: Mr. Jerry Allen, Executive Director
789 N. Water Street, Suite 300
Milwaukee, WI 53202

Dear Mr. Allen:

DS Consulting Group (DSCG) is pleased to provide the enclosed proposal for professional management, information services, and quality assurance consulting services to the ERS for the period of January 1, 2027 through December 31, 2031.

DSCG have been providing operational and IT-related services for ERS since the Global Pension Settlement (GPS) project in 2001, and then with MERITS since its inception in 2002. Our involvement in MERITS started with the development of the RFP for MERITS (formerly PMIS), continued with the GAP design and build phase, through testing, and the final rollout of MERITS. We provide subject matter expertise in various areas, including MERITS functionality and operations, liaising with auditors and actuaries, working with the City and its agencies on various matters including insurance, wage and contribution reporting, ERS / WRS eligibility and reporting, and budgetary matters. DSCG also provides expertise with various aspects of IT functions including project management, quality assurance, functional application analysis, and reporting.

This deep involvement with the ERS and MERITS has given DSCG a sound understanding of the application and processes used by ERS, as well as the body of law that the ERS operates under, including the more recent changes under the Wisconsin 2023 Act 12.

DSCG continues to be interested in working with the ERS and providing services as required. Services being offered include, but are not limited to quality assurance services, user and application support for MERITS, and any planning and implementation efforts related to system upgrade projects. We would also like to indicate that our services will be valuable for the ongoing projects such as the MERITS optimization and Struts projects, as well as upcoming projects such as the network redesign and security enhancements, Workday-related activities, and investigating the possible use of AI in the ERS's work environment.

If the ERS is interested in continuing a relationship with us, we respectfully request the approval of the enclosed contract.

Thank you for your consideration of this request. If you have any questions, please feel free to Terry Siddiqui at 312-399-6206 or ths@dscg.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terry Siddiqui', is written over a horizontal line.

Terry Siddiqui
Partner
Enclosures

www.dscg.us

DS CONSULTING GROUP, LLC

PROPOSAL FOR SERVICES

**PREPARED FOR
EMPLOYEES' RETIREMENT SYSTEM**

**CONTRACT PERIOD
1/1/2027 THROUGH 12/31/2031**

Table of Contents

Attachment A – Qualification of Resources

Resume – Terry Siddiqui

Attachment B – Statement of Work and Estimate

Attachment A

Qualifications of Resources

ERS Relevant Qualifications Summary

- Over 27 years of IS-related experience
- Over 24 years of ERS specific experience
- Knowledge of the jClarety application and architecture generally, and the MERITS application specifically
- Knowledge of Chapter 36, legal opinions, ARIS, ERS processes, and Chapter 350
- Understanding of the City rules related to contributions, benefit payments, GPS, group life insurance, retiree health insurance, etc.
- Knowledge of the impact of WI 2023 Act 12 including new eligibility and reporting requirements
- Close working relationship with staff of ERS and deep understanding of ERS operations
- Close working relationship with entities associated with ERS including agencies; Actuary; auditors (internal and external); City departments including the City Attorney's Office, Comptroller's, DER; and health and prescription providers

Tariq H. (Terry) Siddiqui

Experience Summary

Currently serving as ERS QA Manager and Operations Manager providing business operations support across IT and the organization. Within IT, primary duties include managing the changes and releases to MERITS, updating and designing processes and interfaces to respond to changing business needs, and providing expertise for implementing security and operational controls. Outside IT, primary duties involve user support for all aspects of operations, managing annual processing jobs that have external interfaces such as tax reporting, actuarial reports, auditor data requests; reconciliation and quality checking of monthly payroll; liaising with City and external entities such as the City Attorney's Office, Actuary and health care providers; working with the City and agencies on items such as contribution reporting (including WRS), insurance, and budgetary requests; and working on other ad hoc issues.

Prior to the current role, served in the capacity of Business Architect, System Testing Lead, Rollout Lead, and was involved deeply in the conversion process. Prior duties related to the MERITS project included review of the vendor deliverables including design documents, development and execution of test conditions, validation of the requirements to validate the application met the business requirements in the contract, and served as the primary point of contact for vendor analysts.

Before coming to the ERS for the MERITS project, worked at Accenture in various capacities and these are summarized below. Served at Accenture from June 1999 through August 2003.

Prior to Accenture, worked at the Department of Veterans Affairs Health Care System, Lakeside Division in Chicago in the capacity of Program Assistant for the Research and Development Service.

Professional Affiliations and Certifications

- Project Management Professional (PMP) – 2015
- Member, Program Management Institute (PMI)
- Member, Institute of Internal Auditors (IIA)

Skills Summary

- | | |
|---|--|
| • Application Design and Development | • Functional Design and Development |
| • Business Architecture Analysis & Design | • General Management |
| • Business Process Mapping | • Health and Life Insurance Benefits |
| • Business Recovery Planning | • Process Engineering and Mapping |
| • Creation of Organizational Policies | • Project Management |
| • Creation of RFPs and RFQs | • Quality Assurance |
| • Data Conversion | • Requirements Analysis and Definition |
| • Business Continuity Planning and Validation | • Rollout Management |
| • Disaster Recovery Planning and Validation | • System Implementation |

Experience Summary and Major Responsibilities

- **Information Systems and Technology**
 - Implementation of a web-based pension management system (COTS product purchased through HP (fka Covansys) – MERITS).
 - Review of governing laws
 - Requirement definition and contractual validation of delivery
 - Business architecture & design
 - Functional design review
 - Data conversion from legacy systems
 - Quality assurance of products
 - Rollout management
 - Development and review of governance policies in light of CoBIT standards and PMBOK
 - Development and execution of system testing methodologies
 - Development of queries and data analysis using PeopleSoft HRMS and Financials
 - Testing of various implementations related to hardware and software upgrades
 - Working with City during WorkDay implementation as that impacts file feeds to ERS, etc.
 - On-going business operations support and quality assurance services
- **Business Recovery Planning**
 - Business impact analysis
 - Disaster recovery planning (DR) and business continuity planning (BCP)
 - Testing of BCP and DR capabilities
- **Life Insurance**
 - Design and development of custom application using VBA and SQL server
 - Management of migration to new underwriter / vendor
- **Health Insurance**
 - Management of migrations to several new providers
 - Health and prescription insurance management, including member issues
 - Benefits design analysis
 - Bill reconciliation
- **Wisconsin Retirement System (WRS) Implementation**
 - Worked with City and others to implement 2023 Act 12
 - Designed and developed changes in MERITS to assist with WRS file processing
 - Devised processes for reporting to WRS, including monthly and annual reconciliation
 - Provide expertise with City and internally to ERS staff regarding eligibility and reporting
- **Audits**
 - Liaise with business and internal auditor for operational and IT audits
 - Liaise with business and external auditor for operational and IT audits
- **Organizational Management**
 - Review and implementation of governing law, policies, and union contracts
 - Development of security awareness policies
 - Development of standard practice instructions
 - Business process mapping utilizing tools such as Visio and ARIS
 - Development and implementation of a contract management system
 - Small scale internal organizational studies to manage workflow
 - Compensation studies
 - Liaise between business and internal / external auditors
 - Actuarial and financial statements data collection, review, and report validation
 - Tax reporting for governmental 401(b) retirement plan

Tools Experience	
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- ARIS
- Microsoft Office and VBA
- Microsoft SQL Server
- Splunk Search Processing Language

Work Experience	
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2005 – Present	Partner / Owner DS Consulting Group, LLC, Milwaukee, WI
2003 – 2005	Consultant Omni Resources, Milwaukee, WI
1999 – 2003	Analyst to Senior Consultant Accenture (formerly Andersen Consulting), Chicago, IL
1993 – 1998	Program Assistant VA Lakeside Medical Center, Chicago, IL

Education	
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1998	Bachelor of Science / Mechanical Engineering University of Illinois, Chicago, IL
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Attachment B

Statement of Work and Estimate

Scope / Statement of Work

1. Operations and Application Support and Subject Matter Knowledge
 - Assistance in annual jobs processing including 1099s, actuarial reporting, health enrollment, outside earnings, tax calculations, rollover, member statements, unclaimed properties
 - Liaising with member agencies related to contribution postings and actuarial contribution billing
 - Assistance in WRS processing
 - Managing ad hoc data fixes
 - End user support including but not limited to MERITS application support, Chapter 36, legal opinions, ARIS
 - Serving as liaison between end-users and development and technical teams
 - Training of staff on MERITS and other processes
2. Quality Assurance
 - Management of QA processes, including but not limited to process management, reporting, KPI reporting
 - i. This covers the overall management of the quality assurance SOG, including its updates, implementation, and adherence. Performance measures (metrics) are generated as needed to report on the tickets and change requests.
 - Review of MERITS releases (fixes)
 - i. This items includes the testing of all releases for MERITS and any changes to the application that are released to production. In addition to testing individual changes, a cumulative regression test is performed with all major releases exercising major functional areas, regardless of whether they were updated or not.
 - Review of key deliverables from vendors
 - i. As necessary, deliverables from vendors (such as interim deliverables during the WAS upgrade and the FileNet upgrade) are validated. In addition to the interim testing, validation of the final products are also performed.
 - Review of non-MERITS products, upgrades, and enhancements
 - i. From a QA perspective, any products that are delivered by third party vendors (such as SANs, cmers.com) are validated to ensure that they are working with the Production environment as needed.
 - Development of artifacts such as test plans, test cases, test conditions, etc. depending upon situation
 - i. This activity is part of any major testing effort to document the methodology followed and the items tested, such as during optimization upgrades, struts upgrades, etc.
 - Testing and planning related to business continuity
 - i. BCP and DR tests that are performed are co-owned by the QA team to ensure that the business requirements, recovery time and point objectives, etc. are being met.
3. Design and Analysis
 - Serving as primary and/or backup functional analyst for a wide range of areas within MERITS

- i. As previous functional analysts rolled off, the analysis for several areas transitioned. Primary areas of responsibility as FA: Healthcare, Member Account Maintenance, General Ledger, Payroll, Retirement, and Tax, and Wage and Contribution. Secondary areas of responsibility as FA: Administration, Benefit Adjustment, Case Management, Estimate, and Member Self-Service
 - Serving as end-user contacts and primary help for MERITS application related questions and issues
 - i. Work with users on issues and special situations that come up. Training of staff/new users as necessary.
 - Development of detailed designs
 - i. New functionality that needs to be added requires the preparation of detailed designs that can then be programmed. E.g. updates to unclaimed property, creation of address updates for self-service, etc.
 - Development of functional requirements
 - i. Development of functional requirements for various new functionality. E.g. vendor management, member self-service updates
 - Liaising between end-user and development team
 - i. This item ties back to the development of requirements, generation of detailed designs, and working on tickets/issues
 - Analyzing requirements in light of Chapter 36 and other sources to reduce potential gaps in final application
 - i. As Chapter 36 is updated with new changes, functional requirements analysis has to be completed, followed by detailed design, estimate generation, etc. E.g. when employer contributions changed to employee-paid, when Tier II benefits were added, etc.
 - Designs related to WRS implementation
 - Analysis for the introduction of AI in the ERS environment
4. Upgrade Support and Review
- Development of business cases for upgrades
 - i. As necessary, develop (or assist in the development of) business cases for management to make upgrades to the current MERITS application.
 - Development of artifacts such as test plans, test cases, test conditions, etc. for major projects (as required by the ERS SOG)
 - i. This activity is part of any major testing effort to document the methodology followed and the items tested.
 - Review of finished products before implementation into Production
 - i. Validation of any deliverables to ensure that they are working with the Production environment as needed, and that the requirements and design specifications are met.
 - Providing end-user and production functional support for applications
 - i. Functional analyst role that provides analysis and the development of detailed designs for changes and updates needed to MERITS.
5. Project Management
- Serve on the PMO team to provide support to the Deputy Director and CTO in analysis of MERITS and other applications / projects
 - Development of the IT Strategic Plan
 - Provide KPI information related to QA and other projects

6. Other Applications / Other Duties

- Provide expertise, design and development effort related to the Group Life Insurance and the Vendor Management applications
- Provide backup operator services for the Planet Press (check printing) application
- Develop and maintain the reporting database and train users in its usage
- Perform other duties as assigned by the senior ERS managers

The estimated breakdown of effort by category of work performed for the proposed work is as follows:

Category	Est. Effort
Business Operations, Support, and Subject Matter Expertise	50%
Quality Assurance	20%
Functional Analysis and Design	15%
Project Management, Upgrades and Other IT Operations	10%
Other Applications and Ad Hoc	5%

Estimate

DSCG is proposing the following rates and budget for the period of 1/1/2027 to 12/31/2031:

Year	Hourly Rate	Est. Hours	Sub-Total	Contingency @ 5%	Total
2027	\$180.00	1,800	\$324,000	\$16,200	
2028	\$184.00	1,800	\$331,200	\$16,560	
2029	\$187.00	1,800	\$336,600	\$16,830	
2030	\$191.00	1,800	\$343,800	\$17,190	
2031	\$194.00	1,800	\$349,200	\$17,460	
Total			\$1,684,800	\$84,240	\$1,769,040

The hourly rate increases in year 2 and onwards are provided for budgetary purposes; the actual increase will be based upon the CPI-W, seasonally unadjusted rate published by the Bureau of Labor Statistics using the values published for November of the year prior to the effective date of the change to November two years prior to the effective date of the change. The new rates will be effective for work performed starting January 1 of a given year. This language follows the contract language that DSCG is currently operating under.

It is requested that the termination for convenience clause be modified to include a minimum of 180 days notice (currently approved at 120 days notice) for termination for convenience by the ERS with a minimum of 900 hours (currently approved at 500 hours) of chargeable work being provided during that period. Unless mutually agreed upon, reduction of billable hours for two consecutive months to less than 120 hours per month may be considered as notice for termination for convenience.

The budget does not include costs for any additional resources that may be added to the project at a later date.

Comparable Rate Development

Using 2024 actual hours reported in the ticket tracking system, the following table was developed:

Category	Hours	% Share
Operations / Subject Matter Knowledge	842.00	48%
Functional Analysis	320.25	18%
Quality Assurance	393.45	23%
Project Management	190.75	11%
Total	1,746.45	100%

The percentage share for each category has been used in the following pages to calculate a comparable rate using market data.

Comparable			Work Category / Hourly Rates			
Source	Company	Role	SME / Operations	Quality Assurance	Functional Analysis	Project Management
ERS	Perspecta (2026 rates)	Manager	214.00			214.00
	Baker Tilly (2022 rates)	Manager	310.00			310.00
		Senior		220.00	220.00	
		Staff	195.00	195.00	195.00	195.00
	CLA (2026 rates)	Manager	174.00			174.00
		Professional	147.00	147.00	147.00	
GSA (Federal)		IT Manager	189.00			189.00
	Average Contractor Rates	All Categories	203.00	203.00	203.00	203.00
		Quality Assurance Manager		178.00		
		Subject Matter Expert II	205.00			
		Operations Manager	187.00			
		Functional Analyst II			167.00	
		Senior Business Analyst			165.00	
		Project Manager				167.00
	Accenture (2024 rates)	Project Manager				365.00
		SME 2	391.00			
		Functional Specialist 2			215.00	
		Consultant 3			246.00	
		Program Analyst		148.00	148.00	
		Application Systems Analyst			215.00	
		Business Analyst 3			282.00	
		Quality Assurance Specialist		166.00		
	Deloitte (2022 rates)	Business Analyst 3		159.00	159.00	
		Computer Systems Analyst 3			198.00	
		Functional Analyst 2			192.00	
		Disaster Recovery Specialist		199.00		
		Information Engineer 2			183.00	
		Project Manager 2				225.00
		Project Manager 3				256.00
		Quality Assurance Manager		202.00		
		Quality Assurance Specialist		170.00		
		SME 1	200.00			
		SME 2	239.00			
		Test Engineer		145.00		
ISG	ISG-One	Project Manager	240.00			240.00
		Team Lead		185.00	185.00	
PATCA	Average 2020 Rates	All	184.00	184.00	184.00	184.00
Univ of WI (2023 rates)	Accenture	Delivery Lead				540.00
		Workstream Lead		435.00	435.00	
		Sr. Functional Consultant			370.00	
		Functional Consultant		310.00	310.00	
	Baker Tilly	Senior Manager	385.00			385.00
		Sr. Consultant		235.00	235.00	
	Berry Dunn	Consultant		195.00	195.00	
		Manager	320.00			320.00
		Sr. Manager				320.00
	Deloitte	Sr. Manager	325.00			325.00
		Sr. Consultant	260.00		260.00	
		Consultant		195.00	195.00	
	HKA	Associate Director	325.00			
		Manager	250.00			250.00
	Huron	Manager	300.00			300.00
		Sr. Associate			250.00	
		Sr. Analyst		200.00	200.00	
		Analyst		180.00	180.00	
	MGT	Director	220.00			220.00
		Sr. Consultant		170.00	170.00	
	Moss Adams	Quality Assurance		350.00		
		Project Manager	250.00			250.00
		Analyst			210.00	
AVERAGE			248.39	207.43	217.72	268.19
WEIGHT			48%	23%	18%	11%
WEIGHTED AVERAGE			\$ 119.23	\$ 47.71	\$ 39.19	\$ 29.50

TOTAL 100% \$ 235.63

GSA Federal Rates

Across All Categories
15-25 years experience
Small businesses

Priming: Hourly Labor Ceiling Rates

buy.gsa.gov/pricing/qtr/mis?page=1&page_size=20&histogram=13&education_level=BA&worsite=Both&business_size=S&experience_range=15-25&price_range=1-1

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Search Labor Category Ceiling Rates

This tool allows you to review fully burdened Not-to-Exceed Ceiling Rates awarded under GSA Multiple Award Schedule (MAS) contracts. You can use it to conduct market research and develop Independent Government Cost Estimates. The tool can be used to assess the relative competitiveness of a vendor's price to other vendors' prices on MAS contracts. However, the tool is to be used only as part of a larger negotiation objective development strategy that seeks fair and reasonable pricing (in accordance with [FAR 15.4](#)). [Labor Ceiling Rates User Guide](#)

Search by Labor Category, Vendor Name, Contract Number, or a keyword **Search**

Filters **Reset All**

Experience

15 15 yrs - 25 yrs 25

Not-To-Exceed Hourly Ceiling Rate

\$132.95 Std Deviation -1

\$203.21 Average Price

\$273.47 Std Deviation +1

Actions

[Feedback](#)

The screenshot displays the GSA Buy.GSA.GOV Pricing tool. At the top, there's a navigation bar with links for Research, Develop documents, Buy, and Help, along with a Sign In button. Below this, a search bar contains the text 'Quality Assurance Manager'. To the left of the search results, there are filters, including 'Experience' set to '10 yrs - 25 yrs'. The main content area shows three 'Not-To-Exceed Hourly Ceiling Rate' entries:

Not-To-Exceed Hourly Ceiling Rate
\$108.16 Std Deviation -1
\$177.74 Average Price
\$247.32 Std Deviation +1

On the right side of the results, there is an 'Actions' button. The page also includes a footer with a 'Feedback' link.

General Subject Matter Expert / Operations Management

buy.gsa.gov/pricing/gq/mas?query_by=labcat_category&q=Subject Matter Expert II&page=1&page_size=20&heogram=12&education_level=BA&worksize=Both&worksize=Both

BETA This site is under development. We are continuously updating functionality and collecting feedback. [Click here to learn more.](#)

GSA BUY.GSA.GOV | Pricing Sign In

Research ▾ Develop documents ▾ Buy ▾ Help ▾

Home / Pricing Intelligence Suite / Labor Category Ceiling Rates

Search Labor Category Ceiling Rates

This tool allows you to review fully burdened Not-to-Exceed Ceiling Rates awarded under GSA Multiple Award Schedule (MAS) contracts. You can use it to conduct market research and develop Independent Government Cost Estimates. The tool can be used to assess the relative competitiveness of a vendor's price to other vendors' prices on MAS contracts. However, the tool is to be used only as part of a larger negotiation objective development strategy that seeks fair and reasonable pricing (in accordance with FAR 15.4). [Labor Ceiling Rates User Guide](#) [PDF](#)

Subject Matter Expert II Search

Filters Reset All

Experience
10 yrs - 25 yrs

Not-To-Exceed Hourly Ceiling Rate

\$142.29 Std Deviation -1	\$205.29 Average Price	\$268.29 Std Deviation +1
-------------------------------------	----------------------------------	-------------------------------------

Actions Feedback

buy.gsa.gov/pricing/gq/mas?query_by=labcat_category&q=Operations Manager&page=1&page_size=20&heogram=12&education_level=BA&worksize=Both&worksize=Both

BETA This site is under development. We are continuously updating functionality and collecting feedback. [Click here to learn more.](#)

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Search Labor Category Ceiling Rates

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Operations Manager Search

Filters Reset All

Experience
10 yrs - 25 yrs

Not-To-Exceed Hourly Ceiling Rate

\$150.88 Std Deviation -1	\$186.80 Average Price	\$222.72 Std Deviation +1
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Actions Feedback

Functional and Business Analysis

Pricing: Hourly Labor Ceiling Rates

buy.gsa.gov/pricing/g/mas?query_by=labor_category&q=Functional Analyst III&page=1&page_size=20&histogram=1&reduction_level=BA&worksite=Both&assess=

BETA This site is under development. We are continuously updating functionality and collecting feedback. [Click here to learn more.](#)

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Research Develop documents Buy Help

Home / Pricing Intelligence Suite / Labor Category Ceiling Rates

Search Labor Category Ceiling Rates

This tool allows you to review fully burdened Not-to-Exceed Ceiling Rates awarded under GSA Multiple Award Schedule (MAS) contracts. You can use it to conduct market research and develop Independent Government Cost Estimates. The tool can be used to assess the relative competitiveness of a vendor's price to other vendors' prices on MAS contracts. However, the tool is to be used only as part of a larger negotiation objective development strategy that seeks fair and reasonable pricing (in accordance with FAR 15.4). [Labor Ceiling Rates User Guide](#) [PDF](#)

Functional Analyst III Search

Filters Reset All

Experience
10 yrs - 25 yrs

Not-To-Exceed Hourly Ceiling Rate

\$136.33 Std Deviation -1	\$166.75 Average Price	\$197.17 Std Deviation +1
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Actions Feedback

Pricing: Hourly Labor Ceiling Rates

buy.gsa.gov/pricing/g/mas?query_by=labor_category&q=Senior Business Analyst&page=1&page_size=20&histogram=1&reduction_level=BA&worksite=Both&assess=

BETA This site is under development. We are continuously updating functionality and collecting feedback. [Click here to learn more.](#)

GSA BUY.GSA.GOV | Pricing Sign In

Research Develop documents Buy Help

Home / Pricing Intelligence Suite / Labor Category Ceiling Rates

Search Labor Category Ceiling Rates

This tool allows you to review fully burdened Not-to-Exceed Ceiling Rates awarded under GSA Multiple Award Schedule (MAS) contracts. You can use it to conduct market research and develop Independent Government Cost Estimates. The tool can be used to assess the relative competitiveness of a vendor's price to other vendors' prices on MAS contracts. However, the tool is to be used only as part of a larger negotiation objective development strategy that seeks fair and reasonable pricing (in accordance with FAR 15.4). [Labor Ceiling Rates User Guide](#) [PDF](#)

Senior Business Analyst Search

Filters Reset All

Experience
10 yrs - 25 yrs

Not-To-Exceed Hourly Ceiling Rate

\$124.81 Std Deviation -1	\$165.34 Average Price	\$205.87 Std Deviation +1
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Actions Feedback

Project Management

The screenshot displays the GSA Buy.GSA.GOV Pricing Intelligence Suite interface. At the top, there is a navigation bar with the GSA logo, the text 'BUY.GSA.GOV | Pricing', and a 'Sign In' button. Below the navigation bar, there is a search bar containing the text 'Project Manager III'. To the right of the search bar is a 'Search' button. Below the search bar, there is a section titled 'Filters' with a 'Reset All' button. Under the 'Filters' section, there is a filter for 'Experience' with a value of '10 yrs - 25 yrs'. To the right of the filters, there is a section titled 'Not-To-Exceed Hourly Ceiling Rate' which displays three price points: '\$129.64' (Std Deviation -1), '\$167.38' (Average Price), and '\$205.12' (Std Deviation +1). On the far right, there is an 'Actions' button with a vertical ellipsis icon.

**General Services Administration
Federal Acquisition Service
Authorized Federal Supply Schedule (FSS) Price List**

Online access to contract ordering information, terms and conditions, pricing, and the option to create an electronic delivery order are available through GSA Advantage!®. The website for GSA Advantage!® is: <https://www.GSAAdvantage.gov>.

Multiple Award Schedule - MAS

**Federal Supply Groups: Information Technology, Human Capital,
Professional Services, Miscellaneous**

**FSC/PSC Codes: DB10, DJ01, DA01, 0000, R799, T006, R499, DD01, R701,
R708, R422, T010, R408, R704**

Contract No. GS-35F-540GA

Contract Period: July 12, 2022 through July 11, 2027



**Accenture Federal Services LLC
800 North Glebe Road, Suite 300
Arlington, VA 22203
571-467-5267 (phone)
703-880-7465 (fax)**

**Contract Administrator: Carla Jamison
GSASchedules@afs.com (email)
www.accenture.com (website)**

Business Size: Other than Small Business

For more information on ordering go to the following website: <https://www.gsa.gov/schedules>.

Prices shown herein are net (discount deducted)

Pricelist current through modification PA-0046 dated 01/06/2025



2.0 Category: Information Technology (IT)

2.1 SIN 54151S

Information Technology Professional Services - IT Professional Services and/or labor categories for database planning and design; systems analysis, integration, and design; programming, conversion, and implementation support; network services, data/records management, and testing. NOTE: Subject to Cooperative Purchasing.

2.1.1 Labor Category Descriptions (SIN 54151S)

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Senior Program Manager	The Senior Program Manager has overall accountability for business solution programs. Senior Program Managers may be responsible for product delivery and/or financial management of client engagements. A Senior Program Manager performs independent quality assurance reviews of program performance and deliverables. They lend thought leadership to engagement teams in developing creative solutions to client business problems.	15	Bachelors
Program Manager	Program Managers plan and manage projects to control overall project scope, budgets, and schedules for multi-project engagements. Program Managers maintain contractor interface with the senior levels of the customer's organization, consult with customer and contractor personnel to formulate and review task plans and deliverables, and provide conformance with program and project task schedules and costs and contractual obligations.	12	Bachelors
Project Manager	The Project Manager manages, plans, and coordinates activities of projects. This individual reviews project proposals or plans to determine schedule, funding limitations, procedures for accomplishing projects, staffing requirements and allotment of available resources to various phases of projects. The Project Manager establishes work plans and coordinates staffing for each phase of project and arranges for recruitment or assignment of project personnel. The Project Manager identifies functional or cross-functional requirements and resources required for each task.	10	Bachelors
Task Manager	Task Managers apply their broad management skills and specialized functional and technical expertise to guide project teams in delivering client solutions or to manage the day-to-day operations. The Task Manager monitors quality across multiple projects. This individual establishes and maintains technical and financial reports to show progress of projects to management and customers, organizes and assigns responsibilities to subordinates, and oversees the assigned tasks.	7	Bachelors
Subject Matter Expert 1	The Subject Matter Expert 1 has industry experience in the relevant subject matter. This individual will use information technology expertise and/or industry focus expertise in fulfilling the interpreted customer specification. The Subject Matter Expert 1 is highly experienced in the industry with regard to information technology. The Subject Matter Expert 1 provides thought leadership related to current and future customer plans with regard to the stated information technology.	10	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Subject Matter Expert 2	The Subject Matter Expert 2 has industry experience in the relevant subject matter. This individual will use information technology expertise and/or industry focus expertise in fulfilling the interpreted customer specification. The Subject Matter Expert 2 is a highly experienced in the industry with regard to information technology. The Subject Matter Expert 2 provides thought leadership related to current and future customer plans with regard to the stated information technology.	12	Bachelors
Subject Matter Expert 3	The Subject Matter Expert 3 has industry experience in the relevant subject matter. This individual will use information technology expertise and/or industry focus expertise in fulfilling the interpreted customer specification. The Subject Matter Expert 3 is highly experienced in the industry with regard to the stated information technology. The Subject Matter Expert 3 provides thought leadership related to current and future customer plans with regard to the stated information technology.	15	Bachelors
Technical Architect 1	The Technical Architect 1 provides thought leadership related to current and future customer plans with regard to the stated information technology. The Technical Architect 1 possesses knowledge of the future direction and trends associated with information technology. The Technical Architect 1s have experience in designing or implementing information architecture solutions for information technology. The Technical Architect 1 designs architecture to include the software, hardware, and communications to support the total requirements as well as provide for present and future cross-functional requirements and interfaces.	7	Bachelors
Technical Architect 2	The Technical Architect 2 provides thought leadership related to current and future customer plans with regard to the stated information technology. The Technical Architect 2 possesses knowledge of the future direction and trends associated with information technology. The Technical Architect 2s have experience in designing and implementing information architecture solutions for \ information technology. The Technical Architect 2 designs architecture to include the software, hardware, and communications to support the total requirements as well as provide for present and future cross-functional requirements and interfaces.	10	Bachelors
System Administrator 1	System Administrator 1s may develop, run tests on, implement, or maintain operating system and related software. The System Administrator 1s establish and implement standards for computer operations for compatibility between hardware and software, according to specifications and parameters. This individual troubleshoots and/or resolves software, operating system, and networking problems. The System Administrator 1 schedules, performs, or monitors system backups or, when necessary, performs data recoveries. The Level 1 performs more routine aspects of the position and is supervised by higher levels.	0	Bachelors in process
System Administrator 2	System Administrator 2s may develop, run tests on, implement, or maintain operating system and related software. The System Administrator 2s establish and	3	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Functional Specialist 1	<p>The Functional Specialist 1s provide knowledge in industry, process or technology areas. The Functional Specialist 1 responsibilities may include</p> <ul style="list-style-type: none"> • Plan and manage the work of information systems project teams • Design and implement new organization structures, conceptual design and development of training curricula • Assist an organization to translate its vision and strategy into core human resource and business process • Lead clients through streamlining, reengineering and transforming business processes • Develop and execute project budgets <p>Level 1 performs more routine aspects of the position and is supervised by higher levels.</p>	3	Bachelors
Functional Specialist 2	<p>The Functional Specialist 2s provide knowledge in industry, process or technology areas. The Functional Specialist 1 responsibilities may include</p> <ul style="list-style-type: none"> • Plan and manage the work of information systems project teams • Design and implement new organization structures, conceptual design and development of training curricula • Assist an organization to translate its vision and strategy into core human resource and business process • Lead clients through streamlining, reengineering and transforming business processes • Develop and execute project budgets <p>Level 2 performs more varied and difficult tasks compared to Level 1, yet has less autonomy than Level 3.</p>	5	Bachelors
Functional Specialist 3	<p>The Functional Specialist 3s provide knowledge in industry, process or technology areas. The Functional Specialist 1 responsibilities may include</p> <ul style="list-style-type: none"> • Plan and manage the work of information systems project teams; • Design and implement new organization structures, conceptual design and development of training curricula • Assist an organization to translate its vision and strategy into core human resource and business process • Lead clients through streamlining, reengineering and transforming business processes • Develop and execute project budgets <p>Level 3 is competent in subject matter and concepts and may lead individuals assisting in the work.</p>	8	Bachelors
Consultant 1	<p>Consultant 1s apply their skills in such areas as systems development, knowledge of business processes, technical background or supervisory capacity to implement business solutions. For example, Consultants may perform tasks such as</p> <ul style="list-style-type: none"> • Develop functional and technical information system designs 	3	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	<ul style="list-style-type: none"> • Supervise business integration analysts in the development of software designs, computer programming, system testing or training curricula • Lead business process redesign teams in the development of new business process architectures • Design training programs for information systems users • Participate in quality reviews to ensure work complies with specified standards • Develop teamwork plans • Perform workflow analyses • Design and manage databases • Define information systems requirements • Assist in project budget preparation. <p>Level 1 performs more routine aspects of the position and is supervised by higher levels.</p>		
Consultant 2	<p>Consultant 2s apply their skills in such areas as systems development, knowledge of business processes, technical background or supervisory capacity to implement business solutions. For example, Consultants may perform tasks such as</p> <ul style="list-style-type: none"> • Develop functional and technical information system designs • Supervise business integration analysts in the development of software designs, computer programming, system testing or training curricula • Lead business process redesign teams in the development of new business process architectures • Design training programs for information systems users • Participate in quality reviews to ensure work complies with specified standards • Develop teamwork plans • Perform workflow analyses • Design and manage databases • Define information systems requirements • Assist in project budget preparation <p>Level 2 performs more varied and difficult tasks compared to Level 1, yet has less autonomy than Level 3.</p>	5	Bachelors
Consultant 3	<p>Consultant 3s apply their skills in such areas as systems development, knowledge of business processes, technical background or supervisory capacity to implement business solutions. For example, Consultants may perform tasks such as</p> <ul style="list-style-type: none"> • Develop functional and technical information system designs • Supervise business integration analysts in the development of software designs, computer programming, system testing or training curricula • Lead business process redesign teams in the development of new business process architectures • Design training programs for information systems users 	8	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	<ul style="list-style-type: none"> • Participate in quality reviews to ensure work complies with specified standards • Develop teamwork plans • Perform workflow analyses • Design and manage databases • Define information systems requirements • Assist in project budget preparation <p>Level 3 is competent in subject matter and concepts and may lead individuals assisting in the work.</p>		
Engineer 1	<p>The Engineer 1 provides knowledge in design, architecture, development and administration. The Engineer may</p> <ul style="list-style-type: none"> • Monitor existing systems for structural integrity. • Oversee the development and installation of new hardware and software. • Install and configure operating systems and other software and routinely test installed software for glitch detection and other issues. • Provide technical direction to IT support staff • Design and implement security systems and redundant backups to maintain data safety • Write custom scripts to reduce the need for human intervention, Create saleable, automated solutions for our customer base • Establish multi-platform versions of the software package • Write tests for existing and created code to ensure compatibility and stability • Evaluate, recommend, and implement automated test tools and strategies • Design, implement, and conduct test and evaluation procedures to ensure system requirements are met • Evaluate hardware and software and resolve LAN/MAN/WAN network related problems <p>Level 1 performs more routine aspects of the position and is supervised by higher levels.</p>	0	Bachelors in process
Engineer 2	<p>The Engineer 2 provides knowledge in design, architecture, development and administration. The Engineer may</p> <ul style="list-style-type: none"> • Monitor existing systems for structural integrity. • Oversee the development and installation of new hardware and software. • Install and configure operating systems and other software and routinely test installed software for glitch detection and other issues. • Provide technical direction to IT support staff • Design and implement security systems and redundant backups to maintain data safety • Write custom scripts to reduce the need for human intervention, Create scaleable, automated solutions for our customer base • Establish multi-platform versions of the software package 	2	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Operations Manager	<p>The Operation Manager manages, coordinates, or organizes department operation strategies and activities. The Operation Manager may</p> <ul style="list-style-type: none"> • Collaborate in the development and implementation of organization policies, practices, procedures, and attainment of operating goals • Review, analyze, and prepare reports, records, and directives, and confers with managers/supervisors to obtain data required for planning activities, such as new commitments, status of work in progress, and problems encountered • Disseminate policies and objectives to supervisors/staff 	3	Bachelors
Agile Coach	<p>The Agile Coach may assist or lead teams to apply Agile thinking to the specific environment and impediments they face. The Coach works as an advisor and helps the team adapt the methodology to their environment, and challenge the existing environment.</p>	8	Bachelors
Scrum Master	<p>The Scrum Master may facilitate or guide a software development product owner, team, and organization on how to use Agile/Scrum concepts, values, practices, and principles focusing on improving team effectiveness. The Scrum Master leads discussions and decision making, and assists in mediation of conflict resolution.</p>	6	Bachelors
Financial Analyst	<p>The Financial Analyst analyzes past and present financial data of organization and estimates future revenues and expenditures, applying principles of finance. The Financial Analyst may</p> <ul style="list-style-type: none"> • Run and document financial analysis projects, • Aid organization with financial functions, such as assessing, auditing, planning, budgeting, taxes, consolidation, cost control, and project control • Evaluate and analyze capital expenditures, depreciation, proposals, investment opportunities, rate of return, profit plans, operating records, financial statements, etc. 	3	Bachelors
Data Architect	<p>The Data Architect may define, design, or develop relational and/or multi-dimensional databases for warehousing of data. The Data Architect reviews current data structures and recommends optimizations and reconfigurations as warranted.</p>	7	Bachelors
Program Analyst	<p>The Program Analyst analyzes and critiques computer programs and systems, or develops new programs. The Program Analyst may</p> <ul style="list-style-type: none"> • Review user's requests for new or modified computer programs to determine feasibility, cost and time required, compatibility with current system, and computer capabilities • Outline steps required to develop programs, using structured analysis and design • Plan, develop, test, and document computer programs, applying knowledge of programming techniques and computer systems 	2	Bachelors
Application Architect 1	<p>The Application Architect 1 may plan, design, develop, redesign or enhance, install, or implement various</p>	3	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	technology products, or enhance computer programs. This individual applies knowledge of software and programming to develop and test computer systems and produce the necessary outcome for clients. The Application Architect may draft technical white papers to better understand the technology behind them, and to provide instructions that help the client better understand the nature and applications of a specific product. Level 1 performs more routine aspects of the position and is supervised by higher levels.		
Application Architect 2	The Application Architect 2 may plan, design, develop, redesign or enhance, install, or implement various technology products, or enhance computer programs. This individual applies knowledge of software and programming to develop and test computer systems and produce the necessary outcome for clients. The Application Architect may draft technical white papers to better understand the technology behind them, and to provide instructions that help the client better understand the nature and applications of a specific product. Level 2 performs more varied and difficult tasks compared to Level 1, yet has less autonomy than Level 3.	5	Bachelors
Application Architect 3	The Application Architect 3 may plan, design, develop, redesign or enhance, install, or implement various technology products, or enhance computer programs. This individual applies knowledge of software and programming to develop and test computer systems and produce the necessary outcome for clients. The Application Architect may draft technical white papers to better understand the technology behind them, and to provide instructions that help the client better understand the nature and applications of a specific product. Level 3 is competent in subject matter and concepts and may lead individuals assisting in the work.	7	Bachelors
Customer Service and Support Technician 1	<p>The Customer Service and Support Technician 1 may perform some of the following tasks</p> <ul style="list-style-type: none"> • Answers inquiries by clarifying desired information; researching, locating, and providing information • Resolves problems by clarifying issues; researching and exploring answers and alternative solutions; implementing solutions; escalating unresolved problems • Fulfills requests by clarifying desired information; completing transactions; forwarding requests • Maintains call center database by entering information and document customer interaction • Updates job knowledge by participating in educational opportunities and knowledge management • Answers inquiries by clarifying desired information; researching, locating, and providing information. • Resolves problems by clarifying issues; researching and exploring answers and alternative solutions; implementing solutions; escalating unresolved problems. • Fulfills requests by clarifying desired information; completing transactions; forwarding requests. 	0	Associates

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Application Systems Analyst	The Application Systems Analyst may oversee the implementation of required hardware and software components for approved applications, coordinate tests of the application system to provide proper performance, or develop diagrams and flow charts for computer programmers to follow. The Application Systems Analyst reviews, analyzes, and modifies programming systems, including encoding, debugging, and installing to support an organization's application systems. The Application Systems Analyst develops application specifications, identifies the required inputs, and formats the output to meet users' needs.	4	Bachelors
Security Specialist 1	The Security Specialist 1 may identify or resolve highly complex issues to prevent cyberattacks on information systems or keep computer information systems secure from interruption of service, intellectual property theft, network viruses, data mining, financial theft, or theft of sensitive customer data, allowing business to continue as normal. The Security Specialist designs, installs, and manages security mechanisms that protect networks and information systems against hackers, breaches, viruses, and spyware. This individual responds to incidents, investigates violations, and recommends enhancements to plug potential security gaps. Level 1 performs more routine aspects of the position and is supervised by higher levels.	0	Bachelors
Security Specialist 2	The Security Specialist 2 may identify or resolve highly complex issues to prevent cyberattacks on information systems or keep computer information systems secure from interruption of service, intellectual property theft, network viruses, data mining, financial theft, or theft of sensitive customer data, allowing business to continue as normal. The Security Specialist designs, installs, and manages security mechanisms that protect networks and information systems against hackers, breaches, viruses, and spyware. This individual responds to incidents, investigates violations, and recommends enhancements to plug potential security gaps. Level 2 performs more varied and difficult tasks compared to Level 1, yet has less autonomy than Level 3.	3	Bachelors
Security Specialist 3	The Security Specialist 3 may identify or resolve highly complex issues to prevent cyberattacks on information systems or keep computer information systems secure from interruption of service, intellectual property theft, network viruses, data mining, financial theft, or theft of sensitive customer data, allowing business to continue as normal. The Security Specialist designs, installs, and manages security mechanisms that protect networks and information systems against hackers, breaches, viruses, and spyware. This individual responds to incidents, investigates violations, and recommends enhancements to plug potential security gaps. Level 3 is competent in subject matter and concepts and may lead individuals assisting in the work.	7	Bachelors
Business Analyst 1	The Business Analyst 1 may provide knowledge in business process and system analysis, design, improvement, and implementation efforts or in translating business process needs into technical requirements. The Business Analyst	0	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	<p>uses available computer systems resources and personnel to carry out analysis to support management's quest for performance improvement to determine the most useful business solution.</p> <p>In addition, the Business Analyst may</p> <ul style="list-style-type: none"> • Implement a comprehensive management plan for each project and hold regular stakeholder meetings to keep all interested parties updated in project progress • Determine and document user requirements for business processes and abide by those requirements for future projects • Reviews and analyzes information, forecasts, methods, schedules, systems, processes and procedures • Provides expertise in, but not limited to, Configuration Management, Strategic Planning, Knowledge Management, Business Analysis and Technical Analysis <p>Level 1 performs more routine aspects of the position and is supervised by higher levels.</p>		
Business Analyst 2	<p>The Business Analyst 2 may provide knowledge in business process and system analysis, design, improvement, and implementation efforts or in translating business process needs into technical requirements. The Business Analyst uses available computer systems resources and personnel to carry out analysis to support management's quest for performance improvement to determine the most useful business solution.</p> <p>In addition, the Business Analyst may</p> <ul style="list-style-type: none"> • Implement a comprehensive management plan for each project and hold regular stakeholder meetings to keep all interested parties updated in project progress • Determine and document user requirements for business processes and abide by those requirements for future projects • Reviews and analyzes information, forecasts, methods, schedules, systems, processes and procedures • Provides expertise in, but not limited to, Configuration Management, Strategic Planning, Knowledge Management, Business Analysis and Technical Analysis <p>Level 2 performs more varied and difficult tasks compared to Level 1, yet has less autonomy than Level 3.</p>	3	Bachelors
Business Analyst 3	<p>The Business Analyst 3 may provide knowledge in business process and system analysis, design, improvement, and implementation efforts or in translating business process needs into technical requirements. The Business Analyst uses available computer systems resources and personnel to carry out analysis to support management's quest for performance improvement to determine the most useful business solution.</p> <p>In addition, the Business Analyst may</p>	7	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	<ul style="list-style-type: none"> • Implement a comprehensive management plan for each project and hold regular stakeholder meetings to keep all interested parties updated in project progress • Determine and document user requirements for business processes and abide by those requirements for future projects • Reviews and analyzes information, forecasts, methods, schedules, systems, processes and procedures • Provides expertise in, but not limited to, Configuration Management, Strategic Planning, Knowledge Management, Business Analysis and Technical Analysis <p>Level 3 is competent in subject matter and concepts and may lead individuals assisting in the work.</p>		
Quality Assurance Specialist	<p>The Quality Assurance Specialist may improve reliability of new product development processes, maintain company quality standards, or review products, processes and systems on an ongoing basis to determine where improvements can be made. The Quality Assurance Specialist may</p> <ul style="list-style-type: none"> • Develop and implement quality control methodologies to ensure compliance with quality assurance standards, guidelines, and procedures • Develop and define major and minor characteristics of quality including quality metrics and scoring parameters and determines requisite quality control resources for an actual task order • Establish and maintain a process for evaluating hardware, software, and associated documentation and/or assist in the evaluation • Conduct and/or participate in formal and informal reviews at pre-determined points throughout the development life cycle 	3	Bachelors
Network Administrator	<p>The Network Administrators administers design, organization, or implementation of network, and heads technical support staff who manage and maintain hubs, servers, and routers. This individual uses knowledge and understanding of both networking and telecommunications theory and practice. The Network Administrator communicates with users, technical teams, and vendors on new technology and system upgrades and to determine software and hardware installation requirements.</p>	3	Bachelors
Enterprise Architect	<p>The Enterprise architects work with stakeholders, both leadership and subject matter experts, to build a holistic view of the organization's strategy, processes, information, and information technology assets to keep the business and IT in alignment. The Enterprise Architect links the business mission, strategy, and processes of an organization to its IT strategy, and documents this using multiple architectural models or views that show how the current and future needs of an organization will be met in an efficient, sustainable, agile, and adaptable manner.</p>	8	Bachelors
ITIL Service Manager 1	<p>The ITIL Service Manager defines and maintains organizational structure, roles and responsibilities or staffing</p>	2	Bachelors

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
	<ul style="list-style-type: none"> Maintain site appearance by developing and enforcing content and display standards. 		

Education and Experience Substitutions SIN 54151S Labor Categories:

Degree	Degree Equivalents
High School Diploma	<ul style="list-style-type: none"> GED
Associate's	<ul style="list-style-type: none"> High School Diploma/GED plus two (2) years relevant experience Vocational or technical training in work-related field
Bachelor's	<ul style="list-style-type: none"> High School Diploma/GED plus four (4) years relevant experience Associate's degree plus two (2) years relevant experience Relevant professional certification
Master's	<ul style="list-style-type: none"> High School Diploma/GED plus six (6) years relevant experience Associate's degree plus four (4) years relevant experience Bachelor's degree plus two (2) years relevant experience
PhD / Doctorate	<ul style="list-style-type: none"> High School Diploma/GED plus eight (8) years relevant experience Associate's degree plus six (6) years relevant experience Bachelor's degree plus four (4) years relevant experience Master's degree plus two (2) years relevant experience

2.1.2 Labor Categories and Rates (SIN 54151S)

2.1.2.1 Customer Facility

Services at Customer Facility ("Government site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Senior Program Manager (ONSITE)	\$481.22	\$502.39	\$524.50	\$547.58	\$571.67
Program Manager (ONSITE)	\$411.01	\$429.09	\$447.97	\$467.68	\$488.26
Project Manager (ONSITE)	\$297.18	\$310.26	\$323.91	\$338.16	\$353.04
Task Manager (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Subject Matter Expert 1 (ONSITE)	\$261.88	\$273.40	\$285.43	\$297.99	\$311.10
Subject Matter Expert 2 (ONSITE)	\$318.09	\$332.09	\$346.70	\$361.95	\$377.88
Subject Matter Expert 3 (ONSITE)	\$390.76	\$407.95	\$425.90	\$444.64	\$464.20
Technical Architect 1 (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Technical Architect 2 (ONSITE)	\$297.18	\$310.26	\$323.91	\$338.16	\$353.04
System Administrator 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95
System Administrator 2 (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
System Administrator 3 (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Database Administrator 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95
Database Administrator 2 (ONSITE)	\$177.75	\$185.57	\$193.74	\$202.26	\$211.16
Database Administrator 3 (ONSITE)	\$206.11	\$215.18	\$224.65	\$234.53	\$244.85
Functional Specialist 1 (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Functional Specialist 2 (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
Functional Specialist 3 (ONSITE)	\$224.48	\$234.36	\$244.67	\$255.44	\$266.68

Services at Customer Facility ("Government site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Consultant 1 (ONSITE)	\$131.38	\$137.16	\$143.20	\$149.50	\$156.08
Consultant 2 (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
Consultant 3 (ONSITE)	\$218.07	\$227.67	\$237.69	\$248.15	\$259.07
Engineer 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95
Engineer 2 (ONSITE)	\$146.78	\$153.24	\$159.98	\$167.02	\$174.37
Engineer 3 (ONSITE)	\$177.75	\$185.57	\$193.74	\$202.26	\$211.16
Technical Writer (ONSITE)	\$131.38	\$137.16	\$143.20	\$149.50	\$156.08
Help Desk Manager (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Help Desk Specialist (ONSITE)	\$97.28	\$101.56	\$106.03	\$110.70	\$115.57
Programmer 1 (ONSITE)	\$97.28	\$101.56	\$106.03	\$110.70	\$115.57
Programmer 2 (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Programmer 3 (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Operations Manager (ONSITE)	\$177.75	\$185.57	\$193.74	\$202.26	\$211.16
Agile Coach (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Scrum Master (ONSITE)	\$249.59	\$260.57	\$272.04	\$284.01	\$296.51
Financial Analyst (ONSITE)	\$177.75	\$185.57	\$193.74	\$202.26	\$211.16
Data Architect (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Program Analyst (ONSITE)	\$131.38	\$137.16	\$143.20	\$149.50	\$156.08
Application Architect 1 (ONSITE)	\$146.78	\$153.24	\$159.98	\$167.02	\$174.37
Application Architect 2 (ONSITE)	\$182.88	\$190.93	\$199.33	\$208.10	\$217.26
Application Architect 3 (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Customer Service and Support Technician 1 (ONSITE)	\$81.46	\$85.04	\$88.78	\$92.69	\$96.77
Customer Service and Support Technician 2 (ONSITE)	\$94.89	\$99.07	\$103.43	\$107.98	\$112.73
Customer Service and Support Technician 3 (ONSITE)	\$102.18	\$106.68	\$111.37	\$116.27	\$121.39
Customer Service and Support Supervisor 1 (ONSITE)	\$94.89	\$99.07	\$103.43	\$107.98	\$112.73
Customer Service and Support Supervisor 2 (ONSITE)	\$102.18	\$106.68	\$111.37	\$116.27	\$121.39
Customer Service and Support Supervisor 3 (ONSITE)	\$116.99	\$122.14	\$127.51	\$133.12	\$138.98
Customer Service and Support Manager 1 (ONSITE)	\$102.18	\$106.68	\$111.37	\$116.27	\$121.39
Customer Service and Support Manager 2 (ONSITE)	\$116.99	\$122.14	\$127.51	\$133.12	\$138.98
Customer Service and Support Manager 3 (ONSITE)	\$132.61	\$138.44	\$144.53	\$150.89	\$157.53
Application Systems Analyst (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
Security Specialist 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95

Services at Customer Facility ("Government site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Security Specialist 2 (ONSITE)	\$146.78	\$153.24	\$159.98	\$167.02	\$174.37
Security Specialist 3 (ONSITE)	\$213.36	\$222.75	\$232.55	\$242.78	\$253.46
Business Analyst 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95
Business Analyst 2 (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
Business Analyst 3 (ONSITE)	\$249.59	\$260.57	\$272.04	\$284.01	\$296.51
Quality Assurance Specialist (ONSITE)	\$146.78	\$153.24	\$159.98	\$167.02	\$174.37
Network Administrator (ONSITE)	\$177.75	\$185.57	\$193.74	\$202.26	\$211.16
Enterprise Architect (ONSITE)	\$261.88	\$273.40	\$285.43	\$297.99	\$311.10
ITIL Service Manager 1 (ONSITE)	\$107.65	\$112.39	\$117.34	\$122.50	\$127.89
ITIL Service Manager 2 (ONSITE)	\$132.61	\$138.44	\$144.53	\$150.89	\$157.53
ITIL Service Manager 3 (ONSITE)	\$170.53	\$178.03	\$185.86	\$194.04	\$202.58
Training Specialist (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Storage Administrator (ONSITE)	\$146.78	\$153.24	\$159.98	\$167.02	\$174.37
Web Designer (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Analyst 1 (ONSITE)	\$124.54	\$130.02	\$135.74	\$141.71	\$147.95
Analyst 2 (ONSITE)	\$137.72	\$143.78	\$150.11	\$156.71	\$163.61
Analyst 3 (ONSITE)	\$190.10	\$198.46	\$207.19	\$216.31	\$225.83
Note: Prices include the 0.75% Industrial Funding Fee (IFF).					

2.1.2.2 Contractor Facility

Services at Contractor Facility ("Contractor Site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Senior Program Manager (OFFSITE)	\$498.52	\$520.45	\$543.35	\$567.26	\$592.22
Program Manager (OFFSITE)	\$425.79	\$444.52	\$464.08	\$484.50	\$505.82
Project Manager (OFFSITE)	\$307.86	\$321.41	\$335.55	\$350.31	\$365.72
Task Manager (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Subject Matter Expert 1 (OFFSITE)	\$271.30	\$283.24	\$295.70	\$308.71	\$322.29
Subject Matter Expert 2 (OFFSITE)	\$329.51	\$344.01	\$359.15	\$374.95	\$391.45
Subject Matter Expert 3 (OFFSITE)	\$404.82	\$422.63	\$441.23	\$460.64	\$480.91
Technical Architect 1 (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Technical Architect 2 (OFFSITE)	\$307.86	\$321.41	\$335.55	\$350.31	\$365.72
System Administrator 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
System Administrator 2 (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
System Administrator 3 (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Database Administrator 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
Database Administrator 2 (OFFSITE)	\$184.13	\$192.23	\$200.69	\$209.52	\$218.74

Services at Contractor Facility ("Contractor Site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Database Administrator 3 (OFFSITE)	\$213.51	\$222.90	\$232.71	\$242.95	\$253.64
Functional Specialist 1 (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Functional Specialist 2 (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
Functional Specialist 3 (OFFSITE)	\$232.55	\$242.78	\$253.46	\$264.61	\$276.25
Consultant 1 (OFFSITE)	\$136.09	\$142.08	\$148.33	\$154.86	\$161.67
Consultant 2 (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
Consultant 3 (OFFSITE)	\$225.90	\$235.84	\$246.22	\$257.05	\$268.36
Engineer 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
Engineer 2 (OFFSITE)	\$152.06	\$158.75	\$165.74	\$173.03	\$180.64
Engineer 3 (OFFSITE)	\$184.13	\$192.23	\$200.69	\$209.52	\$218.74
Technical Writer (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Help Desk Manager (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Help Desk Specialist (OFFSITE)	\$100.79	\$105.22	\$109.85	\$114.68	\$119.73
Programmer 1 (OFFSITE)	\$100.79	\$105.22	\$109.85	\$114.68	\$119.73
Programmer 2 (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Programmer 3 (OFFSITE)	\$213.51	\$222.90	\$232.71	\$242.95	\$253.64
Operations Manager (OFFSITE)	\$184.13	\$192.23	\$200.69	\$209.52	\$218.74
Agile Coach (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Scrum Master (OFFSITE)	\$258.56	\$269.94	\$281.82	\$294.22	\$307.17
Financial Analyst (OFFSITE)	\$184.13	\$192.23	\$200.69	\$209.52	\$218.74
Data Architect (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Program Analyst (OFFSITE)	\$136.09	\$142.08	\$148.33	\$154.86	\$161.67
Application Architect 1 (OFFSITE)	\$152.06	\$158.75	\$165.74	\$173.03	\$180.64
Application Architect 2 (OFFSITE)	\$189.44	\$197.78	\$206.48	\$215.57	\$225.06
Application Architect 3 (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Customer Service and Support Technician 1 (OFFSITE)	\$84.39	\$88.10	\$91.98	\$96.03	\$100.26
Customer Service and Support Technician 2 (OFFSITE)	\$98.32	\$102.65	\$107.17	\$111.89	\$116.81
Customer Service and Support Technician 3 (OFFSITE)	\$105.86	\$110.52	\$115.38	\$120.46	\$125.76
Customer Service and Support Supervisor 1 (OFFSITE)	\$98.32	\$102.65	\$107.17	\$111.89	\$116.81
Customer Service and Support Supervisor 2 (OFFSITE)	\$105.86	\$110.52	\$115.38	\$120.46	\$125.76
Customer Service and Support Supervisor 3 (OFFSITE)	\$121.20	\$126.53	\$132.10	\$137.91	\$143.98
Customer Service and Support Manager 1 (OFFSITE)	\$105.86	\$110.52	\$115.38	\$120.46	\$125.76
Customer Service and Support Manager 2 (OFFSITE)	\$121.20	\$126.53	\$132.10	\$137.91	\$143.98

Services at Contractor Facility ("Contractor Site")	Option Period 1				
	Year 6	Year 7	Year 8	Year 9	Year 10
	7/12/22 - 7/11/23	7/12/23 - 7/11/24	7/12/24 - 7/11/25	7/12/25 - 7/11/26	7/12/26 - 7/11/27
Customer Service and Support Manager 3 (OFFSITE)	\$137.39	\$143.44	\$149.75	\$156.34	\$163.22
Application Systems Analyst (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
Security Specialist 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
Security Specialist 2 (OFFSITE)	\$152.06	\$158.75	\$165.74	\$173.03	\$180.64
Security Specialist 3 (OFFSITE)	\$221.03	\$230.76	\$240.91	\$251.51	\$262.58
Business Analyst 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
Business Analyst 2 (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
Business Analyst 3 (OFFSITE)	\$258.56	\$269.94	\$281.82	\$294.22	\$307.17
Quality Assurance Specialist (OFFSITE)	\$152.06	\$158.75	\$165.74	\$173.03	\$180.64
Network Administrator (OFFSITE)	\$184.13	\$192.23	\$200.69	\$209.52	\$218.74
Enterprise Architect (OFFSITE)	\$271.30	\$283.24	\$295.70	\$308.71	\$322.29
ITIL Service Manager 1 (OFFSITE)	\$111.53	\$116.44	\$121.56	\$126.91	\$132.49
ITIL Service Manager 2 (OFFSITE)	\$137.39	\$143.44	\$149.75	\$156.34	\$163.22
ITIL Service Manager 3 (OFFSITE)	\$176.68	\$184.45	\$192.57	\$201.04	\$209.89
Training Specialist (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Storage Administrator (OFFSITE)	\$152.06	\$158.75	\$165.74	\$173.03	\$180.64
Web Designer (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Analyst 1 (OFFSITE)	\$129.02	\$134.70	\$140.63	\$146.82	\$153.28
Analyst 2 (OFFSITE)	\$142.68	\$148.96	\$155.51	\$162.35	\$169.49
Analyst 3 (OFFSITE)	\$196.93	\$205.59	\$214.64	\$224.08	\$233.94
<i>Note: Prices include the 0.75% Industrial Funding Fee (IFF).</i>					

2.2 SIN 54151HEAL

Health Information Technology Services - Includes a wide range of Health IT services to include connected health, electronic health records, health information exchanges, health analytics, personal health information management, innovative Health IT solutions, health informatics, emerging Health IT research, and other Health IT services. NOTE: Subject to Cooperative Purchasing.

2.2.1 Labor Category Descriptions (SIN 54151HEAL)

Labor Category Name	Labor Category Description	Min Years Experience	Min Education
Biomedical Engineer 1	A Biomedical Engineer may apply engineering principles or design concepts to medicine and biology for the design and use of information systems for healthcare purposes (e.g. diagnostic, therapeutic and medical data). This field seeks to close the gap between the engineering of IT systems and medicine: It combines the design and problem-solving skills of engineering with medical and biological sciences to advance delivery of healthcare treatment including diagnosis, monitoring, therapy and the use of data/analytics. Level 1	3	Bachelors

Deloitte Hourly US Government Rates

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/public-sector/us-fed-contractor-site-hourly-rates-10172014.pdf>

ITEM	DESCRIPTION	U/M	Contract Year									
			1 6/1/12- 5/31/13	2 6/1/13- 5/31/14	3 6/1/14- 5/31/15	4 6/1/15- 5/31/16	5 6/1/16- 5/31/17	6 6/1/17- 5/31/18	7 6/1/18- 5/31/19	8 6/1/19- 5/31/20	9 6/1/20- 5/31/21	10 6/1/21- 5/31/22
0001 AA01	Administrative Assistant – Level I	HR	\$38.24	\$38.84	\$39.44	\$40.07	\$40.72	\$41.39	\$42.06	\$42.75	\$43.43	\$44.14
0001 AA02	Administrative Assistant – Level II	HR	\$40.65	\$41.28	\$41.92	\$42.59	\$43.28	\$43.99	\$44.70	\$45.42	\$46.16	\$46.92
0001 AB01	Application Engineer – Level I	HR	\$116.23	\$119.25	\$122.34	\$125.66	\$129.08	\$132.60	\$136.21	\$139.92	\$143.74	\$147.00
0001 AB02	Application Engineer – Level II	HR	\$140.90	\$144.56	\$148.30	\$152.32	\$156.47	\$160.74	\$165.09	\$169.60	\$174.21	\$178.16
0001 AC01	Application Programmer – Level I	HR	\$40.65	\$41.45	\$42.25	\$43.10	\$43.97	\$44.86	\$45.77	\$46.70	\$47.64	\$48.61
0001 AC02	Application Programmer – Level II	HR	\$76.28	\$78.27	\$80.28	\$82.46	\$84.71	\$87.02	\$89.39	\$91.84	\$94.33	\$96.46
0001 AC03	Applications Programmer – Level III	HR	\$104.77	\$107.50	\$110.27	\$113.27	\$116.35	\$119.53	\$122.77	\$126.13	\$129.56	\$132.50
0001 AD00	Application Systems Analyst	HR	\$111.02	\$113.91	\$116.86	\$120.02	\$123.29	\$126.65	\$130.11	\$133.66	\$137.29	\$140.41
0001 AE00	Biostatistician	HR	\$129.39	\$133.29	\$137.25	\$141.54	\$145.96	\$150.53	\$155.23	\$160.08	\$165.09	\$169.38
0001 AF01	Business Analyst – Level I	HR	\$72.44	\$73.67	\$74.91	\$76.26	\$77.66	\$79.07	\$80.50	\$81.99	\$83.48	\$84.75
0001 AF02	Business Analyst – Level II	HR	\$102.69	\$105.37	\$108.08	\$111.02	\$114.03	\$117.15	\$120.32	\$123.63	\$126.99	\$129.87
0001 AF03	Business Analyst – Level III	HR	\$125.67	\$128.92	\$132.27	\$135.85	\$139.55	\$143.36	\$147.24	\$151.26	\$155.37	\$158.89
0001 AG01	Business Process Reengineering Specialist – Level I	HR	\$107.91	\$110.72	\$113.58	\$116.67	\$119.85	\$123.11	\$126.46	\$129.91	\$133.45	\$136.48
0001 AG02	Business Process Reengineering Specialist – Level II	HR	\$149.06	\$152.93	\$156.89	\$161.14	\$165.54	\$170.05	\$174.65	\$179.42	\$184.29	\$188.47
0001 AG03	Business Process Reengineering Specialist – Level III	HR	\$189.57	\$194.48	\$199.52	\$204.95	\$210.54	\$216.27	\$222.14	\$228.18	\$234.40	\$239.71
0001 AH00	Chief Information Security Officer	HR	\$189.29	\$194.96	\$200.78	\$207.05	\$213.53	\$220.20	\$227.06	\$234.16	\$241.46	\$247.71
0001 AI00	Communications Hardware Specialist	HR	\$78.29	\$79.63	\$80.97	\$82.45	\$83.96	\$85.50	\$87.05	\$88.67	\$90.29	\$91.66
0001 AJ00	Communications Network Manager	HR	\$123.65	\$125.75	\$127.89	\$130.21	\$132.57	\$134.99	\$137.45	\$139.96	\$142.49	\$144.67
0001 AK00	Communications Software Specialist	HR	\$79.72	\$81.09	\$82.45	\$83.95	\$85.50	\$87.05	\$88.64	\$90.28	\$91.93	\$93.33
0001 AL00	Communications Specialist	HR	\$87.39	\$88.86	\$90.37	\$92.02	\$93.73	\$95.44	\$97.17	\$98.94	\$100.74	\$102.27
0001 AM00	Computer Data Librarian	HR	\$37.48	\$38.06	\$38.65	\$39.27	\$39.91	\$40.56	\$41.22	\$41.89	\$42.57	\$43.26
0001 AN00	Computer Scientist	HR	\$193.67	\$199.48	\$205.42	\$211.83	\$218.47	\$225.28	\$232.31	\$239.57	\$247.03	\$253.43
0001 AO01	Computer Security System Specialist – Level I	HR	\$101.80	\$104.43	\$107.13	\$110.03	\$113.03	\$116.10	\$119.25	\$122.50	\$125.84	\$128.69
0001 AO02	Computer Security System Specialist – Level II	HR	\$139.65	\$143.30	\$147.00	\$150.97	\$155.09	\$159.32	\$163.65	\$168.11	\$172.69	\$176.60
0001 AO03	Computer Security System Specialist – Level III	HR	\$190.87	\$195.82	\$200.88	\$206.36	\$211.99	\$217.74	\$223.66	\$229.75	\$236.02	\$241.36
0001 AP01	Computer Systems Analyst – Level I	HR	\$75.92	\$77.91	\$79.90	\$82.08	\$84.33	\$86.61	\$88.97	\$91.41	\$93.89	\$96.02
0001 AP02	Computer Systems Analyst – Level II	HR	\$109.08	\$111.90	\$114.80	\$117.89	\$121.12	\$124.40	\$127.78	\$131.26	\$134.84	\$137.89
0001 AP03	Computer Systems Analyst – Level III	HR	\$156.58	\$160.65	\$164.80	\$169.27	\$173.90	\$178.63	\$183.46	\$188.47	\$193.60	\$197.99
0001 AQ00	Configuration Management Specialist	HR	\$91.04	\$93.39	\$95.81	\$98.41	\$101.06	\$103.84	\$106.64	\$109.55	\$112.54	\$115.10
0001 AR01	Cost Analyst – Level I	HR	\$71.55	\$73.41	\$75.30	\$77.34	\$79.47	\$81.62	\$83.84	\$86.14	\$88.48	\$90.47
0001 AR02	Cost Analyst – Level II	HR	\$91.04	\$93.39	\$95.81	\$98.41	\$101.06	\$103.84	\$106.64	\$109.55	\$112.54	\$115.10
0001 AS00	Data Entry Clerk	HR	\$27.80	\$28.22	\$28.65	\$29.12	\$29.60	\$30.07	\$30.56	\$31.06	\$31.56	\$32.08
0001 AT00	Data Security Specialist	HR	\$115.20	\$118.19	\$121.25	\$124.54	\$127.92	\$131.41	\$134.99	\$138.67	\$142.44	\$145.68

ITEM	DESCRIPTION	U/M	Contract Year									
			1 6/1/12- 5/31/13	2 6/1/13- 5/31/14	3 6/1/14- 5/31/15	4 6/1/15- 5/31/16	5 6/1/16- 5/31/17	6 6/1/17- 5/31/18	7 6/1/18- 5/31/19	8 6/1/19- 5/31/20	9 6/1/20- 5/31/21	10 6/1/21- 5/31/22
0001 AU00	Data Standardization Specialist	HR	\$91.04	\$93.39	\$95.81	\$98.41	\$101.06	\$103.84	\$106.64	\$109.55	\$112.54	\$115.10
0001 AV00	Database Administrator	HR	\$138.43	\$142.03	\$145.71	\$149.64	\$153.73	\$157.92	\$162.21	\$166.62	\$171.17	\$175.04
0001 AW01	Database Management Specialist – Level I	HR	\$49.72	\$50.58	\$51.44	\$52.36	\$53.31	\$54.29	\$55.27	\$56.27	\$57.31	\$58.19
0001 AW02	Database Management Specialist – Level II	HR	\$93.80	\$96.22	\$98.71	\$101.39	\$104.13	\$106.99	\$109.87	\$112.88	\$115.94	\$118.59
0001 AW03	Database Management Specialist – Level III	HR	\$139.54	\$143.16	\$146.87	\$150.85	\$154.97	\$159.19	\$163.49	\$167.96	\$172.52	\$176.44
0001 AX01	Database Specialist – Level I	HR	\$112.93	\$115.86	\$118.86	\$122.09	\$125.42	\$128.83	\$132.34	\$135.95	\$139.65	\$142.81
0001 AX02	Database Specialist – Level II	HR	\$146.34	\$150.14	\$154.03	\$158.20	\$162.52	\$166.95	\$171.46	\$176.14	\$180.94	\$185.04
0001 AX03	Database Specialist – Level III	HR	\$176.72	\$181.31	\$186.01	\$191.07	\$196.27	\$201.61	\$207.08	\$212.72	\$218.52	\$223.48
0001 AY00	Data Warehousing Administrator	HR	\$128.60	\$131.94	\$135.35	\$139.02	\$142.81	\$146.70	\$150.69	\$154.80	\$159.01	\$162.61
0001 AZ00	Data Warehouse Analyst	HR	\$115.20	\$118.19	\$121.25	\$124.54	\$127.92	\$131.41	\$134.99	\$138.67	\$142.44	\$145.68
0001 BA00	Data Warehouse Programmer	HR	\$131.05	\$134.46	\$137.94	\$141.68	\$145.55	\$149.51	\$153.58	\$157.76	\$162.06	\$165.72
0001 BB00	Disaster Recovery Specialist	HR	\$157.17	\$161.25	\$165.43	\$169.92	\$174.56	\$179.31	\$184.15	\$189.18	\$194.33	\$198.73
0001 BC01	Document Control Specialist – Level I	HR	\$33.27	\$33.79	\$34.31	\$34.86	\$35.44	\$36.01	\$36.59	\$37.18	\$37.79	\$38.41
0001 BC02	Document Control Specialist - Level II	HR	\$44.62	\$45.31	\$46.01	\$46.76	\$47.51	\$48.29	\$49.07	\$49.86	\$50.67	\$51.50
0001 BC03	Document Control Specialist – Level III	HR	\$46.85	\$47.57	\$48.31	\$49.09	\$49.89	\$50.70	\$51.52	\$52.35	\$53.21	\$54.08
0001 BD01	Document Support Specialist – Level I	HR	\$40.03	\$40.65	\$41.28	\$41.94	\$42.62	\$43.32	\$44.02	\$44.73	\$45.46	\$46.20
0001 BD02	Document Support Specialist – Level II	HR	\$44.04	\$44.71	\$45.40	\$46.14	\$46.89	\$47.65	\$48.42	\$49.21	\$50.01	\$50.82
0001 BE00	Duplicating Machine Operator	HR	\$33.03	\$33.54	\$34.05	\$34.61	\$35.17	\$35.75	\$36.32	\$36.91	\$37.51	\$38.12
0001 BF00	Electronic Data Interchange (EDI) Specialist	HR	\$79.98	\$82.04	\$84.14	\$86.44	\$88.77	\$91.19	\$93.69	\$96.23	\$98.85	\$101.09
0001 BG00	Electronic Meeting Technographer	HR	\$38.12	\$38.70	\$39.29	\$39.93	\$40.59	\$41.24	\$41.91	\$42.59	\$43.28	\$43.99
0001 BH00	Enterprise Resource Planning (ERP) Specialist	HR	\$134.74	\$138.24	\$141.83	\$145.67	\$149.64	\$153.71	\$157.90	\$162.19	\$166.61	\$170.39
0001 BI00	Facilitator	HR	\$99.67	\$101.35	\$103.05	\$104.92	\$106.84	\$108.80	\$110.77	\$112.78	\$114.83	\$116.60
0001 BJ00	Financial Analyst – IT	HR	\$104.56	\$107.29	\$110.05	\$113.05	\$116.12	\$119.29	\$122.53	\$125.88	\$129.31	\$132.24
0001 BK01	Functional Analyst – Level I	HR	\$120.41	\$123.52	\$126.73	\$130.17	\$133.72	\$137.35	\$141.10	\$144.94	\$148.88	\$152.26
0001 BK02	Functional Analyst – Level II	HR	\$151.78	\$155.72	\$159.76	\$164.08	\$168.56	\$173.15	\$177.84	\$182.69	\$187.66	\$191.91
0001 BL01	General Clerk – Level I	HR	\$28.31	\$28.74	\$29.19	\$29.65	\$30.14	\$30.63	\$31.12	\$31.62	\$32.14	\$32.66
0001 BL02	General Clerk – Level II	HR	\$32.00	\$32.50	\$33.00	\$33.53	\$34.08	\$34.63	\$35.19	\$35.76	\$36.34	\$36.93
0001 BL03	General Clerk – Level III	HR	\$40.03	\$40.65	\$41.28	\$41.94	\$42.62	\$43.32	\$44.02	\$44.73	\$45.46	\$46.20
0001 BM00	Geographic Information System (GIS) Specialist	HR	\$142.12	\$145.82	\$149.59	\$153.63	\$157.82	\$162.12	\$166.53	\$171.06	\$175.73	\$179.70
0001 BN00	Graphical User Interface Designer	HR	\$102.13	\$104.77	\$107.48	\$110.38	\$113.40	\$116.48	\$119.63	\$122.89	\$126.25	\$129.11
0001 BO00	Graphics Specialist	HR	\$63.89	\$64.65	\$65.42	\$66.30	\$67.17	\$68.06	\$68.97	\$69.87	\$70.81	\$71.60
0001 BP00	Hardware Draftsman	HR	\$54.25	\$54.90	\$55.54	\$56.28	\$57.03	\$57.77	\$58.55	\$59.31	\$60.09	\$60.78
0001 BQ01	Hardware Installation Technician – Level I	HR	\$44.04	\$44.71	\$45.40	\$46.14	\$46.89	\$47.65	\$48.42	\$49.21	\$50.01	\$50.82

ITEM	DESCRIPTION	U/M	Contract Year									
			1 6/1/12- 5/31/13	2 6/1/13- 5/31/14	3 6/1/14- 5/31/15	4 6/1/15- 5/31/16	5 6/1/16- 5/31/17	6 6/1/17- 5/31/18	7 6/1/18- 5/31/19	8 6/1/19- 5/31/20	9 6/1/20- 5/31/21	10 6/1/21- 5/31/22
0001 BQ02	Hardware Installation Technician – Level II	HR	\$70.99	\$71.85	\$72.71	\$73.68	\$74.66	\$75.64	\$76.65	\$77.66	\$78.69	\$79.58
0001 BR00	Hardware Specialist – Information Technology	HR	\$103.29	\$105.04	\$106.80	\$108.73	\$110.74	\$112.76	\$114.81	\$116.89	\$119.01	\$120.84
0001 BS00	Help Desk Manager	HR	\$120.23	\$123.35	\$126.55	\$129.97	\$133.51	\$137.16	\$140.86	\$144.71	\$148.64	\$152.02
0001 BT00	Help Desk Specialist	HR	\$76.60	\$77.91	\$79.23	\$80.67	\$82.14	\$83.65	\$85.17	\$86.76	\$88.34	\$89.69
0001 BU01	Imaging Specialist/Technician – Level I	HR	\$38.96	\$39.56	\$40.17	\$40.82	\$41.48	\$42.15	\$42.84	\$43.54	\$44.24	\$44.97
0001 BU02	Imaging Specialist/Technician – Level II	HR	\$51.58	\$52.20	\$52.81	\$53.51	\$54.21	\$54.92	\$55.65	\$56.39	\$57.12	\$57.77
0001 BU03	Imaging Specialist/Technician – Level III	HR	\$67.78	\$68.61	\$69.42	\$70.35	\$71.29	\$72.22	\$73.18	\$74.15	\$75.14	\$75.98
0001 BV00	Informatic Specialist/Bioinformatician	HR	\$248.38	\$255.80	\$263.45	\$271.64	\$280.17	\$288.91	\$297.94	\$307.23	\$316.84	\$325.06
0001 BW01	Information Engineer – Level I	HR	\$107.90	\$110.70	\$113.57	\$116.65	\$119.82	\$123.09	\$126.44	\$129.90	\$133.43	\$136.45
0001 BW02	Information Engineer – Level II	HR	\$144.62	\$148.37	\$152.22	\$156.34	\$160.60	\$164.98	\$169.44	\$174.07	\$178.81	\$182.85
0001 BX00	Information Resource Management Analyst	HR	\$102.06	\$103.78	\$105.52	\$107.43	\$109.41	\$111.41	\$113.43	\$115.49	\$117.59	\$119.40
0001 BY00	Information Systems Training Specialist	HR	\$93.34	\$94.91	\$96.51	\$98.27	\$100.10	\$101.92	\$103.78	\$105.67	\$107.58	\$109.22
0001 BZ00	IT Policy/Legislative Specialist	HR	\$112.07	\$114.98	\$117.96	\$121.15	\$124.45	\$127.85	\$131.32	\$134.90	\$138.58	\$141.73
0001 CA00	IT Strategic/Capital Planner	HR	\$121.45	\$124.60	\$127.83	\$131.29	\$134.87	\$138.55	\$142.31	\$146.19	\$150.18	\$153.58
0001 CB00	Knowledge Management Specialist	HR	\$105.82	\$108.57	\$111.37	\$114.40	\$117.51	\$120.72	\$123.99	\$127.39	\$130.84	\$133.82
0001 CC00	Librarian	HR	\$48.26	\$49.01	\$49.77	\$50.57	\$51.39	\$52.23	\$53.07	\$53.93	\$54.81	\$55.71
0001 CD00	Librarian Technician	HR	\$34.46	\$34.99	\$35.54	\$36.11	\$36.69	\$37.28	\$37.90	\$38.51	\$39.13	\$39.77
0001 CE00	Medical Billing/Account Management Specialist	HR	\$39.20	\$39.81	\$40.42	\$41.07	\$41.74	\$42.41	\$43.10	\$43.80	\$44.51	\$45.24
0001 CF00	Modeling and Simulation Specialist	HR	\$127.26	\$131.08	\$134.99	\$139.19	\$143.53	\$148.00	\$152.63	\$157.41	\$162.34	\$166.56
0001 CG00	Network Administrator	HR	\$104.11	\$105.86	\$107.65	\$109.60	\$111.63	\$113.67	\$115.73	\$117.82	\$119.98	\$121.82
0001 CH00	Network Draftsman	HR	\$54.25	\$54.90	\$55.54	\$56.28	\$57.03	\$57.77	\$58.55	\$59.31	\$60.09	\$60.78
0001 CI01	Network Installation Technician – Level I	HR	\$46.57	\$47.29	\$48.02	\$48.80	\$49.59	\$50.40	\$51.21	\$52.04	\$52.89	\$53.75
0001 CI02	Network Installation Technician – Level II	HR	\$75.28	\$76.17	\$77.07	\$78.08	\$79.12	\$80.17	\$81.23	\$82.32	\$83.43	\$84.33
0001 CJ00	Network Support Technician	HR	\$42.35	\$43.00	\$43.66	\$44.37	\$45.09	\$45.82	\$46.56	\$47.31	\$48.09	\$48.87
0001 CK00	Operations Manager	HR	\$95.58	\$98.04	\$100.58	\$103.31	\$106.11	\$109.02	\$111.95	\$115.02	\$118.14	\$120.84
0001 CL00	Procurement Product Specialist	HR	\$111.52	\$113.42	\$115.31	\$117.42	\$119.58	\$121.74	\$123.96	\$126.22	\$128.51	\$130.47
0001 CM00	Program Administration Specialist	HR	\$66.56	\$67.37	\$68.17	\$69.08	\$69.99	\$70.92	\$71.86	\$72.81	\$73.78	\$74.60
0001 CN00	Program Analyst	HR	\$124.91	\$128.15	\$131.48	\$135.03	\$138.72	\$142.50	\$146.38	\$150.36	\$154.45	\$157.96
0001 CO00	Program Manager	HR	\$316.37	\$325.83	\$335.55	\$346.02	\$356.81	\$367.98	\$379.46	\$391.31	\$403.52	\$414.00
0001 CP00	Project Control Specialist	HR	\$93.80	\$96.22	\$98.71	\$101.39	\$104.13	\$106.99	\$109.87	\$112.88	\$115.94	\$118.59
0001 CQ00	Project Leader	HR	\$126.14	\$129.41	\$132.77	\$136.36	\$140.08	\$143.90	\$147.81	\$151.84	\$155.97	\$159.51
0001 CR01	Project Manager – Level I	HR	\$129.82	\$133.20	\$136.65	\$140.35	\$144.18	\$148.10	\$152.14	\$156.27	\$160.53	\$164.17
0001 CR02	Project Manager – Level II	HR	\$177.60	\$182.20	\$186.92	\$192.01	\$197.25	\$202.61	\$208.11	\$213.78	\$219.60	\$224.59

ITEM	DESCRIPTION	U/M	Contract Year									
			1 6/1/12- 5/31/13	2 6/1/13- 5/31/14	3 6/1/14- 5/31/15	4 6/1/15- 5/31/16	5 6/1/16- 5/31/17	6 6/1/17- 5/31/18	7 6/1/18- 5/31/19	8 6/1/19- 5/31/20	9 6/1/20- 5/31/21	10 6/1/21- 5/31/22
0001 CR03	Project Manager – Level III	HR	\$202.52	\$207.78	\$213.16	\$218.94	\$224.93	\$231.05	\$237.32	\$243.77	\$250.42	\$256.10
0001 CS00	Public Health Analyst	HR	\$89.53	\$91.85	\$94.22	\$96.78	\$99.40	\$102.12	\$104.89	\$107.75	\$110.68	\$113.19
0001 CT00	Quality Assurance Analyst	HR	\$121.45	\$124.60	\$127.83	\$131.29	\$134.87	\$138.55	\$142.31	\$146.19	\$150.18	\$153.58
0001 CU00	Quality Assurance Manager	HR	\$159.81	\$163.97	\$168.20	\$172.77	\$177.49	\$182.32	\$187.25	\$192.37	\$197.59	\$202.08
0001 CV00	Quality Assurance Specialist	HR	\$134.74	\$138.24	\$141.83	\$145.67	\$149.64	\$153.71	\$157.90	\$162.19	\$166.61	\$170.39
0001 CW00	Records Management Specialist	HR	\$38.17	\$38.76	\$39.36	\$40.00	\$40.65	\$41.31	\$41.97	\$42.66	\$43.35	\$44.06
0001 CX00	Scanner Operator	HR	\$31.00	\$31.48	\$31.96	\$32.48	\$33.01	\$33.54	\$34.09	\$34.64	\$35.20	\$35.78
0001 CY00	Scientific Data Analyst	HR	\$102.74	\$105.80	\$108.96	\$112.36	\$115.87	\$119.50	\$123.21	\$127.07	\$131.05	\$134.45
0001 CZ01	Subject Matter Expert – Level I	HR	\$153.42	\$158.03	\$162.74	\$167.81	\$173.04	\$178.44	\$184.01	\$189.80	\$195.72	\$200.78
0001 CZ02	Subject Matter Expert – Level II	HR	\$182.70	\$188.18	\$193.79	\$199.84	\$206.10	\$212.53	\$219.16	\$226.01	\$233.05	\$239.09
0001 CZ03	Subject Matter Expert – Level III	HR	\$328.94	\$338.78	\$348.89	\$359.76	\$370.99	\$382.60	\$394.54	\$406.86	\$419.55	\$430.44
0001 DA01	System Administrator – Level I	HR	\$67.92	\$69.10	\$70.27	\$71.52	\$72.83	\$74.14	\$75.49	\$76.90	\$78.29	\$79.49
0001 DA02	System Administrator – Level II	HR	\$95.58	\$98.04	\$100.58	\$103.31	\$106.11	\$109.02	\$111.95	\$115.02	\$118.14	\$120.84
0001 DA03	System Administrator – Level III	HR	\$134.10	\$137.57	\$141.15	\$144.97	\$148.92	\$152.99	\$157.11	\$161.42	\$165.80	\$169.56
0001 DB01	Systems Architect – Level I	HR	\$146.75	\$151.16	\$155.66	\$160.52	\$165.52	\$170.69	\$176.02	\$181.54	\$187.21	\$192.06
0001 DB02	Systems Architect – Level II	HR	\$224.15	\$230.86	\$237.75	\$245.15	\$252.83	\$260.72	\$268.85	\$277.25	\$285.92	\$293.32
0001 DC01	Systems Engineer – Level I	HR	\$64.08	\$65.19	\$66.29	\$67.48	\$68.70	\$69.95	\$71.21	\$72.54	\$73.86	\$74.99
0001 DC02	Systems Engineer – Level II	HR	\$87.53	\$89.00	\$90.50	\$92.16	\$93.87	\$95.58	\$97.32	\$99.09	\$100.89	\$102.42
0001 DC03	Systems Engineer – Level III	HR	\$121.06	\$123.11	\$125.21	\$127.48	\$129.79	\$132.16	\$134.57	\$137.03	\$139.50	\$141.63
0001 DD00	System Operator	HR	\$39.81	\$40.42	\$41.04	\$41.70	\$42.38	\$43.07	\$43.77	\$44.48	\$45.20	\$45.94
0001 DE00	System Programmer	HR	\$89.89	\$91.39	\$92.94	\$94.64	\$96.39	\$98.15	\$99.93	\$101.76	\$103.60	\$105.17
0001 DF01	Technical Writer/Editor – Level I	HR	\$43.19	\$44.02	\$44.88	\$45.79	\$46.72	\$47.66	\$48.62	\$49.60	\$50.61	\$51.64
0001 DF02	Technical Writer/Editor – Level II	HR	\$76.49	\$78.45	\$80.47	\$82.67	\$84.90	\$87.21	\$89.61	\$92.03	\$94.54	\$96.68
0001 DF03	Technical Writer/Editor – Level III	HR	\$98.08	\$100.64	\$103.23	\$106.04	\$108.92	\$111.90	\$114.93	\$118.08	\$121.29	\$124.04
0001 DG01	Telecommunications Engineer – Level I	HR	\$39.81	\$40.58	\$41.36	\$42.21	\$43.05	\$43.93	\$44.81	\$45.72	\$46.64	\$47.59
0001 DG02	Telecommunications Engineer - Level II	HR	\$84.15	\$85.56	\$87.02	\$88.60	\$90.24	\$91.89	\$93.56	\$95.27	\$97.00	\$98.49
0001 DH01	Telecommunications Specialist – Level I	HR	\$66.76	\$67.92	\$69.08	\$70.31	\$71.58	\$72.88	\$74.20	\$75.59	\$76.97	\$78.14
0001 DH02	Telecommunications Specialist - Level II	HR	\$82.84	\$84.25	\$85.67	\$87.23	\$88.84	\$90.47	\$92.12	\$93.80	\$95.51	\$96.97
0001 DI00	Test Engineer	HR	\$125.18	\$127.29	\$129.46	\$131.82	\$134.21	\$136.65	\$139.15	\$141.69	\$144.25	\$146.45
0001 DJ00	Training Manager	HR	\$147.70	\$151.53	\$155.46	\$159.67	\$164.03	\$168.50	\$173.05	\$177.78	\$182.61	\$186.75
0001 DK01	Training Specialist – Level I	HR	\$51.64	\$52.65	\$53.67	\$54.76	\$55.87	\$57.00	\$58.15	\$59.32	\$60.53	\$61.75
0001 DK02	Training Specialist – Level II	HR	\$83.63	\$85.04	\$86.47	\$88.06	\$89.68	\$91.32	\$92.98	\$94.69	\$96.40	\$97.88
0001 DL00	Web Content Administrator	HR	\$85.58	\$87.02	\$88.49	\$90.10	\$91.78	\$93.45	\$95.15	\$96.88	\$98.65	\$100.15

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0001 DM00	Web Designer	HR	\$86.10	\$87.55	\$89.03	\$90.66	\$92.33	\$94.02	\$95.72	\$97.48	\$99.25	\$100.76
0001 DN00	Web Project Manager	HR	\$127.04	\$130.32	\$133.70	\$137.32	\$141.06	\$144.92	\$148.83	\$152.90	\$157.06	\$160.62
0001 DO00	Web Software Developer	HR	\$84.79	\$86.22	\$87.68	\$89.29	\$90.94	\$92.60	\$94.28	\$96.01	\$97.75	\$99.24
0001 DP00	Webmaster	HR	\$101.65	\$103.36	\$105.10	\$107.01	\$108.97	\$110.96	\$112.98	\$115.03	\$117.12	\$118.91
0001 DQ00	Wide Area Network Administrator	HR	\$93.80	\$96.22	\$98.71	\$101.39	\$104.13	\$106.99	\$109.87	\$112.88	\$115.94	\$118.59

ISG is the City's project management team for its Workday implementation.

The company's published rates for 2023 are provided.

https://isg-one.com/docs/default-source/default-document-library/isg-automation-services-hourly-rate-card.pdf?sfvrsn=4a58d431_0

Price Sheet for Services

CATEGORY NAME	SERVICE NAME	SERVICE DESCRIPTION (provide detailed service features)	List COST Per Unit	Unit of Measure	* DIR Customer Price EACH/Per Unit
Automation Services	Project Executive Sponsor (no travel)	10+ years of automation experience and project leadership; Responsible to Executive Management for the management and performance of the overall initiative	\$375.00	Cost per hour	\$377.81
Automation Services	Project Executive Sponsor (with travel)	10+ years of automation experience and project leadership; Responsible to Executive Management for the management and performance of the overall initiative	\$415.00	Cost per hour	\$418.11
Automation Services	Engagement Leader (no travel)	10+ years of automation experience and project leadership; To oversee and manage the automation initiative. Depending upon the size of the automation effort, there may be a lead and a project manager, or they may be combined to a single person	\$285.00	Cost per hour	\$287.14
Automation Services	Engagement leader (with travel)	10+ years of automation experience and project leadership; To oversee and manage the automation initiative. Depending upon the size of the automation effort, there may be a lead and a project manager, or they may be combined to a single person	\$325.00	Cost per hour	\$327.44
Automation Services	Automation Project Manager (no travel)	5+ years of automation experience and 30+ automations built; responsible to oversee and manage the development and installation of the automation capability	\$240.00	Cost per hour	\$241.80
Automation Services	Automation Project Manager (with travel)	5+ years of automation experience and 30+ automations built; responsible to oversee and manage the development and installation of the automation capability	\$280.00	Cost per hour	\$282.10
Automation Services	Automation Lead Developer/Team Lead (no travel)	2+ years of automation experience and 15+ automations built; senior developer responsible to design, develop, test, deploy and support automation solutions.	\$185.00	Cost per hour	\$186.39
Automation Services	Automation Lead Developer/Team Lead (with Travel)	2+ years of automation experience and 15+ automations built; senior developer responsible to design, develop, test, deploy and support automation solutions.	\$225.00	Cost per hour	\$226.69

Automation Services	Automation Developer (no travel)	1+ years of automation experience and 5+ automations built; responsible to design, develop, test, deploy and support automation solutions.	\$150.00	Cost per hour	\$151.13
Automation Services	Automation Developer (with travel)	1+ years of automation experience and 5+ automations built; responsible to design, develop, test, deploy and support automation solutions.	\$190.00	Cost per hour	\$191.43
Automation Services	Automation Project Manager (Offshore - No travel)	5+ years of automation experience and 30+ automations built; responsible to oversee and manage the development and installation of the automation capability	\$45.00	Cost per hour	\$45.34
Automation Services	Automation Lead Developer/Team Lead (Offshore - no travel)	2+ years of automation experience and 15+ automations built; senior developer responsible to design, develop, test, deploy and support automation solutions.	\$30.00	Cost per hour	\$30.23
Automation Services	Automation Developer (Offshore - no travel)	1+ years of automation experience and 5+ automations built; responsible to design, develop, test, deploy and support automation solutions.	\$20.00	Cost per hour	\$20.15

Survey of Consulting Rates 2020



ABSTRACT

Survey of Consulting Rates performed in 2020

By: PATCA - The Professional and Technical Consultant Association
Silicon Valley's Premier Organization for Consultants since 1975

I. What is PATCA

PATCA, the Professional and Technical Consultants Association, is a Silicon Valley-based organization of independent consultants and principals who work in small consulting firms. These firms are in a variety of technical and non-technical fields. PATCA is dedicated to enhancing the professionalism, integrity, objectivity, and business competence of members and to promoting the profession of consulting.

Consultants affect the quality of life for many people in our complex society. In the pursuit of their profession, therefore, it is vital that consultants conduct their work in an ethical manner to earn the confidence of colleagues, clients, and the public. All PATCA members must pledge to adhere to a strict Code of Ethics.

PATCA offers several types of memberships:

- Affiliate
- Member
- Certified Professional Consultant
- Senior Certified Professional Consultant
- Company

See: www.patca.org -> Join -> Membership Categories for more information.

II. Introduction

This report presents data obtained from an online survey completed in September 2020 by members of PATCA, as well as some members of the IEEE Consultants Network of Silicon Valley, the Kimberly Weifling Consulting Collaboratory, Women in Consulting (WIC) and Golden Gate Consultants.

Respondents were asked to report information for the one year period from July 2019 through the end of July 2020. Completed responses to the survey were received from 115 members of the combined groups mentioned above.

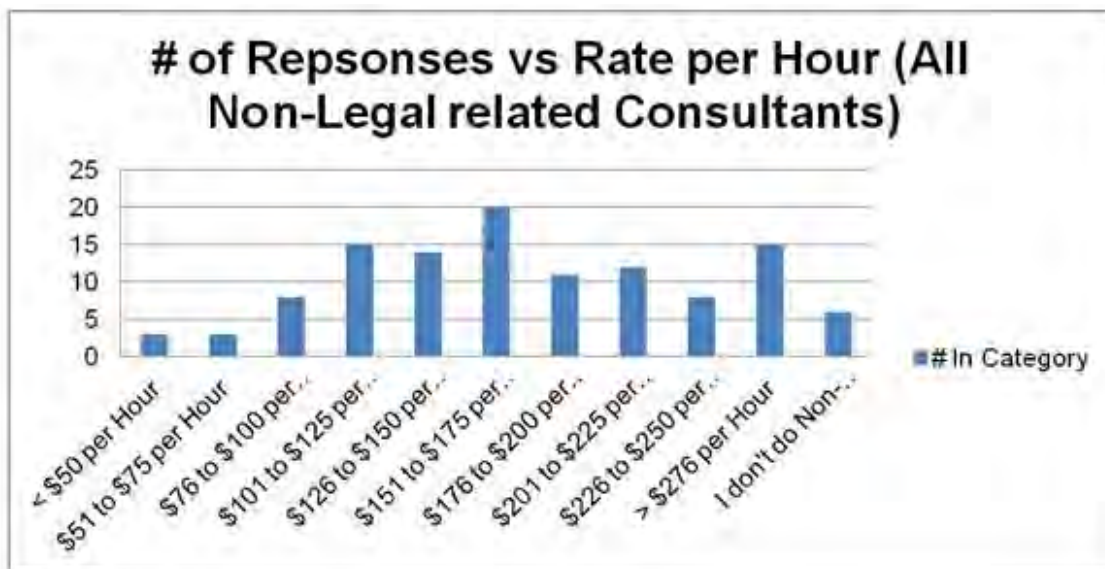
The first section of this report presents data about various impacts of the Covid-19 Shutdown on the consulting business. All of this data was obtained directly from the Google Forms website. The second section focuses on rates and how they vary depending on the type of consulting and a few other factors. This data was computed from an Excel spreadsheet using its cross-tabulation and graphing capabilities.

G. Responses vs Rate per Hour of all Persons doing Non-Legal Related Consulting

This section groups together the total responses in these categories. Note the spike in respondents charging more than \$276 per hour. This indicates a lack of categories to include rates above this value, and that this sub-group might need more categories about this rate to understand the rates they charge better. Later, the data shows this group to consist mainly of those doing Management / Marketing consulting.

For this analysis, the nominal rate per hour is computed using the midpoint of the category, except for the lower and upper ends which were assumed to be about 2/3 below or 1/3 above the lower and upper categories respectively. From here on, these calculations will refer to these just a rate per hour. Similarly, nominal hours invoiced will be referred to as just hours invoiced.

The average Rate per hour for all respondents is \$184



Business Management Consulting Services, 22-2803

COMMODITY OR SERVICE:

Business Management Consulting Services for the University of Wisconsin System, to include such projects as operational assessments, business process improvement, benchmarking, strategic planning, and implementation services including change management services.

Users for projects over \$5000 must select a contractor through a Request for Services (RFS) process (see “How to Use – RFS” in User Guide). For engagements estimated to be under \$5000, Users may exercise Best Judgment to select a Contractor, meaning they may select any Contractor that meets their needs.

Note: Information technology services covered by mandatory DOA contracts, such as programmers, software engineers, database architects and administration, technical writers, desktop support, network engineers, web developers, and PeopleSoft IT workers, are NOT permitted to be procured through this contract.

CONTRACT NO.: 22-2803

NIGP CODES: 95816, 91821, 96110

ELIGIBLE PURCHASERS: All UW System Campuses, State of Wisconsin Agencies, and Wisconsin municipalities.

CONTRACT TERM: July 1, 2022 through June 30, 2023, with four optional one-year extensions through June 30, 2027.

CONTRACT USER GUIDE: [User-Guide-JD-22-2803](#)

(https://www.wisconsin.edu/procurement/download/business_management_consulting_services_22-2803/User-Guide-JD-22-2803.pdf).

VENDOR LIST: [22-2803-Vendor-Listing-Updated 1.14.2025](#)

(https://www.wisconsin.edu/procurement/download/business_management_consulting_services_22-2803/22-2803-Vendor-Listing.xlsx).

RATE CARD: [Rate-Card-JD-22-2803-rev](#)

(https://www.wisconsin.edu/procurement/download/business_management_consulting_services_22-2803/Rate-Card-JD-22-2803-rev.pdf).

REQUEST FOR SERVICES FORM: RFS-Form-for-JD-22-2803

(https://www.wisconsin.edu/procurement/download/business_management_consulting_services_22-2803/RFS-Form-for-JD-22-2803.docx)

PIGGYBACKING FORM: 22-2803-Piggybacking-Form

(https://www.wisconsin.edu/procurement/download/business_management_consulting_services_22-2803/22-2803-Piggybacking-Form.pdf)

For further information contact: Brent Tilton at brent.tilton@wisconsin.edu (<mailto:brent.tilton@wisconsin.edu>)

OFFICE OF PROCUREMENT

780 Regent St.

Suite 255

Madison, WI 53715

Accenture LLP		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Program Executive/ Subject Matter Expert	<ul style="list-style-type: none"> Responsible for overseeing all activities on the project and is accountable for the project's success. Provide guidance and input to project leadership. Review the integrity of the work performed. Allocate necessary resources to the project team. Monitor the project operations and resource utilization such that scope obligations are met. Resolve high-level management issues Obtain UW's feedback on project. Verify UW's satisfaction with the project work being performed. 	Remote: \$585 Onsite: \$625
Delivery Lead / Change Lead	<ul style="list-style-type: none"> On-site project manager. Work with UW's Project Manager to manage the project on a day-to-day basis. Define Accenture team member roles and expectations; Manage resource utilization. Establish and monitor project team adherence to quality assurance processes, including periodic reviews and transitions. Establish and monitor change management programs. 	Remote: \$540 Onsite: \$580
Sr. Workstream Lead / Business Transformation Architect	<ul style="list-style-type: none"> Provides transformation and business subject matter expertise. Prepare for quality assurance procedures. Continually seek opportunities to increase UW satisfaction and deepen relationships across the System. Experienced with multiple operational assessments and implementations. Drives strategy definition and organizational blueprinting and then shaping a roadmap for which to help UW mobilize and deliver the subsequent changes. 	Remote: \$495 Onsite: \$535

Workstream Lead	<ul style="list-style-type: none"> • Acts as project manager for workstream. • Work with UW's workstream lead to manage the workstream activities on a day-to-day basis. • Identify resources needed and assigns individual responsibilities to UW projects. • Manages operational aspects of a project and scope. • Create and review deliverables prepared by team before passing to UW senior leadership. • Prepare for quality assurance procedures. • Continually seek opportunities to increase UW satisfaction and deepen relationships across the System. • Experienced with multiple operational assessments and implementations. 	Remote: \$435 Onsite: \$475
Senior Functional Consultant	<ul style="list-style-type: none"> • Conducts analysis and design activities across multiple functional areas. • Designs new business processes and capabilities. • Conducts research and analysis to identify new value sources for UW. • Supports functional and technical user requirements and specifications. • Works with functional experts to assess opportunities. • Facilitates data collection sessions. • Analyzes data collected for benchmarking. • Provide recommendation of initiatives to support the strategic redesign. • Develops communications, training and job aids to assist in change management activities. • Performs rigorous, financial, business case, statistical and other quantitative analyses. • Communicates clearly and concisely in written and oral formats. • Collaborates with UW System stakeholders. 	Remote: \$370 Onsite: \$410
Functional Consultant	<ul style="list-style-type: none"> • Focuses on project delivery for UW. 	

	<ul style="list-style-type: none"> • Conducts analysis and design activities across multiple functional areas. • Designs new business processes and capabilities. • Conducts research and analysis to identify new value sources for UW. • Supports functional and technical user requirements and specifications. • Works with functional experts to assess opportunities. • Facilitates data collection sessions. • Analyzes data collected for benchmarking. • Provide recommendation of initiatives to support the strategic redesign. • Develops communications, training and job aids to assist in change management activities. • Performs rigorous, financial, business case, statistical and other quantitative analyses. • Communicates clearly and concisely in written. 	Remote: \$310 Onsite: \$350
Sr. Functional Associate	<ul style="list-style-type: none"> • Conducts analysis and design activities across multiple functional areas. • Supports the design of new business processes and capabilities. • Conducts research and analysis to identify new value sources for UW. • Supports functional and technical user requirements and specifications. • Develops communications, training and job aids to assist in change management activities. • Performs rigorous, financial, business case, statistical and other quantitative analyses. • Communicates clearly and concisely in written and oral formats. 	Remote: \$260 Onsite: \$300
Functional Associate	<ul style="list-style-type: none"> • Focuses on project delivery for UW. • Supports the analysis and design activities across multiple functional areas. • Supports the design of new business processes and capabilities. 	

	<ul style="list-style-type: none">• Conducts research and analysis to identify new value sources for UW.• Supports functional and technical user requirements and specifications.• Develops communications, training and job aids to assist in change management activities.• Assists in the support of rigorous, financial, business case, statistical and other quantitative analyses.• Communicates clearly and concisely in written and oral formats.	Remote: \$225 Onsite: \$265
Jr. Functional Associate	<ul style="list-style-type: none">• Focuses on project delivery for UW.• Supports the analysis, design and business process development.• Communicates clearly and concisely in written and oral formats.• Collaborates with UW System stakeholders.	Remote: \$205 Onsite: \$245

Baker Tilly US LLP		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Partner/Principal	Client Relationship Management, Executive oversight of project, quality assurance, strategic facilitation, guidance and subject matter expertise.	\$455
Senior Manager/Director	Client Relationship Management, Executive oversight of project, approach & methodology definition/execution, quality assurance, strategic facilitation, guidance and subject matter expertise.	\$385
Manager	Project management and administration. Resource coordination and consultant management, daily project oversight, functional and technical guidance and subject matter expertise.	\$319
Sr. Consultant	Daily project execution, documentation review, track milestones, report writing.	\$235
Staff Consultant	Daily project execution, documentation review, track milestones, report writing.	\$185

Berry Dunn McNeil & Parker LLC (dba Berry Dunn)		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Consultant/Business Analyst	Skilled staff consultants with 1-6 years of relevant experience in meeting client needs. Are involved in non-project management activities throughout.	\$150 to \$240
Senior Consultant	Experienced professionals with a wide range of relevant skills and work background. Are involved in non-project management activities throughout.	\$260
Manager	Oversees team and all day-to-day operations as well as primary point of contact for client communications. Leads project work and reviews project deliverables.	\$320
Senior Manager	Oversees team and all day-to-day operations as well as primary point of contact for client communications. Leads project work and reviews project deliverables.	\$370
Principal	Has ultimate responsibility for work of BerryDunn engagement and reviews all client deliverables before submission. Also actively participates in project activities and engages senior client leadership.	\$500

CampusWorks Inc.		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Senior High Education Consultant	As each statement of work is customized for the client, each consultant is hand-selected for each project to ensure a successful outcome.	\$185
Note: If a Statement of Work is so terminated, Contractor shall be paid 18% of the remaining sums due under the contract as a termination fee.		

Deloitte Consulting LLP		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Principal or Managing Director	Overall engagement leadership; contributes expertise; participated in leadership discussions; informs and reviews deliverables.	\$365
Senior Manager	Manages Deloitte team resources; contributes experience and expertise; assists in leading deliverables.	\$325
Manager	Manages day-to-day work and coordinates directly with UW System Project Manager; Leads and develops deliverables; Facilitates most presentations and leadership discussions; informs and oversees market research and analysis.	\$290
Senior Consultant	Contributes to deliverables; supports all aspects of the end-to-end engagement; supports market research and analysis.	\$260
Consultant	Contributes to deliverables; annotates interviews and provides data research; supports all aspects of end-to-end engagement; leads market research and analysis.	\$195
Analyst	Drafts initial deliverable documents; provides administrative assistance to engagement.	\$195

HKA Global		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Engagement Partner	Overall responsibility for the engagement, including meeting the client's cost, schedule, and quality objectives	\$425
Director	Development of assessment strategy and day-to-day responsibility for the work	\$350
Associate Director	Data collection and benchmarking	\$325
Manager	Assistance with data collection and review	\$250

Huron Consulting Services LLC		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Managing Director/Principal	Managing Directors (MDs) and Principals provide executive oversight and leadership of projects.	\$450
Senior Director	Senior Directors (SDs) serve either as day to date engagement leaders or subject matter experts.	\$375
Director	Directors (Ds) serve either as day to date engagement leaders or subject matter experts.	\$325
Manager	Managers are responsible for day-to-day project execution and oversee project teams of typically up to 10 consulting professionals. Managers are responsible for project management and administration.	\$300
Senior Associate	Senior Associates conduct interviews and data collection and are responsible for executing project work streams with higher degrees of complexity or uncertainty.	\$250
Associate	Associates conduct interviews and data collection and are responsible for executing project work streams with higher degrees of complexity or uncertainty.	\$225
Senior Analyst	Senior Analysts support interviews and provide quantitative and qualitative data collection, analysis, and the development of materials for meetings and deliverables.	\$200
Analyst	Analysts support interviews and provide quantitative and qualitative data collection, analysis, and the development of materials for meetings and deliverables.	\$180

MGT of America Consulting LLC		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Portfolio Group/Market Leader	Overall project guidance and directions; Primary responsibility and final authority over all activities; Approval of the contract, work plan, and final report	\$385
Service Leader	Manages MGT contractual requirements; Provides solutions to address needs; Supports additional solutions and amendments	\$370
Director	Main point of contact; Day-to-day management of the project tasks and deliverables; Oversight over service and deliverable quality	\$220
Lead Specialist	Project support; review data; Subject Matter Expertise	\$220
Sr. Consultant	Project support; Review data; Conduct analysis; Write reports	\$170
Analyst	Project support; Review data; Conduct analysis; Write reports	\$145

Moss Adams LLP		Maximum
<u>Title</u>	<u>Tasks</u>	<u>Hourly Rate</u>
Engagement Partner	Oversee all aspects of projects. Manages team and staff projects based on scope and intended outcomes to match qualifications and experience of assigned staff. Reviews all deliverables prior to submittal to client.	\$350
Quality Assurance	Provide quality assurance over all projects. Reviews all deliverables prior to submittal to client.	\$350
Project Manager	Manage project logistics, scope, and deliverables. Responsible for timely delivery of work products to client satisfaction. Manages project team. Communicates with client project lead and team to resolve issues and ensure project is on track.	\$250
Analyst	Supports project delivery through consulting fieldwork, including conducting interviews, data analysis, document review, process review and improvement, organizational analysis, and other activities. Develops preliminary observations, recommendations, and reports.	\$210

V.

LEGISLATIVE COMMITTEE REPORT

A. Approval of Proposed Amendment to Board Rule II.B.2.

Re: Amendments to A&P Board Rule II

Jerry,

I have updated the proposed amendment, as follows:

Ballots are to be mailed in the official envelopes addressed to the City of Milwaukee Election Commission via interdepartmental mail or via U.S. mail to the ERS post office box. Ballots will be removed from the post office box not later than ~~8:00~~ 9:30 a.m. the day of the election. Completed ballots sealed in the official envelopes may also be returned in person at the City of Milwaukee Election Commission or the office of the ERS no later than 9:30 a.m. on the day of the election. ~~and results~~ Results will be tabulated in City Hall as specified by the Board. Any interested person may observe the entire procedure.

Please note that this language could be read as permitting a person other than the voter to return the voter's ballot. If there is a desire to prevent this practice, I would have to add additional language.

We can discuss next week. Have a good weekend.

Thanks!

Patrick J. McClain | Assistant City Attorney | Milwaukee City Attorney's Office
Zeidler Municipal Building | 841 North Broadway | Milwaukee, WI 53202
Tel: 414.286.2601 | Fax: 414.286.8550 | Email: pmccla@milwaukee.gov

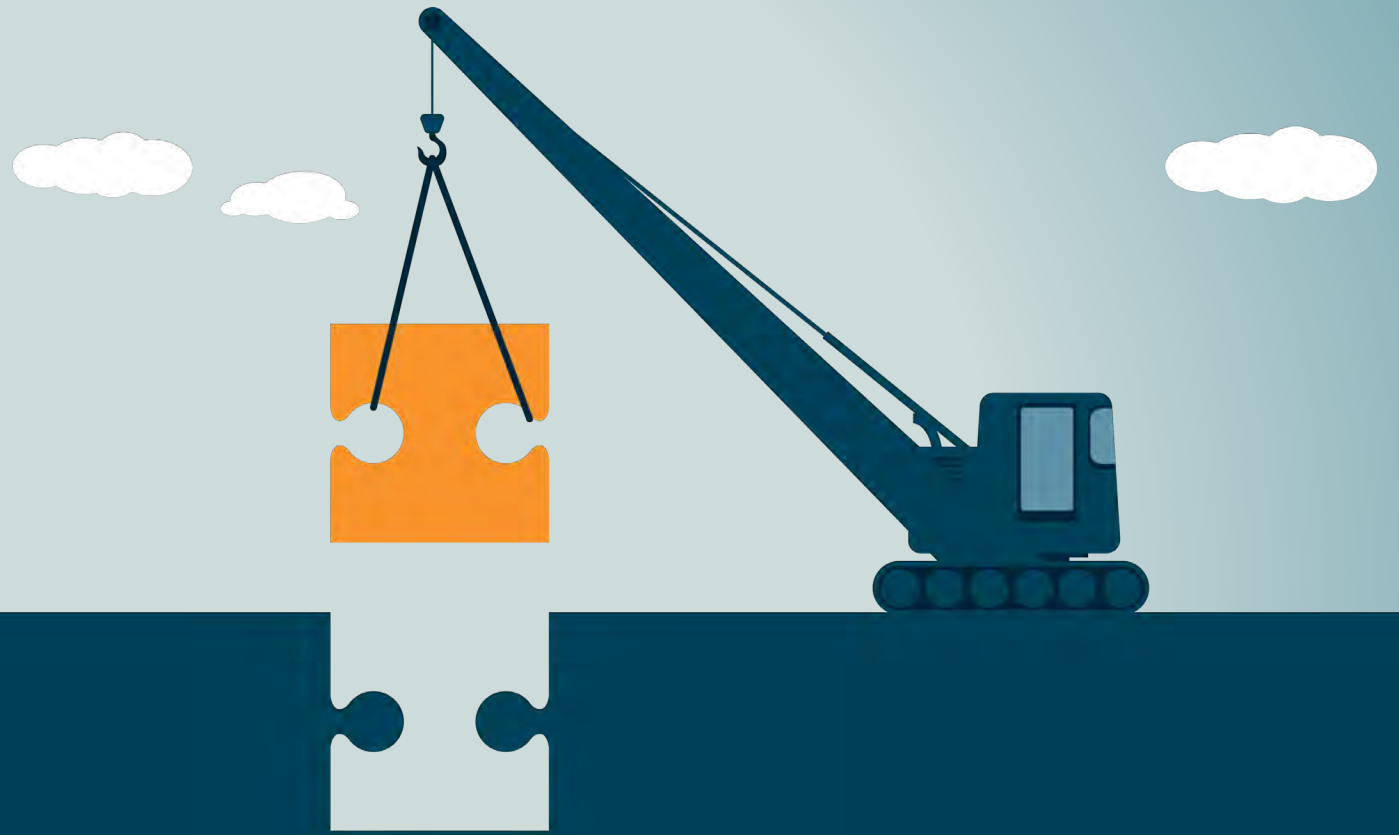
VI.

NEW BUSINESS

- A. Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald and Acceptance of 2025 Actuarial Valuation Report and Consider Approval of Updated Funding Policy Reports.
- B. Retirements, Death Claims, and Refunds (May).
- C. Conference Requests – June 24, 2025 Board Meeting.
- D. Approval of Retired Member Election Bulletin No. 199.
- E. Approval of At Large Member Election Bulletin No. 200.

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

- F. Consider Approval of Management Recruitment Firm Contract.



CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM JANUARY 1, 2025 ACTUARIAL VALUATION



Your CavMac Team



Purpose of the Actuarial Valuation



Actuarial Valuation Process



January 1, 2025 Actuarial Valuation Results



Discussion

THE CMERS CAVMAC TEAM



Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary
Co-Lead Pension Actuary



Aaron Chochon ASA, FCA, EA, MAAA
Senior Actuary
Co-Lead Pension Actuary



Ryan Gundersen
Senior Consultant
Project Manager



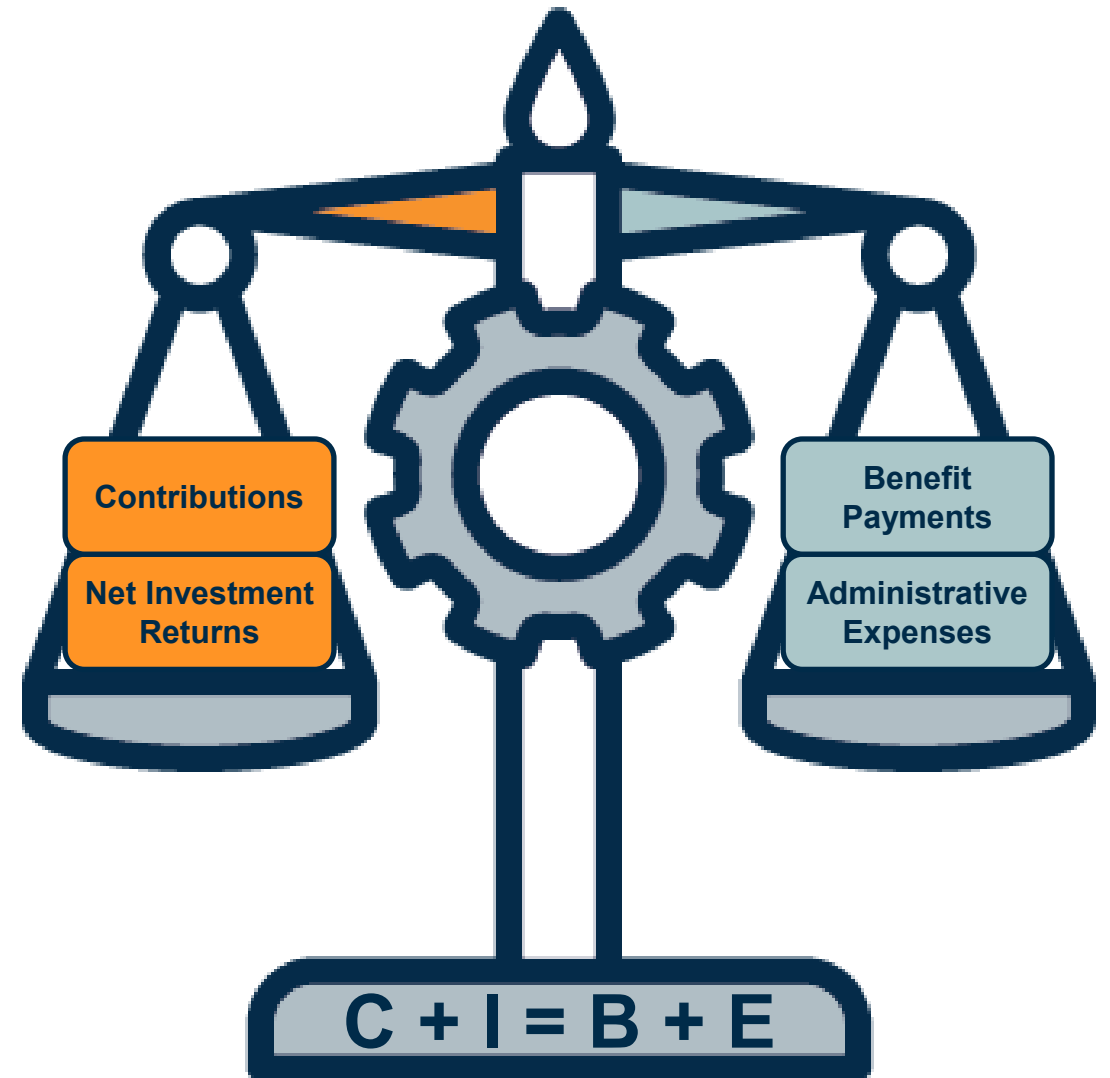
Patrice Beckham FSA, FCA, EA, MAAA
Senior Consulting Actuary
Resource Actuary

Here are some terms actuaries like to use:

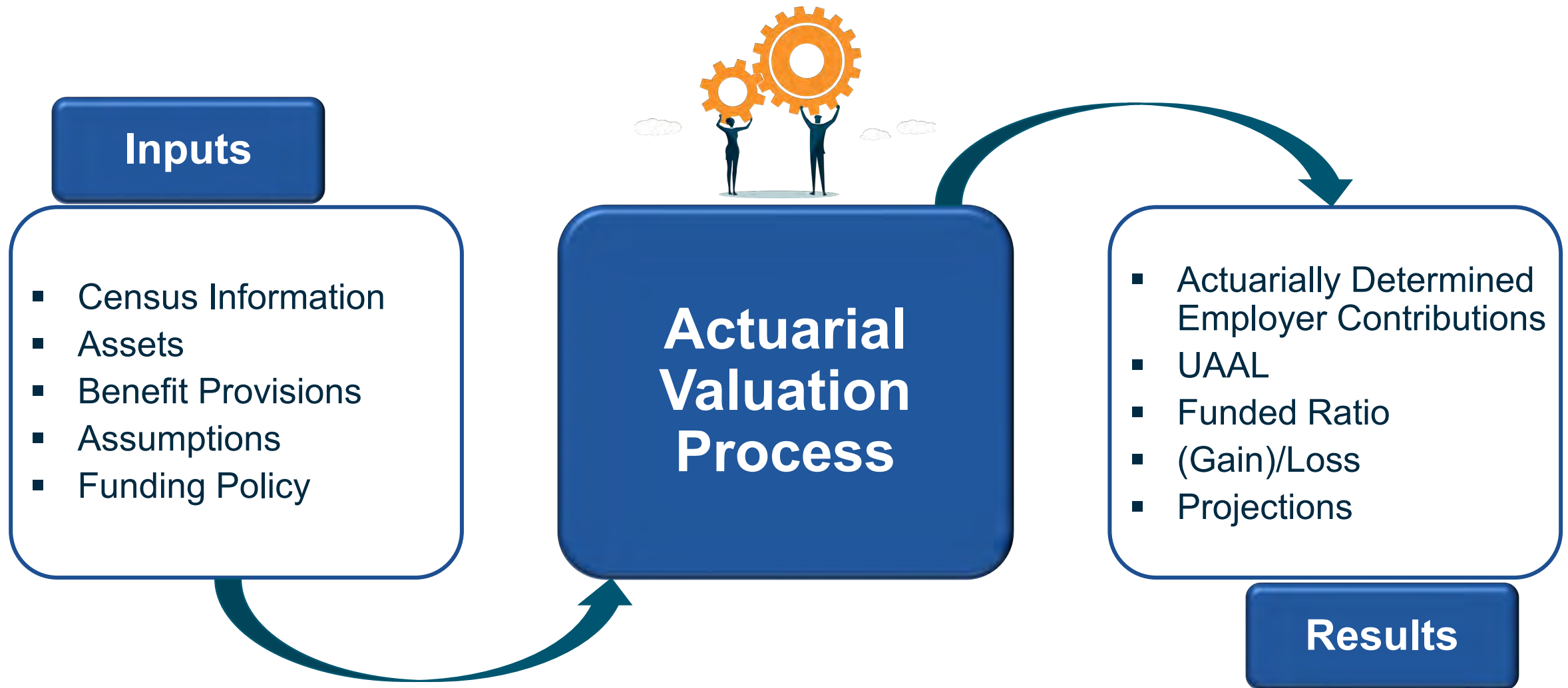
- **Valuation date:** the date the information for the actuarial valuation as of which the census, asset and benefit information is collected
- **Actuarial Accrued Liability (AAL):** value of benefits allocated to past service (a.k.a. the target asset balance)
- **Normal Cost:** the cost of benefits accruing during the upcoming year
- **Actuarial Value of Assets (AVA):** a smoothed, or averaged, value of the market value of assets
- **Unfunded Actuarial Accrued Liability (UAAL):** the AAL less the AVA
- **Funded Ratio:** the AVA divided by AAL
- **Amortization:** the process of systematically paying down the UAAL

THE ACTUARIAL VALUATION PROCESS

- Basic Funding Retirement Equation is: “Money In = Money Out”.
- *Over the short term*, the Actuarially Determined Employer Contributions are determined by an annual actuarial valuation and are based on estimated investment returns, benefits and expenses. These estimates are based on assumptions as recommended by CavMac and adopted by the Board of Trustees, subject to restrictions imposed by 2023 Wisconsin Act 12 (Act 12).
- *Over the long term*, the Actuarially Determined Employer Contributions are adjusted to reflect actual investment returns, benefits and expenses.



THE ACTUARIAL VALUATION PROCESS



Performed Annually as of January 1

- Update previous valuation reflecting Calendar Year 2024 events
- Comment on impact Calendar Year 2024 events had on the January 1, 2025 valuation
- Includes Funding and GASB Results

Funding Results

- Employer Contribution for Plan Year 2026 (January 1, 2026 through December 31, 2026) in accordance with Act 12
- Funded status as of January 1, 2025
- UAAL (Unfunded Actuarial Accrued Liability) as of January 1, 2025
- Unless otherwise noted, this presentation focuses on Funding Results

GASB 67/68

- Accounting results as prescribed by the Governmental Accounting Standards Board for Pensions (67/68)
- Pension Expense and Net Pension Liability are analogous to Contribution and UAAL


- Act 12 prescribes much of the Funding Policy
 - Stable Contribution Policy repealed
 - 30-year amortization of the January 1, 2024 Initial UAAL
- “Future unfunded actuarial accrued factors such as market returns and liability due to standard actuarial practices may be amortized on the basis of standard actuarial practices”

- Under the Board's layered 10-year level dollar amortization policy, the total actuarially determined employer contribution would increase by \$103.5 million, from \$239.2 million to \$342.7 million.
- No policy for amortizing future UAAL can replicate the Board's Funding Policy for a closed plan, which is a layered 10-year level dollar amortization.
- This does not absolve CavMac from complying with Actuarial Standards of Practice with respect to future changes in the UAAL.

- CavMac recommended and the Board adopted the following amortization policy for future UAAL
 - Initial UAAL and actuarial gains over 30 years beginning January 1, 2024
 - Actuarial losses over 10 years
- In our opinion, the current amortization policy for *future UAAL* complies with Actuarial Standards of Practice

JANUARY 1, 2025 FUNDING RESULTS





Calendar year 2024 investment return was slightly higher than the assumed return assumption of 6.80%.

Salary increases were higher than expected, in particular for the City. Forty new actives added since las valuation.

Actuarial Audit initiated by SOWLAB reduced liability by \$10.6M, or 0.13%.

No change in funding policy since last actuarial valuation. Initial January 1, 2024 UAAL amortized over 28 years.

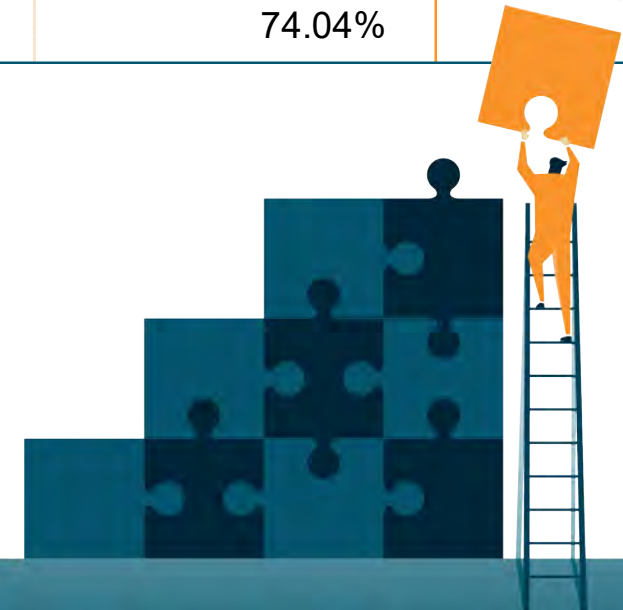
Results were unfavorable compared to expectations.

FUNDING RESULTS SUMMARY

Results as of January 1,	2025	2024	% Change
Membership Data			
Active Members			
• Count			
▪ General Employees	6,941	7,816	(11.19%)
▪ Policemen	1,495	1,601	(6.62%)
▪ Firemen	<u>683</u>	<u>691</u>	(1.16%)
▪ Total	9,119	10,108	(9.78%)
• Total Estimated Payroll			
▪ General Employees	\$ 457,834,000	\$ 453,218,000	1.02%
▪ Policemen	62,208,000	61,714,000	0.80%
▪ Firemen	<u>662,152,000</u>	<u>662,236,000</u>	(0.01%)
▪ Total	\$ 1,182,194,000	\$ 1,177,168,000	0.43%
Retirees, Beneficiaries and Disabled Members			
• Count	13,901	13,867	0.25%
• Total Annual Benefits	\$ 479,552,000	\$ 465,940,000	2.92%
• Average Annual Benefits	\$ 34,498	\$ 33,601	2.67%
Investment Returns			
• Market Value	6.85%	9.98%	(3.13%)
• Actuarial Value	6.01%	7.64%	(1.63%)

FUNDING RESULTS SUMMARY

Results as of January 1,	2025	2024	% Change
Summary of Assets and Liabilities			
• Total Actuarial Accrued Liability	\$ 8,042,693,000	\$ 7,829,371,000	2.72%
• Actuarial Value of Assets	6,112,957,000	6,008,486,000	1.74%
• Market Value of Assets	5,955,819,000	5,796,501,000	2.75%
• Unfunded Actuarial Accrued Liability			
▪ Based on Actuarial Value of Assets	\$ 1,929,736,000	\$ 1,820,885,000	5.98%
▪ Based on Market Value of Assets	2,086,874,000	2,032,870,000	2.66%
• Funded Ratio			
▪ Based on Actuarial Value of Assets	76.01%	76.74%	(0.74%)
▪ Based on Market Value of Assets	74.05%	74.04%	0.02%



FUNDING RESULTS SUMMARY

Total Employer Contribution for All Funds as of January 1,	2026	2025	% Change
City of Milwaukee			
• General	\$ 55,444,871	\$ 48,996,945	13.16%
• Policemen	92,791,402	86,595,077	7.16%
• Fire	<u>45,649,109</u>	<u>42,404,793</u>	7.65%
• Total City of Milwaukee	\$ 193,885,382	\$ 177,996,815	8.93%
Agencies			
• Water Department	\$ 5,109,285	\$ 4,550,150	12.29%
• School Board	29,990,515	28,127,195	6.62%
• Milwaukee Technical College	215,729	214,982	0.35%
• Sewerage Commission	5,559,084	5,377,111	3.38%
• Veolia	1,464,419	1,372,756	6.68%
• Wisconsin Center District	1,053,570	1,067,095	(1.27%)
• Housing Authority	<u>1,915,565</u>	<u>1,895,374</u>	1.07%
• Total Agencies	\$ 45,308,167	\$ 42,604,663	
• Total Employer Contribution	\$ 239,193,549	\$ 220,601,478	8.43%

Overall Experience was unfavorable

Asset Experience was virtually on target

- The market value return 6.85% was slightly above the 6.80% expectation
- The actuarial value return 6.01% was less than expected return of 6.80% due in large part to the scheduled recognition of the -6.49% return during 2022

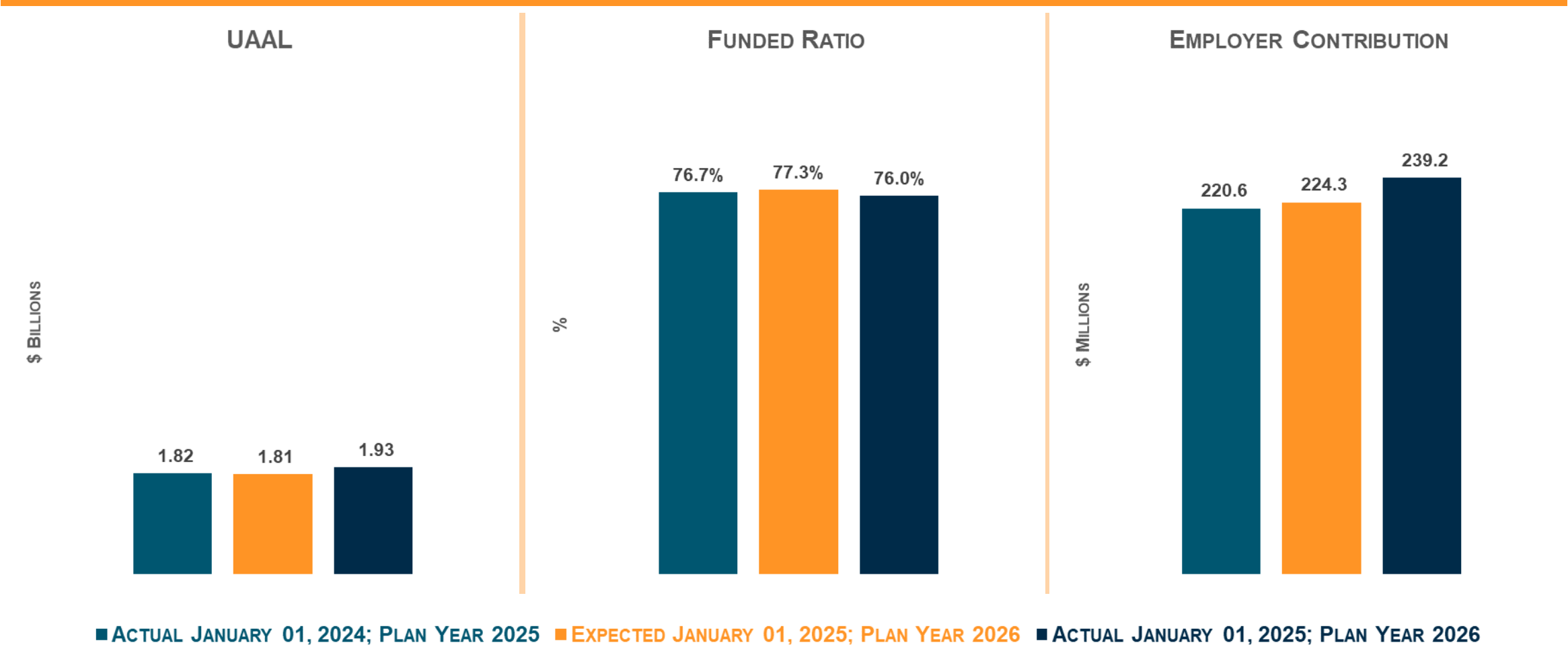
Liability Experience was less favorable than expected

- Higher than expected salary increases was the main cause
- Other liability experience contributed

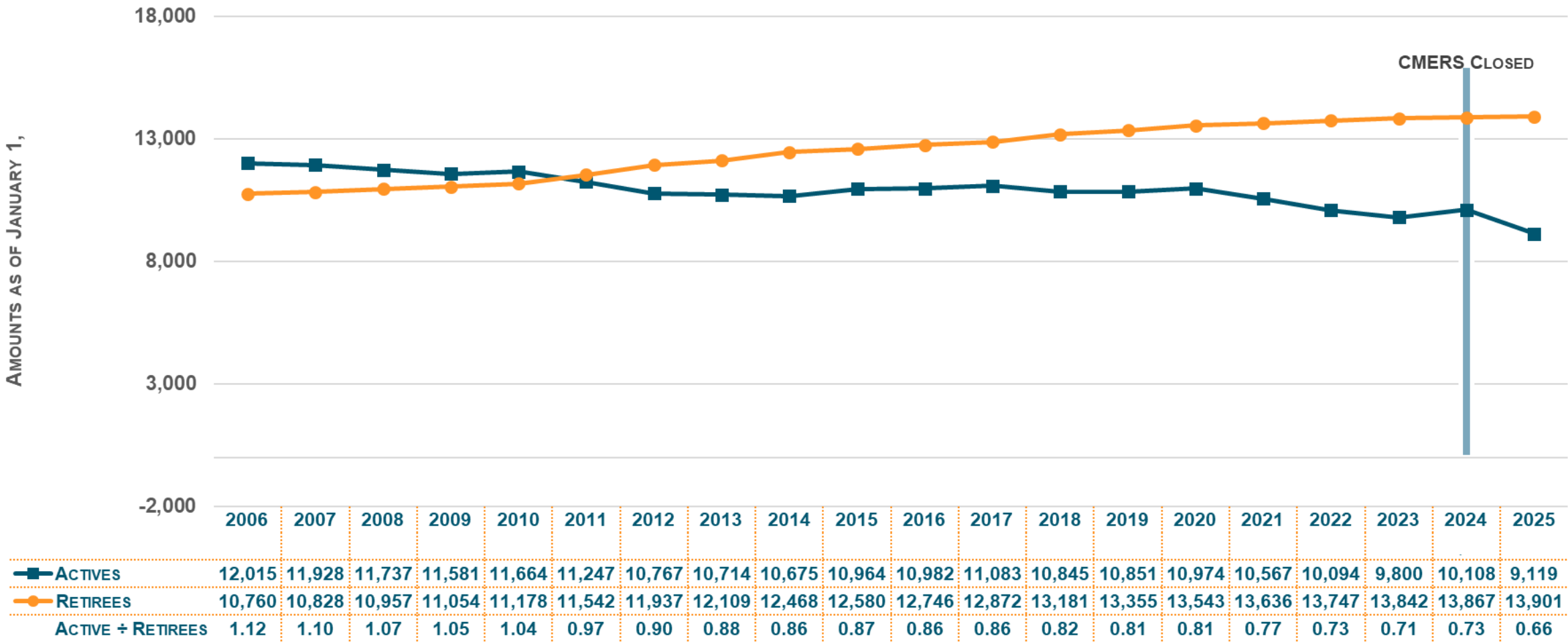
Changes in Assumptions, Funding Policy and Methods

- Changes due to SOWLAB audit produced a de minimis reduction

Results were unfavorable compared to 2024 projections



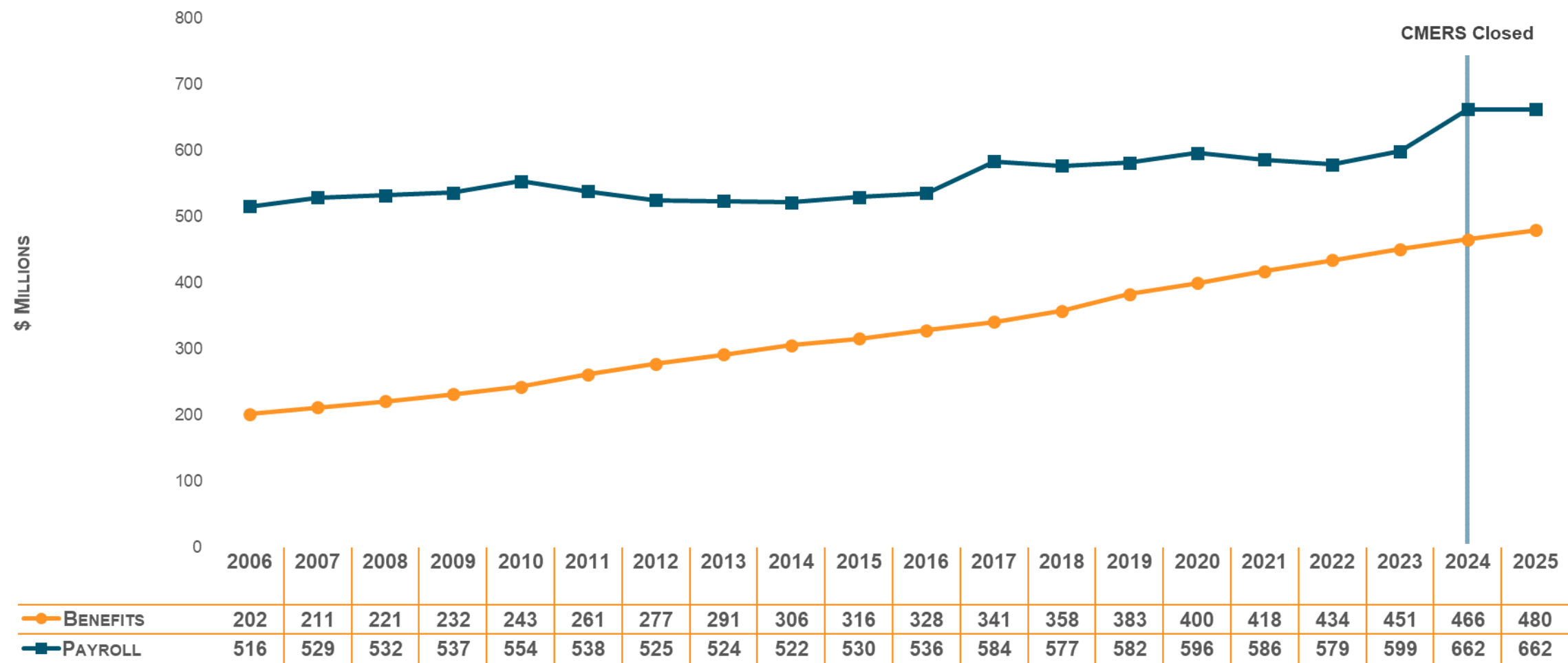
ACTIVE AND RETIRED MEMBERSHIP



Active Members: 24.10% decrease in counts from 2006 to 2025; 9.78% decrease in counts from 2024 to 2025.

Retired Members: 29.19% increase in counts from 2006 to 2025; 0.25% increase in counts from 2024 to 2025.

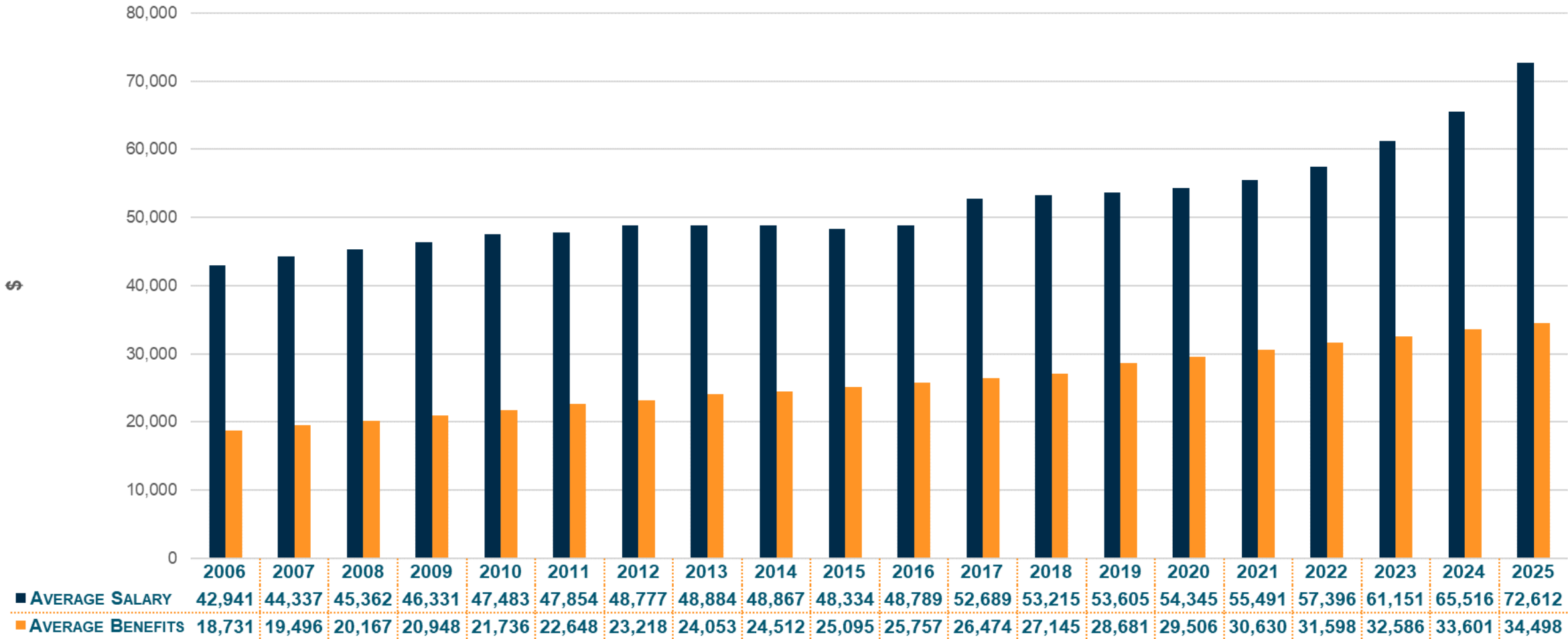
PAYROLL AND BENEFITS



Payroll: 28.34% increase in annual payroll from 2006 to 2025; 0.01% decrease in annual payroll from 2024 to 2025.

Benefits: 137.94% increase in annual benefits from 2006 to 2025; 2.92% increase in annual benefits from 2024 to 2025.

AVERAGE SALARY AND BENEFITS

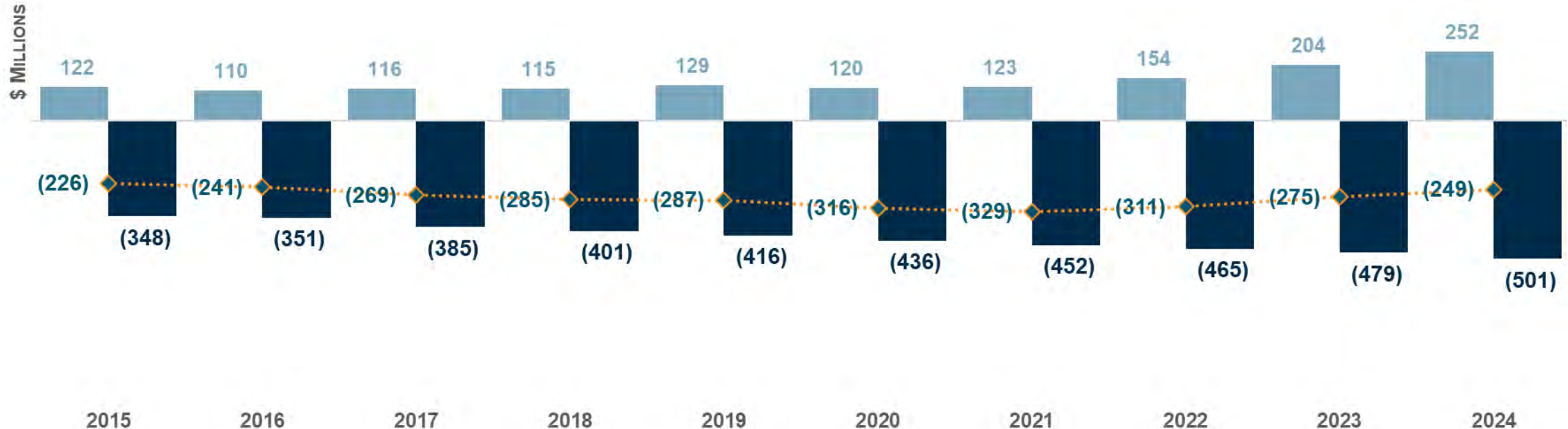


Average Salary: 24.10% decrease in average salary from 2006 to 2025; 9.78% decrease in average salary from 2024 to 2025.

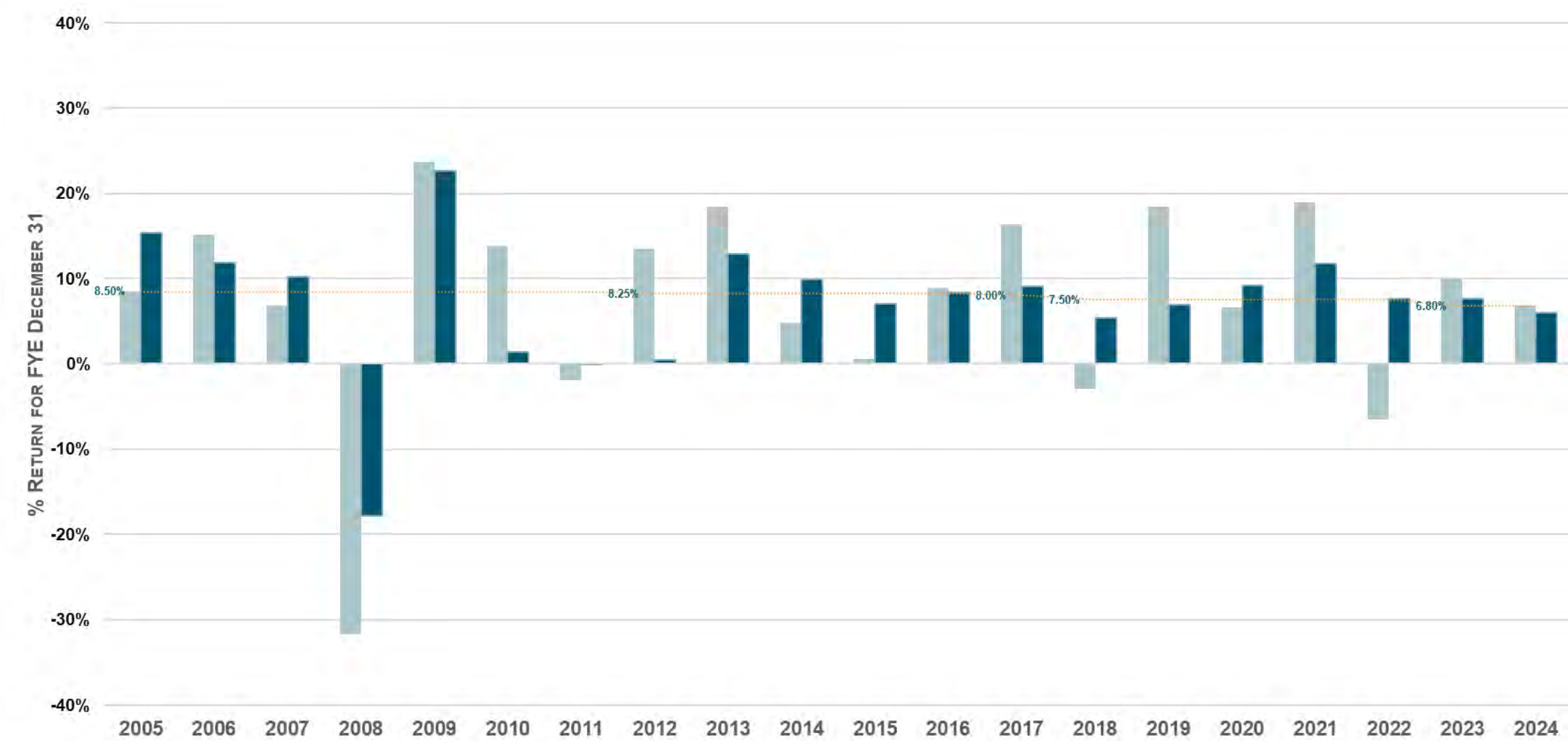
Average Benefits: 29.19% increase in average benefits from 2006 to 2025; 0.25% increase in average benefits from 2024 to 2025.

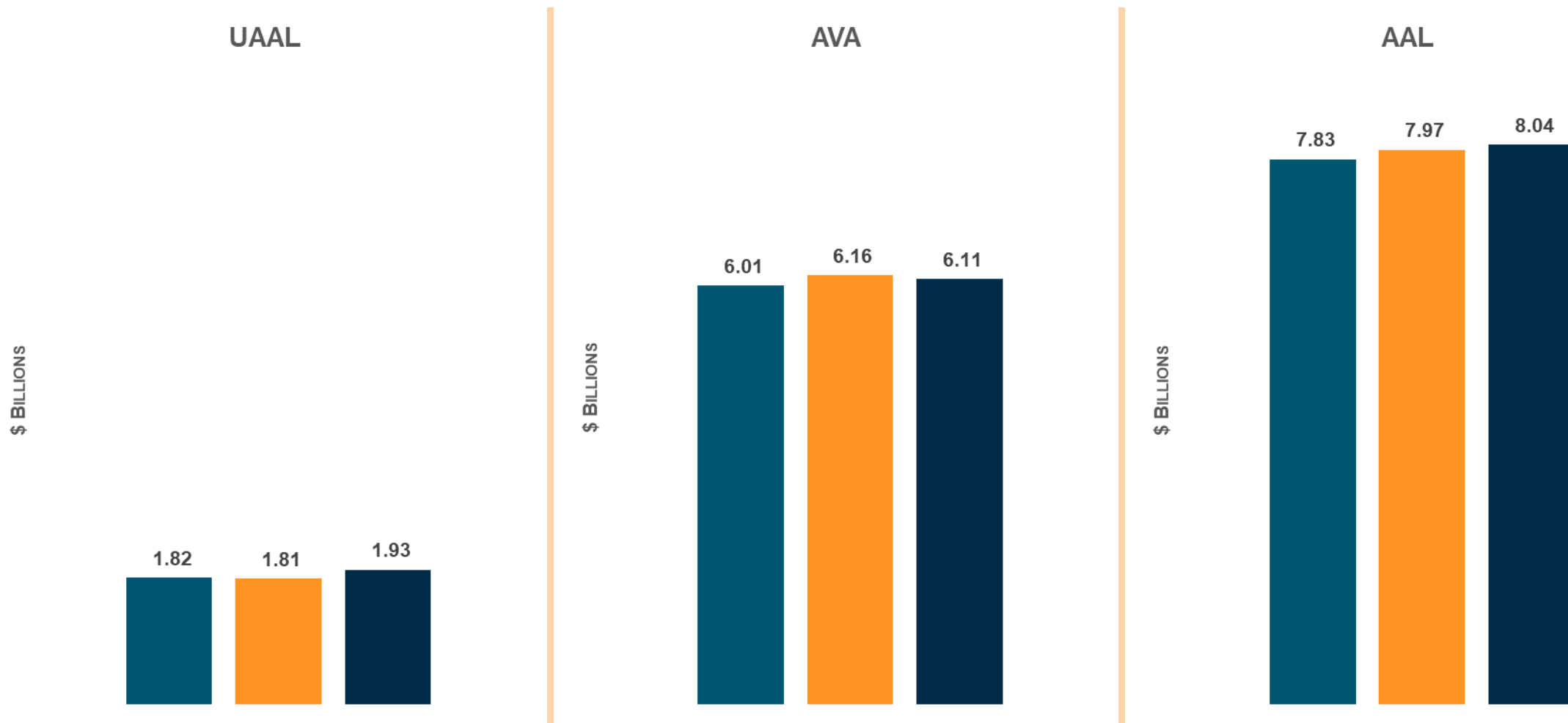
HISTORICAL NET CASH FLOWS

CONTRIBUTIONS
BENEFITS
NET CASHFLOW



HISTORICAL RETURNS





Gains are events which decrease UAAL more than expected; losses increase the UAAL more than expected. Overall, CMERS experienced a loss of \$0.12 billion, with an asset loss of \$0.05 billion and a liability loss of \$0.07 billion.

As we will soon see, the UAAL amortization payment is the largest portion of the Actuarially Determined Employer Contribution.

The UAAL contribution is based on the AVA, not the MVA.

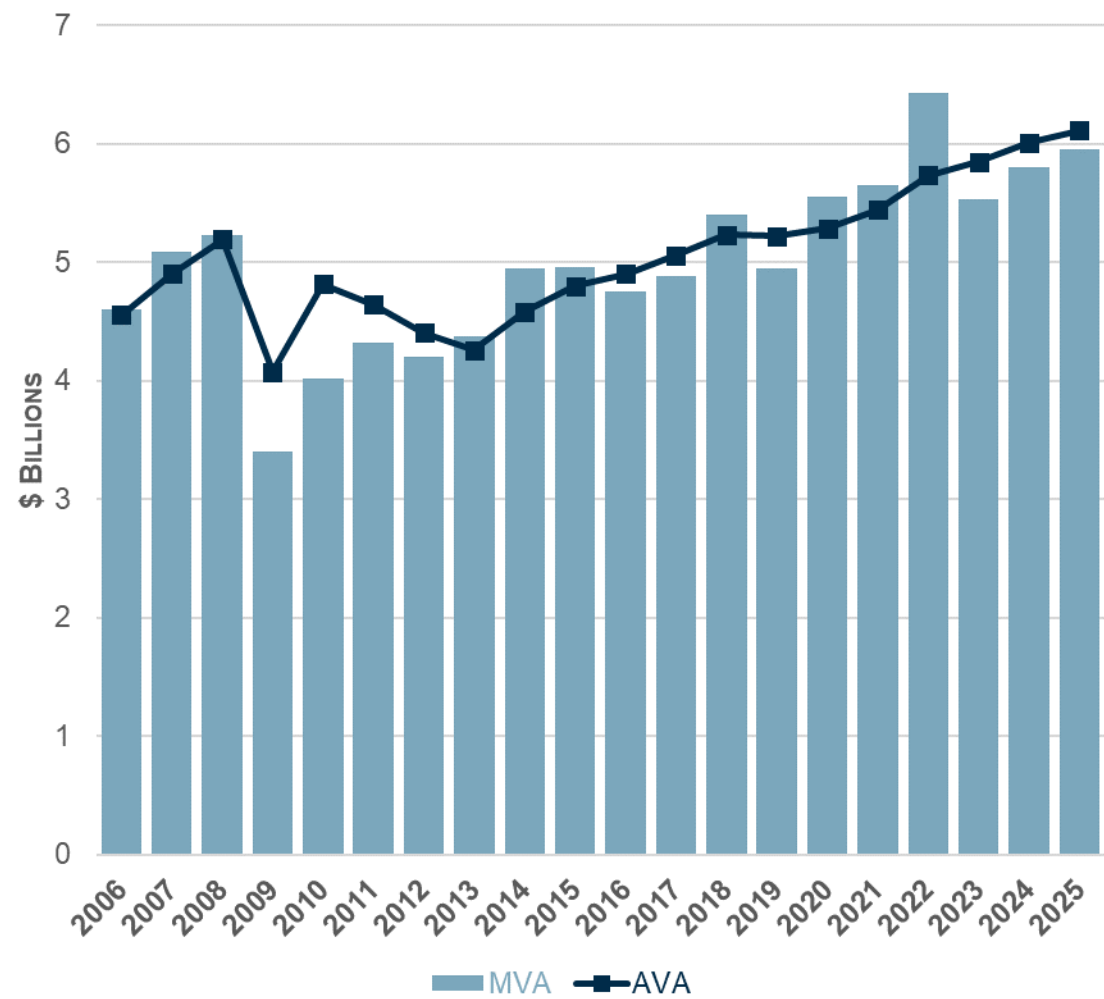
The AVA is less volatile than the MVA because the AVA smoothens market fluctuations over 5 years.

Using the AVA results in less employer contribution volatility.

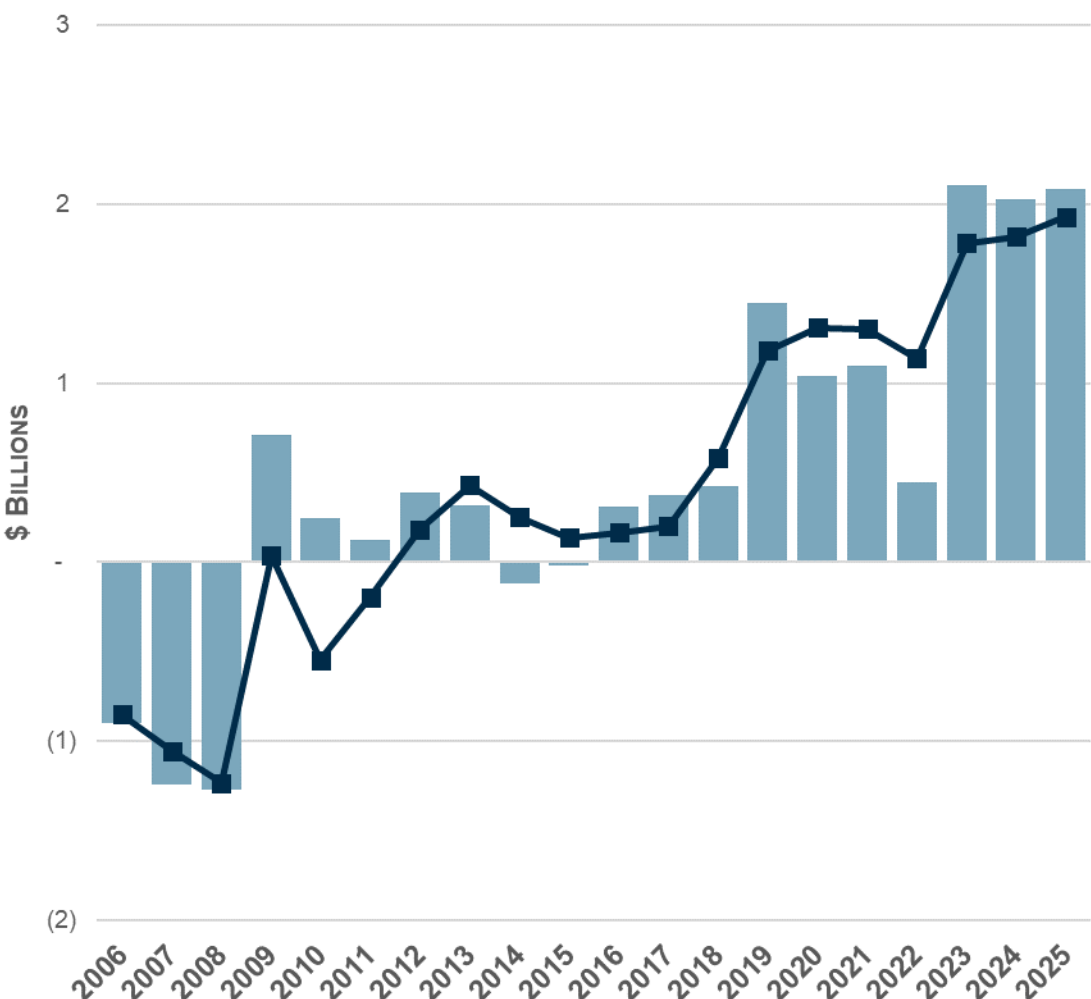
Over the next slide we illustrate the impact on UAAL from using AVA.

AVA vs MVA

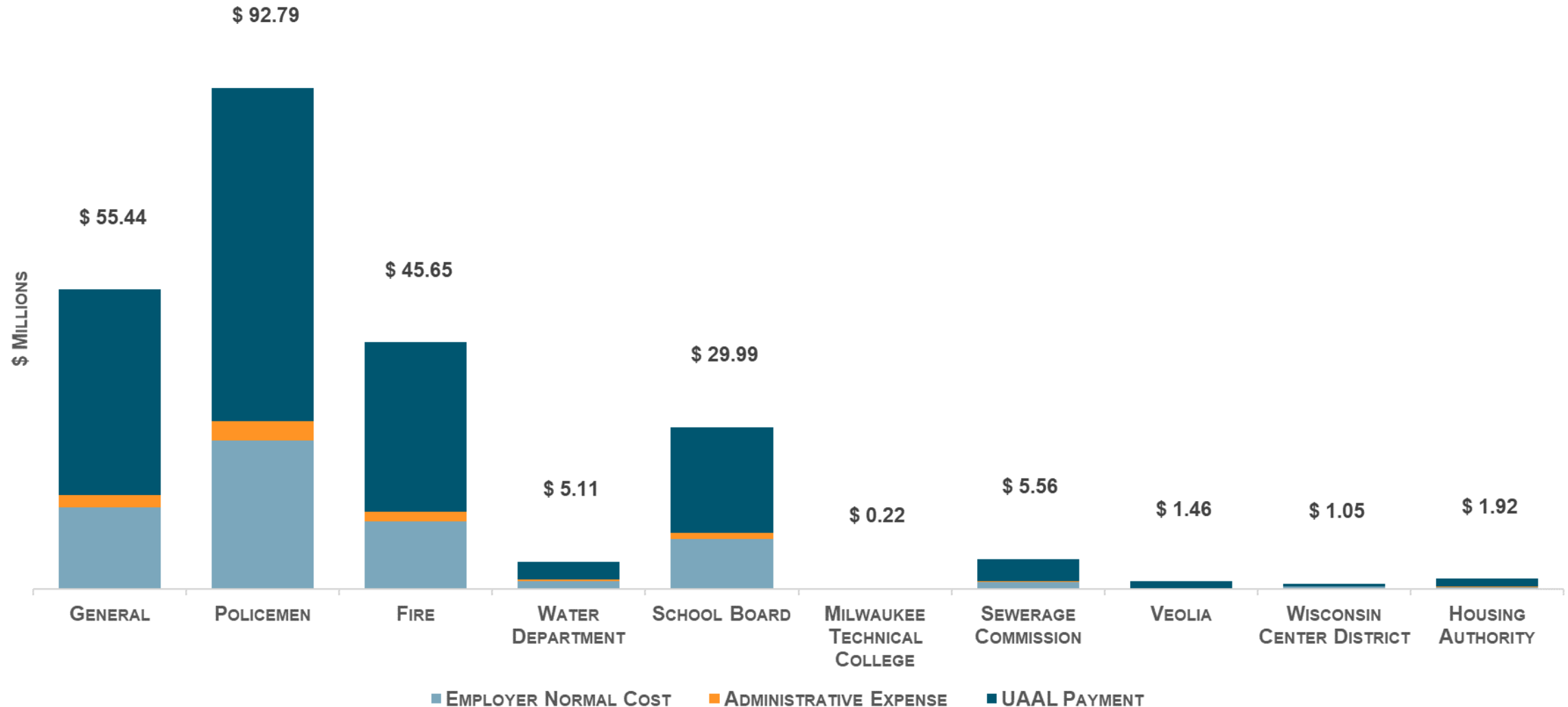
MVA AND AVA



MVA UAAL AND AVA UAAL



EMPLOYER CONTRIBUTION BY EMPLOYER

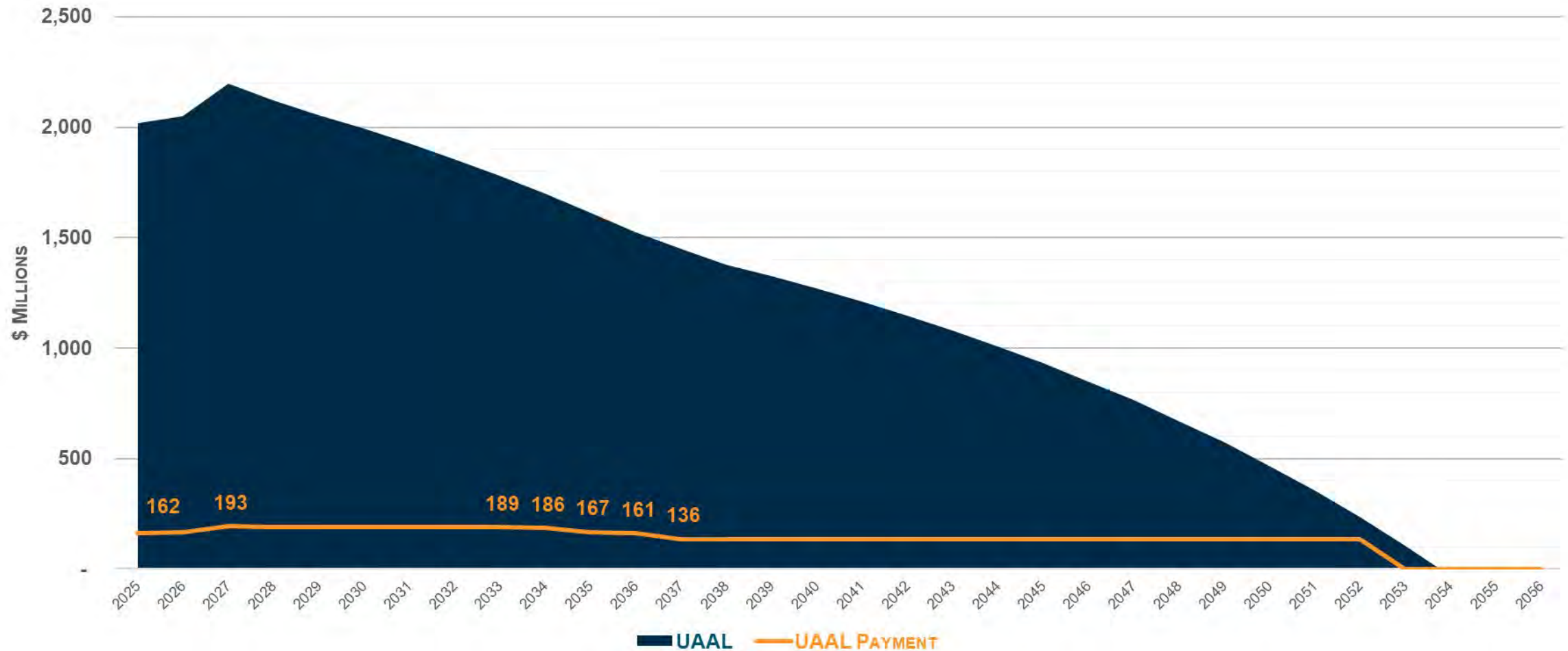


PROJECTIONS



- Actuarial valuation is a snapshot measurement at a single point in time
 - Provides important information, but gives no insight into future valuation results and trends
- Projections are not precise predictions
- Projections based on many assumptions
 - Assumes the 6.80% investment return assumption is met in all future years, unless otherwise noted
 - All other actuarial assumptions – economic and demographic – are met each year in the future
 - No change in current funding policy
 - Full required contribution is paid each year

SYSTEMATIC ELIMINATION OF UAAL



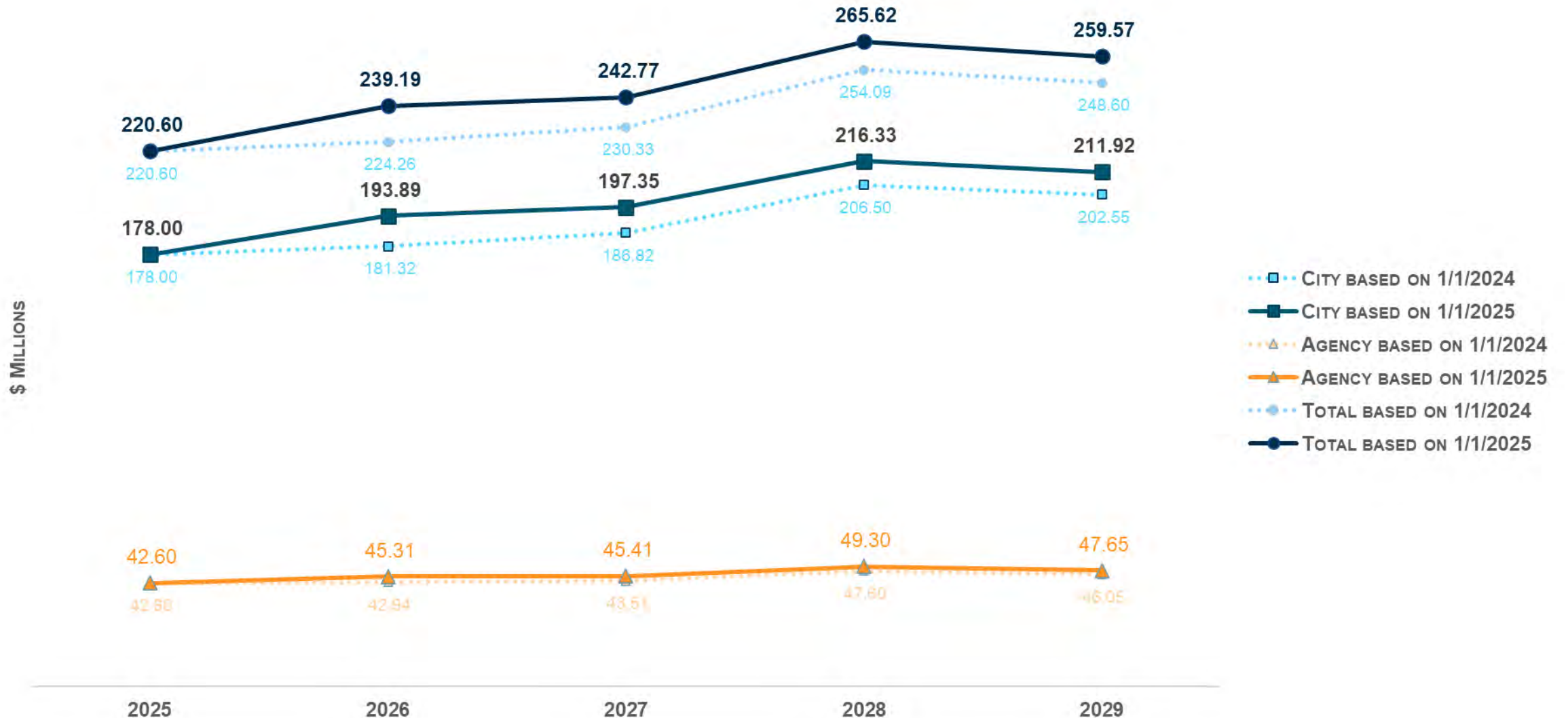
The UAAL is projected to peak on January 1, 2027 once the 2022 asset experience has been fully recognized. The UAAL payment peaks for Plan Year 2028 but declines as the favorable asset returns that occurred after 2022 are reflected and the Duty Disability Lawsuit payments end. From 2037 on, the payments stay level by design until the UAAL is paid off.

Estimated Employer Contributions

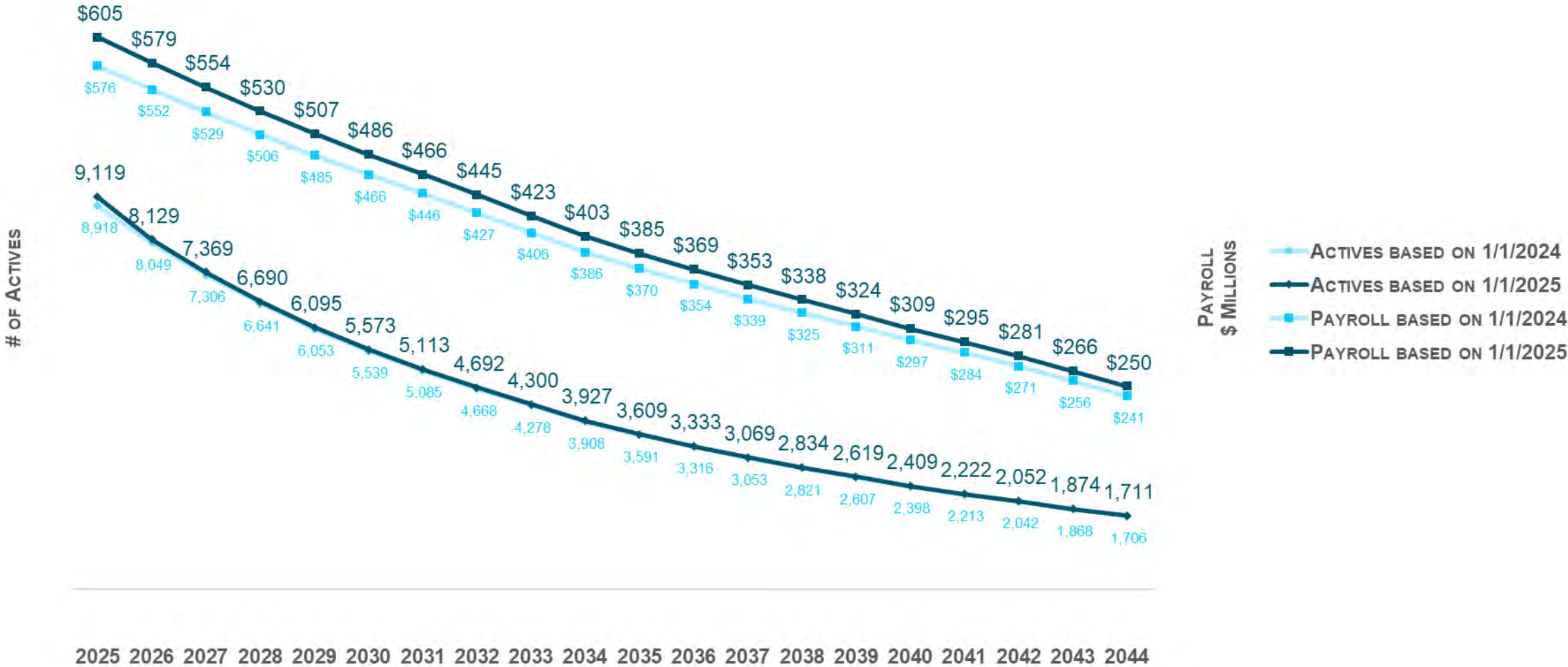
	2025	2026	2027	2028	2029
• City of Milwaukee					
■ General	\$ 48,996,945	\$ 55,444,871	\$ 55,663,042	\$ 60,524,990	\$ 58,524,619
■ Policemen	86,595,077	92,791,402	94,945,591	104,419,377	102,738,188
■ Firemen	42,404,793	45,649,109	46,746,165	51,380,849	50,658,506
■ Total City of Milwaukee	\$ 177,996,815	\$ 193,885,382	\$ 197,354,798	\$ 216,325,216	\$ 211,921,313
• Non-City Employers					
■ Water Dept	\$ 4,550,150	\$ 5,109,285	\$ 5,144,689	\$ 5,608,830	\$ 5,464,796
■ School Board	28,127,195	29,990,515	30,052,249	32,546,868	31,493,484
■ Milwaukee Technical College	214,982	215,729	203,474	211,315	187,126
■ Sewerage Commission	5,377,111	5,559,084	5,562,724	6,065,649	5,832,026
■ Veolia	1,372,756	1,464,419	1,461,837	1,608,307	1,522,527
■ Wisconsin Center District	1,067,095	1,053,570	1,054,103	1,133,437	1,109,632
■ Housing Authority	1,895,374	1,915,565	1,934,258	2,124,922	2,044,012
■ Total Non-City Employers	\$ 42,604,663	\$ 45,308,167	\$ 45,413,334	\$ 49,299,328	\$ 47,653,603
• Total System	\$ 220,601,478	\$ 239,193,549	\$ 242,768,132	\$ 265,624,544	\$ 259,574,916

Amounts are shown as of January 1 of each year. Contributions made after January 1 accrue with interest at 6.80%. Employer Contributions after Plan Year 2026 are estimates and will be updated with each annual actuarial valuation.

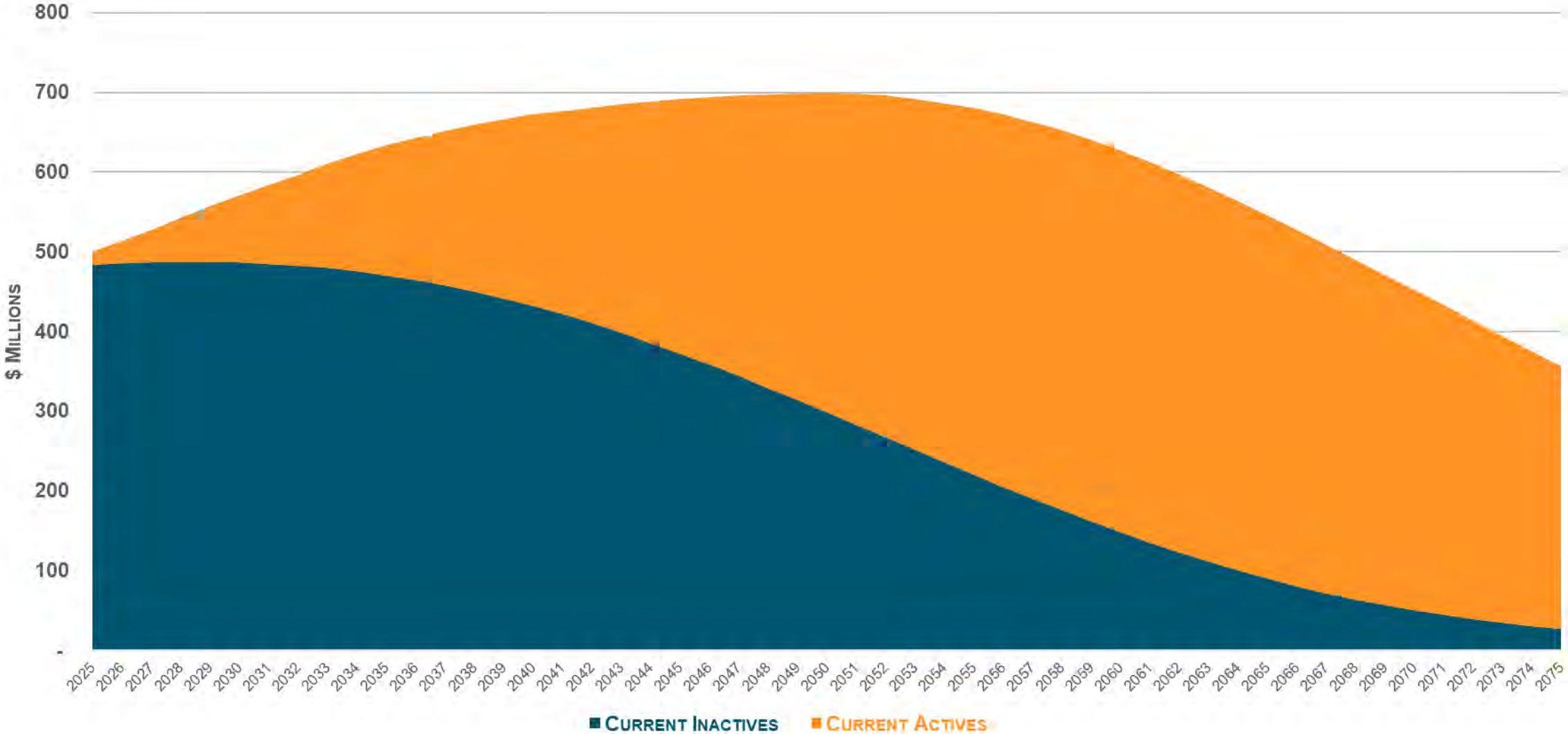
WHAT A DIFFERENCE A YEAR MAKES




PROJECTED ACTIVES AND PAYROLL




PROJECTED BENEFIT PAYMENTS

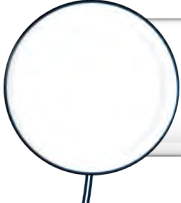




Investment returns which differ from the assumed return of 6.8% are the largest driver of employer contribution changes from year to year.




On the next slide, we have developed projections based on alternate 2025 investment return scenarios of -3.2%, 6.8% and 16.8%.



All other assumptions, including the assumed 6.8% return for Calendar Year 2026 and beyond, are assumed to occur.

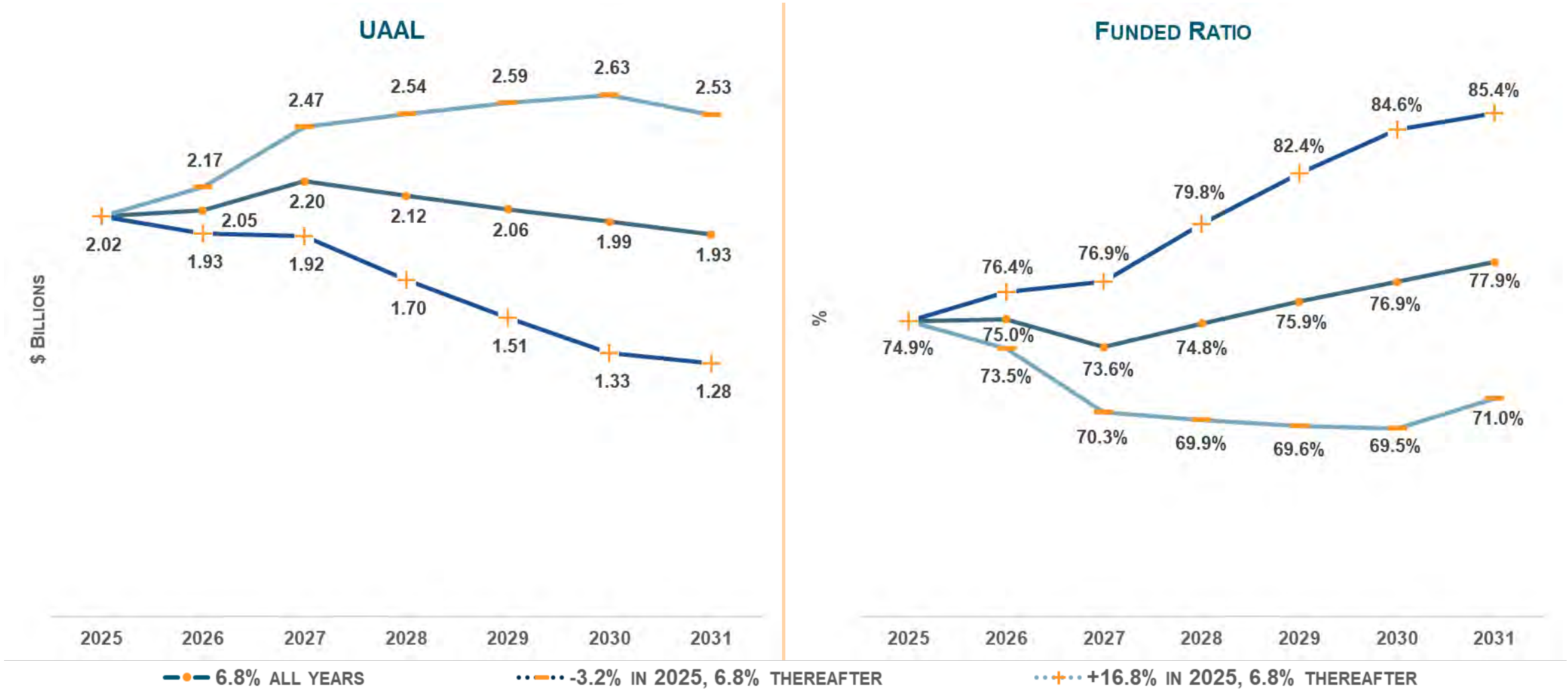


The first year's results in each of these projections are from this January 1, 2025 actuarial valuation.

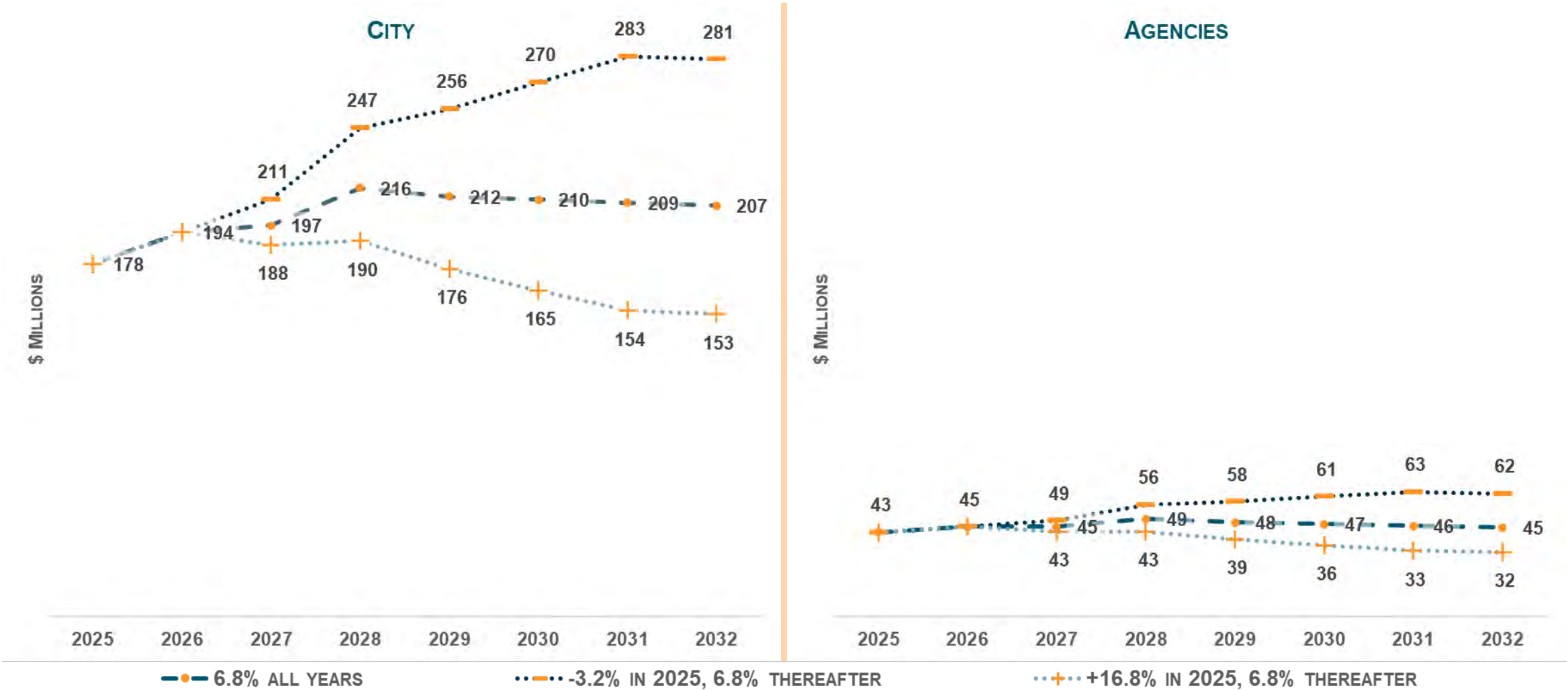


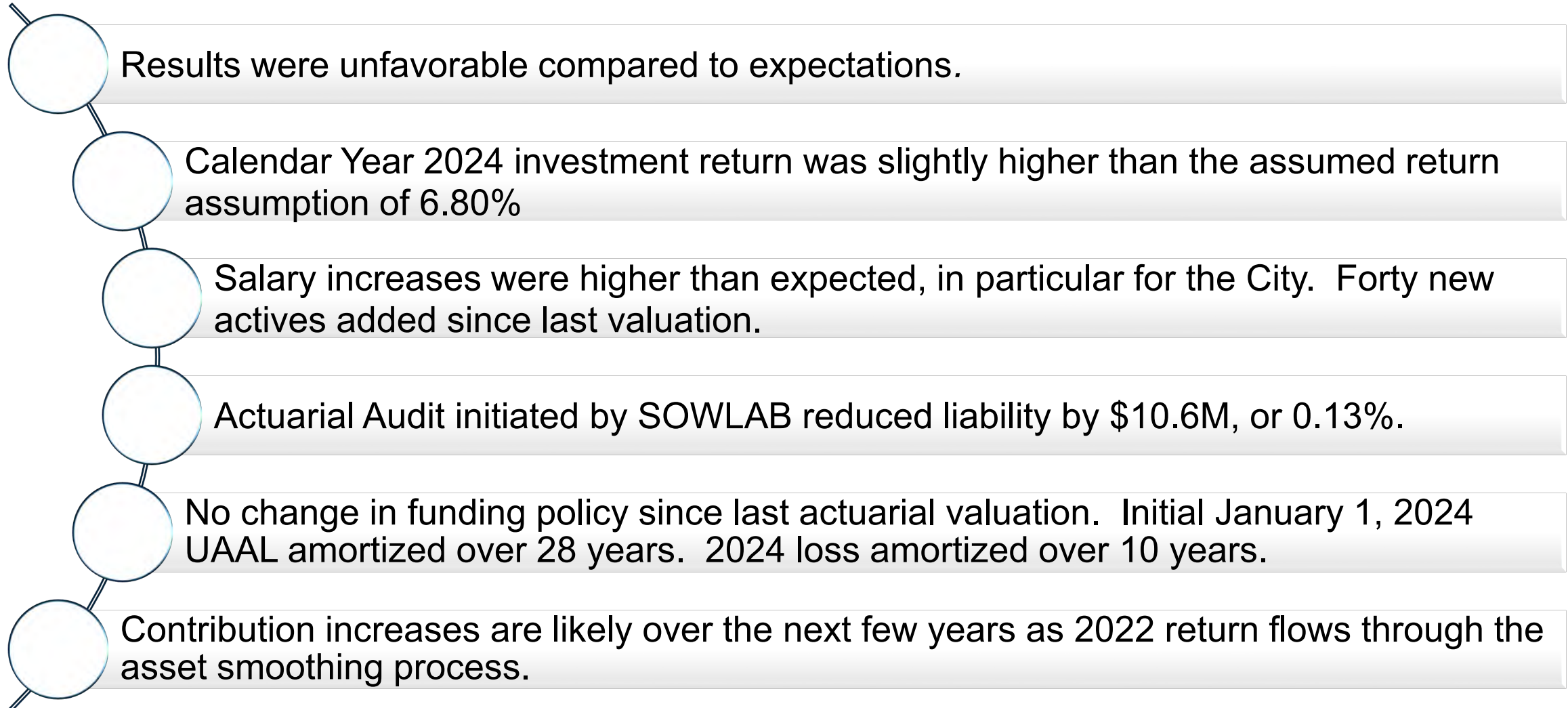
Future results are estimates and will not be known until subsequent annual actuarial valuations are performed.

RETURN IMPACT ON UAAL AND FUNDED RATIO



RETURN IMPACT ON CONTRIBUTIONS





The results were prepared under the direction of actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. These results have been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about them.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law.

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

Aaron Chochon, ASA, EA, FCA, MAAA
Senior Actuary

Ryan Gundersen
Senior Consultant



THANK YOU!!

QUESTIONS?



EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE



ACTUARIAL VALUATION REPORT OF THE 87TH ANNUAL ACTUARIAL VALUATION AS OF JANUARY 1, 2025 FOR DETERMINING ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS FOR PLAN YEAR 2026

SUBMITTED: JUNE 14, 2025



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June 14, 2025

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

Members of the Board:

At your request, we performed this Eighty-Seventh Annual Actuarial Valuation of the Employees' Retirement System of the City of Milwaukee (referred to as "ERS" or "System") as of January 1, 2025 to be used for determining actuarially determined employer contributions for Plan Year 2026. For the purposes of this report, Plan Year 2026 refers to the allowable employer contribution window, as defined under Chapter 36 of the City Charter, beginning January 1, 2026 and ending December 31, 2026. The major findings of the valuation are contained in this report, which reflects the benefit provisions and funding policy in place on January 1, 2025.

The primary purposes of the valuation report are to determine the actuarially determined employer contribution for Plan Year 2026, to describe the current financial condition of ERS, and to analyze changes in such conditions. Use of this report for any other purposes, or by anyone other than ERS and its auditors, may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. The attached pages should not be provided without a copy of this cover letter. Because of the risk of misinterpretation of actuarial results, you should ask Cavanaugh Macdonald Consulting (CavMac) to review any statement you wish to make on the results contained in this report. CavMac will not accept any liability for any such statement made without prior review.

In preparing our report, we relied, without audit, on information (some oral and some in writing) supplied by ERS staff. This information includes, but is not limited to, statutory provisions, member data and financial information. Although reviewed for reasonableness and consistency with the prior valuation, these elements have not been audited by CavMac and we cannot certify as to the accuracy and completeness of the data supplied. The valuation results depend on the integrity of this information. If any of the information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised. The valuation results are also based



on the actuarial assumptions, benefit provisions and funding policy as disclosed in this report. If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not disclosed, or that conditions have changed since the calculations were made, you should contact the authors of this actuarial report prior to relying on this information.

The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C. We believe that these assumptions are appropriate and reasonable and also comply with all applicable Actuarial Standards of Practice (ASOPs). We certify that all costs and liabilities have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations) and which, in combination, offer the best estimate of anticipated experience affecting the plan. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the necessary results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of this assignment, CavMac has not performed an analysis of the potential range of such future measurements.

Actuarial computations presented in this report are for purposes of evaluating the funding of the Plan and determining actuarially determined employer contributions for the following plan year. Actuarial computations for purposes of fulfilling financial accounting requirements under Governmental Accounting Standard Number 67 and 68 are provided in separate reports. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals. Determinations for other purposes may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.



On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualifications Standards to render the actuarial opinions contained in this report. In addition, this report has been prepared in accordance with all applicable Actuarial Standards of Practice. We are available to answer questions about it or to provide additional information, as needed.

Respectfully submitted,

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

Aaron Chochon, ASA, EA, FCA, MAAA
Senior Actuary

Ryan Gundersen
Senior Consultant





SECTION I – EXECUTIVE SUMMARY

Introduction and Background

The law governing the Employees' Retirement System (ERS) requires the Actuary and Pension Board to "...prepare an annual valuation of the assets and liabilities of the funds of the retirement system" (Section 36-15-15 of the Milwaukee City Charter (MCC)). CavMac, the Actuary, has completed the eighty-seventh annual actuarial valuation of the ERS as of January 1, 2025. The primary purposes of performing a valuation are to:

- estimate the liabilities for future benefits expected to be paid by the System;
- determine the actuarially determined employer contributions required to fund the System on an actuarial basis in accordance with 2023 Wisconsin Act 12 (Act 12);
- disclose certain asset and liability measures, and the funded status, as of the valuation date;
- assess and disclose the key risks associated with funding the System;
- monitor any deviation between actual plan experience and experience projected by the actuarial assumptions, and
- analyze and report on any significant trends in contributions, assets and liabilities over the past several years.

Events Impacting this January 1, 2025 Actuarial Valuation for Determining Actuarially Determined Employer Contributions During Plan Year 2026

System Experience during 2024: System experience was mixed during 2024 as noted below:

- **Smoothed Investment Experience:** There was slightly favorable investment experience on the market value of assets during calendar year 2024, resulting in a return on assets of 6.85% as reported by Northern Trust. Due to the asset smoothing method the return on the actuarial value of assets was 6.01%, which is below the assumed rate of return of 6.80% for 2024. This resulted in an actuarial loss on assets.
- **Liability Experience:** Liability gains (losses) result from actual experience that results in lower (higher) liability than expected based on the actuarial assumptions. Overall, there was unfavorable experience during 2024 for the System's liabilities, as expressed by a larger actuarial accrued liability than expected. The largest source of unfavorable experience was larger salary increases than assumed during 2024.
- **The Global Pension Settlement (GPS)** provides that members enrolled through June 28, 2000, must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000 are automatically participants in the Combined Fund. Since the January 1, 2024 valuation, five individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not previously consented to GPS – have now consented. As a result, assets will be transferred from the non-consenter funds in which these members previously participated to the Combined Fund. Due to the small number of individuals who consented and the associated liability,





SECTION I – EXECUTIVE SUMMARY

this did not have a significant impact on the valuation results and we did not isolate the impact.

- **Actuarial Audit:** At the request of the State of Wisconsin Legislative Audit Bureau (SOWLAB), the actuarial consulting firm Milliman performed a sample life actuarial audit of CavMac's December 31, 2023 GASB 67 and GASB 68 reports. We received a draft letter on August 26, 2024 which contained six recommendations. We responded to this report on August 27, 2024 with the following responses to those six recommendations:

Recommendation 1: We recommend that the retained actuary review the mortality assumption used for deferred vested members. We believe it is more accurate to use separate rates for pre- and post-commencement. Per a response from the retained actuary, this would decrease the liability by \$11.75M as of January 1, 2024. We would expect a similar impact on the liability as of January 1, 2023.

CavMac response: CavMac will implement with the next actuarial valuation.

Recommendation 2: We recommend that the retained actuary review the inclusion of lump sum bonus for pre- 2000 members who consented to participate in the Global Combined Fund and are currently inactive vested. Per a response from the retained actuary, this would increase the liability by \$3.3M as of January 1, 2024. We would expect a similar impact on the liability as of January 1, 2023.

CavMac response: CavMac will implement with the next actuarial valuation.

Recommendation 3: We recommend that the retained actuary consider including the impact of the 5.8% Employee Pension Contribution Offset Lawsuit in the roll forward calculation. Per the January 1, 2024 actuarial valuation, this would increase the liability by \$22.9M as of January 1, 2024, represented by \$9.1M in retroactive payments and \$13.8M for future benefit increases. We would expect the future benefit amount to be directly added as of December 31, 2023, with the \$9.1M being considered a reduction of assets of the system. In discussions with CMERS, an adjustment related to the 5.8% settlement will not be made for 2023.

CavMac response: CavMac will reflect this information in the December 31, 2024 GASB 67 and 68 report.

Recommendation 4: We recommend the retained actuary consider using retiree mortality for contingent annuitants prior to the death of the retiree.

CavMac response: CavMac will consider this change for implementation at least by the next experience study.





SECTION I – EXECUTIVE SUMMARY

Recommendation 5: The retained actuary confirmed that the healthy retiree mortality assumption is used for retirees who originally retired with a duty disability benefit and later converted to a service retirement benefit. We recommend that the retained actuary disclose this assumption and provide rationale in the report.

CavMac response: CavMac will disclose this assumption and provide rationale in the January 1, 2025 actuarial valuation report.

Recommendation 6: We recommend that the retained actuary closely monitor the retirement experience for the Policemen and Firemen with each actuarial valuation to ensure that the current assumptions do not regularly generate actuarial losses.

CavMac response: CavMac will continue to monitor this and all assumptions.

CavMac did not receive a final copy of the Milliman Actuarial Audit from SOWLAB and are left to assume that our response was reasonable. As such we implemented our responses. As noted above, Recommendation 3 was included in the January 1, 2024 actuarial valuation. Recommendations 1, 2, and 5 were implemented with this January 1, 2025 actuarial valuation. Recommendations 4 and 6 will be closely monitored and implemented with the next experience study. The impact of these recommendations decreased the UAAL of the System by \$10.6 million. This decrease was included in the gain/loss experience of the System.

Fiscal Impact of Events

In this section, we discuss the fiscal impact of the events above on the UAAL, funded ratio and the actuarially determined employer contribution for CMERS.

A summary of the changes to the UAAL from the January 1, 2024 valuation to the January 1, 2025 valuation is shown in the table and discussion below:

		(\$ Millions)
Unfunded Actuarial Accrued Liability as of 01/01/2024	\$	1,820.9
- Expected Change		(26.0)
- Actual Contributions Vs Actuarial Contributions		0.0
- Investment Experience		46.6
- Demographic Experience		77.7
- Other Experience		10.5
Unfunded Actuarial Accrued Liability as of 01/01/2025	\$	1,929.7

The UAAL was **expected** to decrease by \$26.0 million during 2024 because the employer contributions for Plan Year 2024 were based on the *Second* January 1, 2023 actuarial valuation, which utilized a level-dollar amortization method and a closed 30-year amortization period.





SECTION I – EXECUTIVE SUMMARY

Actual contributions were equal to the actuarial determined employer contribution amount during Plan Year 2024.

There was slightly favorable **investment experience** on the market value of assets during calendar year 2024, resulting in a return on assets of 6.85% as reported by Northern Trust. Due to the asset smoothing method the return on the actuarial value of assets was 6.01%, which is below the assumed rate of return of 6.80% for 2024. As a result, the unfunded actuarial accrued liability increased by \$46.6 million. Due to the scheduled recognition of deferred asset experience during 2024, the net deferred investment loss of \$212 million in last year's valuation has decreased to \$157 million. Absent offsetting favorable experience in the future, the net deferred investment loss will decrease the funded ratio and increase the actuarially determined employer contribution as it flows through the asset smoothing method.

The purpose of conducting an actuarial valuation of a retirement system is to estimate the costs and liabilities for the benefits provided by the system, to determine the annual level of actuarially determined employer contributions required to support these benefits and, finally, to analyze the system's actual experience as it compares with the actuarial assumptions used in the valuation. The costs and liabilities reported in the valuation depend not only upon the dollar amount of the benefits to be paid, but also upon factors such as mortality rates, termination rates, and retirement rates. The net liability **demographic experience** for the System during 2024 was an actuarial loss of \$77.7 million. The largest source of unfavorable experience was larger salary increases than assumed during 2024.

Other experience increased the UAAL by \$10.5 million. This includes the impact due to five **GPS Non-consenters** who elected to participate in the Combined Fund during 2024. They represent about 2% of the total non-consenters. Due to the small number of individuals who consented and the associated liability, this did not have a significant impact on the valuation results and we did not isolate the impact above. **Other experience** also includes the impact of the **actuarial audit**, as noted previously.

The **funded ratio** is the ratio of assets to the actuarial accrued liabilities of the System. Traditionally the measurement is based on the actuarial value of assets, but we have included the measurement on the market basis as well. Generally, increases in the UAAL result in decreases in the funded ratio. A summary of the changes to the funded ratio on both an actuarial and market basis from the January 1, 2024 valuation to the January 1, 2025 valuation is shown in the table and discussion below. Unless noted, our discussion focuses on the funded ratio based on actuarial value of assets:





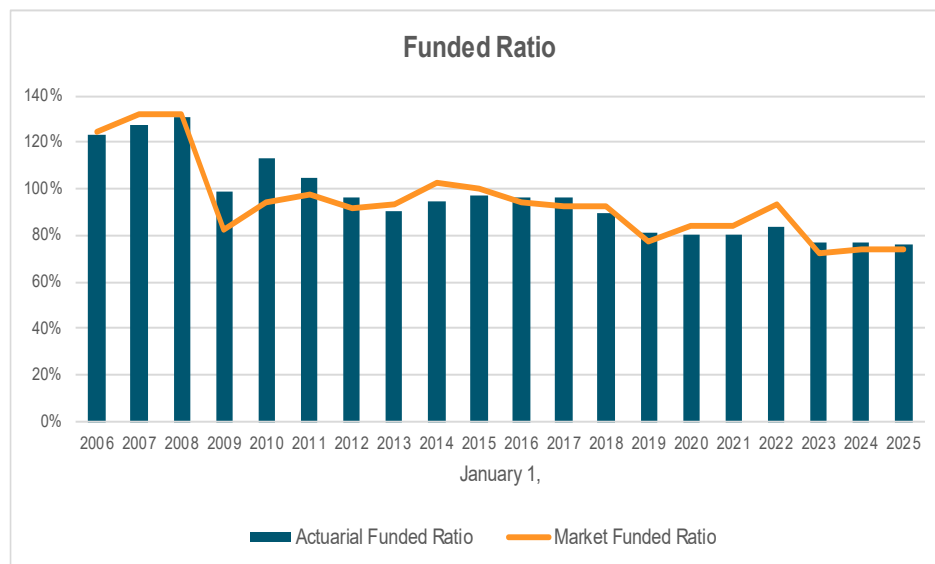
SECTION I – EXECUTIVE SUMMARY

	Funded Ratio Based On Actuarial Value of Assets	Market Value of Assets
January 1, 2024 Funded Ratio	76.7%	74.0%
- Expected Change	0.7%	0.6%
- Actual Contributions Vs Actuarial Contributions	0.0%	0.0%
- Investment Experience	(0.7%)	0.2%
- Demographic Experience	(0.7%)	(0.7%)
- Other Experience	<u>0.0%</u>	<u>0.0%</u>
- Total change	(0.7%)	0.1%
January 1, 2025 Funded Ratio	76.0%	74.1%

The funded ratio was **expected** to increase by 0.7% during 2024. **Actual contributions** were equal to the actuarial determined employer contribution amount during Plan Year 2024.

Investment experience on an actuarial, or smoothed, basis decreased the funded ratio by 0.7% due to a 6.01% smoothed rate of return, which was less than the 6.80% expected return for 2024. On a market basis, the investment experience increased the funded ratio by 0.2% due to the 6.85% investment return during 2024. **Demographic experience** decreased the funded ratio by 0.7%.

The following graph shows the historical funded ratio using both the market value and actuarial value of assets.





SECTION I – EXECUTIVE SUMMARY

Note that the funded ratio does not necessarily indicate whether or not additional funding is needed, nor does it indicate whether or not the plan has sufficient funds to settle all current obligations.

A summary of the changes in the **Actuarially Determined Employer Contributions** for the System is shown below:

	(\$ Millions)
Actuarially Determined Employer Contribution for 2025 Plan Year	\$ 220.6
- Expected Change	0.0
- Change in Employer Normal Cost	(1.4)
- Actual Contributions Vs Actuarial Contributions	0.0
- Investment Experience	6.6
- Demographic Experience	11.0
- Other Experience	2.4
Actuarially Determined Employer Contribution for 2026 Plan Year	\$ 239.2

The actuarial determined employer contribution amount is **expected** to be very stable from year-to-year due to the Systems' level-dollar UAAL amortization policy, with changes only expected to occur due to the elimination of amortization bases and changes in employer normal cost. **Actual contributions** were equal to the actuarial determined contribution amount.

Investment experience on an actuarial, or smoothed, basis resulted in an increase of \$6.6 million in the actuarial determined employer contribution as the actuarial return was below the assumed return of 6.80% for 2024. **Demographic experience** increased the actuarial determined employer contribution by \$11.0 million.

Other experience increased the actuarial determined employer contribution by \$2.4 million. This includes the impact due to five **GPS Non-consenters** who elected to participate in the Combined Fund during 2024. **Other experience** also includes the impact of the **actuarial audit**, as noted previously.

Summary of Key Valuation Results

This report, prepared as of January 1, 2025, presents the results of the eighty-seventh annual valuation of the System. The actuarially determined employer contributions for Plan Year 2026, which reflect the prescribed funding policy under 2023 Wisconsin Act 12 (Act 12), are summarized below:





SECTION I – EXECUTIVE SUMMARY

Total Employer Contribution Across All Funds					
	Combined Fund	Retirement Fund	General Employees' Duty Disability Fund	Combined Retirement & Disability Fund	Total
Employer					
1) City of Milwaukee					
a) General*	\$55,286,154	\$5,172	\$44	\$153,501	\$55,444,871
b) Policemen	92,739,762	0	0	51,640	92,791,402
c) Firemen	45,649,072	0	0	37	45,649,109
d) Total City	\$193,674,988	\$5,172	\$44	\$205,178	\$193,885,382
2) Agencies					
a) Water Department	\$5,109,101	\$0	\$0	\$184	\$5,109,285
b) School Board	29,833,314	14,510	204	142,487	29,990,515
c) Milwaukee Technical College	215,729	0	0	0	215,729
d) Sewerage Commission	5,554,050	0	0	5,034	5,559,084
e) Veolia	1,464,419	0	0	0	1,464,419
f) Wisconsin Center District	1,051,552	0	0	2,018	1,053,570
g) Housing Authority	1,913,326	0	0	2,239	1,915,565
h) Total	\$45,141,491	\$14,510	\$204	\$151,962	\$45,308,167
3) Total System: 1d + 2h	\$238,816,479	\$19,682	\$248	\$357,140	\$239,193,549

* Includes Elected Officials and Redevelopment Authority

Note: Amounts shown as of January 1, 2026. Interest accrues at 6.80% for contributions made after January 1, 2026.

Key Takeaways

- There was an actuarial loss on the System's liabilities due to actual experience during 2024 that resulted in higher liabilities than expected based on the actuarial assumptions. The largest source of unfavorable experience was larger salary increases than assumed during 2024. The liability loss increased the System's UAAL by \$77.7 million, decreased the funded ratio by 0.7% and increased the required employer contribution for Plan year 2026 by \$11.0 million.
- Due to the scheduled recognition of deferred asset experience, the net deferred investment loss (actuarial value of assets greater than market value) of \$212 million in last year's valuation has decreased to \$157 million in the current valuation. Absent offsetting favorable experience in the future, the net deferred investment loss will decrease the funded ratio and increase the actuarially determined employer contribution as it flows through the asset smoothing method. While this will have a negative impact on future valuation results, other actuarial experience may offset the impact of the deferred investment losses.





SECTION I – EXECUTIVE SUMMARY

- The total pension costs eligible to be paid for by Act 12 sales tax proceeds for Plan Year 2026 is \$156.5 million. Under Act 12, no more than 90% of the 2024 sales tax proceeds (\$200.6 million) can be used to pay for eligible pension costs in any Plan Year. The maximum allowable pension cost relief under Act 12 of \$180.6 million (90% of \$200.6 million) is \$24.0 million more than the total eligible costs for Plan Year 2026 (see Table 20).

At the February 27, 2023 Retirement Board meeting, one of our recommendations, which the Retirement Board adopted, was the use of a 10-year level dollar amortization of the UAAL if CMERS was closed. However, Act 12 prescribed a 30-year amortization of the January 1, 2024 UAAL, which is inconsistent with our recommendation. While not required under ASOP 4, we will be disclosing the actuarially determined employer contribution based on our pre-Act 12 recommendation of a closed 10-year amortization period using level dollar payments as adopted by the Retirement Board. Under a 10-year level dollar amortization policy, the actuarially determined employer contribution would increase by \$103.5 million, from \$239.2 million to \$342.7 million.

A typical retirement plan faces many different risks. The term “risk” is most commonly associated with an outcome with undesirable results. However, in the actuarial world risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future actuarially determined employer contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. Actuarial Standard of Practice Number 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions. Risk evaluation is an important part of managing a defined benefit plan. Please see the Risk Considerations section of this report for an in-depth discussion of the specific risks facing CMERS.

We conclude this executive summary by presenting comparative statistics and actuarial information from both the January 1, 2024 and this January 1, 2025 valuations.





SECTION I – EXECUTIVE SUMMARY

SUMMARY OF PRINCIPAL RESULTS

	January 1, 2025	January 1, 2024	% Change
1. Membership Data			
a. Active Members			
(i) Count			
- General Employees	6,941	7,816	(11.2%)
- Policemen	1,495	1,601	(6.6%)
- Firemen	<u>683</u>	<u>691</u>	(1.2%)
- Total	9,119	10,108	(9.8%)
(ii) Total Estimated Payroll			
- General Employees	\$411,922,000	\$406,360,000	1.4%
- Policemen	134,198,000	138,627,000	(3.2%)
- Firemen	<u>58,788,000</u>	<u>58,319,000</u>	0.8%
- Total	\$604,908,000	\$603,306,000	0.3%
b. Retirees and Beneficiaries			
(i) Number	13,901	13,867	0.2%
(ii) Total Annual Benefits	\$479,552,000	\$465,940,000	2.9%
(iii) Average Annual Benefit	\$34,498	\$33,601	2.7%
2. Assets and Liabilities			
a. Asset Values			
(i) Actuarial Value of Assets (AVA)	\$6,112,957,000	\$6,008,486,000	1.7%
(ii) Market Value of Assets (MVA)	\$5,955,819,000	\$5,796,501,000	2.7%
b. Actuarial Accrued Liability (AAL)	\$8,042,693,000	\$7,829,371,000	2.7%
c. Funded Status			
(i) Unfunded AAL (Based on AVA)	\$1,929,736,000	\$1,820,885,000	6.0%
(ii) Funded Ratio (Based on AVA)	76.0%	76.7%	(0.9%)
(iii) Unfunded AAL (Based on MVA)	\$2,086,874,000	\$2,032,870,000	2.7%
(iv) Funded Ratio (Based on MVA)	74.1%	74.0%	0.1%
3. Total Employer Contribution (All Funds)*	Due 01/01/2026	Due 01/01/2025	
1) City of Milwaukee			
a) General*	\$55,444,871	\$48,996,945	13.2%
b) Policemen	92,791,402	86,595,077	7.2%
c) Fire	<u>45,649,109</u>	<u>42,404,793</u>	7.7%
d) City Subtotal	\$193,885,382	\$177,996,815	8.9%
2) Agencies			
a) Water Department	\$5,109,285	\$4,550,150	12.3%
b) School Board	29,990,515	28,127,195	6.6%
c) Milwaukee Technical College	215,729	214,982	0.3%
d) Sewerage Commission	5,559,084	5,377,111	3.4%
e) Veolia	1,464,419	1,372,756	6.7%
f) Wisconsin Center District	1,053,570	1,067,095	(1.3%)
g) Housing Authority	<u>1,915,565</u>	<u>1,895,374</u>	1.1%
3) Total	\$239,193,549	\$220,601,478	8.4%

* Interest accrues at 6.80% per year for contributions made after the due date shown above.





SECTION I – EXECUTIVE SUMMARY

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SECTION II – SCOPE OF THE REPORT

This report presents the actuarial valuation of the Employees' Retirement System of the City of Milwaukee as of January 1, 2025, and reflects the statutory changes brought forth under Act 12, as well as any subsequent actions taken by the Annuity and Pension Board. This valuation was prepared at the request of the System's Annuity and Pension Board. The report is based on the funding policy, plan provisions, actuarial assumptions, and actuarial methods in effect as of January 1, 2025.

Please pay particular attention to our cover letter, where the guidelines employed in the preparation of this report are outlined. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings resulting from this valuation is presented in the previous section. Section III summarizes the membership data as of the valuation date. Section IV describes the assets and investment experience of the System. Section V discloses the obligations (liabilities) of the System and Section VI includes the calculation of actuarially determined employer contributions for the following plan year. Section VII discloses key maturity measurements and discusses the key risks facing the funding of the System.

This report includes several appendices:

- Appendix A Schedules of valuation data classified by various categories of members.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on the valuation date.
- Appendix C A summary of the actuarial methods and assumptions used to estimate liabilities and determine actuarially determined employer contributions.
- Appendix D A glossary of actuarial terms.





SECTION II – SCOPE OF THE REPORT

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SECTION III – MEMBER DATA SUMMARY

TABLE 1

MEMBER COUNTS BY VESTED STATUS

Number of Members	1/1/2025			1/1/2024
	Vested	Non-Vested	Total	Total
Active				
- General Employees	5,027	1,914	6,941	7,816
- Policemen	1,298	197	1,495	1,601
- Firemen	<u>544</u>	<u>139</u>	<u>683</u>	<u>691</u>
- Total Active Members	6,869	2,250	9,119	10,108
Inactive				
- Deferred Retirees			3,732	3,658
- Refunds Payable			<u>2,471</u>	<u>2,478</u>
- Total Inactive Members			6,203	6,136
Benefit Recipients				
- Combined Fund				
General Employees			9,756	9,753
Policemen			2,709	2,675
Firemen			<u>1,423</u>	<u>1,428</u>
- Combined Fund Subtotal			13,888	13,856
- Retirement Fund			13	11
- Duty Disability Funds				
General Employees			0	0
Policemen			0	0
Firemen			<u>0</u>	<u>0</u>
- Duty Disability Funds Subtotal			0	0
- Firemen's Heart & Lung Fund			<u>0</u>	<u>0</u>
- Total Benefit Recipients			13,901	13,867
Total Membership			29,223	30,111

Note: Members are vested once they attain four years of service.





SECTION III – MEMBER DATA SUMMARY

TABLE 2

MEMBER COUNTS BY CONSENT STATUS

Number of Members	1/1/2025 Membership		
	Consenters	Others	Total
Active			
- General Employees	6,910	31	6,941
- Policemen	1,494	1	1,495
- Firemen	<u>683</u>	<u>0</u>	<u>683</u>
- Total Active Members	9,087	32	9,119
Inactive			
- Deferred Retirees	3,562	170	3,732
- Refunds Due	<u>2,469</u>	<u>2</u>	<u>2,471</u>
- Total Inactive Members	6,031	172	6,203
Benefit Recipients			
- Combined Fund	13,888	NA	13,888
- Retirement Fund	NA	13	13
- Duty Disability Funds			
General Employees	0	0	0
Policemen	0	0	0
Firemen	<u>0</u>	<u>0</u>	<u>0</u>
- Duty Disability Funds Subtotal	0	0	0
- Firemen's Heart & Lung Fund	<u>0</u>	<u>0</u>	<u>0</u>
- Total Benefit Recipients	13,888	13	13,901
Total Membership	29,006	217	29,223

Note: Active members who worked fewer than 100 hours in the prior year, but who have not officially terminated employment are included in the count of inactives in Table 1 and Table 2. These members are not assumed to earn additional service in future years.





SECTION III – MEMBER DATA SUMMARY

TABLE 3

MEMBER DATA SUMMARY

	1/1/2025	1/1/2024
Projected Annual Earnings		
- General Employees	\$ 411,922,000	\$ 406,360,000
- Policemen	134,198,000	138,627,000
- Firemen	58,788,000	58,319,000
- Total Projected Annual Earnings	\$ 604,908,000	\$ 603,306,000
Average Projected Earnings		
- General Employees	\$ 59,346	\$ 57,986
- Policemen	\$ 89,765	\$ 92,007
- Firemen	\$ 86,073	\$ 89,311
Current Annual Benefit Payments		
- Combined Fund	\$ 479,243,000	\$ 465,663,000
- Retirement Fund	\$ 309,000	\$ 277,000
- Duty Disability Funds		
General Employees	\$ 0	\$ 0
Policemen	0	0
Firemen	0	0
- Duty Disability Funds Subtotal	\$ 0	\$ 0
- Firemen's Heart & Lung Fund	\$ 0	\$ 0
- Total Benefit Payments	\$ 479,552,000	\$ 465,940,000

Notes: (1) "Projected Annual Earnings" represents the expected earnable compensation for the year following the valuation date.

(2) "Annual Benefit Payments Currently Being Made" equals 12 times the full December monthly payment. The amounts shown include all amounts payable by the ERS and have been reduced by workers' compensation offsets for members who are currently repaying a workers' compensation award.





SECTION III – MEMBER DATA SUMMARY

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SECTION IV – ASSET DATA

In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is January 1, 2025. On that date, the assets available for the payment of benefits are appraised. The assets are compared with the liabilities of the System, which are generally in excess of assets. The actuarial process then leads to a method of determining the actuarially determined employer contributions needed by members and the employer in the future to balance the System's assets and liabilities.

Market Value of Assets

The current market value represents the "snapshot" or "cash-out" value of System assets as of the valuation date. In addition, the market value of assets provides a basis for measuring investment performance during the year. Table 4 summarizes the change in the market value of assets from January 1, 2024 to January 1, 2025.

Actuarial Value of Assets

Neither the market value of assets, representing a "cash-out" value of System assets, nor the book values of assets, representing the cost of investments, may be the best measure of the System's ongoing ability to meet its obligations.

To arrive at a suitable value of assets for the actuarial valuation, a technique for determining the actuarial value of assets is used which dampens swings in the market value while still indirectly recognizing market values. Under the asset smoothing methodology, the difference between the actual and assumed investment return on the market value of assets is recognized evenly over a five-year period.

Table 5 shows the development of the actuarial value of assets as of the valuation date.





SECTION IV – ASSET DATA

TABLE 4

MARKET VALUE OF ASSETS
(\$ Thousands)

	Global Combined Fund	Retirement Fund	Combined Retirement Fund	General Employees' Duty Disability Fund	Employers' Reserve Fund	Total
1. Market Value of Assets as of January 1, 2024	\$ 5,695,643	\$ 9,010	\$ 6,679	\$ 60	\$ 85,109	\$ 5,796,501
2. Transfer of Assets as of January 1, 2024	\$ 717	\$ (413)	\$ (299)	\$ (5)	\$ 0	\$ 0
3. Contributions During Year						
a. Member	\$ 34,084	\$ 5	\$ 0	\$ 0	\$ 0	\$ 34,089
b. Employer	217,292	2	346	0	0	217,640
c. Total	\$ 251,376	\$ 7	\$ 346	\$ 0	\$ 0	\$ 251,729
4. Disbursements During Year						
a. Monthly Annuities	\$ 487,830	\$ 53	\$ 94	\$ 0	\$ 0	\$ 487,977
b. Refunds	3,665	7	0	0	0	3,672
c. Administrative Expenses	9,287	0	0	0	0	9,287
d. Total	\$ 500,782	\$ 60	\$ 94	\$ 0	\$ 0	\$ 500,936
5. Investment Return (net of Investment Expenses)	\$ 402,936	\$ 715	\$ 531	\$ 4	\$ 4,339	\$ 408,525
6. Market Value of Assets as of December 31, 2024 (1) + (2) + (3c) - (4d) + (5)	\$ 5,849,890	\$ 9,259	\$ 7,163	\$ 59	\$ 89,448	\$ 5,955,819
7. Rate of Return, as Reported by Northern Trust (ERS' Custodian)						6.85%





SECTION IV – ASSET DATA

TABLE 5

ACTUARIAL VALUE OF ASSETS
(\$ Thousands)

1. Market Value of Assets Available for Benefit Payments on January 1, 2024*	\$	5,711,392
2. Contributions During 2024**		251,729
3. Benefit Payments and Administrative Expenses During 2024**		(500,936)
4. Expected Investment Income at 6.80% on (1), (2) and (3)		380,041
5. Expected Market Value of Assets Available for Benefit Payments on January 1, 2025	\$	5,842,226
6. Market Value of Assets Available for Benefit Payments on January 1, 2025*	\$	5,866,371
7. Excess/(Shortfall) of Investment Income		
a. Year Ending 12/31/24: (6) - (5)	\$	24,145
b. Year Ending 12/31/23		180,438
c. Year Ending 12/31/22		(1,061,487)
d. Year Ending 12/31/21		699,388
e. Year Ending 12/31/20		4,009
8. Deferral of Excess/(Shortfall) of Investment Income		
a. Year Ending 12/31/24 (80.0%)	\$	19,316
b. Year Ending 12/31/23 (60.0%)		108,263
c. Year Ending 12/31/22 (40.0%)		(424,595)
d. Year Ending 12/31/21 (20.0%)		139,878
e. Year Ending 12/31/20 (0.0%)		0
f. Total	\$	(157,138)
10. Preliminary Actuarial Value of Assets on January 1, 2025 (6) - (8f)	\$	6,023,509
11. Employers' Reserve Fund on January 1, 2025	\$	89,448
12. Final Actuarial Value of Assets on January 1, 2025 (10) + (11)	\$	6,112,957
13. Total Market Value of Assets on January 1, 2025	\$	5,955,819
14. Actuarial Value Divided by Market Value (12) ÷ (13)		102.7%
15. Estimated Rate of Return		6.01%

* Excludes the Employers' Reserve Fund.

** Excludes cash flows, if any, from the Employers' Reserve Fund.





SECTION IV – ASSET DATA

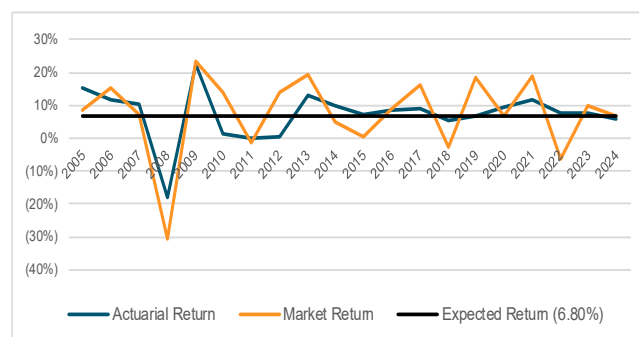
TABLE 6
HISTORICAL ASSET RETURNS

The table below provides a history of the rate of return on the actuarial value and market value of assets. The current assumed rate of return is 6.80%. Note that the System utilized a 10% asset corridor prior to 2009, which impacted the calculation of the actuarial value of assets and, therefore, the return on the actuarial value of assets. Rates of return on a market value basis are provided by the System's custodian, Northern Trust.

Year	Actuarial Value of Assets	Market Value of Assets
2005	15.34%	8.46%
2006	11.83%	15.13%
2007	10.17%	7.21%
2008	(17.88%)	(30.84%)
2009	22.62%	23.30%
2010	1.34%	13.86%
2011	(0.09%)	(1.43%)
2012	0.43%	13.88%
2013	12.85%	19.29%
2014	9.91%	5.09%
2015	7.00%	0.54%
2016	8.33%	8.83%
2017	9.09%	16.38%
2018	5.33%	(2.91%)
2019	6.94%	18.44%
2020	9.22%	6.62%
2021	11.76%	18.89%
2022	7.60%	(6.49%)
2023	7.64%	9.98%
2024	6.01%	6.85%
Average*	6.98%	6.80%
Max	22.62%	23.30%
Min	(17.88%)	(30.84%)
Range	40.50%	54.14%

Note: Rates of return on Actuarial Value of Assets prior to 2018 were provided by the prior actuary.

* Average is calculated on a geometric basis.





SECTION IV – ASSET DATA

TABLE 7

ALLOCATION OF ASSETS AMONG FUNDS
(\$ Thousands)

As part of the financial statements, the System provides a breakdown of the total market value of assets by Fund. The Employer Reserve Fund and Security Lending Fund are valued at market value for actuarial purposes and earmarked for specific purposes other than directly funding the benefits of the System's members. The actuarial value of assets is determined in total and then adjusted by subtracting the Employer Reserve Fund and Security Lending Fund. The remaining actuarial value of assets is then allocated to each Fund based on its portion of the total market value.

Fund	Market Value	Actuarial Value
1. Combined Fund	\$ 5,849,890	\$ 6,006,586
2. Employers' Reserve Fund	\$ 89,448	\$ 89,448
3. Retirement Fund	\$ 9,259	\$ 9,507
4. General Employees' Duty Disability Fund	\$ 59	\$ 61
5. Fire & Police Duty Disability Fund	\$ 0	\$ 0
6. Firemen's Heart & Lung Fund	\$ 0	\$ 0
7. Combined Retirement & Disability Fund	\$ 7,163	\$ 7,355
9. Total All Funds	\$ 5,955,819	\$ 6,112,957

Notes: Values shown include January 31, 2025 contributions receivable.





SECTION IV – ASSET DATA

TABLE 8
ALLOCATIONS BETWEEN NON-CONSENSERS WHO CONSENTED TO GPS DURING 2024 AND THOSE WHO DID NOT
(\$ Thousands)

The Global Pension Settlement (GPS) provides that members enrolled through June 28, 2000 must provide written consent to the ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000 are automatically participants in the Combined Fund. Since the January 1, 2024 valuation, five individuals who were eligible for ERS benefits as of June 28, 2000 – and who had not previously consented to GPS – have now consented.

GPS provides that the market value of the assets in the funds for Non-Consenters be divided among Consenters and Non-Consenters. The division is based on the actuarial accrued liability covered by each fund under the pre-GPS plan provisions. The required division of assets for members who consented during 2024 was calculated as of January 1, 2024. As a result, assets will be transferred from the non-consenter Funds in which these members previously participated to the Global Combined Fund, as shown below.

Fund	Allocation of 1/1/2024 Market Value of Assets in Funds for Non-Consenters in Proportion to 1/1/2024 Actuarial Accrued Liability			Allocation of Plan Year 2025 Employer Contribution to Funds for Non-Consenters in Proportion to 1/1/2024 Actuarial Accrued Liability		
	Consenters in 2024	Others	Total (Audited)	Consenters in 2024	Others	Total
1. Retirement Fund	\$ 276	\$ 8,734	\$ 9,010	\$ 1	\$ 19	\$ 20
2. General Employees' Duty Disability Fund	0	60	60	0	0	0
3. Fire & Police Duty Disability Fund	0	0	0	0	0	0
4. Firemen's Heart & Lung Fund	0	0	0	0	0	0
5. Combined Retirement & Disability Fund	0	6,679	6,679	0	263	263
6. Total Funds for Non-Consenters	\$ 276	\$ 15,473	\$ 15,749	\$ 1	\$ 282	\$ 283

Notes: (i) January 1, 2024 assets allocated to members who consented to Global Settlement during 2024 are transferred to the Combined Fund as of January 1, 2024.

(ii) Plan Year 2025 Employer Contributions allocated to members who consented to Global Settlement during 2024 are credited to the Combined Fund instead of to the funds for non-consenters.





SECTION V – SYSTEM LIABILITIES

In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of the System's assets as of the valuation date, January 1, 2025. In this section, the discussion will focus on the commitments (future benefit payments) of the System, which are referred to as its liabilities. All liabilities reflect the benefit provisions in place as of January 1, 2025.

Present Value of All Future Benefits (PVFB)

Table 9 contains an analysis of the actuarial present value of all future benefits (PVFB) for contributing members, inactive members, retirees and their beneficiaries.

The liabilities summarized in Table 9 include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes the measurement of both benefits already earned and future benefits to be earned. For all members, active and retired, the value extends over benefits earnable and payable for the rest of their lives and for the lives of the surviving beneficiaries.

Actuarial Accrued Liability (AAL)

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. An actuarial cost method is a mathematical technique that allocates the present value of future benefits into annual costs. In order to do this allocation, it is necessary for the funding method to “breakdown” the present value of future benefits into two components:

- (1) that which is attributable to the past and
- (2) that which is attributable to the future.

Actuarial terminology calls the part attributable to the past the “past service liability” or the “actuarial accrued liability” or “AAL”. The portion allocated to the future is known as the present value of future normal costs, with the specific piece of it allocated to the current year being called the “normal cost.” Table 9 contains the calculation of actuarial accrued liability for the System. The Entry Age Normal actuarial cost method is used to develop the actuarial accrued liability.





SECTION V – SYSTEM LIABILITIES

TABLE 9

ACTUARIAL ACCRUED LIABILITY BY EMPLOYER
(\$ Thousands)

	General City*	Water Department	School Board	Milwaukee Technical College	Sewerage Commission	Veolia	Wisconsin Center District	Housing Authority	Policemen	Firemen	Total
1. Present Value of Future Benefits for Active Members											
a. Retirement Benefits	701,234	66,028	411,318	0	57,570	3,315	13,162	17,337	1,002,343	410,971	2,683,278
b. Withdrawal Benefits	46,138	4,677	30,494	0	4,826	0	1,632	857	17,501	5,515	111,640
c. Disability Benefits	11,673	1,187	7,077	0	1,074	8	327	238	24,413	45,619	91,616
d. Death Benefits	8,666	959	4,845	0	829	24	241	201	5,974	3,238	24,977
Total	767,711	72,851	453,734	0	64,299	3,347	15,362	18,633	1,050,231	465,343	2,911,511
2. Present Value of Future Normal Costs	212,232	22,075	129,398	0	19,695	199	6,689	4,243	351,942	185,391	931,864
3. Actuarial Accrued Liability (AAL) for Active Members (1) - (2)	555,479	50,776	324,336	0	44,604	3,148	8,673	14,390	698,289	279,952	1,979,647
4. Present Value of Future Benefits for Inactive Members											
- Members with Deferred Benefits	58,296	3,867	55,005	0	4,218	0	2,665	4,601	53,913	9,722	192,287
- Members with Refunds Payable	1,549	128	2,363	0	63	0	40	73	307	66	4,589
- Retirees, Beneficiaries and Disabled Members	1,318,507	115,823	607,969	11,256	160,399	67,245	17,803	55,692	2,310,089	1,201,387	5,866,170
Total	1,378,352	119,818	665,337	11,256	164,680	67,245	20,508	60,366	2,364,309	1,211,175	6,063,046
5. Total Actuarial Accrued Liability (3) + (4)	1,933,831	170,594	989,673	11,256	209,284	70,393	29,181	74,756	3,062,598	1,491,127	8,042,693

* Includes Elected Officials and Redevelopment Authority





SECTION V – SYSTEM LIABILITIES

TABLE 10

FUNDED STATUS ON ACTUARIAL AND MARKET VALUE BY FUND
(\$ Thousands)

Fund	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Market Value of Assets (MVA)	Unfunded Actuarial Accrued Liability Based on AVA (UAAL)	Unfunded Actuarial Accrued Liability Based on MVA (UAAL)	Percent Funded Based on AVA	Percent Funded Based on MVA
1. Combined Fund	\$ 8,027,249	\$ 6,006,586	\$ 5,849,890	\$ 2,020,663	\$ 2,177,359	74.8%	72.9%
2. Employers' Reserve Fund	0	89,448	89,448	(89,448)	(89,448)	N/A	N/A
3. Retirement Fund	5,601	9,507	9,259	(3,906)	(3,658)	169.7%	165.3%
4. General Employees' Duty Disability Fund	4	61	59	(57)	(55)	1525.0%	1475.0%
5. Fire & Police Duty Disability Fund	0	0	0	0	0	N/A	N/A
6. Firemen's Heart & Lung Fund	0	0	0	0	0	N/A	N/A
7. Combined Retirement & Disability Fund	9,839	7,355	7,163	2,484	2,676	74.8%	72.8%
8. Total All Funds	\$ 8,042,693	\$ 6,112,957	\$ 5,955,819	\$ 1,929,736	\$ 2,086,874	76.0%	74.1%





SECTION V – SYSTEM LIABILITIES

TABLE 11

ACTUARIAL BALANCE SHEET AS OF JANUARY 1, 2025

The valuation balance sheet shows the assets and liabilities of ERS (in total, all employers and all Funds). The items shown in the balance sheet are present values actuarially determined as of the current valuation date.

ASSETS			
Actuarial Value of Assets		\$	6,112,957,000
Unfunded Actuarial Accrued Liability			1,929,736,000
Present Value of Future Normal Costs		\$	931,864,000
Total Assets		\$	8,974,557,000
LIABILITIES			
Present Value of Future Benefits			
Active members			
Retirement	\$	2,683,278,000	
Withdrawal		111,640,000	
Disability		91,616,000	
Death		24,977,000	
Total			\$ 2,911,511,000
Inactive members			196,876,000
Retirees, disabilities and beneficiaries			5,866,170,000
Total Liabilities		\$	8,974,557,000





SECTION V – SYSTEM LIABILITIES

TABLE 12

CALCULATION OF ACTUARIAL GAIN/(LOSS)

The overall actuarial gain/(loss) is comprised of both a liability gain/(loss) and an actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of January 1, 2025.

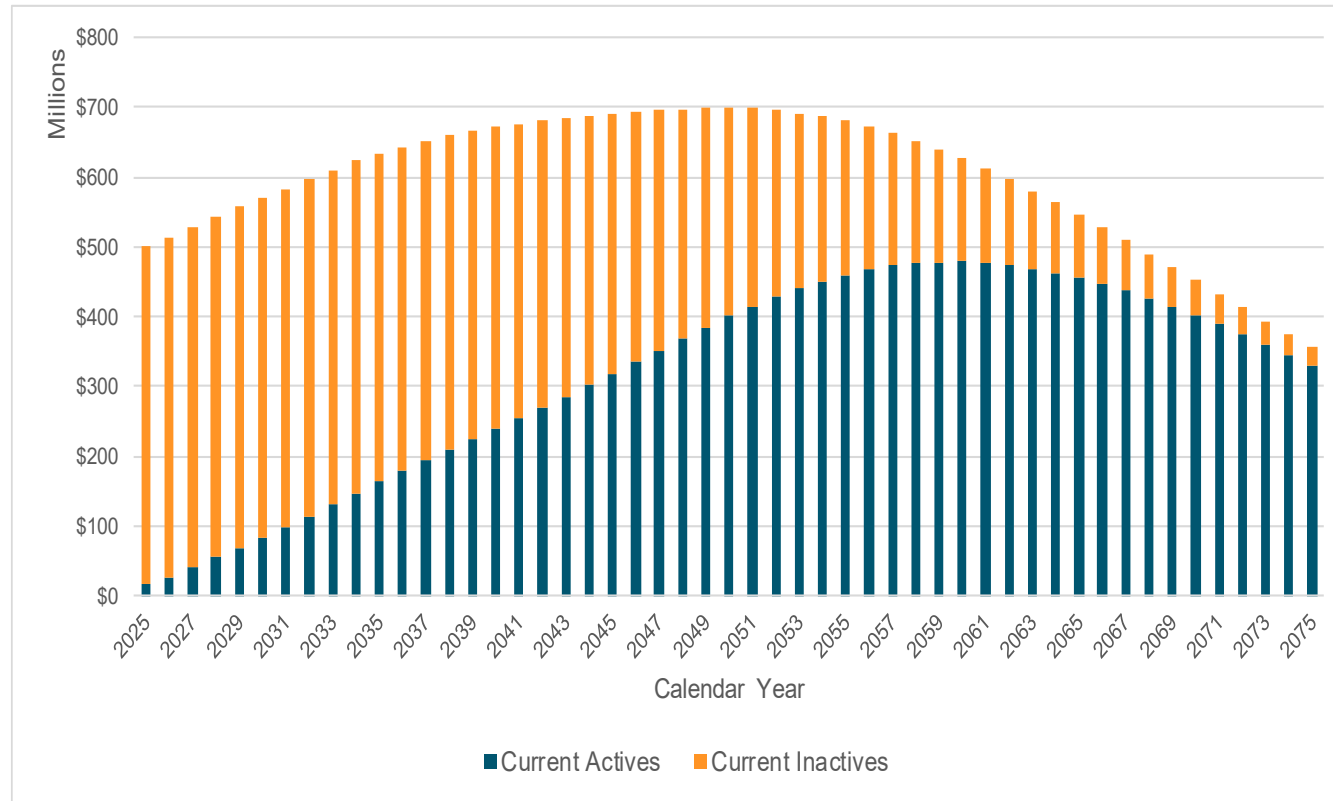
Liabilities	
1. Actuarial Accrued Liability as of January 1, 2024	\$7,829,371,000
2. Normal Cost During 2024	104,274,000
3. Benefit Payments During 2024	(491,649,000)
4. Interest on (1), (2) and (3) at 6.80%	523,047,000
5. Expected Actuarial Accrued Liability as of January 1, 2025	\$7,965,043,000
6. Actuarial Accrued Liability as of January 1, 2025	\$8,042,693,000
Assets	
7. Actuarial Value of Assets as of January 1, 2024	\$6,008,486,000
8. Contributions During 2024	251,729,000
9. Benefit Payments and Administrative Expenses During 2024	(500,936,000)
10. Interest on (7), (8) and (9) at 6.80%	400,243,000
11. Expected Actuarial Value of Assets as of January 1, 2025	\$6,159,522,000
12. Actuarial Value of Assets as of January 1, 2025	\$6,112,957,000
Gain / (Loss)	
13. Liability Gain/(Loss) (5) - (6)	(\$77,650,000)
14. Asset Gain/(Loss) (12) - (11)	(\$46,565,000)
15. Total Gain/(Loss) (13) + (14)	(\$124,215,000)



SECTION V – SYSTEM LIABILITIES

TABLE 13

EXPECTED BENEFIT PAYMENTS



Note: Cash flows are the expected future non-discounted payments to current members. These numbers exclude refund payouts to current non-vested inactive members and assume all actuarial assumptions are met in the future, including the retirement assumption.





SECTION V – SYSTEM LIABILITIES

TABLE 14

SCHEDULE OF FUNDING PROGRESS

(\$ Thousands)

Valuation as of January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio
2008	\$ 5,192,000	\$ 3,958,061	\$ 0	131.2%
2009	4,076,297	4,113,089	36,792	99.1%
2010	4,814,402	4,269,324	0	112.8%
2011	4,641,425	4,447,548	0	104.4%
2012	4,404,635	4,587,915	183,280	96.0%
2013	4,259,889	4,689,814	429,925	90.8%
2014	4,580,729	4,831,689	250,960	94.8%
2015	4,797,437	4,935,482	138,045	97.2%
2016	4,899,155	5,065,141	165,986	96.7%
2017	5,055,700	5,259,300	203,600	96.1%
2018	5,233,486	5,819,762	586,276	89.9%
2019	5,219,184	6,400,901	1,181,717	81.5%
2020	5,285,205	6,597,457	1,312,252	80.1%
2021	5,440,867	6,745,299	1,304,432	80.7%
2022	5,734,986	6,875,927	1,140,941	83.4%
2023	5,847,404	7,067,109	1,219,705	82.7%
2023*	5,847,404	7,631,007	1,783,603	76.6%
2024	6,008,486	7,829,371	1,820,885	76.7%
2025	6,112,957	8,042,693	1,929,736	76.0%

* Due to the passage of 2023 Wisconsin Act 12, the investment return assumption was lowered from 7.5% to 6.8% and a second 2023 actuarial valuation report was issued for the primary purpose of determining the actuarial determined employer contribution amount for Plan Year 2024.

Note: Information prior to 2019 is from the prior actuary.





SECTION V – SYSTEM LIABILITIES

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SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

The previous two sections were devoted to a discussion of the assets and liabilities of the System. A comparison of Tables 5 and Table 9 indicates that current assets fall short of meeting the present value of future benefits (total liability). This deficiency has to be made up by future actuarially determined employer contributions and investment income. An actuarial valuation sets out a schedule of future actuarially determined employer contributions that will deal with this deficiency in an orderly fashion.

The method used to determine the incidence of the contributions in various years is called the actuarial cost method. Under an actuarial cost method, the actuarially determined employer contributions required to meet the difference between current assets and current liabilities are allocated each year between two elements: (1) the normal cost and (2) the payment on the unfunded actuarial accrued liability. The actuarial cost method for the System is the traditional Entry Age Normal (EAN) level-percent of pay cost method. Under this EAN cost method, the actuarial present value of each member's projected benefits is allocated as a level-percent of their compensation from their entry age to their assumed exit age. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The actuarial present value of benefits allocated to prior years of service is called the actuarial accrued liability. The unfunded actuarial accrued liability represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. The unfunded actuarial accrued liability is calculated each year and reflects experience gains/losses.

On June 20, 2023, the Wisconsin Legislature enacted 2023 Wisconsin Act 12 (Act 12). In exchange for adopting the various restrictions to the City of Milwaukee operations, some of which do not directly affect the System, Act 12 allowed the City to pass a sales tax which will help pay for the additional costs resulting from the lower assumed rate of return and the natural operation of a retirement system that is closed to future employees. This sales tax is set to expire once the Systems attains a 100% funded ratio or after 30 years has passed, whichever occurs first. For as long as the sales tax remains in place, Act 12 allows an amount of no more than 90% of the sales tax revenue collected in 2024 to help fund certain costs under the System. There was \$200,621,090 in sales tax revenue collected in 2024, so the resulting maximum amount allowed to help fund pension costs in any Plan Year is \$180,558,981, which is about \$24.0 million above the total eligible costs for Plan Year 2026 (see Table 20).

Act 12 eliminated the Stable Employer Contribution Policy that had been used to determine required employer contribution rates under the Combined Fund from 2013 through 2023. In place of the Stable Employer Contribution Policy, Act 12 prescribed a new statutory policy which requires participating employers to contribute an actuarially calculated amount each year. At their July 24, 2023 meeting, the Board voted to adopt a one-year contribution lag upon the recommendation of their actuary. Therefore, the January 1, 2025 actuarial valuation will serve as the basis for determining the required employer contribution amounts for Plan Year 2026.

For purposes of calculating the Systems' unfunded actuarial accrued liability (UAAL) amortization payment, Act 12 stipulates that the projected January 1, 2024 UAAL, as calculated





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

in the *second* January 1, 2023 actuarial valuation, be amortized as a level-dollar amount over a closed 30-year period (28 years remaining as of the January 1, 2025 actuarial valuation). Future changes in the System's UAAL are to be amortized in accordance with Actuarial Standards of Practice. The current amortization policies, which were adopted by the Board at its February 24, 2023 meeting and subsequently adjusted to reflect the changes under 2023 Wisconsin Act 12, include:

- Future increases in the Systems' UAAL resulting from experience losses will be amortized over a closed 10-year period.
- Future decreases in the System's UAAL resulting from experience gains will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
- If the UAAL is negative, all prior bases will be eliminated, and the participating employers will be required to contribute their share of the annual normal cost and administrative expenses. If the UAAL becomes positive again, it will be amortized over a closed 10-year period.
- Changes to the UAAL arising from changes to plan provisions will be amortized over various periods, depending on the nature of the change and which participants are affected.
- Changes to the UAAL arising from contributions which are above or below the actuarially determined employer contribution will be amortized over a closed 5-year period.

Please note that the use of closed amortization periods, coupled with the employers contributing the full actuarially determined contribution each year, will result in the Plan being fully funded at the end of the amortization period, if all actuarial assumptions are met. Due to the use of a level-dollar amortization method, contributions are expected to exceed normal cost plus interest on the UAAL each year.

Following this page are several tables which document the development of the elements of the actuarially determined employer contribution for each fund allocated by employer. The exhibits are as follows:

- Table 15 shows the development of the projected January 1, 2026 UAAL by Fund, which is the basis for the beginning of the year for which we are determining the actuarially determined employer contributions.
- Table 16 shows the development of the amounts in Table 15 by Fund for each participating employer.
- Tables 17A-D develop each employer's proportionate share of the total UAAL amortization payment under each Fund using the projected UAAL amounts from Table 15. These tables also show each employer's proportionate share of administrative expenses. Each employer's proportionate share is developed in accordance with the provisions under 2023 Wisconsin Act 12 and Board policy.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

- Tables 18A-D show each employer's share of the total Actuarially Determined Employer Contribution amount under each Fund for Plan Year 2026. These amounts are allocated based on each employer's percentage share of the total AAL. Note that administrative expenses are allocated only to the Combined Fund.
- Table 19 shows the Actuarially Determined Employer Contribution by Employer for all Funds payable as of select dates. It is important to note that the amounts shown for January 1, 2026 are summarized from Tables 18A-D and the amounts shown for subsequent dates are adjusted for interest at 6.80%.
- Table 20 shows the amount of the Actuarially Determined Employer Contributions for Plan Year 2026 that are eligible to be paid from 2023 Wisconsin Act 12 Sales Tax Proceeds.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 15

PROJECTED UNFUNDED ACTUARIAL ACCRUED LIABILITY AT JANUARY 1, 2026 BY FUND

	Combined Fund	Retirement Fund	General Employees Duty Disability Fund	Combined Retirement & Disability Fund	Total For All Funds
1. Actuarial Accrued Liability, January 1, 2025	\$8,027,248,903	\$5,601,149	\$4,204	\$9,838,892	\$8,042,693,148
2. Normal Cost for 2025	102,748,763	39,609	280	214,068	103,002,720
3. Expected Benefit Payments During 2025	(500,968,154)	(198,501)	0	(120,991)	(501,287,646)
4. Interest at 6.80%	536,087,038	376,934	305	679,555	537,143,832
5. Projected Actuarial Accrued Liability, January 1, 2026	\$8,165,116,550	\$5,819,191	\$4,789	\$10,611,524	\$8,181,552,054
6. Actuarial Value of Assets, January 1, 2025	\$6,006,586,000	\$9,507,000	\$61,000	\$7,355,000	\$6,023,509,000
7. Expected Contributions During 2025	251,564,965	35,859	248	336,478	251,937,550
8. Expected Benefit Payments and Expenses During 2025	(510,487,329)	(198,501)	0	(120,991)	(510,806,821)
9. Interest at 6.80%	408,483,133	642,276	4,165	518,974	409,648,548
10. Projected Actuarial Value of Assets, January 1, 2026	\$6,156,146,769	\$9,986,634	\$65,413	\$8,089,461	\$6,174,288,277
11. Projected Unfunded Actuarial Accrued Liability, January 1, 2026	\$2,008,969,781	(\$4,167,443)	(\$60,624)	\$2,522,063	\$2,007,263,777
12. Projected UAAL Attributable to 5.8% Employee Pension Contribution Offset Lawsuit	22,626,007	0	0	0	22,626,007
13. Remaining Projected UAAL to be Allocated Across All Employers	\$1,986,343,774	(\$4,167,443)	(\$60,624)	\$2,522,063	\$1,984,637,770

Note: The projected UAAL attributable to the 5.8% Employee Pension Contribution Offset Lawsuit is funded only by the Policemen and Firemen groups.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 16

PROJECTED UNFUNDED ACTUARIAL ACCRUED LIABILITY AT JANUARY 1, 2026 BY FUND FOR EACH PARTICIPATING EMPLOYER

	City			Agencies							Total For All Employers
	General	Policemen	Firemen	Water Department	School Board	Milwaukee Technical College	Sewerage Commission	Veolia	Wisconsin Center District	Housing Authority	
Combined Fund											
Actuarial Accrued Liability	1,951,905,268	3,128,007,747	1,514,162,726	174,011,526	1,002,759,315	10,476,475	208,748,690	69,552,235	30,015,639	75,476,929	8,165,116,550
Actuarial Value of Assets	<u>1,475,742,004</u>	<u>2,359,604,469</u>	<u>1,133,011,651</u>	<u>131,561,773</u>	<u>758,138,248</u>	<u>7,920,761</u>	<u>157,824,878</u>	<u>52,585,111</u>	<u>22,693,386</u>	<u>57,064,488</u>	<u>6,156,146,769</u>
Unfunded Actuarial Accrued Liability	476,163,264	768,403,278	381,151,075	42,449,753	244,621,067	2,555,714	50,923,812	16,967,124	7,322,253	18,412,441	2,008,969,781
5.8% Employee Pension Contribution											
Offset Lawsuit UAAL	N/A	<u>7,052,739</u>	<u>15,573,268</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	22,626,007
Remaining UAAL	476,163,264	761,350,539	365,577,807	42,449,753	244,621,067	2,555,714	50,923,812	16,967,124	7,322,253	18,412,441	1,986,343,774
Retirement Fund											
Actuarial Accrued Liability	1,574,133	550,556	100,062	0	3,416,275	0	103,215	0	54,453	20,497	5,819,191
Actuarial Value of Assets	<u>2,701,456</u>	<u>944,839</u>	<u>171,722</u>	<u>0</u>	<u>5,862,858</u>	<u>0</u>	<u>177,133</u>	<u>0</u>	<u>93,450</u>	<u>35,176</u>	<u>9,986,634</u>
Unfunded Actuarial Accrued Liability	(1,127,323)	(394,283)	(71,660)	0	(2,446,583)	0	(73,918)	0	(38,997)	(14,679)	(4,167,443)
General Employees' Duty Disability Fund											
Actuarial Accrued Liability	1,359	0	0	0	3,430	0	0	0	0	0	4,789
Actuarial Value of Assets	<u>18,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>65,413</u>
Unfunded Actuarial Accrued Liability	(17,204)	0	0	0	(43,420)	0	0	0	0	0	(60,624)
Combined Retirement & Disability Fund											
Actuarial Accrued Liability	4,299,331	1,702,704	1,697	8,368	4,176,095	0	229,358	0	91,960	102,011	10,611,524
Actuarial Value of Assets	<u>3,277,499</u>	<u>1,298,019</u>	<u>1,294</u>	<u>6,379</u>	<u>3,183,554</u>	<u>0</u>	<u>174,846</u>	<u>0</u>	<u>70,104</u>	<u>77,766</u>	<u>8,089,461</u>
Unfunded Actuarial Accrued Liability	1,021,832	404,685	403	1,989	992,541	0	54,512	0	21,856	24,245	2,522,063
Total for All Funds	476,040,569	768,413,680	381,079,818	42,451,742	243,123,605	2,555,714	50,904,406	16,967,124	7,305,112	18,422,007	2,007,263,777





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17A

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED FUND)

The table below provides the calculation of the UAAL amortization payment for the Combined Fund, applicable for Plan Year 2026.

Amortization Base	Original Amount	Projected Balance as of January 1, 2026	Remaining Amortization Period	Annual Payment*
2024 UAAL Base**	\$ 1,894,284,452	\$ 1,851,297,236	28	\$ 140,073,219
2025 Experience Base	(5,668,575)	(5,601,404)	28	(423,815)
2026 Experience Base	140,647,942	140,647,942	10	18,577,128
2025 Pension Offset Lawsuit - Policemen	7,608,658	7,052,739	9	1,004,970
2025 Pension Offset Lawsuit - Firemen	16,800,804	15,573,268	9	2,219,092
Total		2,008,969,781		161,450,594
Amount for Allocating Across All Employers		\$ 1,986,343,774		\$ 158,226,532

* Reflects beginning of year timing.

** Due to the passage of Act 12 by the 2023 Wisconsin Legislature, the projected UAAL as of January 1, 2024 was re-amortized over a closed 30-year period.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17A (CONTINUED)

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED FUND)

The table below provides the allocation of the UAAL payment and administrative expenses for all participating agencies. These figures include costs associated with the 5.8% Employee Pension Contribution Offset Lawsuit in 2023 for Policemen and Firemen.

Employer	Projected January 1, 2026 Unfunded AAL **	Employer Percentage Share	UAAL Payment***	Administrative Expenses
1) City of Milwaukee				
a) General*	\$476,163,264	23.97%	\$37,929,820	\$2,263,284
b) Policemen	761,350,539	38.33%	61,652,003	3,618,827
c) Firemen	<u>365,577,807</u>	<u>18.40%</u>	<u>31,339,987</u>	<u>1,737,652</u>
d) Total City	\$1,603,091,610	80.70%	\$130,921,810	\$7,619,763
2) Agencies				
a) Water Department	\$42,449,753	2.14%	\$3,381,427	\$201,771
b) School Board	244,621,067	12.32%	19,485,823	1,162,725
c) Milwaukee Technical College	2,555,714	0.13%	203,581	12,148
d) Sewerage Commission	50,923,812	2.56%	4,056,447	242,049
e) Veolia	16,967,124	0.85%	1,351,553	80,648
f) Wisconsin Center District	7,322,253	0.37%	583,270	34,804
g) Housing Authority	<u>18,412,441</u>	<u>0.93%</u>	<u>1,466,683</u>	<u>87,517</u>
h) Total	\$383,252,164	19.30%	\$30,528,784	\$1,821,662
Total: 1(d) + 2(h)	\$1,986,343,774	100.00%	\$161,450,594	\$9,441,425

* Includes Elected Officials and Redevelopment Authority

** Does not include the projected UAAL attributable to the 5.8% Employee Pension Contribution Offset Lawsuit settled in 2023.

*** For Policemen and Firemen, includes an additional payment for the 5.8% Employee Pension Contribution Offset Lawsuit settled in 2023.

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17B

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (RETIREMENT FUND)

The tables below provide the calculation of the UAAL amortization payment for the Retirement Fund, applicable for Plan Year 2026, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2026	Remaining Amortization Period	Annual Payment*
2025 UAAL Base	\$ (4,167,443)	\$ (4,167,443)	N/A	\$ 0
Total		\$ (4,167,443)		\$ 0

* Reflects beginning of year timing.

Employer	Projected January 1, 2026 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	(\$1,127,323)	27.05%	\$0	\$0
b) Policemen	(394,283)	9.46%	0	0
c) Firemen	(71,660)	1.72%	0	0
d) Total City	(\$1,593,266)	38.23%	\$0	\$0
2) Agencies				
a) Water Department	\$0	0.00%	\$0	\$0
b) School Board	(2,446,583)	58.71%	0	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	(73,918)	1.77%	0	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	(38,997)	0.94%	0	0
g) Housing Authority	(14,679)	0.35%	0	0
h) Total	(\$2,574,177)	61.77%	\$0	\$0
Total: 1(d) + 2(h)	(\$4,167,443)	100.00%	\$0	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17C

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (GENERAL EMPLOYEES DUTY DISABILITY FUND)

The tables below provide the calculation of the UAAL amortization payment for the General Employees Duty Disability Fund, applicable for Plan Year 2026, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2026	Remaining Amortization Period	Annual Payment*
2025 UAAL Base	\$ (60,624)	\$ (60,624)	N/A	\$ 0
Total		\$ (60,624)		\$ 0

* Reflects beginning of year timing.

Employer	Projected January 1, 2026 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	(\$17,204)	28.38%	\$0	\$0
b) Policemen	0	0.00%	0	0
c) Firemen	0	0.00%	0	0
d) Total City	(\$17,204)	28.38%	\$0	\$0
2) Agencies				
a) Water Department	\$0	0.00%	\$0	\$0
b) School Board	(43,420)	71.62%	0	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	0	0.00%	0	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	0	0.00%	0	0
g) Housing Authority	0	0.00%	0	0
h) Total	(\$43,420)	71.62%	\$0	\$0
Total	(\$60,624)	100.00%	\$0	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 17D

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (COMBINED RETIREMENT & DISABILITY FUND)

The tables below provide the calculation of the UAAL amortization payment for the Combined Retirement and Disability Fund, applicable for Plan Year 2026, as well as the allocation of the UAAL payment and administrative expenses for all participating agencies.

Amortization Base	Original Amount	Projected Balance as of January 1, 2026	Remaining Amortization Period	Annual Payment*
2024 UAAL Base**	\$ 2,836,969	\$ 2,772,590	28	\$ 209,780
2025 Experience Base	(1,008,294)	(996,346)	28	(75,386)
2026 Experience Base	745,819	745,819	10	98,510
Total		\$ 2,522,063		\$ 232,904

* Reflects beginning of year timing.

** Due to the passage of Act 12 by the 2023 Wisconsin Legislature, the projected UAAL as of January 1, 2024 was re-amortized over a closed 30-year period.

Employer	Projected January 1, 2026 Unfunded AAL	Employer Percentage Share	UAAL Payment	Administrative Expenses
1) City of Milwaukee				
a) General*	\$1,021,832	40.52%	\$94,363	\$0
b) Policemen	404,685	16.05%	37,371	0
c) Firemen	403	0.01%	37	0
d) Total City	\$1,426,920	56.58%	\$131,771	\$0
2) Agencies				
a) Water Department	\$1,989	0.08%	\$184	\$0
b) School Board	992,541	39.35%	91,658	0
c) Milwaukee Technical College	0	0.00%	0	0
d) Sewerage Commission	54,512	2.16%	5,034	0
e) Veolia	0	0.00%	0	0
f) Wisconsin Center District	21,856	0.87%	2,018	0
g) Housing Authority	24,245	0.96%	2,239	0
h) Total	\$1,095,143	43.42%	\$101,133	\$0
Total	\$2,522,063	100.00%	\$232,904	\$0

* Includes Elected Officials and Redevelopment Authority

Note: Actual contribution requirement will be adjusted for the actual payment date of the contribution.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18A

**ALLOCATION OF THE JANUARY 1, 2026 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER
(COMBINED FUND)**

	(1) Total Projected 2026 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2026 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$24,438,717	\$9,345,667	\$15,093,050	\$2,263,284	\$37,929,820	\$55,286,154
b) Policemen	36,842,426	9,373,494	27,468,932	3,618,827	61,652,003	92,739,762
c) Firemen	16,721,218	4,149,785	12,571,433	1,737,652	31,339,987	45,649,072
d) Total City	\$78,002,361	\$22,868,946	\$55,133,415	\$7,619,763	\$130,921,810	\$193,674,988
2) Agencies						
a) Water Department	\$2,469,801	\$943,898	\$1,525,903	\$201,771	\$3,381,427	\$5,109,101
b) School Board	15,358,631	6,173,865	9,184,766	1,162,725	19,485,823	29,833,314
c) Milwaukee Technical College	0	0	0	12,148	203,581	215,729
d) Sewerage Commission	2,088,910	833,356	1,255,554	242,049	4,056,447	5,554,050
e) Veolia	45,078	12,860	32,218	80,648	1,351,553	1,464,419
f) Wisconsin Center District	704,313	270,835	433,478	34,804	583,270	1,051,552
g) Housing Authority	570,742	211,616	359,126	87,517	1,466,683	1,913,326
h) Total	\$21,237,475	\$8,446,430	\$12,791,045	\$1,821,662	\$30,528,784	\$45,141,491
3) Total System: 1d + 2h	\$99,239,836	\$31,315,376	\$67,924,460	\$9,441,425	\$161,450,594	\$238,816,479

Note: Amounts shown are as of January 1, 2026. Interest accrues at 6.80% per year for contributions made after January 1, 2026.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18B

ALLOCATION OF THE JANUARY 1, 2026 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (RETIREMENT FUND)

	(1) Total Projected 2026 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2026 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$7,932	\$2,760	\$5,172	\$0	\$0	\$5,172
b) Policemen	0	0	0	0	0	0
c) Firemen	0	0	0	0	0	0
d) Total City	\$7,932	\$2,760	\$5,172	\$0	\$0	\$5,172
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$0	\$0
b) School Board	27,095	12,585	14,510	0	0	14,510
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	0	0
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	0	0	0	0	0	0
g) Housing Authority	0	0	0	0	0	0
h) Total	\$27,095	\$12,585	\$14,510	\$0	\$0	\$14,510
3) Total System: 1d + 2h	\$35,027	\$15,345	\$19,682	\$0	\$0	\$19,682

Note: Amounts shown are as of January 1, 2026. Interest accrues at 6.80% per year for contributions made after January 1, 2026.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18C

ALLOCATION OF JANUARY 1, 2026 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (GENERAL EMPLOYEES DUTY DISABILITY FUND)

	(1) Total Projected 2026 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2026 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$44	\$0	\$44	\$0	\$0	\$44
b) Policemen	0	0	0	0	0	0
c) Firemen	0	0	0	0	0	0
d) Total City	\$44	\$0	\$44	\$0	\$0	\$44
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$0	\$0
b) School Board	204	0	204	0	0	204
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	0	0
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	0	0	0	0	0	0
g) Housing Authority	0	0	0	0	0	0
h) Total	\$204	\$0	\$204	\$0	\$0	\$204
3) Total System: 1d + 2h	\$248	\$0	\$248	\$0	\$0	\$248

Note: Amounts shown are as of January 1, 2026. Interest accrues at 6.80% per year for contributions made after January 1, 2026.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 18D

ALLOCATION OF THE JANUARY 1, 2026 ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION BY EMPLOYER (COMBINED RETIREMENT AND DISABILITY FUND)

	(1) Total Projected 2026 Normal Cost	(2) Projected Member Contributions	(3) = (1) - (2) Employer Share Projected 2026 Normal Cost	(4) Expected Administrative Expenses	(5) Employer Share UAAL Payment	(6) = (3)+(4)+(5) Total Employer Contribution
Employer						
1) City of Milwaukee						
a) General	\$95,839	\$36,701	\$59,138	\$0	\$94,363	\$153,501
b) Policemen	19,011	4,742	14,269	0	37,371	51,640
c) Firemen	0	0	0	0	37	37
d) Total City	\$114,850	\$41,443	\$73,407	\$0	\$131,771	\$205,178
2) Agencies						
a) Water Department	\$0	\$0	\$0	\$0	\$184	\$184
b) School Board	84,608	33,779	50,829	0	91,658	142,487
c) Milwaukee Technical College	0	0	0	0	0	0
d) Sewerage Commission	0	0	0	0	5,034	5,034
e) Veolia	0	0	0	0	0	0
f) Wisconsin Center District	653	674	0	0	2,018	2,018
g) Housing Authority	0	0	0	0	2,239	2,239
h) Total	\$85,261	\$34,453	\$50,829	\$0	\$101,133	\$151,962
3) Total System: 1d + 2h	\$200,111	\$75,896	\$124,236	\$0	\$232,904	\$357,140

Note: Amounts shown are as of January 1, 2026. Interest accrues at 6.80% per year for contributions made after January 1, 2026.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 19

ALLOCATION OF THE ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS TO INDIVIDUAL EMPLOYERS

	Total Employer Contribution Across All Funds as of:				
	Jan 1, 2026	April 1, 2026	July 1, 2026	Oct 1, 2026	Dec 31, 2026
Employer					
1) City of Milwaukee					
a) General*	\$55,444,871	\$56,364,309	\$57,298,994	\$58,249,179	\$59,215,121
b) Policemen	92,791,402	94,330,155	95,894,425	97,484,636	99,101,217
c) Firemen	45,649,109	46,406,105	47,175,654	47,957,965	48,753,249
d) Total City	\$193,885,382	\$197,100,569	\$200,369,073	\$203,691,780	\$207,069,587
2) Agencies					
a) Water Department	\$5,109,285	\$5,194,012	\$5,280,144	\$5,367,704	\$5,456,716
b) School Board	29,990,515	30,487,846	30,993,424	31,507,386	32,029,871
c) Milwaukee Technical College	215,729	219,306	222,943	226,640	230,398
d) Sewerage Commission	5,559,084	5,651,270	5,744,985	5,840,254	5,937,103
e) Veolia	1,464,419	1,488,703	1,513,390	1,538,486	1,563,999
f) Wisconsin Center District	1,053,570	1,071,041	1,088,802	1,106,858	1,125,213
g) Housing Authority	1,915,565	1,947,331	1,979,623	2,012,451	2,045,823
h) Total	\$45,308,167	\$46,059,509	\$46,823,311	\$47,599,779	\$48,389,123
3) Total System: 1d + 2h	\$239,193,549	\$243,160,078	\$247,192,384	\$251,291,559	\$255,458,710

* Includes Elected Officials and Redevelopment Authority

Note: Interest accrues at 6.80% per year for contributions made after January 1, 2026.

Amounts are not additive. Figures shown represent each employer's full actuarially determined employer contribution amount at the respective contribution dates.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 20

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS ELIGIBLE TO BE PAID FROM 2023 WISCONSIN ACT 12 SALES TAX PROCEEDS

Act 12 allows an amount of no more than 90% of the sales tax revenue collected during 2024 to pay for actuarially determined employer contributions. The sales tax revenue collected during 2024 was \$200,621,090. The maximum amount of \$180,558,981 (90% of \$200,621,090) does not change in future years. The following costs are eligible to be offset by sales tax revenue under Act 12:

1. The City's share of the unfunded actuarial accrued liability (UAAL) as of January 1, 2024. This portion of the UAAL is to be amortized on a level-dollar basis over a closed, 30-year period using an assumed rate of return no greater than what has been adopted by the Wisconsin Retirement System.
2. The City's share of the cost of amortizing future changes to the UAAL. Future increases in the UAAL are to be amortized using the same basis as the January 1, 2024 UAAL, but over a closed 10-year period. Future decreases in the UAAL will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
3. The increase in normal costs attributable to the Combined Fund from 2022 to the present year for the City proper and its agencies.

Under Act 12, administrative expenses are to be included in all normal cost contributions. The following table shows the Plan Year 2026 contribution amounts for each employer that are eligible to be paid from the Act 12 sales tax proceeds. Amounts are shown as of January 1, 2026.

	Total Normal Cost for the Combined Fund Only			Total UAAL Payment for All Funds	Total
	2022 Total	2026 Total	Increase/ (Decrease)		
1) City of Milwaukee					
a) General	\$16,236,384	\$26,702,001	\$10,465,617	\$38,024,183	\$48,489,800
b) Policemen	33,883,422	40,461,253	6,577,831	61,689,374	68,267,205
c) Firemen	15,750,167	18,458,870	2,708,703	31,340,024	34,048,727
d) Total City	\$65,869,973	\$85,622,124	\$19,752,151	\$131,053,581	\$150,805,732
2) Agencies					
a) Water Dept	\$1,729,279	\$2,671,572	\$942,293	N/A	\$942,293
b) School Board	12,447,912	16,521,356	4,073,444	N/A	4,073,444
c) Milwaukee Technical College	0	12,148	12,148	N/A	12,148
d) Sewerage Commission	1,899,423	2,330,959	431,536	N/A	431,536
e) Veolia	85,835	125,726	39,891	N/A	39,891
f) Wisconsin Center District	503,437	739,117	235,680	N/A	235,680
g) Housing Authority	661,527	658,259	(3,268)	N/A	(3,268)
h) Total	\$17,327,413	\$23,059,137	\$5,731,724	N/A	\$5,731,724
3) Total System: 1(d) + 2(h)	\$83,197,386	\$108,681,261	\$25,483,875	\$131,053,581	\$156,537,456

Note: The total actuarially determined employer contributions eligible to be paid from Act 12 sales tax proceeds is less than the maximum allowable amount of \$180,558,981. Therefore, the full amount of eligible costs can be paid for by Act 12 sales tax proceeds.





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

TABLE 20
(CONTINUED)

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS ELIGIBLE TO BE PAID FROM 2023 WISCONSIN ACT 12 SALES TAX PROCEEDS

Development of 2022 Normal Cost

There are various methods for calculating the amount contributed to cover the normal cost expense during 2022 that could be utilized for this purpose. Two reasonable alternatives include:

1. Use the normal cost amount calculated for the January 1, 2022 actuarial valuation, which is based on the assumptions adopted by the Annuity and Pension Board (Board) in 2017 for the 2018 through 2022 actuarial valuations and the 7.50% investment return adopted by the Board for the 2019 through 2022 actuarial valuations.
2. Calculate the 2022 normal cost based upon the assumptions used for the development of the Stable Employer Contribution Rate in effect during plan years 2018 through 2022. These are the assumptions which were adopted by the Annuity and Pension Board (Board) in 2017 and include an investment return assumption of 8.00% for 2018 through 2022 and 8.25% thereafter.

Since the employer contributions to the Combined Fund for plan year 2022 are based on the Stable Employer Contribution Policy, our calculation is based on the second alternative. The Stable Employer Contribution Policy rates for 2018 through 2022 were developed by the prior actuary, and sufficient documentation indicating how to separate the individual contribution components, such as normal cost, was not provided. However, during the transition process we were able to replicate the prior actuary's results within reasonable limits. Therefore, we used the results of the January 1, 2022 actuarial valuation, which CavMac developed, and updated those results to reflect the prior actuary's investment return assumption (8.00% for 2018 through 2022 and 8.25% thereafter).





SECTION VI – ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTIONS

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SECTION VII – RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September, 2017, Actuarial Standard of Practice Number 51, *Assessment and Disclosure of Risk in Measuring Pension Obligations*, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the January 1, 2019 actuarial valuation for the Employees' Retirement System of the City of Milwaukee (System).

While actuarial assumptions allow for a projection of how future actuarially determined employer contributions and investment returns will meet the cash flow needs for future benefit payments, actual experience will not unfold exactly as anticipated by the assumptions. In this section, we discuss some of the risk factors that can have a significant impact – positive or negative – on the actuarial projection of liability and actuarially determined employer contributions .

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and inflation;
- demographic risks such as mortality, payroll growth, aging population, and retirement ages;
- contribution risk like volatility making it difficult for the plan sponsor to fund the plan; and
- external risks such as the regulatory and political environment (not included in ASOP 51).

The last two are not risks that the actuary must opine on under ASOP 51.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions of at least the full actuarially determined employer contributions each year. Under 2023 Wisconsin Act 12 (Act 12), the main source of funding for the System comes from the sales tax permitted under Act 12. This sales tax is currently set to expire once the System attains a 100% funded ratio or after 30 years have passed, whichever occurs first. Finally, Act 12 allows an amount of no more than 90% of the sales tax revenue collected in the first full calendar year (2024) to help fund the following costs under the System:

1. The City's share of the unfunded actuarial accrued liability (UAAL) as of January 1, 2024.
2. The City's share of the cost of amortizing future changes to the UAAL.
3. The increase in normal costs attributable to the Combined Fund from 2022 to the present year for the City proper and its agencies.

Currently, 90% of the sales tax revenue collected during 2024 is expected to be sufficient to fund all the eligible costs outlined above in the future. However, unfavorable asset or liability experience in the future may change this. Another factor that could significantly impact the System's costs is future changes to the investment return assumption. Under Act 12, the Systems' investment return assumption cannot be greater than the rate used by the Wisconsin Retirement System for active participants, and so ERS does not have full control over the most impactful

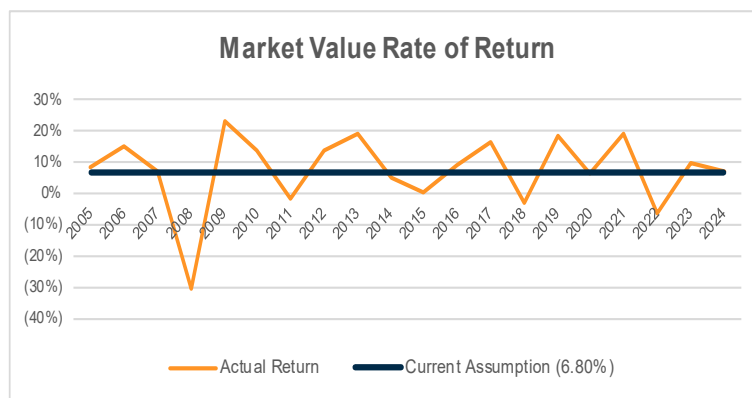




SECTION VII – RISK CONSIDERATIONS

assumption used in actuarial valuation. Please see Table 24 for an illustration of the cost impact due to lowering the investment return assumption based on the current valuation results.

The most significant risk factor for most plans is investment performance because of the volatility of the returns and the size of an asset fund under a mature plan. The System's average investment return on the market value of assets during the past 20 years was 6.80%, which is equal to the current investment return assumption. However, a perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the assumed return. This is an expected result given the underlying capital market assumptions and the asset allocation. However, the valuation is a measurement based on a single investment return, usually around the median of the distribution of returns. The magnitude of variations in investment returns and the short timeframe in which they occur makes the management of this risk very challenging. See the chart below for the historical rates of return over the past 20 years.



This metric means the same investment experience would move the actuarially determined employer contributions more significantly for CMERS as compared to most other public plans. For example, a return that is 10% lower than assumed (or -3.20%) equates to an actuarial loss of about \$587 million. Given the amortization period of 10 years for actuarial losses, an increase of about \$83 million each year for each of the next 10 years would be required to compensate for an investment return that is 10% below the assumed rate of return in just one year. Note that the System's asset smoothing method would initially dampen the contribution impact.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of December 31, 2024 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$8.8 billion. This amount approximates the termination liability if the plan (or all





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covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

A key demographic risk for all retirement systems, including CMERS, is improvements in mortality (longevity) greater than anticipated. While the mortality assumption used in the valuation reflects some improvement in mortality experience and this assumption is evaluated and refined in each experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could rapidly improve mortality rates and increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, as experienced with the COVID-19 pandemic. This type of event is also significant, although more easily absorbed. While either of these events could happen, it represents a relatively small probability and thus represents much less risk than the volatility associated with investment returns.

As plan demographics change over time, along with the funded status, the risk factors may also change. The following exhibits summarize certain historical information that provide an indication as to how key risk metrics have changed over time.





SECTION VII – RISK CONSIDERATIONS

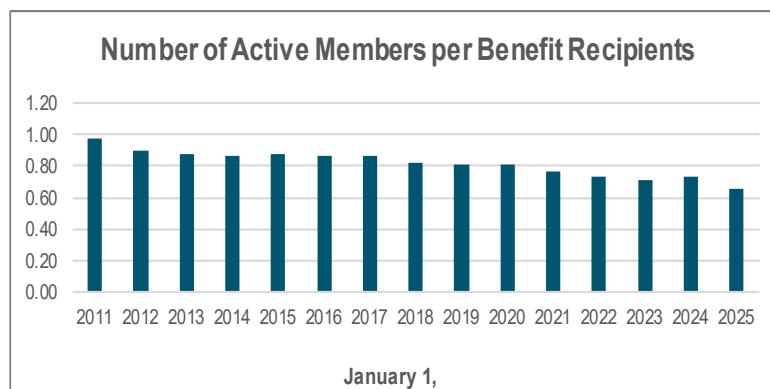
TABLE 21

RATIO OF ACTIVE TO RETIREE COUNT

The System has experienced a 19% decline in the active membership over the past 14 years. Given the closure of the plan to new hires as of January 1, 2024 due to Act 12, we expect an accelerated reduction in this ratio over the upcoming years.

Valuation Date January 1	Active Count	In-Pay Count	Active/ In-Pay
2011	11,247	11,542	0.97
2012	10,767	11,937	0.90
2013	10,714	12,109	0.88
2014	10,675	12,468	0.86
2015	10,964	12,580	0.87
2016	10,982	12,746	0.86
2017	11,083	12,872	0.86
2018	10,845	13,181	0.82
2019	10,851	13,355	0.81
2020	10,974	13,543	0.81
2021	10,567	13,636	0.77
2022	10,094	13,747	0.73
2023	9,800	13,842	0.71
2024	10,108	13,867	0.73
2025	9,119	13,901	0.66

Note the ratio of active members to benefit recipients is not as critical for ERS as it is for, say, Social Security. The Plan has been funded, in advance, precisely for this reason and those assets exist to help pay the benefits of members. It is, however, a sign of the maturity of the System.





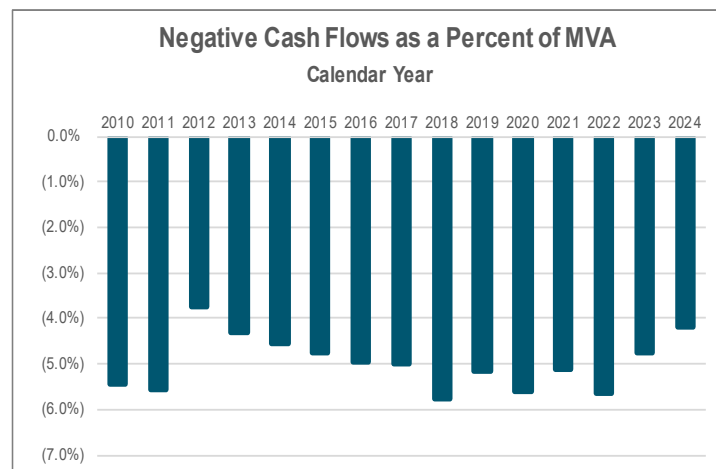
SECTION VII – RISK CONSIDERATIONS

TABLE 22

HISTORICAL CASH FLOWS
(\$ Thousands)

Plans with large negative cash flows generally experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions minus benefit payments. If the System has negative cash flows and then experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that often follow. Negative cash flows can also impact the System's asset allocation and is a consideration in setting the investment policy of the system. CMERS has a relatively high negative cash flow so this metric should be closely monitored. The higher the net cash flow is as a percentage of the market value of assets, the greater the risk to the System's funding.

Calendar Year	Market Value of Assets (MVA)	Contributions	Benefit Payments and Expenses	Net Cash Flow	Net Cash Flow as a Percent of MVA
2010	\$4,322,384	\$35,699	\$271,710	(\$236,011)	(5.46%)
2011	4,197,264	52,675	285,565	(232,890)	(5.55%)
2012	4,375,197	138,968	302,439	(163,471)	(3.74%)
2013	4,949,534	122,157	334,858	(212,701)	(4.30%)
2014	4,953,150	116,507	342,569	(226,062)	(4.56%)
2015	4,752,308	121,751	347,888	(226,137)	(4.76%)
2016	4,886,669	110,013	351,303	(241,290)	(4.94%)
2017	5,396,527	116,018	385,331	(269,313)	(4.99%)
2018	4,950,881	115,251	400,707	(285,456)	(5.77%)
2019	5,557,077	129,022	416,104	(287,082)	(5.17%)
2020	5,649,734	119,852	436,331	(316,479)	(5.60%)
2021	6,431,356	122,621	451,989	(329,368)	(5.12%)
2022	5,525,958	153,775	464,799	(311,024)	(5.63%)
2023	5,796,501	203,730	479,063	(275,333)	(4.75%)
2024	5,955,819	251,729	500,936	(249,207)	(4.18%)





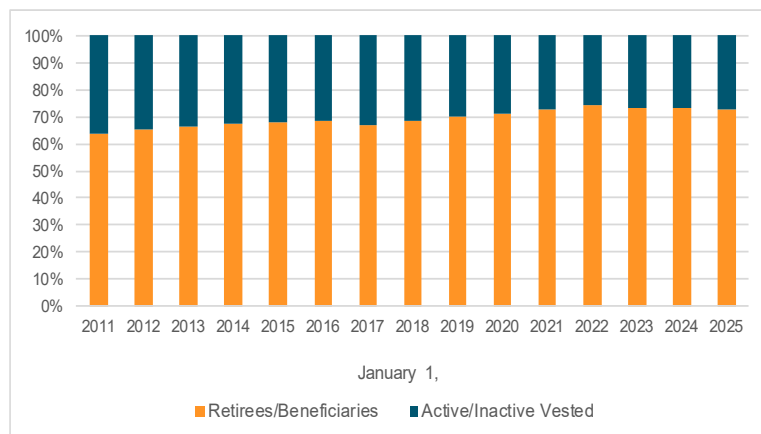
SECTION VII – RISK CONSIDERATIONS

TABLE 23

LIABILITY MATURITY MEASUREMENTS
(\$ Thousands)

Most public sector retirement systems have been in operation for many decades like CMERS. As a result, they have mature plan demographics, resulting in an increased ratio of retirees to active members and a growing percentage of retiree liability. For CMERS, this trend is expected to accelerate now that the System has been closed to new hires as of January 1, 2024. Despite closing the System to new hires, its liabilities will be substantial for many years. As the number of contributing active participants decreases, a larger proportion of increased costs due to future actuarial experience or assumption changes, if any, will be borne by the participating employers.

Actuarial Valuation Date	Retiree Liability (a)	Total Actuarial Accrued Liability (b)	Retiree Percentage (a / b)
1/1/2011	\$2,835,309	\$4,447,548	63.7%
1/1/2012	2,987,922	4,587,915	65.1%
1/1/2013	3,121,007	4,689,814	66.5%
1/1/2014	3,254,212	4,831,689	67.4%
1/1/2015	3,344,604	4,935,482	67.8%
1/1/2016	3,462,308	5,065,141	68.4%
1/1/2017	3,512,367	5,259,300	66.8%
1/1/2018	3,993,493	5,819,762	68.6%
1/1/2019	4,491,023	6,400,901	70.2%
1/1/2020	4,682,004	6,597,457	71.0%
1/1/2021	4,907,245	6,745,299	72.8%
1/1/2022	5,106,118	6,875,927	74.3%
1/1/2023	5,606,392	7,631,007	73.5%
1/1/2024	5,757,572	7,829,371	73.5%
1/1/2025	5,866,170	8,042,693	72.9%





SECTION VII – RISK CONSIDERATIONS

TABLE 24

COMPARISON OF VALUATION RESULTS UNDER ALTERNATE INVESTMENT RETURN ASSUMPTIONS
(\$ Thousands)

This exhibit compares the key January 1, 2025 valuation results for the System under three (3) different investment return assumptions to illustrate the impact of different assumptions on the System's funding. Note that only the investment return assumption is changed, as identified in the heading below, and the assumption cannot exceed the rate used by the Wisconsin Retirement System, which is currently 6.80% for active employees. All other assumptions are unchanged for purposes of this analysis.

Investment Return Assumption	5.80%	6.30%	6.80%
Contributions			
- Total Normal Cost	\$127,363	\$112,332	\$99,475
- Member Contributions	(31,407)	(31,407)	(31,407)
- Employer Normal Cost	\$95,956	\$80,925	\$68,068
- Projected Administrative Expenses	\$9,441	\$9,441	\$9,441
- Unfunded Actuarial Accrued Liability	\$283,883	\$221,176	\$161,683
Total Employer Contribution	\$389,280	\$311,542	\$239,194
Actuarial Value of Assets	\$6,112,957	\$6,112,957	\$6,112,957
Actuarial Accrued Liability	9,033,679	8,514,366	8,042,693
Unfunded Actuarial Accrued Liability	\$2,920,722	\$2,401,409	\$1,929,736
Funded Ratio	67.7%	71.8%	76.0%

Note: Numbers may not add due to rounding. All other assumptions are unchanged for purposes of this sensitivity analysis.





SECTION VII – RISK CONSIDERATIONS

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APPENDIX A – MEMBERSHIP DATA

MEMBER DATA RECONCILIATION

January 1, 2024 to January 1, 2025

The number of members included in the valuation, as summarized in the table below, is in accordance with the data submitted by the System for members of the valuation date.

	Active Members	Refund Payable	Deferred Vested	Benefit Recipients			Total
				Disabled Members	Retirees	Beneficiaries	
Participants as of January 1, 2024	10,108	2,478	3,658	440	11,398	2,029	30,111
New Participants	44	5	3	0	0	128	180
Return to Work	27	(20)	(7)	0	0	0	0
Terminations							
- Refunded	(115)	(335)	(71)	0	0	0	(521)
- Refund Payable	(330)	345	(15)	0	0	0	0
- Deferred Vested	(325)	0	325	0	0	0	0
Service Retirements							
- Annuity	(264)	0	(135)	0	399	0	0
- Lump Sum	(8)	0	(8)	0	0	0	(16)
Disabilities							
- Duty-Related	(3)	0	(2)	5	0	0	0
- Non Duty-Related	(3)	0	(3)	6	0	0	0
Deaths	(12)	(2)	(13)	(15)	(338)	(147)	(527)
Benefit Payments Stopped	0	0	0	0	0	(4)	(4)
Reached Service Retirement Conversion Age	0	0	0	(15)	15	0	0
Data Adjustments	0	0	0	0	0	0	0
Participants as of January 1, 2025	9,119	2,471	3,732	421	11,474	2,006	29,223

Notes: Duty disabled members who have reached their conversion age are included in the Retirees count.

Refund Payable counts include beneficiaries and estates that are owed a lump sum benefit as of January 1, 2025.



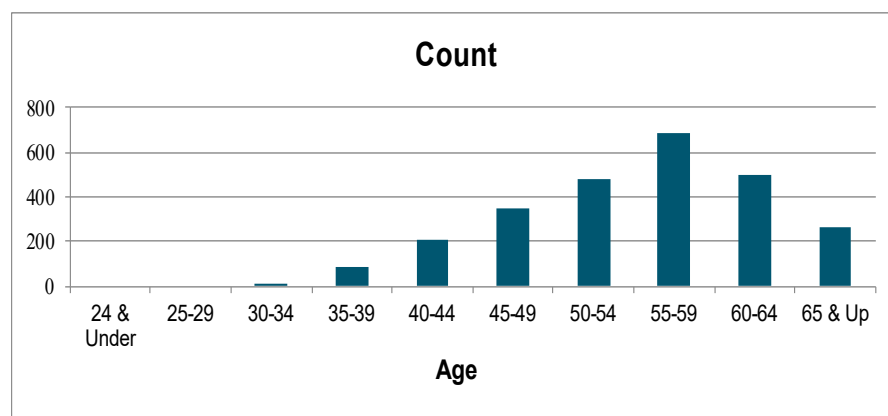
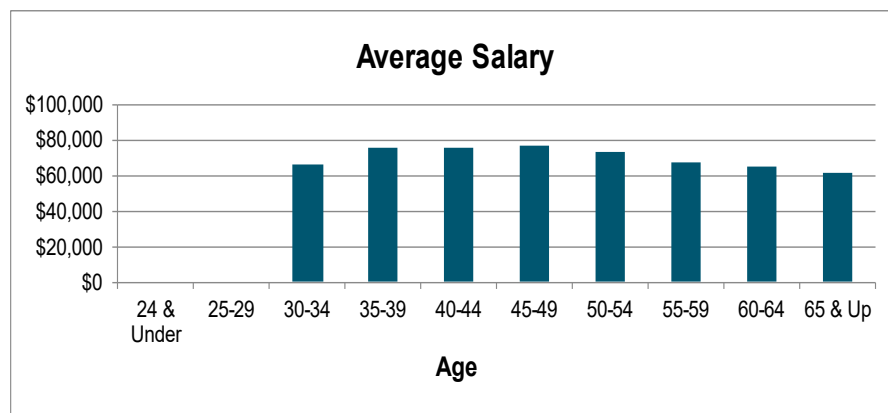


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Tier 1

Age	Count			Reported FY 2024 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	0	0	0	\$ 0	\$ 0	\$ 0
25-29	0	0	0	0	0	0
30-34	7	5	12	478,533	307,645	786,178
35-39	43	46	89	3,715,610	3,021,837	6,737,447
40-44	108	100	208	9,114,085	6,631,217	15,745,302
45-49	161	192	353	13,634,398	13,514,638	27,149,036
50-54	235	242	477	20,157,500	14,572,048	34,729,548
55-59	335	349	684	26,385,309	19,689,599	46,074,908
60-64	223	277	500	17,438,163	15,156,146	32,594,309
65 & Up	<u>116</u>	<u>149</u>	<u>265</u>	<u>9,309,678</u>	<u>7,008,274</u>	<u>16,317,952</u>
Total	1,228	1,360	2,588	\$ 100,233,276	\$ 79,901,404	\$ 180,134,680



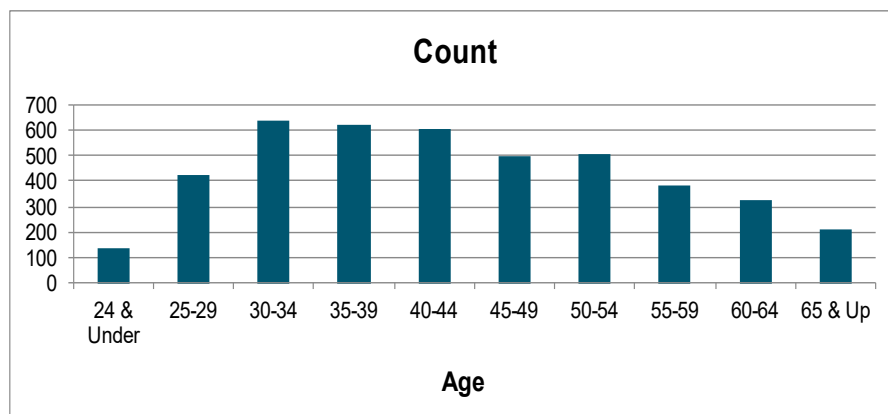
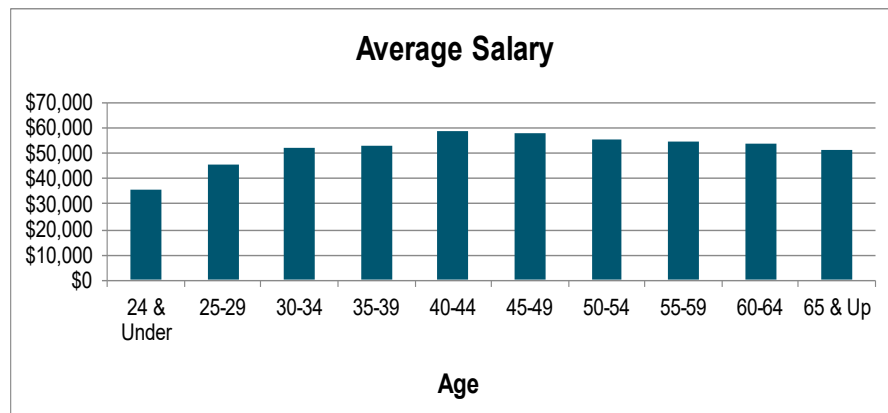


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Tier 2

	Count			Reported FY 2024 Earnings		
Age	Male	Female	Total	Male	Female	Total
24 & Under	54	80	134	\$ 2,224,289	\$ 2,544,713	\$ 4,769,002
25-29	189	233	422	9,091,750	10,215,865	19,307,615
30-34	263	377	640	15,847,949	17,187,783	33,035,732
35-39	244	374	618	15,276,335	17,531,411	32,807,746
40-44	263	343	606	18,299,995	17,428,576	35,728,571
45-49	202	298	500	13,693,299	15,017,251	28,710,550
50-54	221	286	507	13,922,596	14,064,353	27,986,949
55-59	167	217	384	10,860,150	9,920,208	20,780,358
60-64	159	171	330	10,159,927	7,621,344	17,781,271
65 & Up	<u>97</u>	<u>115</u>	<u>212</u>	<u>6,314,793</u>	<u>4,531,828</u>	<u>10,846,621</u>
Total	1,859	2,494	4,353	\$ 115,691,083	\$ 116,063,332	\$ 231,754,415



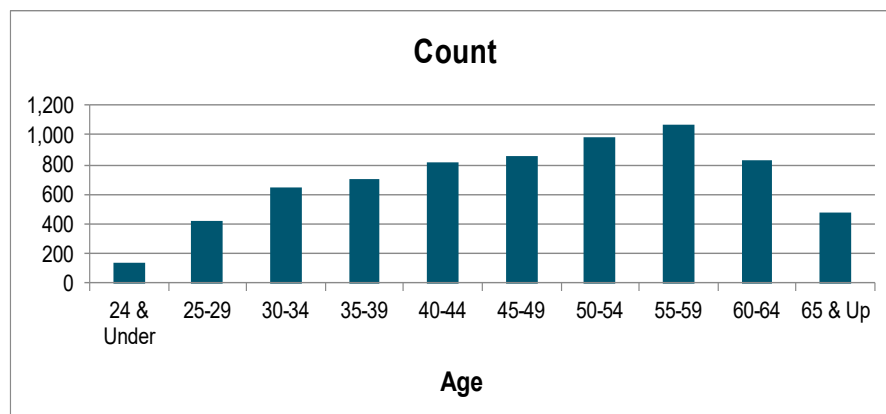
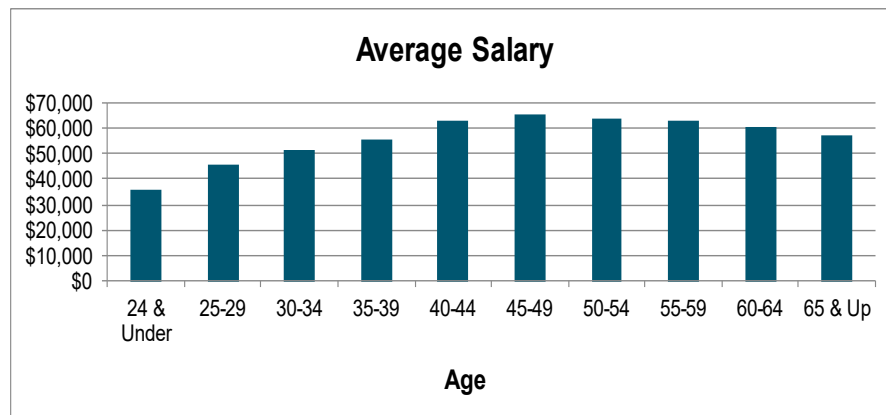


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Total

Age	Count			Reported FY 2024 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	54	80	134	\$ 2,224,289	\$ 2,544,713	\$ 4,769,002
25-29	189	233	422	9,091,750	10,215,865	19,307,615
30-34	270	382	652	16,326,482	17,495,428	33,821,910
35-39	287	420	707	18,991,945	20,553,248	39,545,193
40-44	371	443	814	27,414,080	24,059,793	51,473,873
45-49	363	490	853	27,327,697	28,531,889	55,859,586
50-54	456	528	984	34,080,096	28,636,401	62,716,497
55-59	502	566	1,068	37,245,459	29,609,807	66,855,266
60-64	382	448	830	27,598,090	22,777,490	50,375,580
65 & Up	<u>213</u>	<u>264</u>	<u>477</u>	<u>15,624,471</u>	<u>11,540,102</u>	<u>27,164,573</u>
Total	3,087	3,854	6,941	\$ 215,924,359	\$ 195,964,736	\$ 411,889,095



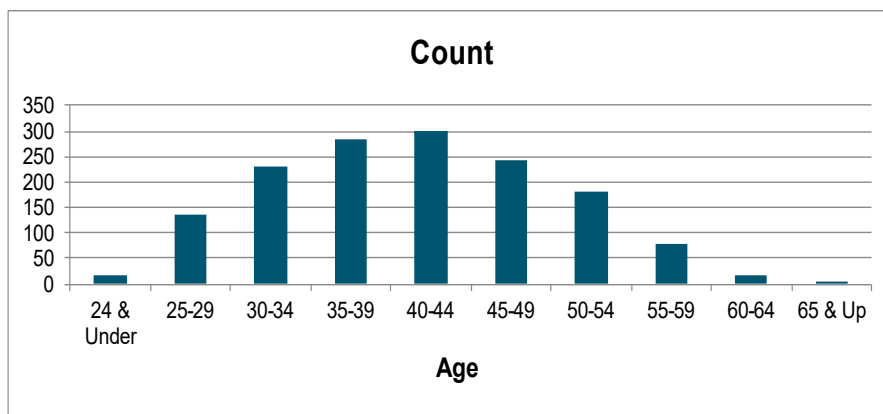
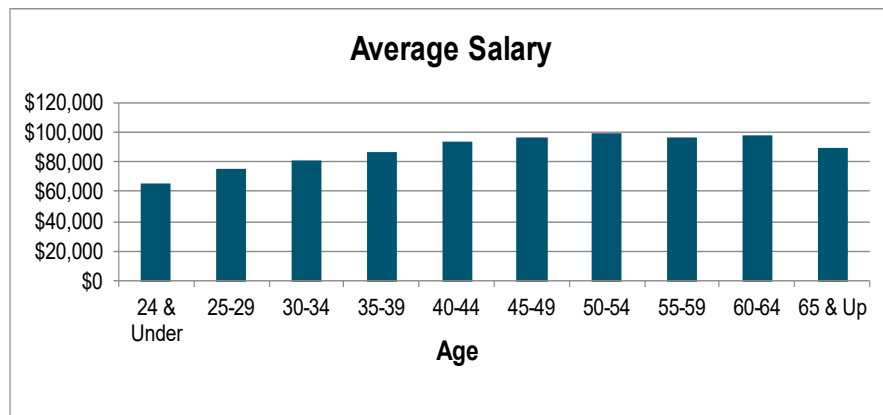


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Policemen

Age	Count			Reported FY 2024 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	13	5	18	\$ 840,335	\$ 346,789	\$ 1,187,124
25-29	110	27	137	8,279,162	2,013,496	10,292,658
30-34	193	38	231	15,678,638	3,116,176	18,794,814
35-39	243	42	285	21,094,335	3,764,278	24,858,613
40-44	255	44	299	23,858,512	4,331,298	28,189,810
45-49	202	42	244	19,478,134	4,074,626	23,552,760
50-54	163	20	183	16,032,267	2,018,489	18,050,756
55-59	66	13	79	6,335,443	1,241,588	7,577,031
60-64	14	4	18	1,341,234	420,923	1,762,157
65 & Up	<u>1</u>	<u>0</u>	<u>1</u>	<u>89,885</u>	<u>0</u>	<u>89,885</u>
Total	1,260	235	1,495	\$ 113,027,945	\$ 21,327,663	\$ 134,355,608



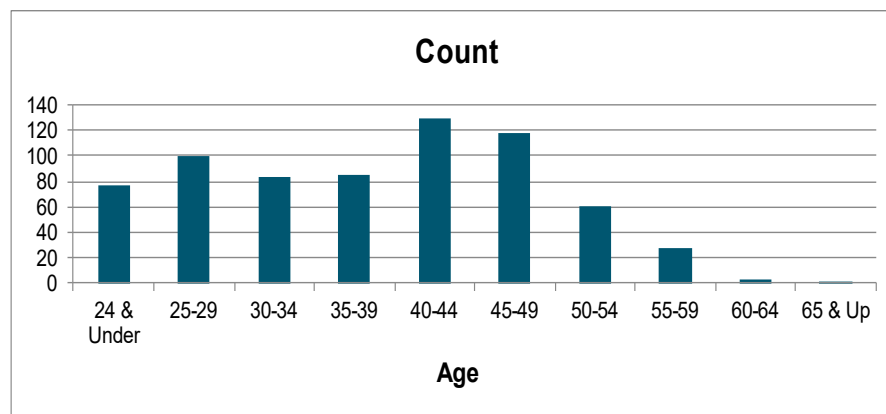
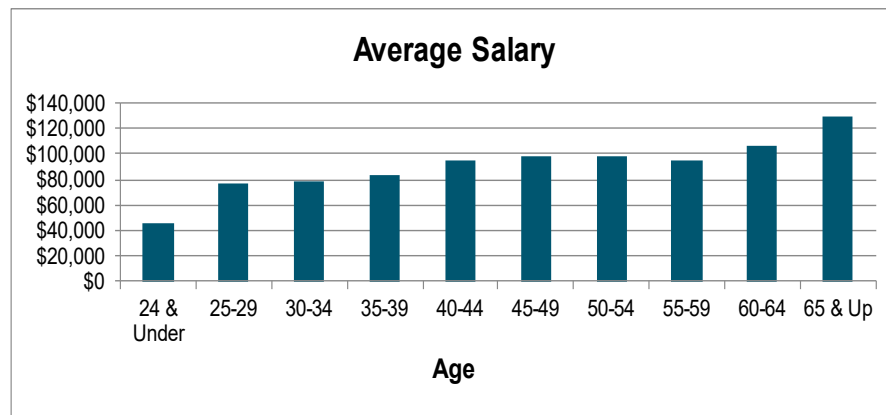


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Firemen

Age	Count			Reported FY 2024 Earnings		
	Male	Female	Total	Male	Female	Total
24 & Under	61	15	76	\$ 2,666,261	\$ 777,446	\$ 3,443,707
25-29	84	16	100	6,510,464	1,239,709	7,750,173
30-34	75	8	83	5,811,877	664,495	6,476,372
35-39	80	5	85	6,684,060	414,683	7,098,743
40-44	124	6	130	11,688,808	545,254	12,234,062
45-49	115	3	118	11,263,625	299,514	11,563,139
50-54	60	0	60	5,911,948	0	5,911,948
55-59	26	1	27	2,473,711	107,357	2,581,068
60-64	3	0	3	317,705	0	317,705
65 & Up	<u>1</u>	<u>0</u>	<u>1</u>	<u>129,362</u>	<u>0</u>	<u>129,362</u>
Total	629	54	683	\$ 53,457,821	\$ 4,048,458	\$ 57,506,279





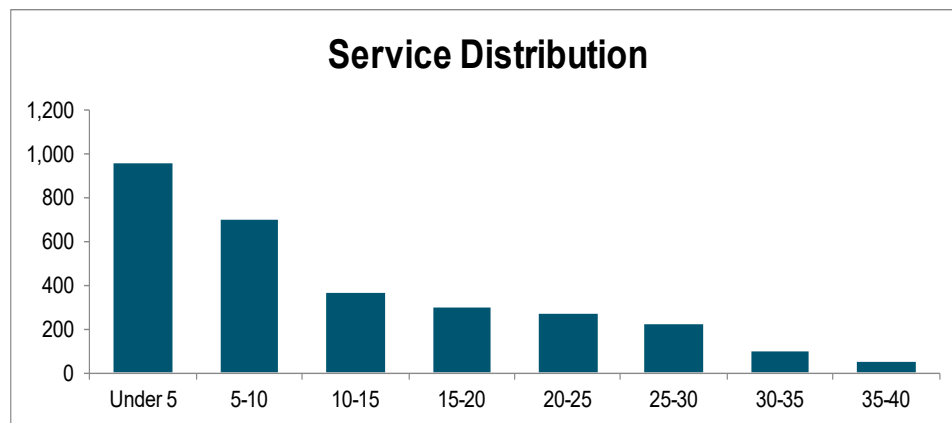
APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General City*

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	36	0	0	0	0	0	0	0	36
25-29	140	19	0	0	0	0	0	0	159
30-34	175	81	9	0	0	0	0	0	265
35-39	133	98	49	9	0	0	0	0	289
40-44	125	129	71	43	17	1	0	0	386
45-49	112	94	70	65	51	12	0	0	404
50-54	98	106	46	56	70	72	13	0	461
55-59	75	66	53	57	73	83	36	6	449
60-64	43	67	43	45	42	44	28	24	336
65 & Up	20	40	22	21	13	8	18	18	160
Total	957	700	363	296	266	220	95	48	2,945

* Includes Elected Officials, General Employees of the City of Milwaukee, and Redevelopment Authority



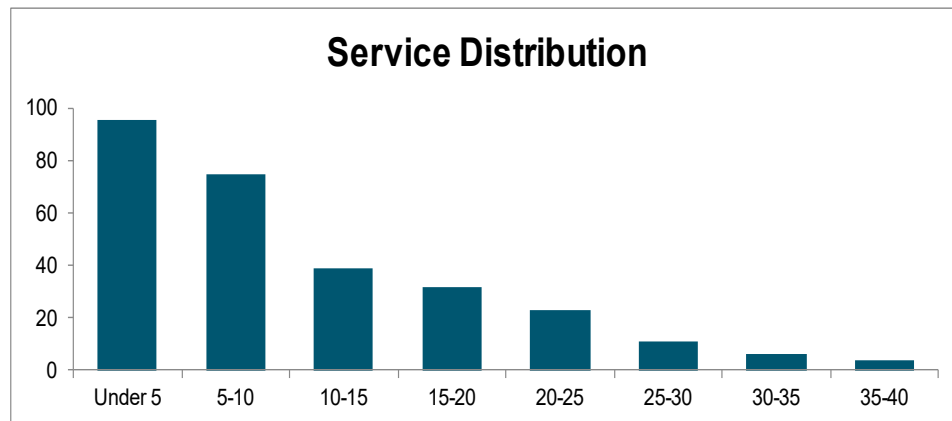


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Water Department

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	2	0	0	0	0	0	0	0	2
25-29	14	2	0	0	0	0	0	0	16
30-34	24	13	0	0	0	0	0	0	37
35-39	11	9	3	0	0	0	0	0	23
40-44	12	13	7	4	3	0	0	0	39
45-49	7	7	5	9	4	1	0	0	33
50-54	12	13	7	8	4	2	0	0	46
55-59	6	9	10	5	7	6	5	0	48
60-64	4	5	7	4	5	1	1	2	29
65 & Up	3	4	0	2	0	1	0	2	12
Total	95	75	39	32	23	11	6	4	285



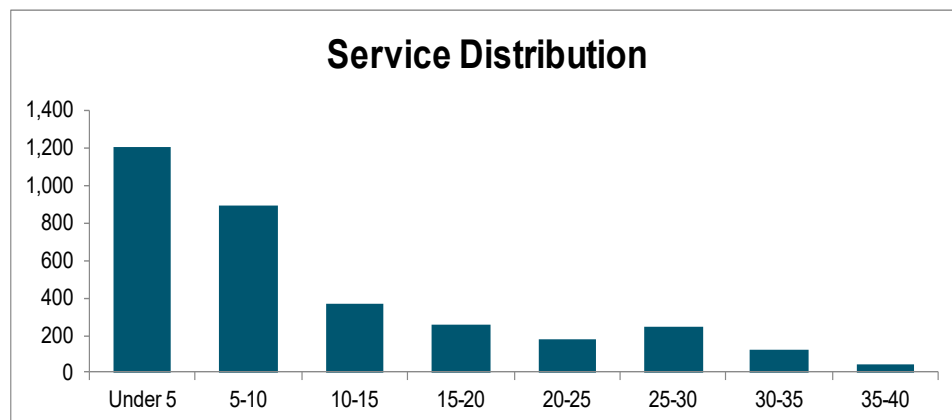


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

School Board

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	87	1	0	0	0	0	0	0	88
25-29	187	33	0	0	0	0	0	0	220
30-34	186	108	11	0	0	0	0	0	305
35-39	170	132	41	4	0	0	0	0	347
40-44	138	120	52	22	6	0	0	0	338
45-49	111	117	54	45	16	19	0	0	362
50-54	114	111	54	51	39	46	13	0	428
55-59	86	111	63	61	67	81	36	14	519
60-64	82	91	56	42	31	62	49	14	427
65 & Up	45	62	40	28	24	33	20	17	269
Total	1,206	886	371	253	183	241	118	45	3,303



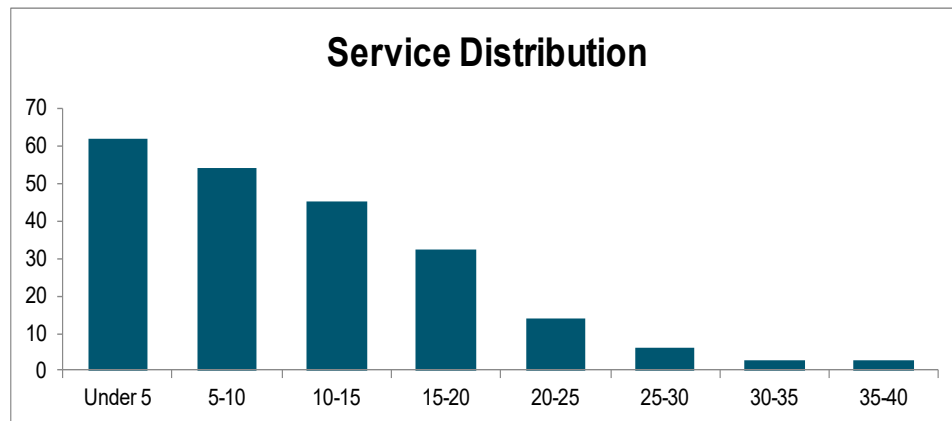


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Sewerage Commission

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	3	0	0	0	0	0	0	0	3
25-29	10	1	0	0	0	0	0	0	11
30-34	17	10	4	0	0	0	0	0	31
35-39	10	13	10	0	0	0	0	0	33
40-44	4	10	11	4	0	0	0	0	29
45-49	7	4	9	7	3	0	0	0	30
50-54	5	6	6	9	3	0	0	0	29
55-59	2	4	4	4	3	3	0	1	21
60-64	3	2	1	5	3	1	2	1	18
65 & Up	1	4	0	3	2	2	1	1	14
Total	62	54	45	32	14	6	3	3	219



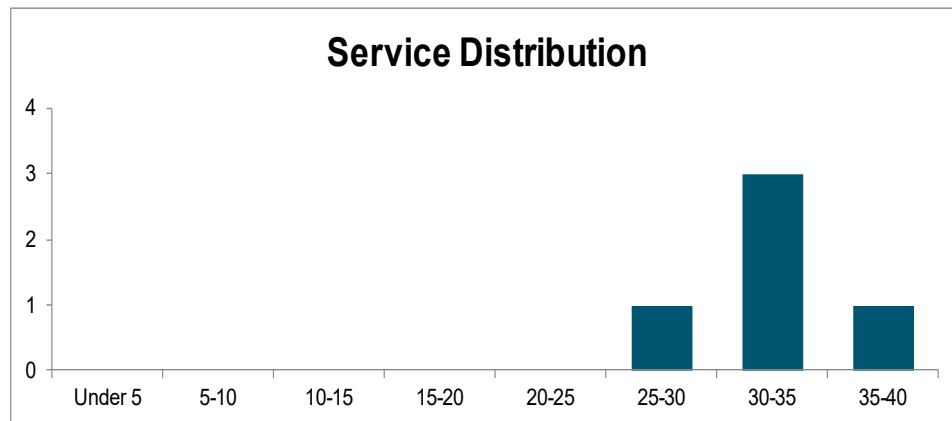


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Veolia

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	1	0	0	1
60-64	0	0	0	0	0	0	2	0	2
65 & Up	0	0	0	0	0	0	1	1	2
Total	0	0	0	0	0	1	3	1	5



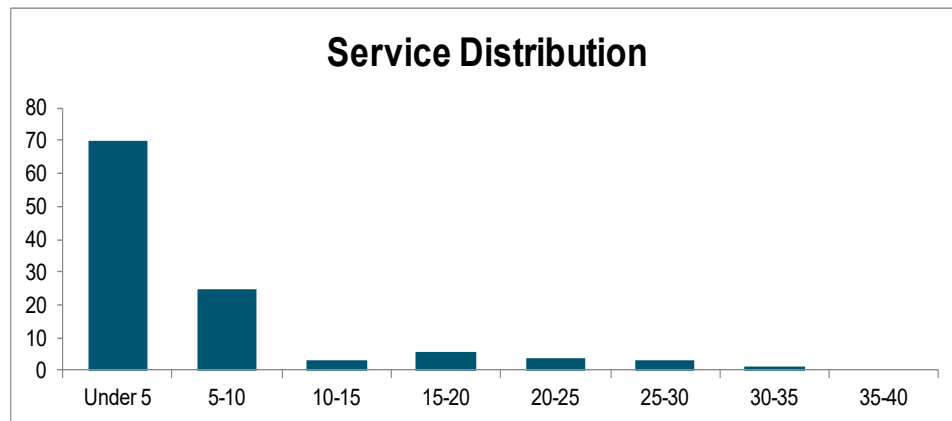


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Wisconsin District Center

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	5	0	0	0	0	0	0	0	5
25-29	11	3	0	0	0	0	0	0	14
30-34	11	1	0	0	0	0	0	0	12
35-39	7	4	0	0	0	0	0	0	11
40-44	10	1	0	2	0	0	0	0	13
45-49	5	2	2	1	2	0	0	0	12
50-54	6	5	0	0	0	2	0	0	13
55-59	5	3	0	1	0	1	1	0	11
60-64	3	4	0	1	1	0	0	0	9
65 & Up	7	2	1	1	1	0	0	0	12
Total	70	25	3	6	4	3	1	0	112



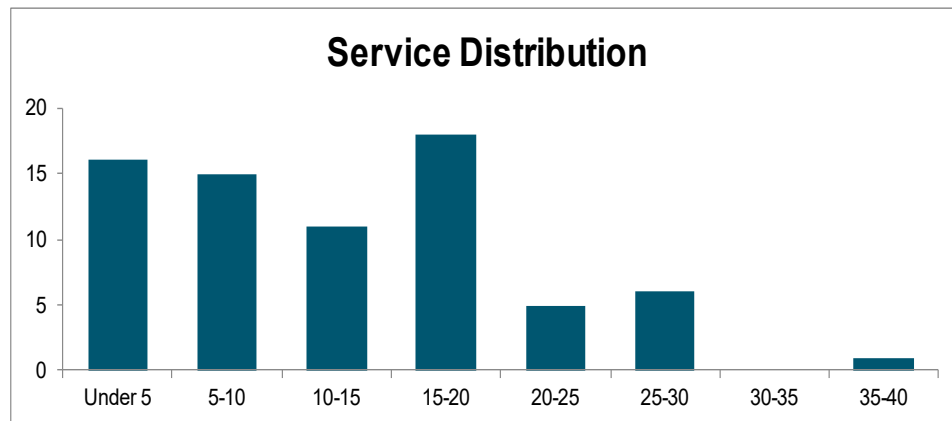


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Housing Authority

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	2	0	0	0	0	0	0	0	2
30-34	1	0	1	0	0	0	0	0	2
35-39	2	1	0	1	0	0	0	0	4
40-44	3	4	2	0	0	0	0	0	9
45-49	1	4	2	5	0	0	0	0	12
50-54	1	3	1	1	1	0	0	0	7
55-59	2	1	2	6	4	3	0	1	19
60-64	1	1	2	3	0	2	0	0	9
65 & Up	3	1	1	2	0	1	0	0	8
Total	16	15	11	18	5	6	0	1	72



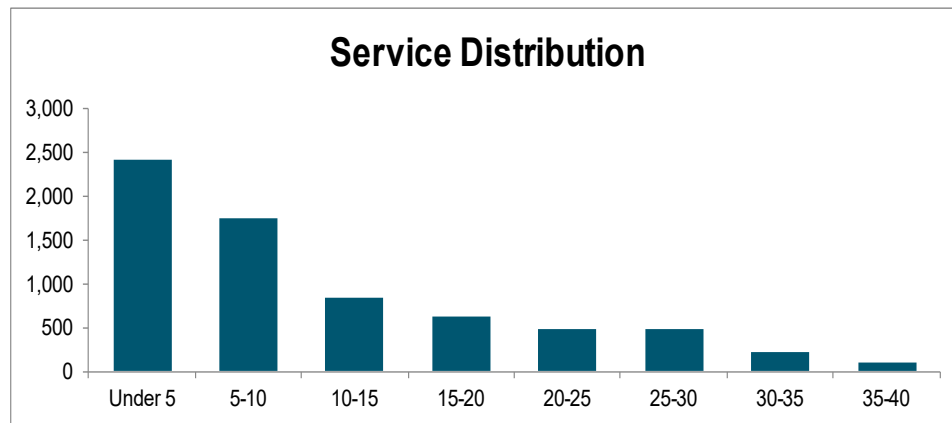


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Total

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	133	1	0	0	0	0	0	0	134
25-29	364	58	0	0	0	0	0	0	422
30-34	414	213	25	0	0	0	0	0	652
35-39	333	257	103	14	0	0	0	0	707
40-44	292	277	143	75	26	1	0	0	814
45-49	243	228	142	132	76	32	0	0	853
50-54	236	244	114	125	117	122	26	0	984
55-59	176	194	132	134	154	178	78	22	1,068
60-64	136	170	109	100	82	110	82	41	830
65 & Up	79	113	64	57	40	45	40	39	477
Total	2,406	1,755	832	637	495	488	226	102	6,941



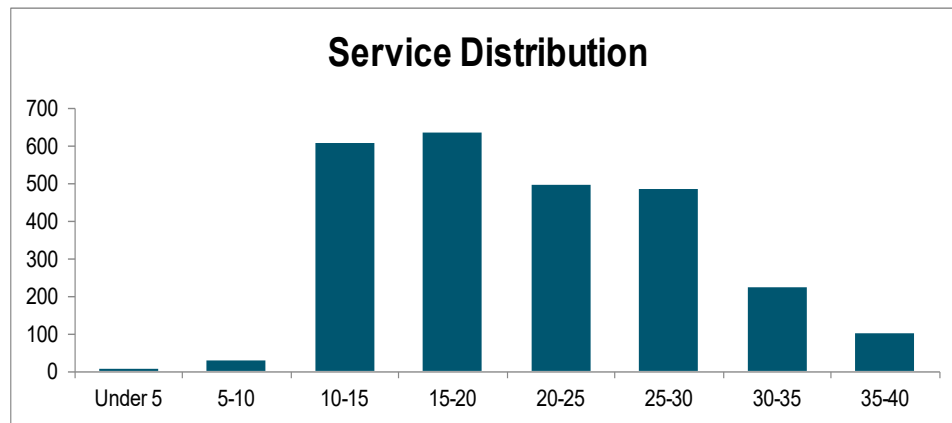


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Tier 1

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	1	11	0	0	0	0	0	12
35-39	0	6	69	14	0	0	0	0	89
40-44	0	7	99	75	26	1	0	0	208
45-49	1	4	108	132	76	32	0	0	353
50-54	0	4	83	125	117	122	26	0	477
55-59	0	7	111	134	154	178	78	22	684
60-64	1	1	83	100	82	110	82	41	500
65 & Up	0	2	42	57	40	45	40	39	265
Total	2	32	606	637	495	488	226	102	2,588



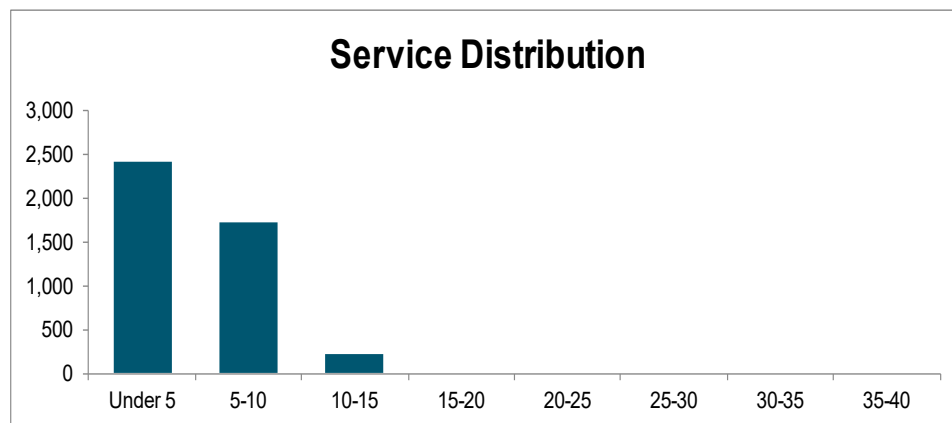


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

General Employees – Tier 2

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	133	1	0	0	0	0	0	0	134
25-29	364	58	0	0	0	0	0	0	422
30-34	414	212	14	0	0	0	0	0	640
35-39	333	251	34	0	0	0	0	0	618
40-44	292	270	44	0	0	0	0	0	606
45-49	242	224	34	0	0	0	0	0	500
50-54	236	240	31	0	0	0	0	0	507
55-59	176	187	21	0	0	0	0	0	384
60-64	135	169	26	0	0	0	0	0	330
65 & Up	79	111	22	0	0	0	0	0	212
Total	2,404	1,723	226	0	0	0	0	0	4,353



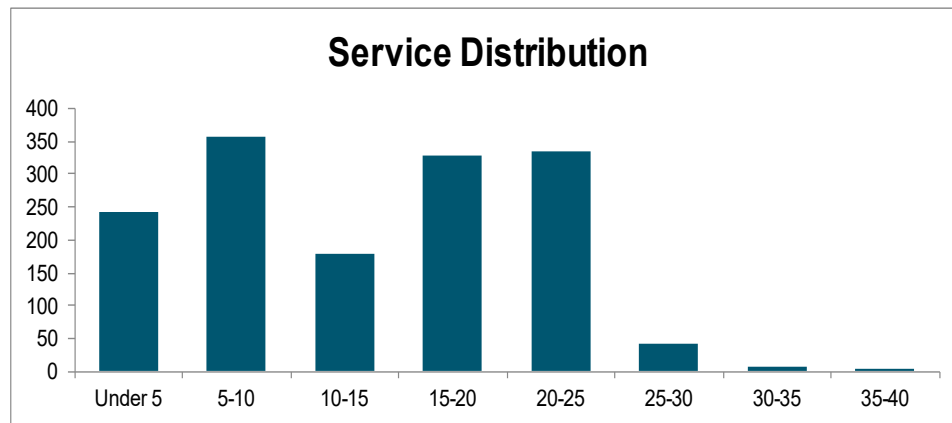


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Policemen

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	18	0	0	0	0	0	0	0	18
25-29	90	47	0	0	0	0	0	0	137
30-34	66	123	32	10	0	0	0	0	231
35-39	46	98	69	67	5	0	0	0	285
40-44	16	52	54	116	57	4	0	0	299
45-49	4	26	15	80	111	8	0	0	244
50-54	3	9	7	38	105	20	0	1	183
55-59	1	1	2	14	44	10	7	0	79
60-64	0	2	1	2	12	1	0	0	18
65 & Up	0	0	0	0	0	0	0	1	1
Total	244	358	180	327	334	43	7	2	1,495



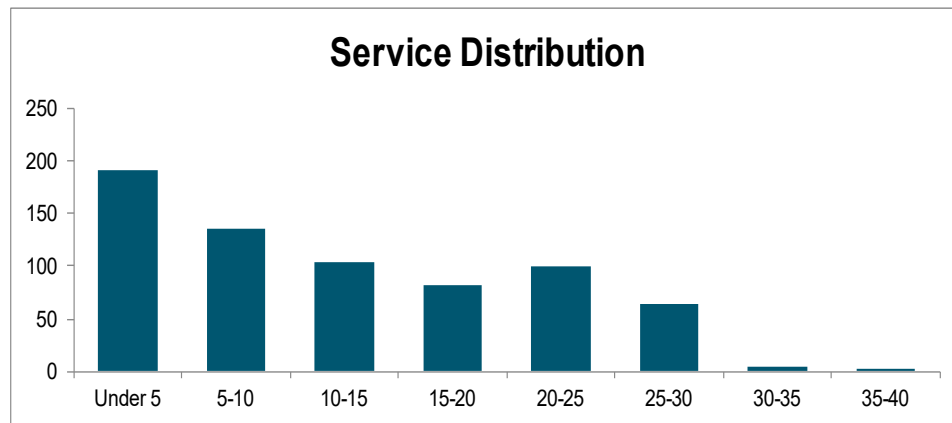


APPENDIX A – MEMBERSHIP DATA

DISTRIBUTION OF ACTIVE MEMBERS AS OF JANUARY 1, 2025

Firemen

Age	Service								Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	
24 & Under	76	0	0	0	0	0	0	0	76
25-29	42	58	0	0	0	0	0	0	100
30-34	34	41	8	0	0	0	0	0	83
35-39	23	18	22	11	11	0	0	0	85
40-44	8	9	44	28	35	6	0	0	130
45-49	5	7	21	22	21	42	0	0	118
50-54	2	2	7	13	24	11	1	0	60
55-59	1	1	2	7	8	4	4	0	27
60-64	0	0	0	1	0	2	0	0	3
65 & Up	0	0	0	0	0	0	0	1	1
Total	191	136	104	82	99	65	5	1	683



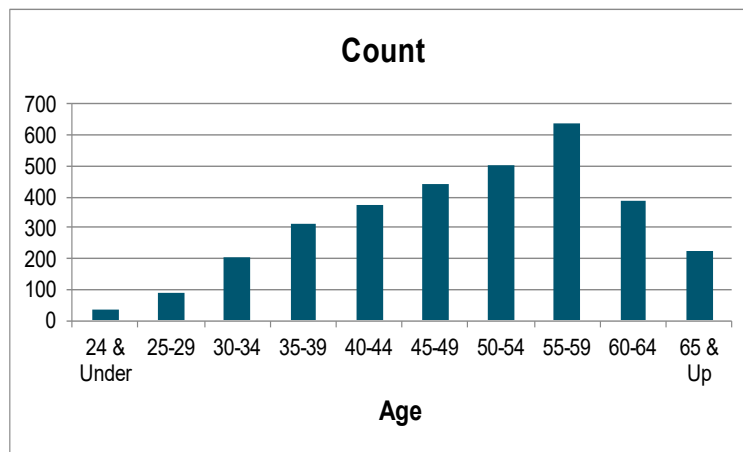
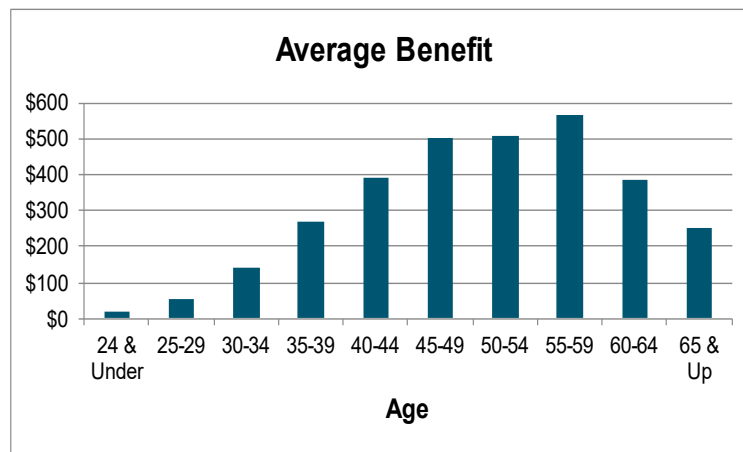


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2025

General Employees

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	14	23	37	\$ 310	\$ 338	\$ 648
25-29	42	49	91	2,520	2,235	4,755
30-34	76	129	205	10,848	18,004	28,852
35-39	116	196	312	30,304	53,723	84,027
40-44	150	222	372	72,850	73,468	146,318
45-49	167	273	440	94,803	126,950	221,753
50-54	215	289	504	134,405	122,750	257,155
55-59	258	379	637	162,644	197,736	360,380
60-64	147	239	386	56,869	90,853	147,722
65 & Up	<u>92</u>	<u>132</u>	<u>224</u>	<u>27,118</u>	<u>29,960</u>	<u>57,078</u>
Total	1,277	1,931	3,208	\$ 592,671	\$ 716,017	\$ 1,308,688



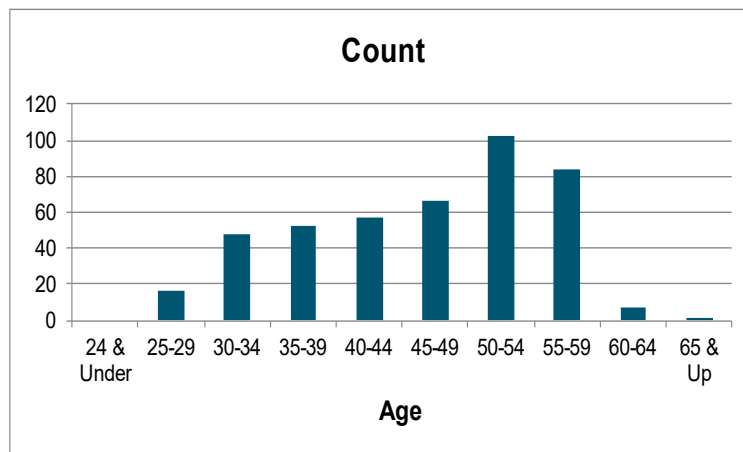
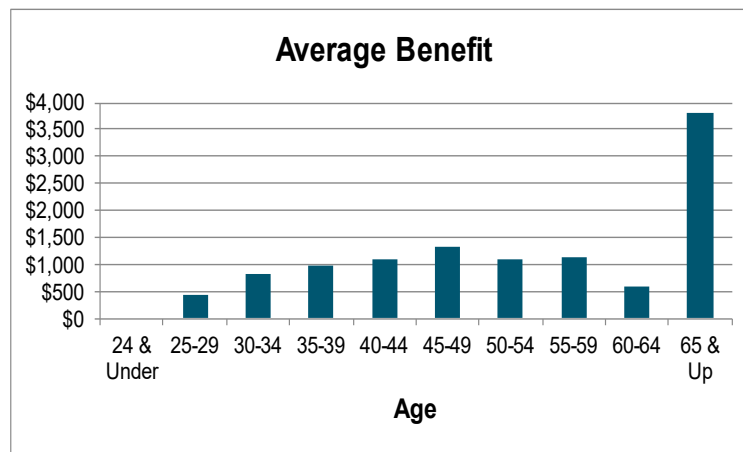


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2025

Policemen

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	0	0	0	\$ 0	\$ 0	\$ 0
25-29	11	5	16	4,580	2,177	6,757
30-34	39	9	48	34,322	5,637	39,959
35-39	42	11	53	43,087	9,969	53,056
40-44	45	12	57	56,840	5,902	62,742
45-49	49	17	66	66,284	21,807	88,091
50-54	73	29	102	88,316	23,880	112,196
55-59	64	20	84	72,435	24,754	97,189
60-64	6	1	7	2,967	1,283	4,250
65 & Up	<u>1</u>	<u>0</u>	<u>1</u>	<u>3,795</u>	<u>0</u>	<u>3,795</u>
Total	330	104	434	\$ 372,626	\$ 95,409	\$ 468,035



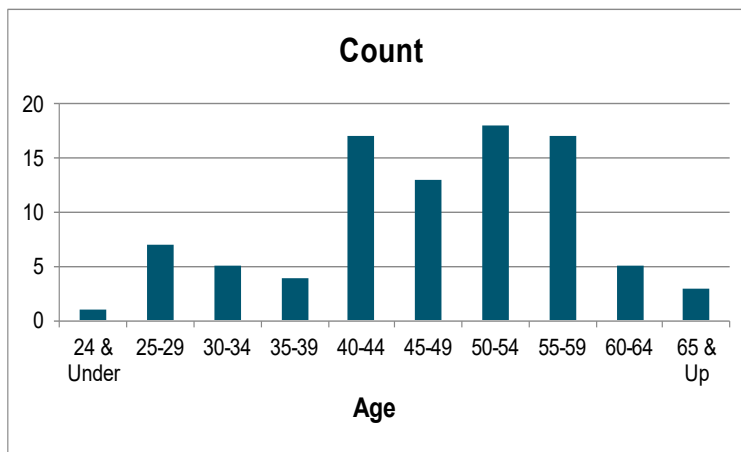
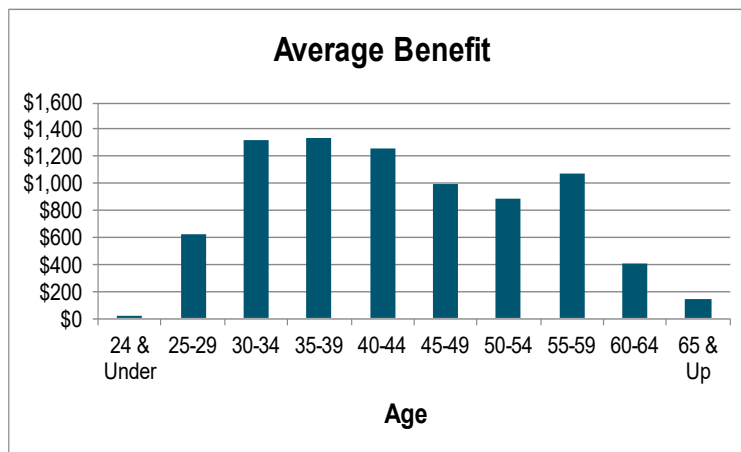


APPENDIX A – MEMBERSHIP DATA

SUMMARY OF INACTIVE VESTED MEMBERS AS OF JANUARY 1, 2025

Firemen

Age	Count			Estimated Monthly Benefits		
	Male	Female	Total	Male	Female	Total
24 & Under	1	0	1	\$ 4	\$ 0	\$ 4
25-29	6	1	7	3,719	704	4,423
30-34	5	0	5	6,578	0	6,578
35-39	4	0	4	5,356	0	5,356
40-44	16	1	17	21,511	9	21,520
45-49	13	0	13	12,902	0	12,902
50-54	16	2	18	15,945	31	15,976
55-59	16	1	17	17,446	906	18,352
60-64	5	0	5	2,016	0	2,016
65 & Up	<u>3</u>	<u>0</u>	<u>3</u>	<u>441</u>	<u>0</u>	<u>441</u>
Total	85	5	90	\$ 85,918	\$ 1,650	\$ 87,568





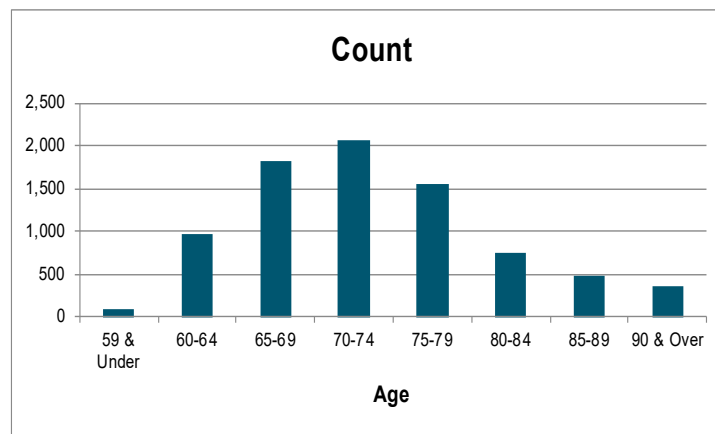
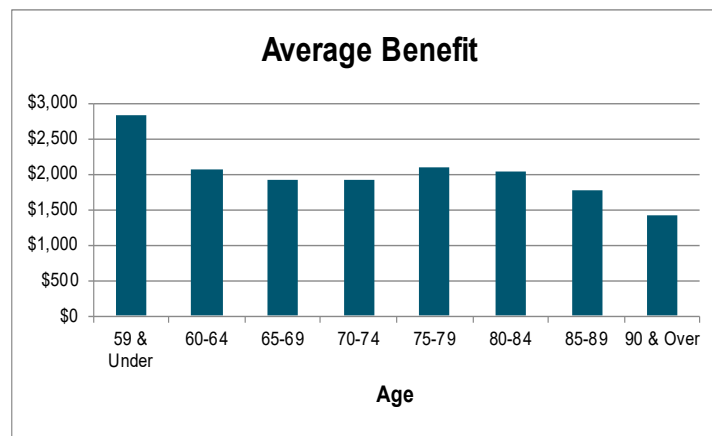
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2025

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	57	45	102	\$ 182,151	\$ 105,231	\$ 287,382
60-64	426	533	959	1,050,725	938,340	1,989,065
65-69	868	954	1,822	2,048,903	1,431,297	3,480,200
70-74	962	1,105	2,067	2,296,944	1,655,750	3,952,694
75-79	775	773	1,548	2,107,282	1,155,510	3,262,792
80-84	333	420	753	968,173	558,050	1,526,223
85-89	204	287	491	550,604	313,039	863,643
90 & Over	<u>128</u>	<u>243</u>	<u>371</u>	<u>329,440</u>	<u>192,519</u>	<u>521,959</u>
Total	3,753	4,360	8,113	\$ 9,534,222	\$ 6,349,736	\$ 15,883,958

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





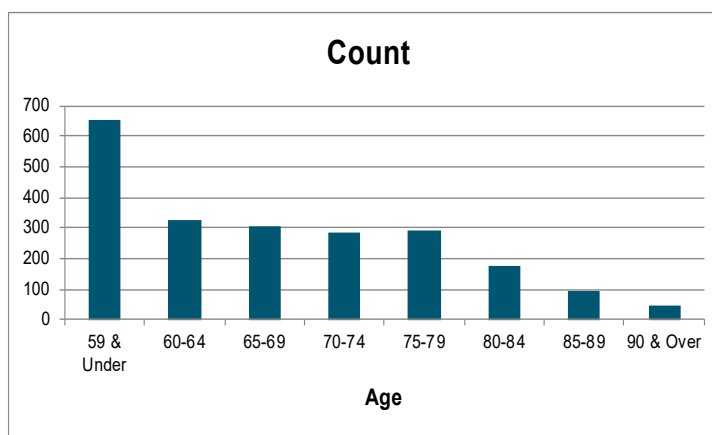
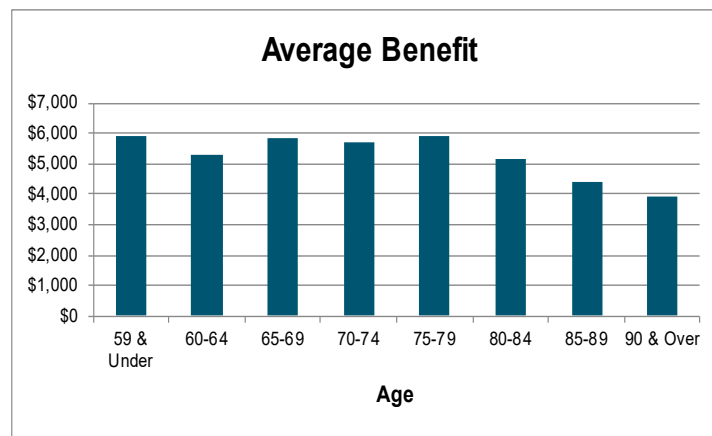
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2025

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	520	136	656	\$ 3,072,170	\$ 818,153	\$ 3,890,323
60-64	273	50	323	1,453,505	264,344	1,717,849
65-69	242	62	304	1,419,028	347,519	1,766,547
70-74	250	35	285	1,434,603	197,122	1,631,725
75-79	276	19	295	1,651,064	95,304	1,746,368
80-84	176	0	176	909,680	0	909,680
85-89	93	1	94	412,034	4,229	416,263
90 & Over	<u>48</u>	<u>1</u>	<u>49</u>	<u>188,527</u>	<u>3,117</u>	<u>191,644</u>
Total	1,878	304	2,182	\$ 10,540,611	\$ 1,729,788	\$ 12,270,399

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





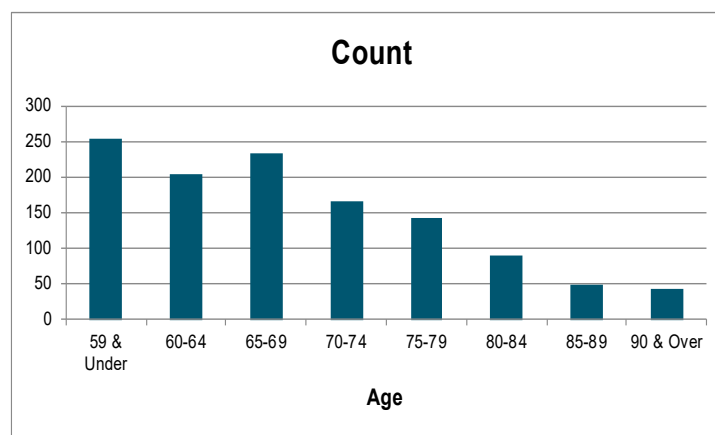
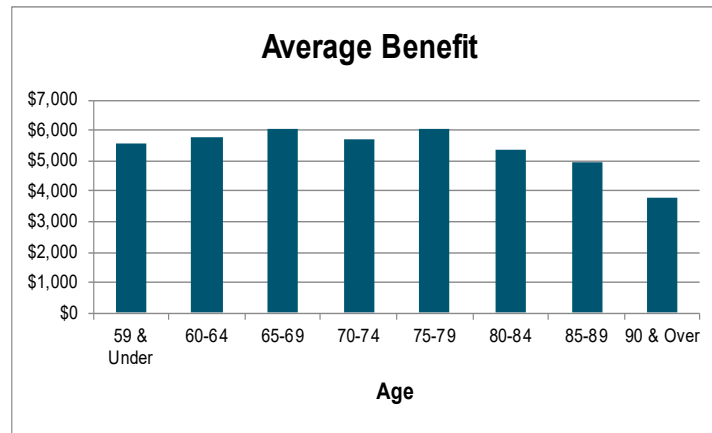
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF RETIRED MEMBERS AS OF JANUARY 1, 2025

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	241	13	254	\$ 1,334,315	\$ 79,640	\$ 1,413,955
60-64	187	17	204	1,083,951	96,515	1,180,466
65-69	214	18	232	1,305,378	98,455	1,403,833
70-74	162	4	166	927,523	16,433	943,956
75-79	141	2	143	855,739	10,939	866,678
80-84	90	0	90	483,428	0	483,428
85-89	48	0	48	236,312	0	236,312
90 & Over	41	1	42	154,411	4,333	158,744
Total	1,124	55	1,179	\$ 6,381,057	\$ 306,315	\$ 6,687,372

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





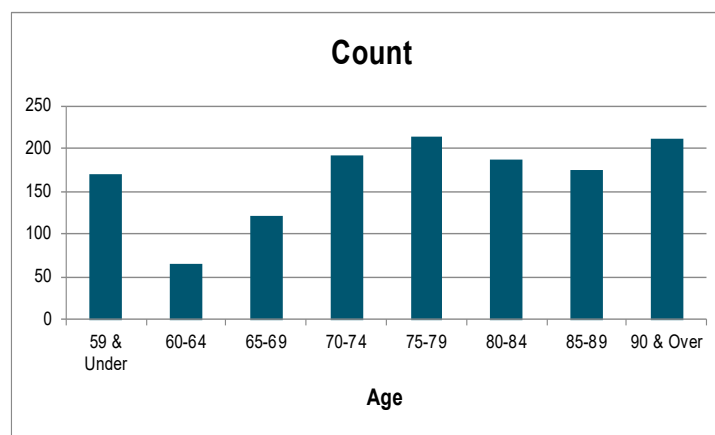
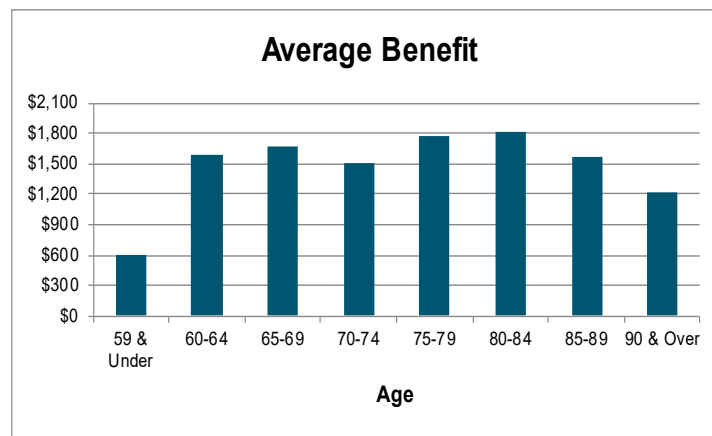
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2025

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	68	102	170	\$ 37,018	\$ 65,191	\$ 102,209
60-64	9	57	66	4,317	100,508	104,825
65-69	29	93	122	32,174	171,144	203,318
70-74	25	166	191	20,995	267,837	288,832
75-79	38	176	214	36,560	342,640	379,200
80-84	25	161	186	22,487	315,047	337,534
85-89	13	163	176	13,349	263,014	276,363
90 & Over	<u>22</u>	<u>189</u>	<u>211</u>	<u>12,248</u>	<u>243,771</u>	<u>256,019</u>
Total	229	1,107	1,336	\$ 179,148	\$ 1,769,152	\$ 1,948,300

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





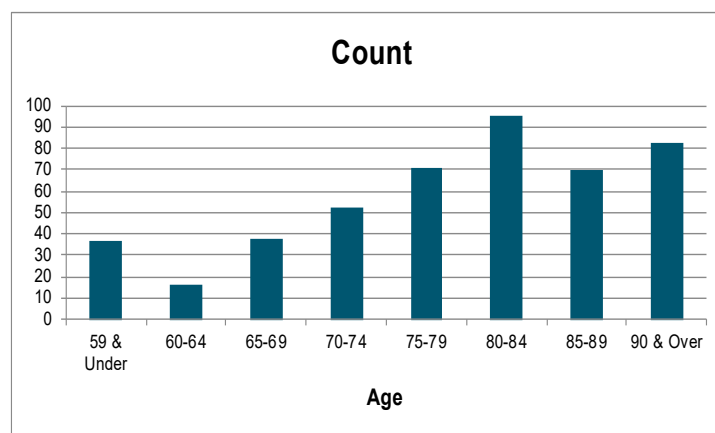
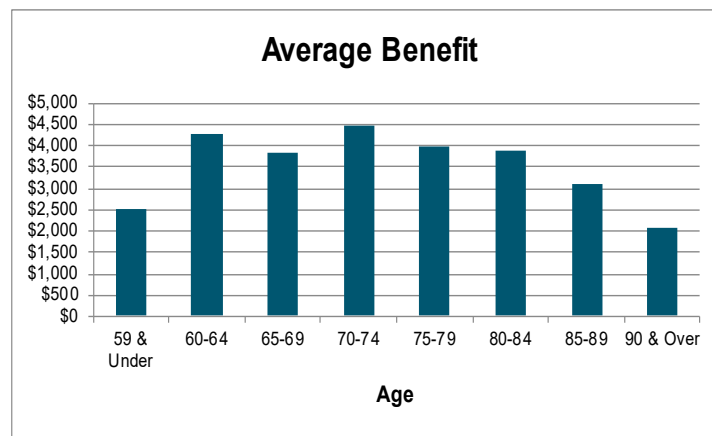
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2025

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	6	31	37	\$ 8,017	\$ 84,437	\$ 92,454
60-64	1	15	16	2,483	65,543	68,026
65-69	3	35	38	4,804	140,105	144,909
70-74	2	50	52	5,699	226,234	231,933
75-79	1	70	71	1,193	280,989	282,182
80-84	1	94	95	4,116	366,312	370,428
85-89	0	70	70	0	215,409	215,409
90 & Over	<u>1</u>	<u>82</u>	<u>83</u>	<u>1,165</u>	<u>172,279</u>	<u>173,444</u>
Total	15	447	462	\$ 27,477	\$ 1,551,308	\$ 1,578,785

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





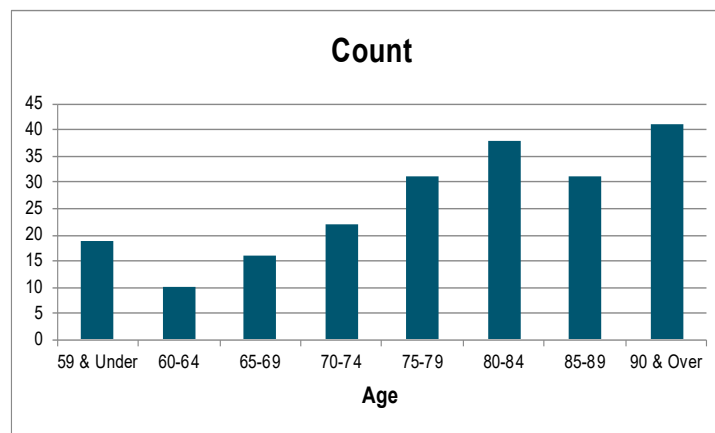
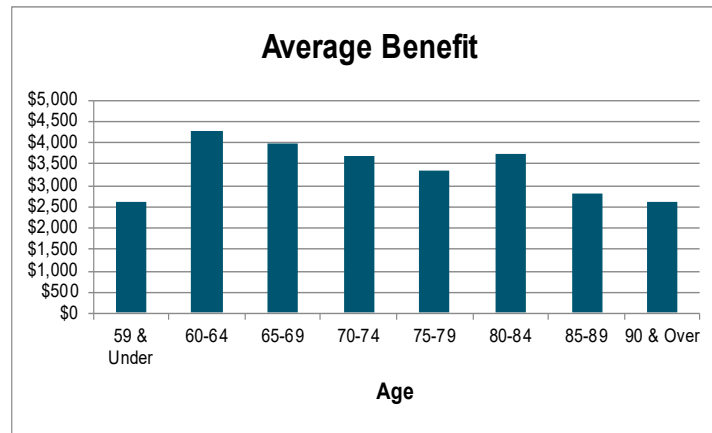
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF BENEFICIARIES AS OF JANUARY 1, 2025

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
59 & Under	7	12	19	\$ 8,277	\$ 41,643	\$ 49,920
60-64	1	9	10	1,995	40,902	42,897
65-69	0	16	16	0	63,829	63,829
70-74	0	22	22	0	81,273	81,273
75-79	0	31	31	0	104,272	104,272
80-84	0	38	38	0	141,874	141,874
85-89	0	31	31	0	87,599	87,599
90 & Over	0	41	41	0	107,564	107,564
Total	8	200	208	\$ 10,272	\$ 668,956	\$ 679,228

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





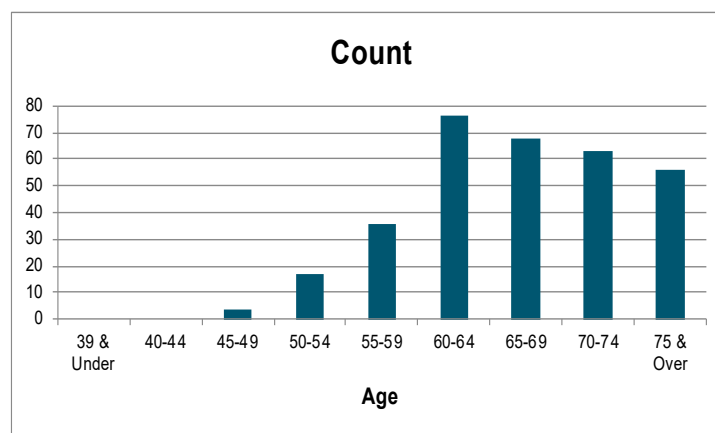
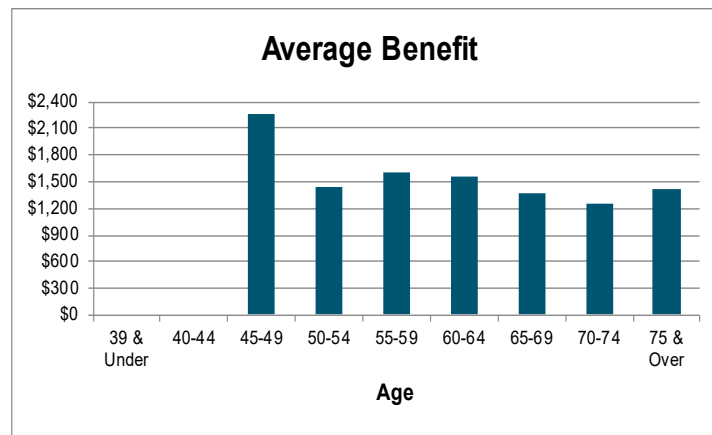
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2025

General Employees

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	0	0	0	\$ 0	\$ 0	\$ 0
40-44	0	0	0	0	0	0
45-49	2	2	4	3,949	5,094	9,043
50-54	10	7	17	14,579	9,770	24,349
55-59	15	21	36	31,479	25,900	57,379
60-64	38	38	76	74,012	45,019	119,031
65-69	28	40	68	54,030	39,239	93,269
70-74	27	36	63	37,524	41,169	78,693
75 & Over	<u>30</u>	<u>26</u>	<u>56</u>	<u>53,474</u>	<u>25,914</u>	<u>79,388</u>
Total	150	170	320	\$ 269,047	\$ 192,105	\$ 461,152

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





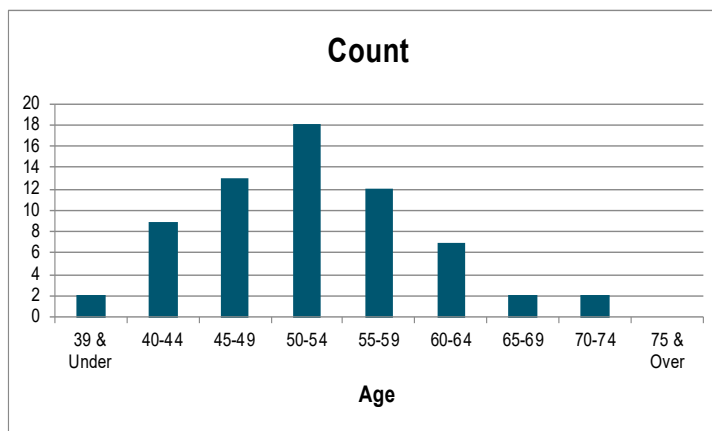
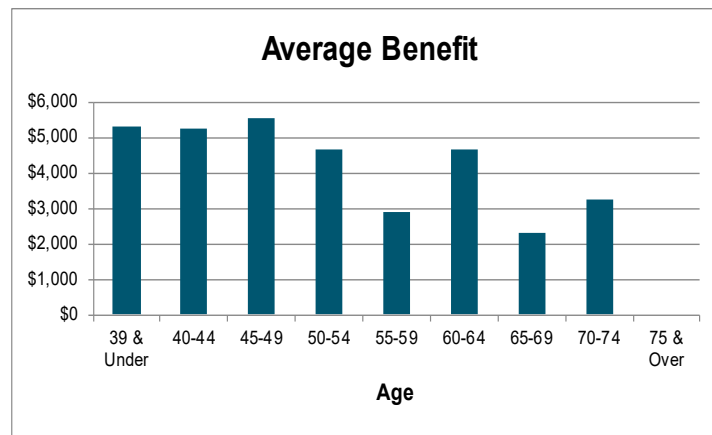
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2025

Policemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	2	0	2	\$ 10,547	\$ 0	\$ 10,547
40-44	6	3	9	33,589	13,566	47,155
45-49	11	2	13	60,774	11,287	72,061
50-54	11	7	18	48,853	34,997	83,850
55-59	9	3	12	24,009	10,643	34,652
60-64	3	4	7	12,795	19,734	32,529
65-69	0	2	2	0	4,661	4,661
70-74	2	0	2	6,484	0	6,484
75 & Over	0	0	0	0	0	0
Total	44	21	65	\$ 197,051	\$ 94,888	\$ 291,939

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





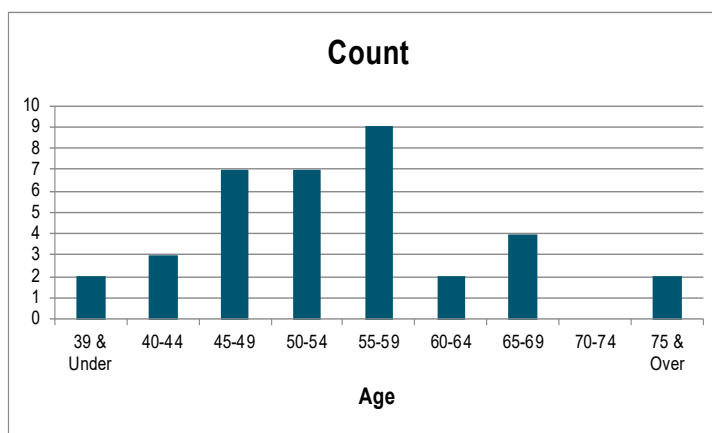
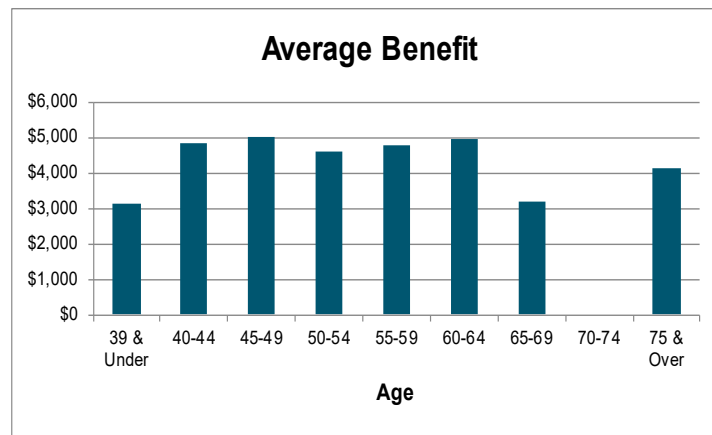
APPENDIX A – MEMBERSHIP DATA

SUMMARY OF DISABLED MEMBERS AS OF JANUARY 1, 2025

Firemen

Age	Count			Monthly Benefits		
	Male	Female	Total	Male	Female	Total
39 & Under	2	0	2	\$ 6,222	\$ 0	\$ 6,222
40-44	3	0	3	14,536	0	14,536
45-49	7	0	7	34,929	0	34,929
50-54	7	0	7	32,149	0	32,149
55-59	9	0	9	42,875	0	42,875
60-64	2	0	2	9,910	0	9,910
65-69	2	2	4	6,607	6,079	12,686
70-74	0	0	0	0	0	0
75 & Over	<u>2</u>	<u>0</u>	<u>2</u>	<u>8,213</u>	<u>0</u>	<u>8,213</u>
Total	34	2	36	\$ 155,441	\$ 6,079	\$ 161,520

Note: The counts shown are for members who are receiving benefits as of January 1, 2025. Benefit amounts are the full December monthly payment and have been reduced for any workers' compensation offsets.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

A summary of the main benefit provisions of the Retirement System and of the sources of revenue from which benefits are paid is presented in the following digest. Items in parentheses in the text are the provisions applicable to law enforcement officers.

Eligibility for Membership

Membership is optional for all Employees that were in service as of January 1, 1938. Individuals employed prior to January 1, 2024 are automatically members as a condition of employment. Membership is optional for public officials elected prior to January 1, 2024. Note that unless specifically stated, elected officials follow the same rules as General Employees.

Additionally, effective January 1, 2014, there are two tiers of benefits. Tier 1 is for General Employees enrolled prior to January 1, 2014, and all Fire and Police Employees. Tier 2 is for General Employees enrolled on or after January 1, 2014.

As a result of 2023 Wisconsin Act 12, employees hired on or after January 1, 2024 are not eligible to participate in ERS.

Participation in the Combined Fund

On January 19, 2001 the Combined Fund was created and was retroactive to January 1, 2000. Individuals who participate in the Combined Fund may be eligible for certain benefit enhancements which are described in this Summary of Plan Provisions. Members who enroll in the ERS after June 28, 2000, and their eligible survivors, are automatically participants in the Combined Fund. Members enrolled in the ERS on or before June 28, 2000, and their eligible survivors, participate in the Combined Fund provided that the members consented in writing to the Global Pension Settlement. Eligible survivors of members or retirees who died on or before June 28, 2000 participate in the Combined Fund provided that the eligible survivors consented in writing to the Global Pension Settlement. Members or survivors whose benefit payments ceased prior to January 1, 2000, are not eligible for benefits from the Combined Fund.

Creditable Service

Creditable service equals prior service plus membership service. Prior service includes service as an employee prior to January 1, 1938, or prior to an amendment which made the employee eligible for membership in the ERS. Membership service means service as an employee since last becoming a member, on account of which contributions are made.

- For most Employees, 2080 hours of service constitute one year of creditable service. For prevailing wage Employees (carpenters and other tradespeople) 2000 hours constitute one year. For members employed by the school board for a 10-month school year, 1600 hours of service constitute a year of creditable service. After July 2006, for members serving as firefighters, 2590 hours of service constitutes one year of creditable service.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

After September 2016, for members serving as firefighters, 2756 hours of service constitutes one year of creditable service.

- Under certain conditions creditable service may be granted for periods of absence due to military service.
- For purposes of computing the service retirement allowance only, creditable service is granted for periods of eligibility for a duty disability retirement allowance.
- No more than one year of creditable service is granted for service in a single calendar year.

Imputed Service

Imputed service credit may be granted, under specified conditions, to members who consented to the Global Pension Settlement. Imputed service credit is used to calculate the amount of certain benefits but is not used to determine eligibility for any kind of benefit. An individual may be eligible for one or more types of imputed service credit.

Eligibility for Imputed Service Credit

Only individuals participating in the Combined Fund can become eligible for the following types of imputed service credit.

- a) Imputed military service credit: The member must have been active in the armed forces of the United States of America prior to his or her enrollment in the ERS, and must have been honorably discharged. A member must be described as in 36-04-1-c. An individual eligible for imputed military service credit must apply for the credit.
- b) Imputed fire and police service credit: The member must be described as in 36-04-4-a. The member must have been in active ERS service as a Fireman or Policeman as of January 1, 2000, and must also retire from ERS service as a Fireman or Policeman, or die while a Fireman or Policeman eligible for protective survivorship option benefits. To be eligible, the member must retire or die as a Policeman or Fireman and must have attained the minimum service retirement requirements as outlined in 36-05-1.
- c) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund, (the "Fund"): The member must be described as in 36-04-4-b. The member must have been a Policeman who was an active member of the "Fund" as of January 1, 2000. If the Policeman was in active ERS service as of January 1, 2000, he must either retire as a Policeman on a service retirement allowance at the minimum service retirement age of 57 or after completing 25 years of creditable service as a Fireman or Policeman; or he must retire on a Policeman's duty disability retirement allowance and subsequently





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

convert to a service retirement allowance. If the Policeman was retired on a duty disability retirement allowance as of January 1, 2000, then he must subsequently convert to a service retirement allowance.

Benefits Affected by Imputed Service Credit

- a) Imputed military service credit and/or imputed fire and police service credit: The amount of the service retirement allowance, the conversion service retirement allowance, protective survivorship option benefits, and the extended life duty disability retirement allowance are affected. If the eligible individual is also entitled to a 5% Lump Sum Bonus, and/or an 8.6% Dissolution Bonus that is based on the affected benefit, then the imputed service credit is included in calculating the base for the bonus payment(s).
- b) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund: The amount of the service retirement allowance and the conversion service retirement allowance are affected. If the service retirement allowance is affected, then the imputed service credit is included in calculating the base for the 5% Lump Sum Bonus.

See the benefit descriptions later in this summary for further details on how imputed service credit is used.

Amount of Imputed Service Credit

- a) Imputed military service credit: A period of eligible military service consists of a period of at least 90 consecutive days of active service in the armed forces of the United States prior to enrollment in the ERS. Total eligible military service equals the sum of all periods of eligible military service. Imputed military service credit equals one-third of the member's total eligible military service, to a maximum of three years of imputed military service credit.
- b) Imputed fire and police service credit: For Policemen and Firemen with 20 years of creditable service as a Fireman or Policeman - 1.5 years. For Firemen with less than 20 years of creditable service as a Fireman or Policeman: 1.5 years times the full years of creditable fire and police service, divided by 20.
- c) Imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund: 2 years.

Seasonal Service

Seasonal service credit may be granted under specified conditions to certain General City Employees. Seasonal service credit is used to calculate the amount of certain benefits but is not used to determine eligibility for any kind of benefit.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligibility for Seasonal Service Credit

In order to be eligible for seasonal service credit, a member must be a General City employee with five or more years of City service credit, and a member of one of the groups as outlined in 36-04-1-d.

Benefits Affected by Seasonal Service Credit

Seasonal service credit affects the amount of the service retirement allowance, the conversion service retirement allowance and protective survivorship option benefits. If the eligible individual is also entitled to a 5% Lump Sum Bonus that is based on the affected benefit, then the seasonal service credit is included in calculating the base for the bonus payment.

Amount of Seasonal Service Credit

Seasonal service is based on the hours worked as a City Labor-Seasonal employee and/or Playground Laborer-Seasonal employee (MPS), but limited to one year of additional service credit.

Qualifying for an ERS Benefit

Rules regarding qualifying time are encapsulated in the ERS Board Rules & Regulations, XV.G. The rules have been adopted and applied prospectively for enrollments prior to 1995, 1995 to 2001 and post 2001. All members are fully vested after attaining four years of qualifying time.

Earnable Compensation

The annual regular base salary that would be payable to a member if he or she worked the full normal working time for his or her position as described in 36-02-12. Earnable compensation for the calendar year preceding retirement may also include special pays as negotiated in labor agreements such as longevity in rank pay, (limited) variable shift assignment pay, police liaison officer pay, and/or certification pay for Policemen; and emergency medical technician pay for Firemen. Earnable compensation for school board Employees represented by Local 950, OEIU, also includes site differential pay.

Final Average Salary

- a) For General Employees, final average salary means the average annual earnable compensation computed on the 3 years of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.
- b) For Policemen and Firemen, final average salary means the average annual earnable compensation computed on the year of creditable service preceding retirement, death or separation from service during which earnable compensation was the highest.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- c) For members converting from a duty disability retirement allowance to a service retirement allowance, the service retirement allowance is computed on the basis of the current compensation of the member's position at the service retirement date.

Service Retirement

Eligibility for Service Retirement

For Tier 1 Benefits (applicable to General Employees enrolled prior to January 1, 2014 and all Fire and Police Employees), eligibility for service retirement is as defined under 36-05-01 as follows:

- a) A service retirement allowance is payable to any member who elects to retire after attaining the minimum service retirement age, which is age 60 for General Employees and age 57 for Policemen and Firemen.
- b) General Employees that have attained age 55 and completed 30 years of qualifying time are eligible for service retirement.
- c) Policemen who participate in the Combined Fund are eligible for service retirement at any age after attaining 25 years of fire or police qualifying time, if they were hired prior to December 20, 2015.
- d) Policemen who participate in the Combined Fund, who have attained age 50 are eligible for service retirement after completing 25 years of police qualifying time, if they were hired on/after December 20, 2015.
- e) Firemen who participate in the Combined Fund, who have attained age 49 and completed 22 years of fire or police qualifying time, are eligible for service retirement, if they were hired prior to July 30, 2016.
- f) Firemen who participate in the Combined Fund, who have attained age 52 and completed 25 years of fire qualifying time, are eligible for service retirement, if they were hired on/after July 30, 2016.
- g) Policeman and Firemen who are not participants in the Combined Fund are eligible for service retirement after attaining age 52 and completing 25 years of fire or police qualifying time.

For Tier 2 Benefits (applicable to General Employees enrolled on or after January 1, 2014), eligibility for service retirement is as defined under 36-05-01 as follows:





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- a) A service retirement allowance is payable to any member who elects to retire after attaining the minimum service retirement age, which is age 65 for General Employees.
- b) General Employees that have attained age 60 and completed 30 years of qualifying time are eligible for service retirement.

Amount of Service Retirement Allowance

The amount of a member's service retirement allowance under 36-05-01 is equal to the following:

- a) For General Employees, enrolled prior to January 1, 2014, 2% of final average salary for each year of creditable service, imputed military service, or seasonal service limited to 70% of final average salary. For General Employees, enrolled on or after January 1, 2014, 1.6% of final average salary for each year of creditable service, imputed military service, or seasonal service limited to 70% of final average salary.
- b) For Firemen enrolled prior to March 1, 1989, and Policemen enrolled prior to July 1, 1989, and who were in active service on or after January 1, 1995, 2.5% of final average salary for each year of creditable service or imputed service (of any kind).
- c) For Firemen enrolled after February 28, 1989, and Policemen enrolled after June 30, 1989, 2.5% of final average salary for each year of creditable service or imputed military service, limited to 90% of final average salary, plus 2.5% of final average salary for each year of imputed fire and police service or imputed service under the dissolution of the Firemen and Policemen's Survivorship Fund.
- d) For elected officials enrolled prior to January 1, 2014, 2.6% of final average salary for each year of creditable service as an elected official for years before 1996, limited to 70% of the final average salary; from 1996 forward the rate of accrual for creditable service, imputed military service, or seasonal service is 2.5% except for the mayor, who will have an accrual rate of 2.0%, limited to 70% of the final average salary, except for elected officials who were enrolled prior to 2014 and are first elected to office on or after January 1, 2014, in which case their accrual rate is 2% for each year if they contribute 5.5% of their earnable compensation, or 2.5% for each year if they contribute 7% of their earnable compensation. For elected officials enrolled on or after January 1, 2014, 1.6% of final average salary for each year of creditable service as an elected official limited to 70% of the final average salary.

Funds Charged with Service Retirement Allowance

For individuals participating in the Combined Fund, service retirement allowance payments are charged to the Combined Fund. For all other individuals, the service retirement allowance is charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996,





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

and (ii) the Combined Retirement and Disability Fund if the member enrolled on or after February 1, 1996.

Ordinary Disability Retirement Allowance

Eligibility for Ordinary Disability Retirement Allowance

A member who the medical council certifies is mentally or physically incapacitated for further performance of duty that such incapacity is likely to be permanent and that such member should be retired, is eligible for the ordinary disability retirement allowance. The ordinary disability allowance is not payable if the member qualifies for the duty disability allowance.

Amount of Ordinary Disability Retirement Allowance

Imputed service credit and seasonal service credit are not used in any part of the calculation of the Ordinary Disability Retirement Allowance. The “service retirement allowance” referred to below is calculated based on creditable service only.

- a) For General Employees, 90% of the service retirement allowance based on creditable service to date of disability retirement, but no less than 25% of final average salary, provided such amount does not exceed 90% of the retirement allowance payable had the member continued in service to the minimum service retirement age.
- b) For Policemen and Firemen hired after January 1, 1971, who have 5 years of service, 25% of final average salary plus 2% thereof for each year of creditable service in excess of 5 years up to a maximum of 50% of final average salary.
- c) For Policemen and Firemen hired before January 1, 1971, the greater of the benefit described in (a), or the benefit described in (b).
- d) The benefit is payable for life while the member remains disabled, except that for General Employees with less than 10 years of qualifying time, the duration is limited to one-fourth (1/4) of the period of the service accrued to the date of disability.
- e) Members receiving benefits for life may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

Funds Charged with Ordinary Disability Retirement Allowance

Ordinary disability retirement allowance payments are charged to the Combined Fund if the eligible individual is a participant in the Combined Fund. Otherwise, the allowance is charged to (i) the Retirement Fund, if the member’s enrollment date is before February 1, 1996, and (ii) the Combined Retirement and Disability Fund, if the member’s enrollment date is on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Duty Disability Retirement Allowance

Eligibility for Duty Disability Retirement Allowance

If a member becomes permanently and totally incapacitated for duty as a result of the performance of his duty, and his mental or physical incapacitation is medically certified, such member is eligible for a duty disability retirement allowance. Unless the member is beyond his/her conversion age, in which case the member would be eligible for an extended lifetime Duty Disability benefit. The medical certification is made by the Medical Council for General Employees, for members of the MPA enrolled after June 28, 2005, and for members of the MPFFA enrolled after December 13, 2005 with disability based on a mental injury. For all other members, the medical certification is made by the Medical Panel, except as indicated below. There are certain diseases that are considered presumptive for purposes of duty disabilities.

All new duty disability applications are reviewed by the Medical Council effective June 19, 2016 for MPA members, effective January 1, 2016 for MPSO members, and effective July 29, 2016 for MPFFA members.

Effective July 14, 2015, a new state law was enacted related to duty disability benefits for mental injuries (section 62.624 Wis. Stat.). The ERS may only provide a duty disability benefit for a mental injury if the following criteria are met:

- a) The mental injury resulted from a situation of greater dimensions than the day-to-day mental stresses and tension and post-traumatic stress that all similarly situated Employees must experience as part of the employment, **and**
- b) The employer certifies that the mental injury is a duty-related injury.

Only if a duty-related mental injury has occurred, can the duty disability application be forwarded to the Medical Panel or Medical Council for the examination and requisite certification.

Amount of Duty Disability Related Benefits

Imputed service credit and seasonal service credit are not used when calculating a duty disability retirement allowance. Imputed service credit or seasonal service credit is used when calculating the conversion service retirement allowance referred to in paragraphs (a) - (c) below. Eligibility for imputed military service credit depends upon the date of the conversion, not upon the date of the duty disability retirement.

- a) For General Employees, the duty disability retirement allowance equals 75% of the member's final average salary. Members receive the allowance, while disability continues, until the later of age 65, or for a period of 5 years, at which time they convert to a service retirement allowance. General Employees receiving duty disability benefits may elect





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reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary.

- b) For Firemen and Policemen, the duty disability retirement allowance is 75% of the current annual salary for the position held by the member at retirement, plus \$40 per month for each child younger than age 18 (up to a maximum of 20% of the member's salary). In certain cases of extreme disability, when approved by a panel of physicians, the disability allowance will be 90% of such salary. Duty disability benefits paid to Firemen on account of heart and lung disease are at the 75% level. In the event of the death of a Policeman or Fireman receiving a 75% or 90% disability allowance, 70% or 75%, respectively, of the amount of the member's allowance shall be paid to the member's spouse during her lifetime.

The 90% duty disability allowances are payable for life. For Policemen enrolled on or after January 1, 1990, and Firemen enrolled on or after December 17, 1989, the 75% duty disability allowances are payable until the earlier of attainment of age 57, or completion of 25 years of service and attainment of age 52, at which time the member must either convert to a service retirement allowance or irrevocably elect to receive a recalculated duty disability allowance, referred to as an extended life duty disability allowance, as described in (c), below. Different conversion age requirements apply to Policemen enrolled prior to January 1, 1990, and Firemen enrolled prior to December 17, 1989, as discussed in (d), below. A Fireman or Policeman who becomes duty disabled on or after his conversion age may choose between a service retirement or extended life duty disability retirement.

- c) The extended life duty disability allowance referred to in (b), above, equals the lesser of the conversion service retirement allowance, or 75% of the current annual salary, provided further that the benefit will not be less than 57% of current annual salary for a Fireman, or 60% of current annual salary for a Policeman. "Current annual salary" here refers to the salary at the conversion age, for the position held by the member at the time of injury. The extended life duty disability allowance is payable for life and, unlike the duty disability allowance, is a fixed amount that does not change after the conversion age, notwithstanding any cost-of-living adjustments. Firemen or Policemen receiving extended life duty disability benefits may elect reduced benefits under an optional form of payment in order to provide a death benefit to a designated beneficiary. Their spouses are not eligible to receive the 70% benefit payable to surviving spouses of Firemen and Policemen who die while in receipt of the 75% duty disability benefit.
- d) For Policemen enrolled prior to January 1, 1990, and Firemen enrolled prior to December 17, 1989, the conversion age determination depends upon the member's enrollment date and whether or not the member signed the DeBraska II release form.





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Under Charter Ordinance 980130 Substitute 2 (DeBraska I), duty disabled Firemen and Policemen who retired on duty disability before October 17, 1992, have a conversion age equal to the greater of the conversion age in effect when they were enrolled, or the conversion age in effect at the time of their disability retirement.

Under Charter Ordinance 000789 (DeBraska II), duty disabled Firemen and Policemen who signed the DeBraska II release form are subject to the following conversion requirements: (i) members retired on duty disability prior to February 8, 1972, will receive duty disability benefits for life; (ii) members enrolled prior to February 8, 1972, who are either Policemen who retired on duty disability on or after August 1, 1985, or Firemen who retired on duty disability on or after March 1, 1984, will have a conversion age of 63; (iii) members enrolled on or after February 8, 1972, who retired on duty disability on or after October 17, 1992, will not be required to convert to service retirement prior to the conversion age requirements that were in effect when they enrolled; and (iv) for all other members who signed the DeBraska II release form, there is no difference between the conversion requirements of Charter Ordinance 980130 Substitute 2, and Charter Ordinance 000789. In general, only members who were duty disabled prior to January 1, 2001 were given the opportunity to sign the DeBraska II release form.

Under the Charter Ordinance (which reflects the Rehrauer decision) Firemen and Policemen who retire (or previously retired) on duty disability and who did not sign the DeBraska II release form will convert at the highest conversion age agreed upon during their employment (Section 36-05-3). Members who enrolled prior to February 8, 1972, who are either Policemen who retired on duty disability on or after November 1, 1976, or Firemen who retired on duty disability on or after October 1, 1977, will receive duty disability for life if they did not sign the DeBraska II release form, and will have a conversion age of 63 if they did sign the DeBraska II release form.

Funds Charged with Duty Disability Related Benefits

- a) For participants in the Combined Fund, duty disability benefits paid to members, benefits paid to survivors of members who die while duty disabled, child allotment payments, conversion service retirement benefits, and extended life duty disability benefits are paid from the Combined Fund.
- b) For General Employees who do not participate in the Combined Fund, duty disability benefits, and survivor benefits paid to beneficiaries of General Employees who elect an optional form of payment and die while disabled, are paid from (i) the General Employees Duty Disability Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- c) For members who do not participate in the Combined Fund, benefits paid after conversion to either a service retirement allowance or an extended life disability benefit are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Ordinary Death Benefit

Eligibility and Amount of Ordinary Death Benefit

- a) In the event of death of a member while in service, a death benefit equal to the sum of the member's accumulated contributions, plus if the member has one or more years of active service, one-half his final average salary is payable to the designated beneficiary. Optional forms of payment of such benefit to the beneficiary are provided. If the member had elected a protective survivorship option – and duty death benefits are not payable – such option will become effective and the ordinary death benefit will not be payable. If a duty death benefit is payable the ordinary death benefit will not be paid.
- b) Unless the member elects an optional death benefit, the death benefit subsequent to retirement is the amount remaining, if any, of the member's contributions with interest to retirement less the sum of the allowance payments made prior to the member's death.

Funds Charged with Ordinary Death Benefits

Ordinary death benefits paid on behalf of a participant in the Combined Fund are charged to the Combined Fund. Otherwise, ordinary death benefits are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Protective Survivorship Option

Eligibility and Amount of Protective Survivorship Option

Firemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 49 and completion of 22 years of qualifying time as a Fireman or Policeman, or age 52 and 25 years of qualifying time as a Fireman or Policeman, or age 57. Policemen may elect a Protective Survivorship Option (PSO) during the 6 months that precede the earlier of attainment of age 57, or completion of 25 years of qualifying time as a Policeman or Fireman. Firemen and Policemen who fail to elect a PSO during the eligible period are deemed to have elected an Option 2 PSO with the spouse as the named beneficiary.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

General Employees who enrolled prior to January 1, 2014, may elect a PSO during the 6 months that precede the earlier of attainment of age 60 or completion of 30 years of qualifying time and attainment of age 55. General Employees who enrolled on or after January 1, 2014, may elect a PSO during the 6 months that precede the earlier of attainment of age 65, or completion of 30 years of qualifying time and attainment of age 60.

Firemen and Policemen are allowed to reselect a PSO if they marry, or divorce, and to select a different option and/or beneficiary at retirement, if they wish. As of June 5, 2012, General Employees may also reselect a PSO if they marry, or divorce, or select a different option and/or beneficiary at retirement.

The PSO may be canceled if the joint annuitant predeceases the member before retirement; or if the member is divorced from the joint annuitant before retirement.

Under a PSO, if a member eligible to retire on a service retirement allowance dies prior to retirement, benefits begin to the named beneficiary just as if the member retired under such option immediately prior to his or her death, except that imputed service credit arising from the dissolution of the Firemen and Policemen's Survivorship Fund will not be used in the calculation of the PSO benefit. If a Fireman who is eligible for PSO coverage dies prior to age 49, benefits for the named beneficiary will be deferred until the date the Fireman would have attained age 49. Imputed military service, imputed fire and police service, and seasonal service credit may be used in the calculation of the deferred PSO benefit.

In all cases where the requirements are met for both a PSO benefit and a duty death benefit, the duty death benefit will be payable in lieu of the PSO.

Funds Charged with PSO Benefits

PSO benefits for participants in the Combined Fund are charged to the Combined Fund. Benefits for individuals who do not participate in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Retirement and Disability Fund if the member's enrollment date is on or after February 1, 1996.

Duty Death Benefits

Eligibility and Amount of Duty Death Benefits

In the event the member's death occurs in the performance of his duty, a lump sum payment equal to the member's accumulated contributions, plus an annuity of 60% of such deceased member's final average salary will be paid to one of the following (payable in this order):

- The member's surviving spouse
- The member's children until their 21st birthday
- The member's dependent parents
- Death of a Fireman that is due to heart or lung disease is considered a duty death.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Funds Charged with Duty Death Benefits

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. Heart & Lung duty death benefits payable to individuals who are not participants in the Combined Fund are charged to the Heart & Lung Fund. Duty death benefits (other than Heart & Lung) payable to individuals who are not participants in the Combined Fund are charged to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.

Member Contributions

Member contribution rates are the following percentages of annual salary:

General Employees	5.5% (tier 1 – enrolled prior to January 1, 2014) 4.0% (tier 2 – enrolled on or after January 1, 2014)
Firemen and Policemen-	7.0%
Elected Officials	7.0% (tier 1 – enrolled prior to January 1, 2014 and elected to an office prior to January 1, 2014; if enrolled prior to January 1, 2014, and elected or the first time to an office on or after January 1, 2014, and employee was paying contributions prior to being elected, employee pays contributions at the rate they were paying prior to becoming an elected official; if enrolled prior to January 1, 2014, and elected or the first time to an office on or after January 1, 2014, and employer was picking up contributions on behalf of the employee prior to being elected, employer pays 7.0%) 4.0% (tier 2 – enrolled on or after January 1, 2014)

Under state law, per 2011 Wisconsin Act 10, participating employers are no longer permitted to make contributions on the member's behalf (with the exception of contractually agreed upon arrangements).

Member contributions made for or by participants in the Combined Fund are credited to the Combined Fund. Member contributions made for or by individuals who are not participants in the Combined Fund are credited to (i) the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.





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Pension Escalators

Several different pension escalators are paid by the ERS as listed and described under section 36-05-1(h). They are as follows:

- Fire and Police \$50 Escalator

Eligible Groups and Amounts

- a) Firemen in Local 215 who retired under a service retirement allowance between March 1, 1990, and December 31, 1992; members of the Milwaukee Police Association (MPA) who retired under a service retirement allowance between January 1, 1990, and December 31, 1992; members of the Milwaukee Police Supervisors Organization who retired under a service retirement allowance between January 1, 1991, and December 31, 1992; and Firemen in Local 215 or members of the MPA who elect a deferred retirement allowance after separating from service between January 1, 1993, and December 31, 1994, with 25 years of service; are eligible for a pension escalator which increases their allowance by \$50 per month on the 4th, 7th, and 10th anniversary of retirement.
- b) Members who both retired on duty disability and converted from duty disability to service retirement during the eligibility period are eligible for the escalators on the 4th, 7th, and 10th anniversaries of their conversion dates.
- c) The surviving spouses of eligible retirees, or of members who died during the eligibility period, are eligible provided that the member elected an optional benefit at retirement – or elected a protective survivorship option (PSO) prior to retirement – with the spouse as beneficiary. The member's surviving spouse receives increases on the member's 4th, 7th, and 10th anniversary of retirement (or spouse's retirement date in the case of a PSO) with the amount of the escalator adjusted to reflect the option elected by the member.

Funds Charged with Duty Death Benefits

Fire and Police \$50 escalators paid to participants in the Combined Fund are charged to the Combined Fund.

Fire and Police \$50 escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- January 1996 Catch-up COLA for pre-October, 1987 Retirees





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees that attained the minimum service retirement age and retired with a service retirement allowance prior to October 1, 1987, or who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- b) Firemen and Policemen who retired prior to October 1, 1987, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, Firemen and Policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to October 1, 1987.
- c) Surviving spouses of eligible retirees, or of members who elected a PSO and died prior to October 1 1987, after naming their spouse as the designated beneficiary under Option 2, Option 3, or Option 4 with a percentage to the beneficiary.

Timing and Amount of Increase

The catch-up COLA was a permanent increase in the ERS monthly benefit which was granted effective January 1, 1996. The increase was an amount equal to (i) the total ERS benefit in payment, multiplied by the greater of (ii) the total percentage change in the cost of living for each full calendar month between the 8th anniversary of service retirement and October 1, 1995, and (iii) the total percentage change required to bring the member's allowance to 60% of its full inflation adjusted value considering inflation for the period from retirement to October 1, 1995. The percentage change in the cost of living was measured by the increase in the CPI-U, U.S. Cities, as reported by the U.S. Department of Labor, Bureau of Labor Statistics.

When the catch-up COLA was calculated, the factor was not applied to supplemental, pass through benefits, which are paid by the ERS but are not a liability of the ERS. These pass through benefits, which appear on the pension payroll data supplied to the actuary, are part of an old guaranteed minimum program. The ERS is a paying agent for these benefits, but is reimbursed by the City for all such payments.

Funds Charged

Catch-up COLA amounts paid to participants in the Combined Fund are charged to the Combined Fund. Catch-up COLA amounts paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- 2% Escalator for pre-1993 Retirees





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees that attained the minimum service retirement age and retired with a service retirement allowance prior to January 1, 1993, or who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- b) Firemen and Policemen who retired prior to January 1, 1993, who became eligible to retire on service retirement at age 57, or after attaining age 52 and completing 25 years of service. Also, Firemen and Policemen who retired on a duty disability allowance and converted to a service retirement allowance prior to January 1, 1993.
- c) Surviving spouses of eligible members who elected Option 3 with the spouse as the beneficiary, or of members who died prior to January 1, 1993 after electing an Option 3 PSO with the spouse as the beneficiary.

Timing and Amount of Increase

The first increase occurs with the later of the January 1996 installment or the installment next following the 8th anniversary of the member's service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

The first increase is 2% of the total ERS benefit in payment. That is, the monthly benefit to which the increase is applied includes \$50 fire and police escalators, and the January, 1996 catch-up COLA amount, if any, but it excludes supplemental pass through payments, if any. Increases after the first are also 2%, and are compounded -- that is, they are applied to the total ERS benefit in payment, including all prior increases, and again, excluding any supplemental pass through payments. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

Funds Charged

2% escalators paid to participants in the Combined Fund are charged to the Combined Fund. 2% escalators paid to individuals who are not participants in the Combined Fund are charged to the Retirement Fund.

- CPI Escalator for post-1992 Fire and Police Retirees who don't Participate in the Combined Fund and Pre-2000 CPI Escalator for post-1992 Fire and Police Retirees who do Participate in the Combined Fund





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) Firemen and Policemen in active service on or after January 1, 1993, who become eligible to retire on service retirement at age 57 or after attaining age 52 and completing 25 years of service.
- b) Firemen and Policemen who retire on either a 75% Fire & Police duty disability benefit or a Heart & Lung duty disability benefit (i) between January 1, 1993, and December 31, 1994, and thereafter convert to service retirement; or (ii) on or after January 1, 1995, and who are eligible to elect between service retirement and extended life duty disability benefits at their conversion age.
- c) Police in active service on or after January 1, 1995, who separate with 25 years of service and elect a deferred retirement allowance.
- d) Surviving spouses of eligible members who elect Option 2 or 3, or who elect Option 4 with a percentage to the spouse, or who elect a PSO with a percentage to the spouse.

Timing and Amount of Increase

For members who retired on service retirement between January 1, 1993, and December 31, 1994; or who retired on duty disability between January 1, 1993, and December 31, 1994, and later convert to service retirement; and for eligible surviving spouses of members who died prior to retirement between January 1, 1993, and December 31, 1994, with PSO coverage in effect; the first increase occurs for March of the year following the first full calendar year of service retirement. For all others, the first increase occurs one full year after the member's service retirement date. Thereafter, increases occur annually on the anniversary of the first increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

Funds Charged

Benefits payable to participants in the Combined Fund are charged to the Combined Fund. For individuals who are not participants in the Combined Fund: (i) benefits are charged to the Retirement Fund for members whose enrollment dates are prior to February 1, 1996; and (ii) benefits are charged to the Combined Retirement and Disability Fund for members whose enrollment dates are on or after February 1, 1996.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- Post-1999 CPI Escalator for post-1992 Fire and Police Retirees who Participate in the Combined Fund

Eligible Group

The eligible group is restricted to individuals who were Firemen and Policemen who retired on duty disability between October 17, 1992, and December 31, 1992; or who were in active service on or after January 1, 1993, who either retire as Firemen or Policemen, or who die in active service as Firemen or Policemen; and their eligible surviving spouses. The types of benefits that receive the CPI escalator include:

- a) The service retirement allowance and ordinary disability retirement allowance.
- b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance or the extended life duty disability retirement allowance.
- c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- e) The fire and police or heart & lung duty disability surviving spouse allowance.
- f) The duty death surviving spouse allowance.

Timing and Amount of Increases that occur after 1999

- a) The first post-1999 increase occurs the later of March 2000 and March of the year following the first full calendar year of retirement for: members who retired on service retirement or ordinary disability between January 1, 1993, and December 31, 1994; or who convert to service retirement after a period of duty disability which commenced between January 1, 1993, and December 31, 1994; or who separated from service between January 1, 1993, and December 31, 1994, and subsequently retire on a deferred, early, involuntary separation, or County transfer/ State reciprocity allowance; eligible spouse survivors of such members, including PSO spouse survivors when the member died between January 1, 1993, and December 31, 1994; duty death surviving spouses of members who died between January 1, 1993, and December 31, 1994; and duty disability surviving spouses where both the member's duty disability retirement date and duty disabled death date were between January 1, 1993, and December 31, 1994.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- b) The first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's date of death for: duty disability surviving spouses where the member's duty disability death date is on or after January 1, 1995.
- c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the first anniversary of the member's retirement or pre-retirement death. (Note: this group includes members who retired on duty disability between October 17, 1992, and December 31, 1994, who subsequently elect an extended life duty disability retirement allowance, and members who retired on duty disability between October 17, 1992, and December 31, 1992, who subsequently convert to service retirement.)

Thereafter, increases occur annually on the anniversary of the first post-1999 increase.

The monthly benefit is increased by an amount equal to (i) the total allowance for the preceding December (including all prior increases), multiplied by the lesser of (ii) 3%, and (iii) the increase in the CPI-U, U.S. Cities Average, for the calendar year preceding the increase. If the member retired on duty disability between October 17, 1992, and December 31, 1992, and subsequently converts to service retirement, then the 2nd, 3rd, and 4th increases will not be less than 1.5%, and the 5th and subsequent increases will not be less than 2%. (The benefit initially payable to an eligible spouse upon the member's death includes a proportionate share of any increases in payment at the member's death, based on the option elected.)

Funds Charged

The CPI escalator is charged to the Combined Fund.

- 2% Guarantee for Fire and Police CPI Escalator for Participants in Combined Fund

The eligible group is restricted to Firemen and Policemen who retire on service retirement, their spouse survivors, and PSO spouse survivors. In addition, Firemen members of Local 215 and Policemen members of the MPA must have been in active service on or after January 1, 1998; Policemen members of the MPSO must have been in active service on or after January 1, 1999; and non-represented Firemen and Policemen must have been in active service on or after January 1, 2000. The benefit is a guarantee that the CPI Escalator will not be less than 2% per annum.

- 2% Escalator for post-1992 General Employee Retirees who do Not Participate in Combined Fund





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Eligible Group

- a) General Employees who retire on a service retirement allowance on or after January 1, 1993 who have either (i) attained age 60, or (ii) completed 30 years of service and attained age 55.
- b) General Employees receiving a duty disability retirement allowance who convert to service retirement on or after January 1, 1993.
- c) Spouses of eligible members who either elect Option 3 at retirement with the spouse as beneficiary, or who die after electing an Option 3 PSO with the spouse as beneficiary.

Timing and Amount of Increase

The first increase occurs with the installment next following the 8th anniversary of the member's service retirement or conversion to service retirement date (or the 8th anniversary of the surviving spouse's retirement date in the case of a PSO). Thereafter, increases occur annually on the anniversary of the first increase.

Each increase is 2%, and increases after the first are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes 50% of any increases in payment at the member's death.)

Funds Charged

For members whose enrollment dates are prior to February 1, 1996, the 2% escalator for post-1992 general employee retirees is paid from the Retirement Fund. For members whose enrollment dates are on or after February 1, 1996, the 2% escalator for post-1992 general employee retirees is paid from the Combined Retirement and Disability Fund.

- Post-1999 1.5% / 2% Escalator for General Employee Retirees and for Pre-1993 Fire and Police Retirees who Participate in the Combined Fund

Eligible Group

The eligible group includes (i) pre-1993 retirees and surviving spouses who are not eligible for either the 2% Escalator for pre-1993 retirees, or the Post-1999 CPI Escalator for post-1992 fire and police retirees; and (ii) post-1992 general employee retirees and their surviving spouses. The types of benefits that receive the 1.5%/2% escalator include:

- a) The service retirement allowance and ordinary disability retirement allowance for all members, and the duty disability retirement allowance for General Employees.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- b) Benefits paid to members after the duty disability conversion age: the conversion service retirement allowance for all members or the extended life duty disability retirement allowance for fire and police.
- c) Benefits paid to members after separation from service: the deferred retirement allowance, early retirement allowance, involuntary separation allowance, or the ERS allowance paid under the County transfer or State reciprocity provisions.
- d) The spouse survivor allowance paid to the surviving spouse of an eligible member who elects Option 2 or 3, or who elects Option 4 with a percentage to the spouse, or who elects a PSO with a percentage to the spouse.
- e) The fire and police or heart & lung duty disability surviving spouse allowance.
- f) The duty death surviving spouse allowance.

Timing and Amount of Increases that occur after 1999

- a) The first post-1999 increase occurs for January 2000 for eligible Option 2 and 4 spouse survivors of members retired on a service retirement allowance or a conversion service retirement allowance - and for eligible Option 2 and 4 PSO spouse survivors - when the member's date of retirement or pre-retirement death was prior to January 1988.
- b) The first post-1999 increase occurs the later of the year 2000 anniversary or the 2nd anniversary of the member's date of death for: duty disability surviving spouses of Firemen and Policemen.
- c) For all others, the first post-1999 increase occurs the later of the year 2000 anniversary or the 2nd anniversary of the member's retirement or pre-retirement death.

Thereafter, increases occur annually on the anniversary of the first increase.

All increases for the group described in paragraph (a) are 2% increases. For paragraphs (b) and (c), an increase which takes effect on the 2nd, 3rd, or 4th anniversary is a 1.5% increase. An increase which takes effect on the 5th or subsequent anniversary is a 2% increase. Increases after the first one are compounded -- that is, they are applied to the total benefit in payment, including all prior increases. (The benefit initially payable to an eligible spouse upon the member's death includes the spouse's proportionate share of any increases in payment at the member's death, based on the option elected.)

Tier 2 Employees receive an increase of 2% on the fifth anniversary of their retirement and on each anniversary that follows, but only for service retirement.

Fire and Police Survivorship Benefits Prior to the Global Pension Settlement

The survivors of Firemen or Policemen who die in active service or while in receipt of a disability allowance may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. Eligible children include unmarried children who are either under the age of 18, or are over





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age 18, but who suffer from a disability which commenced before the age of 18. The amount of the survivorship benefit for a death occurring in 2000 is \$600 monthly for the spouse and one child or for two or more eligible children. If there is no surviving widow and only one child, the benefit is \$300. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disabled prior to age 18) or marriage. For member deaths that occurred prior to 2000 the monthly amount payable depends upon the plan provisions in effect at the member's death.

Fire and Police Survivorship Benefits for Survivors Participating in the Combined Fund

Survivors of Firemen or Policemen who died prior to 2000 while in active service or while retired on disability (and contributing to the Fire and Police Survivorship Fund) may be entitled to a survivorship benefit. The survivorship benefit is payable to the spouse of the deceased member provided the spouse has one or more eligible children in her care. For participants in the Combined Fund, the amount of the survivorship benefit for a death occurring prior to 2000 is \$600 monthly for the spouse and one child under age 18, or for two or more children under age 18. If there is no surviving widow and only one child, the benefit is \$300. The monthly amount payable to a disabled child over the age of 18 depends upon the plan provisions in effect at the member's death. Upon attainment of age 57, \$300 is payable to the spouse for her lifetime. Benefits payable to a spouse cease on remarriage and benefits payable in respect of children cease on attainment of age 18 (unless disability commenced prior to age 18) or marriage.

Survivorship Benefits for Participants in the Combined Fund are charged to the Combined Fund.

Separation Benefits

Eligibility and Amounts

Should a member separate from service, and no other benefit is payable, such a member will possibly be entitled to one of the options outlined below. Additional eligibility information about Separation Benefits is provided under 36-05-6.

- a) If the member has less than four years of creditable service, a refund of member contributions (not paid by the member's employer). Interest at 4.0% per annum on the 4%, 5.5%, or 7% member paid contributions is also payable.
- b) If the member has four years of creditable service, a deferred allowance payable at the minimum service retirement age.
- c) A refund of the member contributions and interest, including contributions paid on the member's behalf, is payable to (i) General Employees after 4 years of creditable service, or (ii) Firemen or Policemen after 10 years of creditable service.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

- d) If the member's service is involuntarily terminated, or the member terminates voluntarily after attaining age 55 and completing 15 years of creditable service, such member may elect to receive a deferred allowance at the minimum service retirement age, or an immediate allowance that is the actuarial equivalent of the deferred allowance.
- e) If the member has 25 years of qualifying time as a Fireman or Policeman, and is not participating in the Combined Fund, a deferred allowance payable at age 52.
- f) If the member is a Fireman with 25 years of qualifying time as a Fireman or Policeman, had not attained age 49 at the date of separation from service, and is participating in the Combined Fund, a deferred allowance payable at age 52.

Imputed service credit and seasonal service credit are not used when calculating separation benefits.

Funds Charged with Separation Benefits

Benefits paid to participants in the Combined Fund are charged to the Combined Fund. Separation benefits paid to individuals not participating in the Combined Fund are charged to (i) the Retirement Fund if the member's enrollment date is prior to February 1, 1996, and (ii) the Combined Fund if the member's enrollment date is on or after February 1, 1996.

Lump Sum Bonus Payments

Under the Global Pension Settlement, various lump sum bonus payments may be made to eligible individuals participating in the Combined Fund. An individual may be eligible for one or more types of lump sum bonus payments.

Eligibility for Lump Sum Bonus Payments

Only individuals participating in the Combined Fund can become eligible for the following types of lump sum bonus payments. In addition, the following conditions apply to the individual lump sum bonuses.

- a) 5% lump sum bonus: Members who are inactive as of January 1, 2000, will become eligible at the time that their deferred retirement allowance commences.

Members in active service as of January 1, 2000, will become eligible when they first retire.

If a member in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

Only one 5% lump sum bonus will be paid on account of an individual member. Thus, if a member receiving a duty disability retirement allowance receives a 5% lump sum bonus on account of the duty disability benefit, then the member will not be eligible for an additional 5% lump sum bonus at the time of conversion.

- b) 8.6% lump sum bonus: A Fireman or Policeman in active service as of January 1, 2000, who (i) retires as a Fireman or Policeman on a service retirement allowance; or (ii) converts to service retirement or elects an extended life duty disability retirement allowance after retiring as a Fireman or Policeman on duty disability; (iii) attains age 63 while in receipt of an ordinary disability retirement allowance or a lifetime Fire & Police or Heart & Lung duty disability retirement allowance, is eligible for this bonus so long as the member did not receive 2 years of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund; (iv) or retires as a Fireman or Policeman on an extended life duty disability.

If a Fireman or Policeman in active service as of January 1, 2000, dies prior to retirement and the member's surviving spouse is eligible for either a surviving spouse duty death benefit (including Heart & Lung duty death) or a PSO spouse survivor benefit then the surviving spouse is eligible for this bonus payment.

A Fireman or Policeman retired on disability as of January 1, 2000, who is also an active member of the Firemen and Policemen's Survivorship Fund as of January 1, 2000 - under age 57 at 1/1/2000, and made all required contributions to the Survivorship Fund – is eligible for this bonus if he (i) converts to service retirement or elects an extended life duty disability retirement allowance; or (ii) is ineligible to convert to service retirement and attains age 63 while in receipt of the disability retirement allowance; provided that he (iii) did not receive 2 years of imputed service credit under the dissolution of the Firemen and Policemen's Survivorship Fund.

Amount of Lump Sum Bonus Payments

Age factors are used in the 5% lump sum bonus and the 8.6% lump sum bonus calculations. The age factors for these bonus payments are contained in s. 36-05-11-a.

- a) 5% lump sum bonus: For members who are either inactive or active as of January 1, 2000, who retire in the future, the bonus payment equals 5% times their initial annual retirement allowance times a factor based on attained age on the retirement date. The retirement allowance used in the bonus calculation is to be reduced for early retirement, if applicable, but is not to be reduced for any optional election the member might have made under s. 36-05-7.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

If a member in active service as of January 1, 2000 dies prior to retirement and the member's surviving spouse is eligible for this bonus payment, then the bonus will equal 5% times the spouse's initial annual benefit times a factor based on the spouse's attained age when the benefit commences.

- b) 8.6% lump sum bonus: In the explanation that follows, whenever an annual allowance is used in calculating a bonus due to a member, the allowance used is the allowance that would be paid if the member did not elect an option under s. 36-05-7.

For members who retire on service retirement: 8.6% times the annual service retirement allowance times a factor based on attained age at retirement.

For surviving spouses who receive either a PSO benefit or a duty death benefit: 8.6% times the initial annual allowance payable to the spouse times a factor based on the spouse's attained age when the benefit commences.

For a member who is retired on duty disability as of January 1, 2000 - or who retires on duty disability thereafter - and who is eligible to convert to service retirement: 8.6% times the annual conversion service retirement allowance earned as of the conversion age times a factor based on attained age at conversion.

For a member who is retired on disability as of January 1, 2000 – or who retired on disability thereafter – who is ineligible to convert to service retirement, and who is age 63 or younger at the later of 1/1/2000 or the disability retirement date: 8.6% times the “hypothetical” annual conversion service retirement allowance earned at age 63 times the attained age factor for age 63. The “hypothetical” allowance is calculated as if the member were eligible to convert at age 63.

For a member who retires on disability after January 1, 2000, who is older than age 63 at the disability retirement date: 8.6% times the annual disability allowance payable when the allowance commences times a factor based on the member's attained age at retirement.

Funds Charged

The 5% lump sum bonus and the 8.6% lump sum bonus are paid from the Combined Fund.

Benefits Not Valued

None.





APPENDIX B – SUMMARY OF BENEFIT PROVISIONS

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APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods

The method of financing the ERS is prescribed in Section 36.08 of the MCC.

Actuarial Cost Method

The method used to determine Normal Cost and Accrued Actuarial Liability (AAL) is the Individual Entry Age Normal Cost Method. The UAAL, under this method, is the AAL over the Actuarial Value of Assets. The total actuarially determined employer contribution is the sum of the employer portion of the Normal Cost (Total Normal Cost less expected member contributions) plus an amount to amortize the UAAL according to the Amortization Method plus an amount to reimburse the previous year's administrative expense.

Asset Values

Two asset values are used in this report. A description of each and a brief explanation of where they are used follows:

- **Market Value**

The market value of assets is the value of investments if they were to be sold on the date valued. The market value of assets is used to develop the actuarial value of assets.

- **Actuarial Value**

The actuarial value of the assets in the Employers' Reserve Fund is equal to the market value of assets. This Fund is not available to pay the benefits for ERS members, so it is excluded from the allocation of the actuarial value of assets to the various funds and groups and the resulting calculations of actuarially determined employer contributions. The actuarial value of assets for the remaining funds is a smoothed value of assets (see Table 5). The difference between (1) the expected return on the market value of assets at the beginning of the year, based on the investment return assumption and the net non-investment cash flows, and (2) the actual return on the market value of assets is smoothed equally over five years. As a result, there are five components of excess/shortfall returns to be smoothed each year.

Amortization Method

The System's UAAL is amortized on a level-dollar basis using what is known as a "layered" approach. Under this approach, changes to the System's UAAL each year are amortized using individual amortization schedules over various periods, which are selected based on the nature of the change. The current amortization policies, which were adopted by the Board at its February 24, 2023 meeting and subsequently adjusted to reflect the changes under 2023 Wisconsin Act 12, include:

- The total projected January 1, 2024 UAAL balance, as calculated in the *second* January 1, 2023 actuarial valuation, is being amortized as a level-dollar amount over a closed 30-





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

year period in accordance with 2023 Wisconsin Act 12.

- Future increases in the Systems' UAAL resulting from experience losses will be amortized over a closed 10-year period.
- Future decreases in the System's UAAL resulting from experience gains will be amortized over either a closed 10-year period or the remainder of the 30-year period beginning on January 1, 2024, whichever is longer.
- If the UAAL is negative, all prior bases will be eliminated, and the participating employers will be required to contribute their share of the annual normal cost and administrative expenses. If the UAAL becomes positive again, it will be amortized over a closed 10-year period.
- Changes to the UAAL arising from changes to plan provisions will be amortized over various periods, depending on the nature of the change and which participants are affected.
- Changes to the UAAL arising from contributions which are above or below the actuarially determined employer contribution will be amortized over a closed 5-year period.

Contribution Lag

2023 Wisconsin Act 12 repealed the System's stable employer contribution funding policy. As a result, participating employers are now required to contribute the Actuarially Determined Employer Contribution amount as determined in each annual actuarial valuation report. In order to more easily administer the revised funding policy, the Board, upon the recommendation of their actuary, adopted a one-year contribution lag so that results of the current valuation report will set the required contribution amount for employers during the following Plan Year. This policy was first effective with the *second* 2023 actuarial valuation report.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Demographic assumptions are based on the experience investigation prepared as of December 31, 2021 and adopted by the Board of Trustees on September 28, 2022 for use beginning with the January 1, 2023 actuarial valuation. The set of economic assumptions was adopted by the Board of Trustees on February 27, 2023, for use in the January 1, 2023 actuarial valuation. The next experience study is scheduled to be performed for inclusion with the January 1, 2028 actuarial valuation. However, due the passage of 2023 Wisconsin Act 12 on June 20, 2023, the investment return assumption cannot be greater than the rate used by the Wisconsin Retirement System for active participants, which has currently set their investment return assumption at 6.80% for active employees.

Investment Return Assumption: 6.80% per annum (net of investment expenses), compounded annually.

Inflation: 2.50% per annum.

Cost-of-Living Adjustments (COLAs): For retirees whose COLA is defined as the lesser of 3.00% and CPI-U, the assumed COLA is 2.50% per annum.

Payroll Growth for UAAL amortization: None. UAAL amortization payments are developed on a level dollar basis.

Illustrative Rates of Salary Increase:

Service	Salary Increases*	
	General Employees	Firemen and Policemen
1	6.25%	18.00%
5	5.75	7.00
10	5.00	3.20
15	4.25	3.20
20	4.25	3.10
25	4.25	3.10
30	4.00	3.10
35	3.00	3.10
40	3.00	3.00

* Includes general wage increase assumption of 3.00%.

Annual increases of 2.50% per annum is assumed for Policemen, Firemen and General Employees on duty disability. The increases for duty disabled Firemen and Policemen affect both current duty disability benefits and future service retirement or extended life conversion benefits. The increases for General Employees affect only service retirement conversion benefits.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Mortality Assumptions:

- a) Active Members For General employees, Pub-2010 Below Median General Employee Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Public Safety Employee Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- b) Healthy Retirees For General employees, Pub-2010 Below Median General Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Public Safety Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- c) Beneficiaries For General employees, Pub-2010 Below Median Contingent Survivors Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Median Contingent Survivors Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

- d) Disabled Retirees For General employees, Pub-2010 Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.

For Policemen and Firemen, Pub-2010 Safety Disabled Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.

Illustrative Rates of Termination:





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Service	General Employees		Policemen	Firemen
	Male	Female		
1	15.00%	17.00%	4.00%	2.35%
5	9.00	10.50	2.50	1.75
10	4.50	6.75	1.25	1.00
15	4.00	4.00	0.85	0.50
20	3.00	2.75	0.85	0.50
25	1.00	2.50	0.00	0.00
30	0.00	0.00	0.00	0.00

All terminations are assumed to be voluntary.

Members who terminate vested are assumed to take a refund if it is more valuable than their deferred benefit. Regular interest credited on contribution account balances is assumed to be 4.0%.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Rates of Early and Normal Retirement:

General Employees

Age	Early Retirement		Normal Retirement			
	Tier 1 All	Tier 2 All	Tier 1		Tier 2	
			Males	Females	Males	Females
55	2%	2%	40%	32%		
56	2	2	20	25		
57	2	2	25	25		
58	2	2	25	25		
59	4	2	25	25		
60		2	25	20	40%	32%
61		2	25	20	25	20
62		2	25	25	25	25
63		2	25	20	25	20
64		4	25	20	25	20
65			27	27	27	27
66			20	27	20	27
67			27	27	27	27
68			27	30	27	30
69			27	30	27	30
70			100	100	100	100





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Policemen and Firemen

Age	Firemen	Policemen	Age	Firemen	Policemen
42		40%	53	22%	40%
43		40	54	22	40
44		40	55	30	40
45		40	56	30	40
46		40	57	30	40
47		40	58	30	25
48		40	59	40	25
49	22%	40	60	40	25
50	22	40	61	50	25
51	22	40	62	50	50
52	22	40	63	100	100

Inactive vested members are assumed to begin receiving benefit payments at their minimum service retirement age, which is age 60 for Tier 1 General Employees, age 65 for Tier 2 General Employees and age 57 for Policemen and Firemen.

Illustrative Rates of Disability:

Age	Disability Rates		
	General Employees	Firemen	Policemen
20	0.040%	0.250%	0.024%
25	0.040	0.250	0.024
30	0.040	0.250	0.096
35	0.040	0.254	0.148
40	0.041	0.302	0.180
45	0.049	0.486	0.192
50	0.082	0.898	0.196
55	0.167	1.580	0.200
60	0.333	0.000	0.000
65	0.600	0.000	0.000

Elected officials are assumed to become disabled at the same rate as General Employees.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Duty Disabilities:

Employee Group	Percentage of Disabilities Incurred in the Performance of Duty	Percentage of Duty Disabilities Assumed Eligible For The 90% Benefit	Under The Heart & Lung Law	Assumption Adopted January 1
General Employees	20.0%	N/A	N/A	2023
Police other than MPA	20.0%	0.0%	N/A	2023
MPA enrolled on or before 4/18/2005	60.0%	0.0%	N/A	2023
MPA enrolled after 4/18/2005	60.0%	0.0%	N/A	2023
Fire other than MPFFA	20.0%	0.0%	0.0%	2023
MPFFA enrolled on or before 10/3/2005	75.0%	0.0%	0.0%	2023
MPFFA enrolled after 10/3/2005	75.0%	0.0%	0.0%	2023

Upon reaching their service conversion date, 100% of Policemen and Firemen who become duty disabled are assumed to convert to a service retirement benefit.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Marriage Assumption and Duty Disability Child Allotments:

It is assumed that female spouses are three years younger than males. In absence of evidence to the contrary, it is assumed that 85% of General Employees and 95% of Policemen and Firemen are married, with dependent children, described by the following table:

Member's Age at Death or Disability	Number of Dependent Children	Age of Youngest Child
20	0.0	-
25	1.5	1
30	2.5	2
35	2.5	5
40	2.5	8
45	2.0	11
50	1.5	14
55	1.0	15
60 and Over	0.0	-

The percentage of retiring employees assumed to elect option 3, the subsidized 50% option, is 25% for males and 15% for females. The percentage of General Employees assumed electing the 100% PSO option before retirement is 40% for males and 15% for females. For Firemen and Policemen, 95% are assumed to elect the 100% PSO option before retirement.

Duty Deaths:

The following percentages of deaths in active service are assumed to incur in the performance of duty:

General Employees: 5%

Police & Fire: 10%. In addition, amongst Firemen, 25% of duty deaths are assumed to occur under the Heart and Lung Law.

Imputed Military Service:

The following percentages of eligible members are assumed to earn 1 year of imputed military service credit:

General Employees: 10%

Police: 13%

Fire: 13%

These percentages are based on troop strength statistics from the Department of Defense website. (Adopted 1/1/2003)





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Seasonal Service Credit: The following percentages of eligible members are assumed to receive one year of seasonable service credit:

Member's Union or Bargaining Group	Percentage with Seasonal Service	Assumption Adopted January 1
District Council 48, AFSCME	27.09%	2005
Fire Equipment Dispatchers Local 494, IBEW	0.00%	2006
Electrical Group Local 494, IBEW	31.00%	2006
Machine Shop Local 494, IBEW	12.00%	2005
Bridge Operators Local 195, IBEW	28.57%	2005
Joint 129/48 Local 139, IOUE & DC48	100.00%	2005
Machinists Local 510, IAM	5.00%	2005
Sanitation Local 61, LIUNA	98.06%	2005
TEAM (Techs, Eng, Archs of Milw)	5.00%	2005
MBCTC (Bricklayers, Carpenters, Cement Masons, Painters, Iron Workers)	10.00%	2005
Police Sworn Management, Police Civilian Management, Managers, Elected Officials (except mayor)	3.13%	2005
Non-represented in the Police Department and General City non-represented	5.00%	2005

Miscellaneous

Future Service Accrual: Active members are assumed to accrue a full year of service in each future year (adopted 1/1/2023).

Annualized Compensation: For active members, their prior year reported compensation amount is annualized based on their Future Service Accrual and further increased by a leap year adjustment factor of 1.0034 ($26.089285 \div 26$).

Deemed Inactives: Active members who worked less than 100 hours in the prior year, but who have not officially terminated employment are treated as Inactives. These members are not assumed to earn additional service credit in future years.

Decrement Timing: All withdrawals, deaths, disabilities, and retirements are assumed to occur mid-year.





APPENDIX C – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Liability for Inactive Members: The data provided for inactive members does not contain all the elements to calculate the member's deferred benefit. The deferred benefit amounts for these members are estimated using the member's life-to-date earnings and assumed salary increases. For terminated members who are missing a termination date on their record, it is assumed that they terminated at age 35. The actuary is collecting data so that future members' deferred benefits can be estimated.

Administrative Expenses: Based on the most recent fiscal year end, increased with inflation to the Plan Year for which the actuarially required employer contribution is developed.

Normal Cost: Normal cost rate reflects the impact of new entrants during the year. Due to 2023 Wisconsin Act 12, there are no new entrants effective January 1, 2024.

Changes Since Prior Valuation: None.





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APPENDIX D – GLOSSARY OF TERMS

Note that the first definitions given are the “official” definitions of the term. For some terms there is a second definition, in italics, which is the unofficial definition.

Actuarial Accrued Liability (AAL): The portion of the Present Value of Projected Benefits (PVFB) allocated to past service. Also difference between (i) the actuarial present value of future benefits, and (ii) the present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.” *The amount of money that should be in the fund. The funding target.*

Actuarial Assumptions: Estimates of future plan experience with respect to rates of mortality, disability, retirement, investment income and salary increases. Demographic (“people”) assumptions (rates of mortality, separation, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic (“money”) assumptions (salary increases and investment income) consist of an underlying rate appropriate in an inflation-free environment plus a provision for a long-term average rate of inflation. *Estimates of future events used to project what we know now- current member data, assets, and benefit provisions – into an estimate of future benefits.*

Actuarial Cost Method: A mathematical budgeting procedure for allocating the dollar amount of the Present Value of Projected Benefits (PVFB) between the normal costs to be paid in the future and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Methods: The collective term for the Actuarial Cost Method, the Amortization Payment for UAAL Method, and the Asset Valuation Method used to develop the actuarially determined employer contributions for the Retirement System. *The funding policy.*

Actuarial Equivalent: Benefits whose actuarial present values are equal.

Actuarial Present Value: The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets (AVA): A smoothed value of assets which is used to limit actuarially determined employer contributions volatility. Also known as the funding value of assets. *Smoothed value of assets.*

Amortization Payment for UAAL: Payment of the unfunded actuarial accrued liability by means of periodic contributions of interest and principal, as opposed to a lump sum payment. The components of the amortization payment for UAAL includes:

- Amortization Period Length – Generally amortization periods of up to 15 to 25 years (and certainly not longer than 30). Similar to a mortgage, the shorter the amortization period, the higher the payment and the faster the UAAL is paid off.





APPENDIX D – GLOSSARY OF TERMS

- **Amortization payment increases** – Future payments can be level dollar, like a mortgage, or as a level percent of pay. Most Retirement Systems amortize UAAL as a level percent of pay which when combined with the employer normal cost that is developed as a level percent of pay can result in contributions that are easier to budget.
- **Amortization type** – An amortization schedule can be closed or open. A closed amortization schedule is similar to a mortgage – at the end of the amortization period the UAAL is designed to be paid off. An open amortization period is similar to refinancing the UAAL year after year.
- **Amortization schedule** – UAAL can be amortized over a single amortization period, or it can be amortized over a schedule.

The amortization payment for UAAL can be thought of as the UAAL mortgage payment.

Asset Valuation Method: The components of how the actuarial value of assets is to be developed. CMERS uses a five-year smoothing of asset gains and losses, which is the most commonly used method.

Experience Gain (Loss): A measure of the difference between actual experience and experience anticipated by a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used. *The experience Gain (Loss) represents how much the actuary missed the mark in a given year.*

Funded Ratio: The percent of the actuarial accrued liabilities covered by the actuarial value of assets. Also known as the funded status. *The ratio of how much money you actually have in the fund to the amount you should have in the fund.*

Normal Cost: The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” An amortization payment toward the unfunded actuarial accrued liability is paid in addition to the normal cost to arrive at the total contribution in a given year. *The cost of benefits accruing during the year.*

Present Value of Future Normal Cost (PVFNC): The portion of the Present Value of Projected Benefits (PVFB) allocated to future service. *The value in today’s dollars of the amount of contribution to be made in the future for benefits accruing for members in the Retirement System as of the valuation date.*

Present Value of Future Benefits (PVFB): The projected future benefit payments of the plan are discounted into today’s dollars using an assumed rate of investment return assumption to determine the Present Value of Future Benefits (PVFB) of the Retirement System. The PVFB is the discounted value of the projected benefits promised to all members as of a valuation date, including future pay and service for members which has not yet been earned. *If the Retirement*





APPENDIX D – GLOSSARY OF TERMS

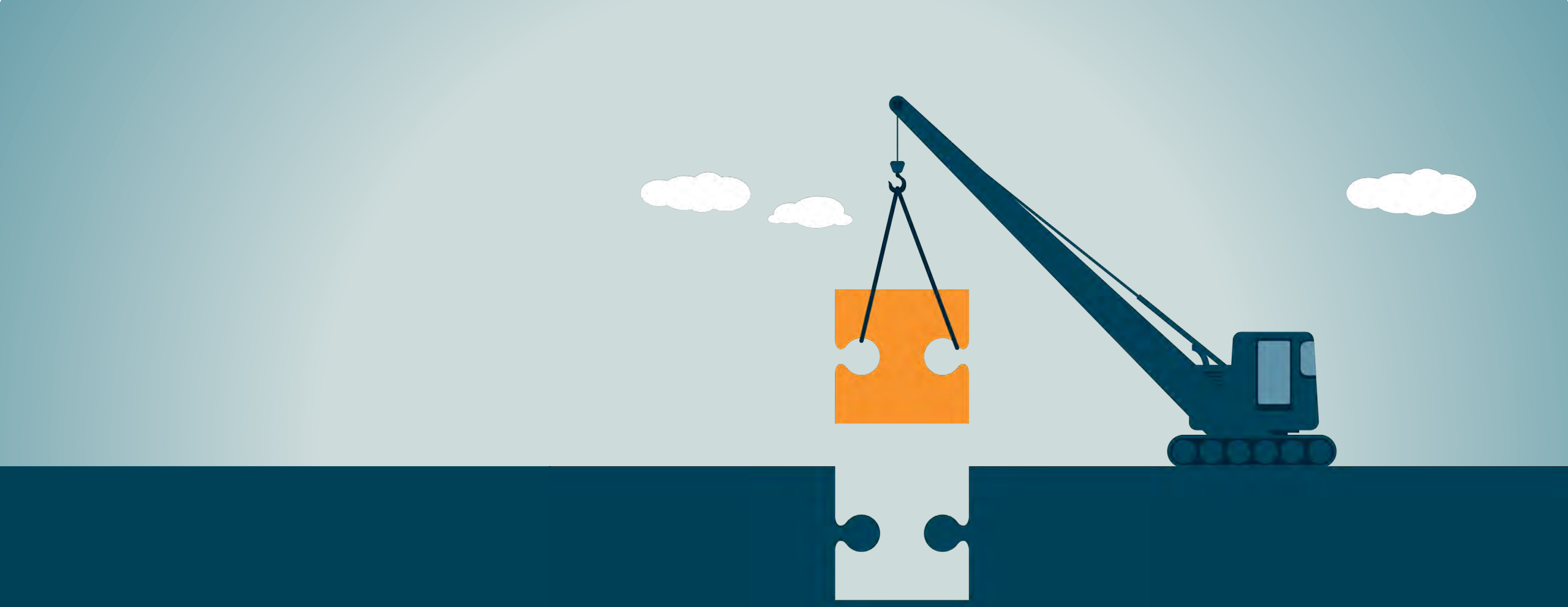
System held assets equal to the PVFB and all the assumptions were realized, there would be sufficient funds to pay off all the benefits to be paid in the future for members in the Retirement System as of the valuation date.

Reserve Account: An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability (UAAL): The difference between the actuarial accrued liability (AAL) and actuarial value of assets (AVA). The UAAL is sometimes referred to as “unfunded accrued liability.” *Funding shortfall, or prefunded amount if negative.*

Valuation Date: The date that the actuarial valuation calculations are performed as of. *Also known as the “snapshot date”.*





City of Milwaukee Employees' Retirement System Discussion of Funding Policy

At the February 2025 Investment Committee Meeting, Investment Staff and Callan expressed concern that the asymmetric 10-year amortization of asset losses results in investment allocations with lower returns to decrease risk and upside contribution volatility

CavMac discussed this with CMERS staff and afterwards formulated two alternative funding policies.

CavMac utilized stochastic modeling to measure the impact on future employer contributions under the current and the alternative funding policies. The results were based on preliminary January 1, 2025 valuation results and presented to the Board on March 13, 2025.

This presentation contains updated results based on the completed January 1, 2025 actuarial valuation report, which reflects higher liabilities and, therefore, employer contributions than expected.

Excerpts from Act 12

... the required annual employer contribution shall be calculated using a 30-year amortization period and an annual investment return assumption that is the same as or less than the annual investment return assumption used by the Wisconsin Retirement System

Future unfunded actuarial accrued liability due to factors such as market returns and standard actuarial practices may be amortized on the basis of standard actuarial practices.

No trustee or administrator of a retirement system of a 1st class city shall be subject to liability for complying with this section.

- Actuarial Standard of Practice 4 (ASOP 4) allows us to not assess the 30-year amortization
 - 2.23 Prescribed Assumption or Method Set by Law—A specific assumption or method that is mandated or that is selected from a specified range or set of assumptions or methods that is deemed to be acceptable by applicable law (statutes, regulations, or other legally binding authority). For this purpose, an assumption or method set by a governmental entity for a plan that such governmental entity or a political subdivision of that entity directly or indirectly sponsors is not deemed to be a prescribed assumption or method set by law.
 - 3.24 Assessment of Assumptions and Methods Not Selected by the Actuary—For each measurement date, the actuary should assess whether an assumption or method not selected by the actuary is reasonable for the purpose of the measurement, other than 1) prescribed assumptions or methods set by law
- But we do assess the 30-year amortization and in our professional judgement it is not reasonable

- The contribution based on CavMac’s recommended 10-year amortization is around \$100 million more than the 30-year amortization amount mandated by Act 12
- While Act 12 allows CMERS to fund future changes in the UAAL over an actuarially sound period, no policy can replicate the recommended 10-year amortization period.

These considerations make longer amortization more palatable

- Under Act 12, tax revenues stop when CMERS is fully funded or after 30 years has passed, whichever occurs first.
 - This suggests that a longer amortization policy may be appropriate for sustainability.
- The amortization is level dollar
 - Which means the UAAL is paid down each year (i.e., no negative amortization)
- Despite these considerations, Act 12 falls short of standard actuarial practice

Current

Maintain current UAAL

Initial UAAL and actuarial gains over 30 years beginning January 1, 2024

No minimum amortization payment

Actuarial losses over 10 years

Lawsuit amortized over nine years

Alternate 1

Increase UAAL as of January 1, 2026 by resetting AVA to market

All UAAL over 28 years beginning January 1, 2026

Minimum amortization equal to the January 1, 2026 UAAL payment

Actuarial gains and losses over 10 years

Lawsuit amortized over 28 years

Alternate 2

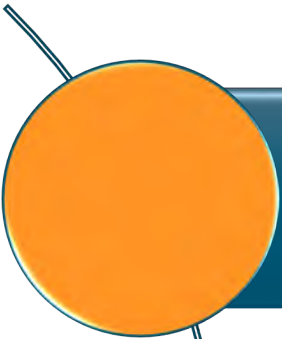
Increase UAAL as of January 1, 2026 by resetting AVA to market

All UAAL over 28 years beginning January 1, 2026

Minimum amortization equal to the January 1, 2026 UAAL payment

Actuarial gains and losses over 15 years

Lawsuit amortized over 28 years



The next four slides illustrate the impact of the policy on projected City contributions



CavMac performed a stochastic projection based on simplified projected returns and current valuation assumptions



Projections of City contributions performed by Callan will differ due to modeling glide path and refined return assumptions

A Reminder about Actuarial Models

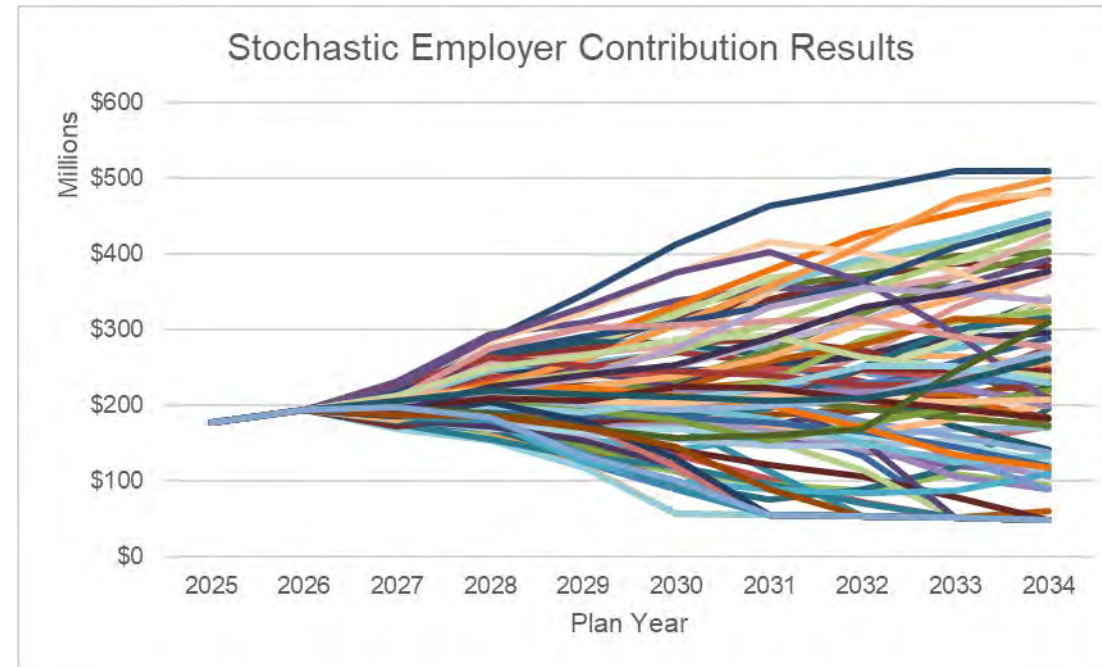
“Models are designed to identify anticipated trends and to compare various scenarios rather than predicting some future state of events... The projections do not predict the System’s financial condition or its ability to pay benefits in the future and do not provide any guarantee of future financial soundness of the System. Over time, a defined benefit plan’s total cost will depend on a number of factors, including the amount of benefits paid, the number of people paid benefits, the duration of the benefit payments, plan expenses, and the amount of earnings on assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the time the projections were made. Because actual experience will not unfold exactly as expected, actual results can be expected to differ from the projections. To the extent that actual experience deviates significantly from the assumptions, results could be significantly better or significantly worse than indicated in this study.”

- from “Actuarial Impact of CMERS Soft Close with Future Member Participating in WRS” dated January 25, 2023

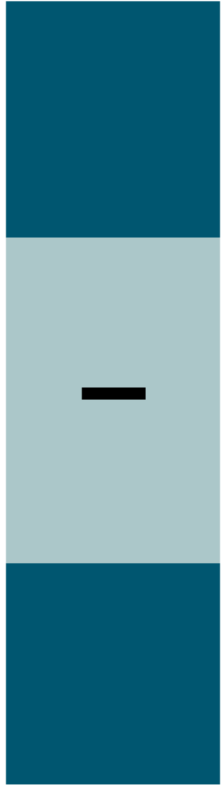


- Stochastic modeling was performed to analyze and compare the different funding policies and how contribution levels are impacted over time
- 1,000 scenarios of random asset returns were modeled over a 30-year period
 - Future returns are based on the following expected risk and return
 - Current assumption: 6.8%
 - Standard deviation: 12.5%
 - Measured ranges of outcomes
- Assumes all other actuarial assumptions are met every year in the future
- Recall, any projections of City contributions performed by Callan will likely differ

Stochastic Projections

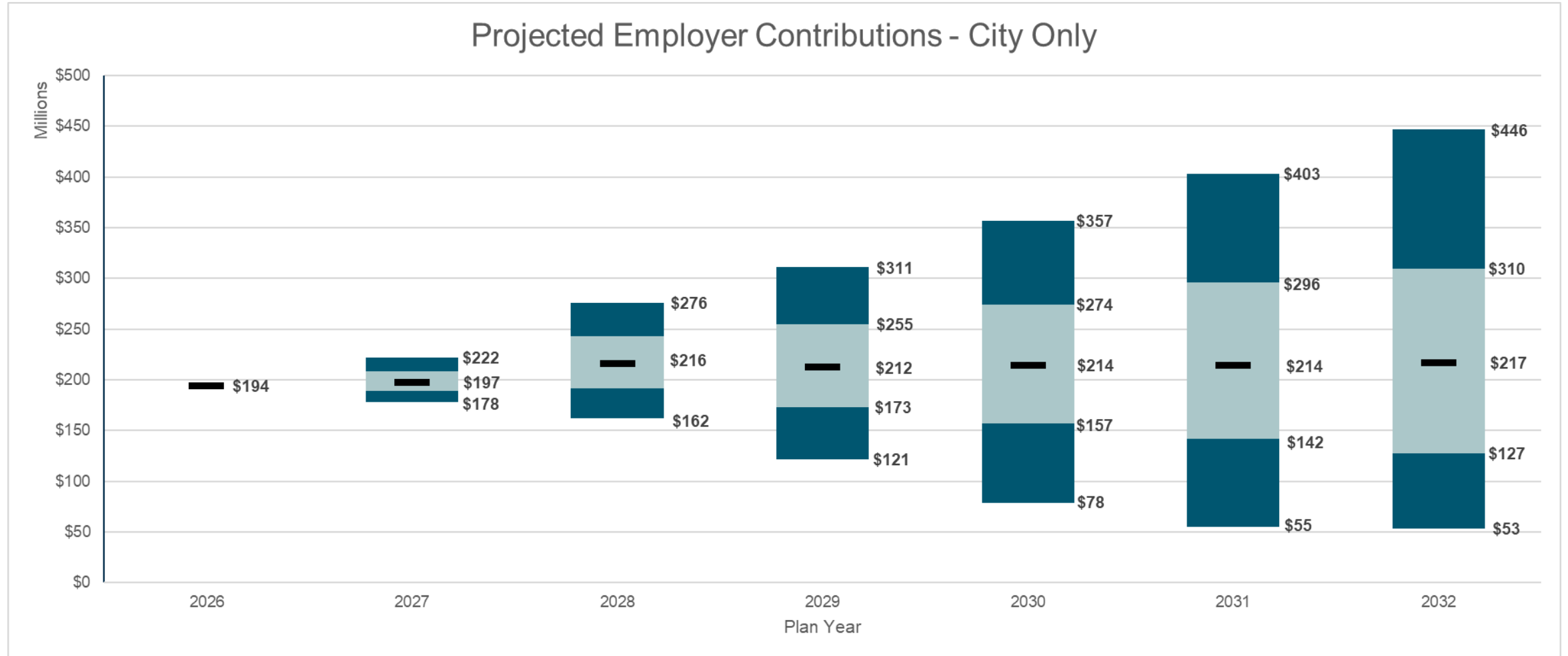


- Stochastic modeling uses “Monte Carlo” simulations to generate thousands of results for each year of the projection, based on the underlying capital market assumptions.
- Each line represents a single scenario (one set of 10-year returns)
- For analysis, results for each year are summarized, ranked and then shown as distributions (see next slide)

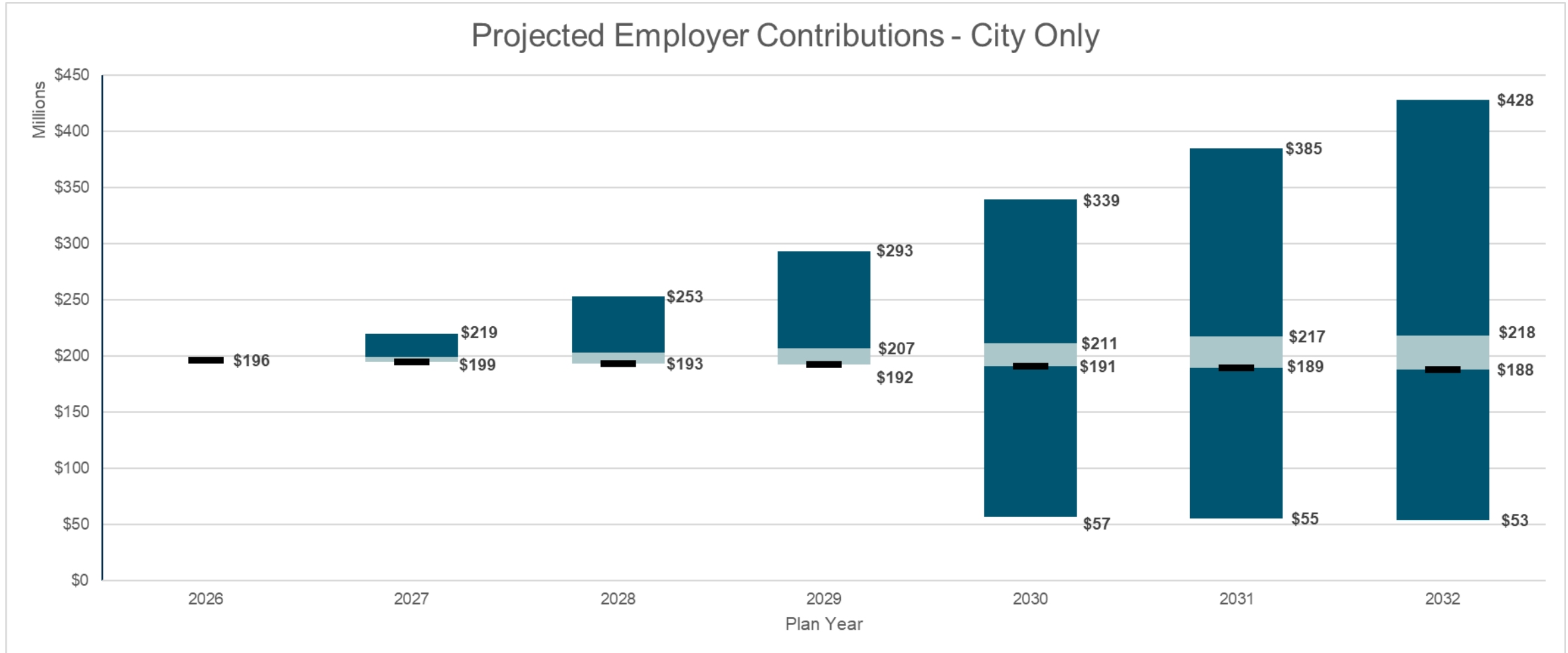


- 95th Percentile (5% of outcomes are above this line)
- 75th Percentile (25% of outcomes are above this line)
- 50th Percentile (50% of outcomes are above this line, 50% are below this line – referred to as the Median)
- 25th Percentile (75% of outcomes are above this line)
- 5th Percentile (95% of outcomes are above this line)

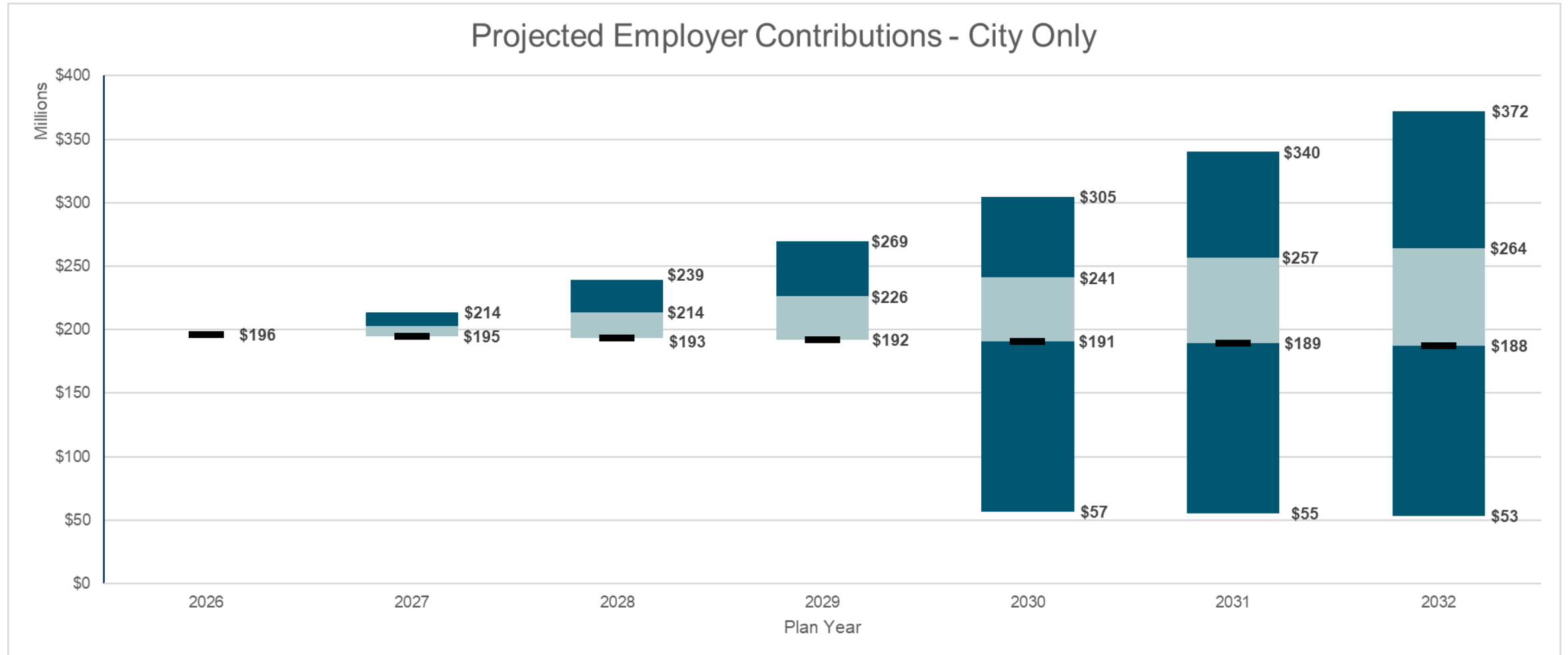
Current Funding Policy



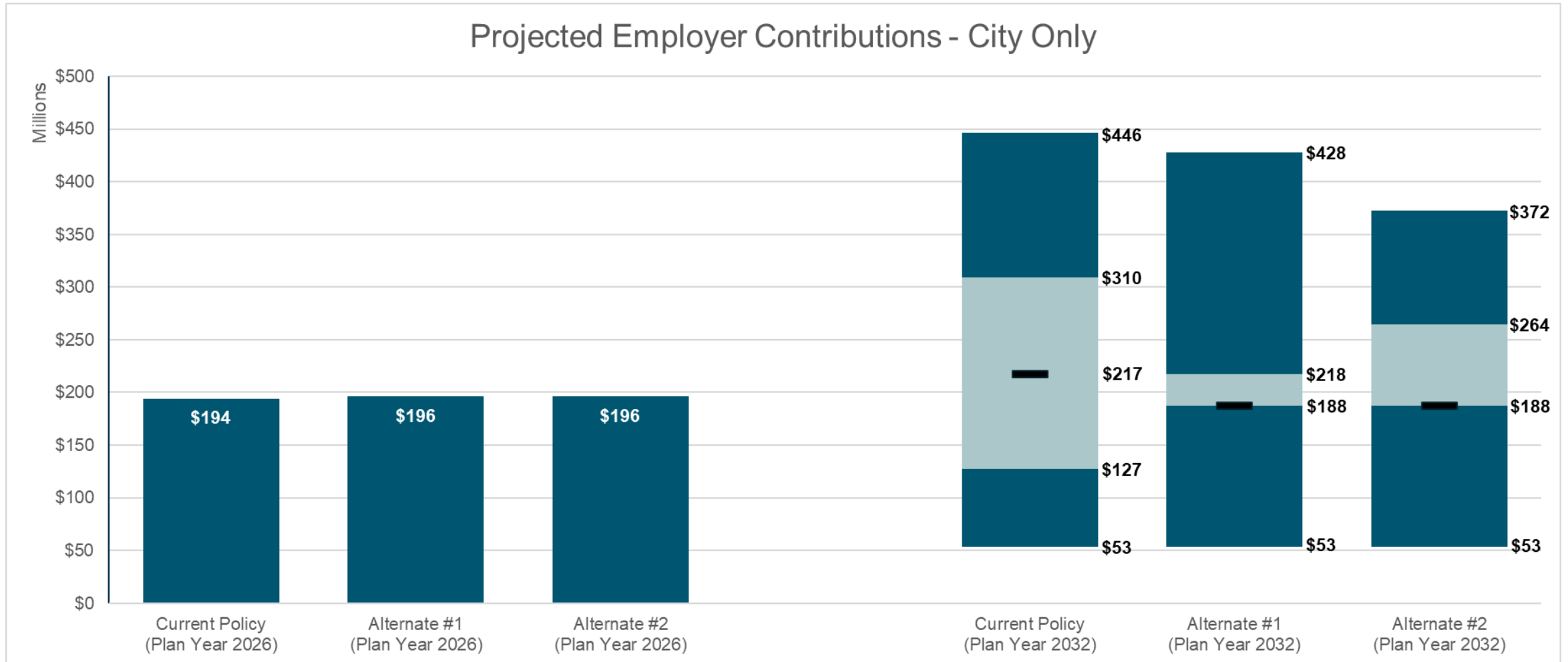
Alternative 1



Alternative 2



The comparison illustrates the difference in policies



- At the median, the alternate policies result in higher City contributions now and lower City contributions later
- The alternate policies result in less variability but may take longer to pay down the unfunded actuarial accrued liability
 - Investment policy may be subject to change based on the funding status of the System

- None of these Funding Policies are reasonable in our professional judgement because the amortization period legislated under Act 12 is too long
- “Standard Actuarial Practices” don’t exist to fix this deficiency
- Other considerations noted earlier make these Funding Policies slightly more palatable
- The Board may consider asking Callan to analyze alternatives 1 and 2 to determine if they allow for more investment policy flexibility

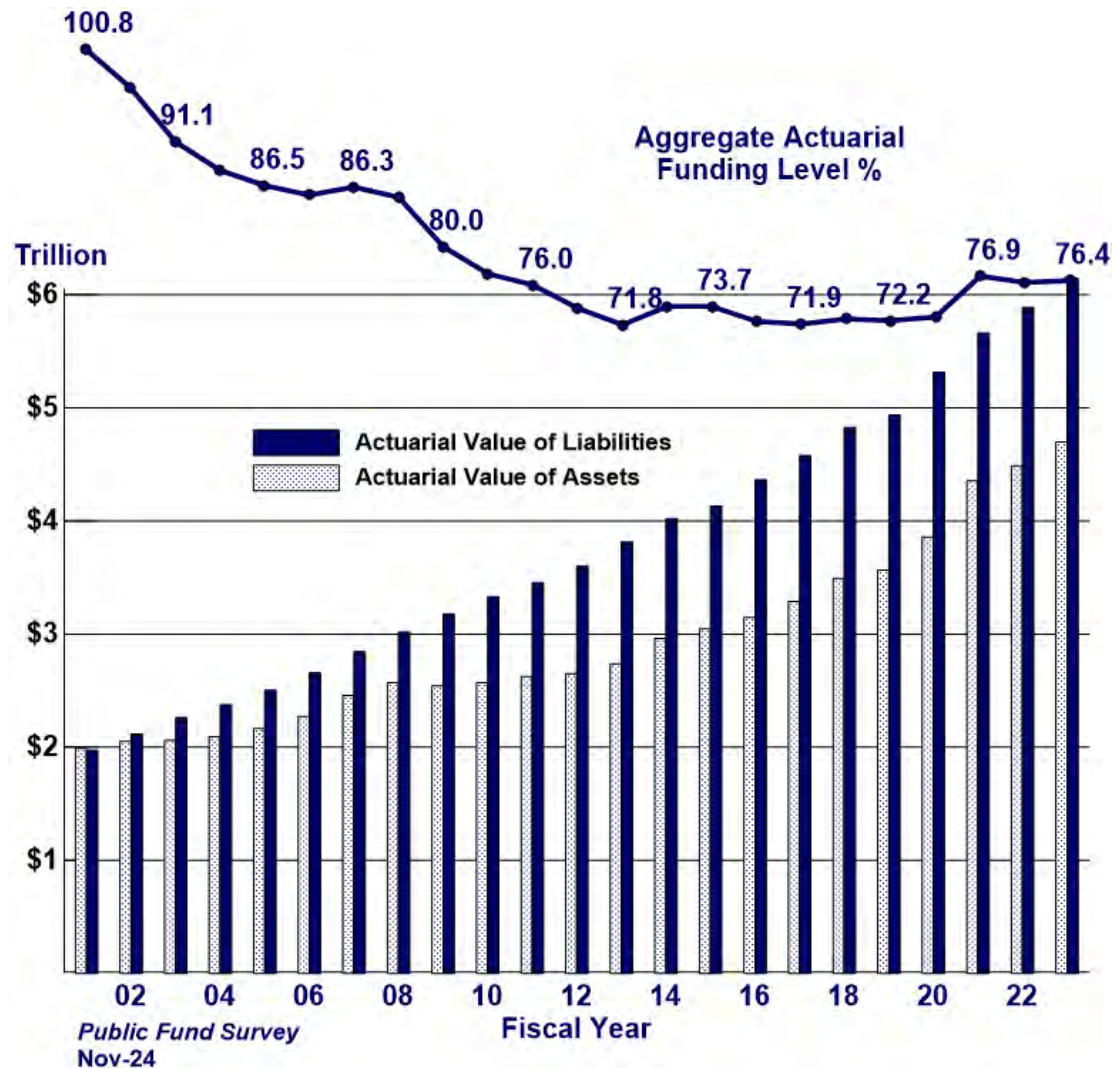
THANK
YOU



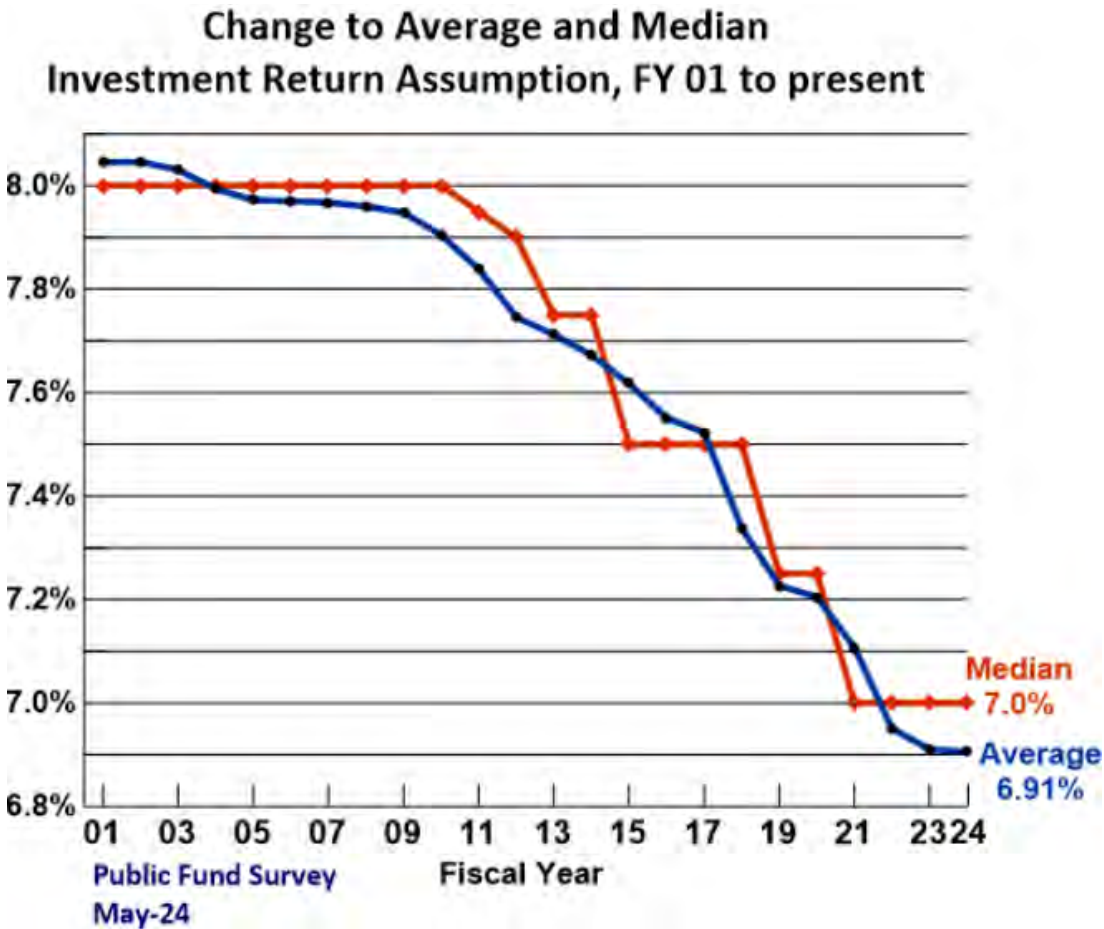
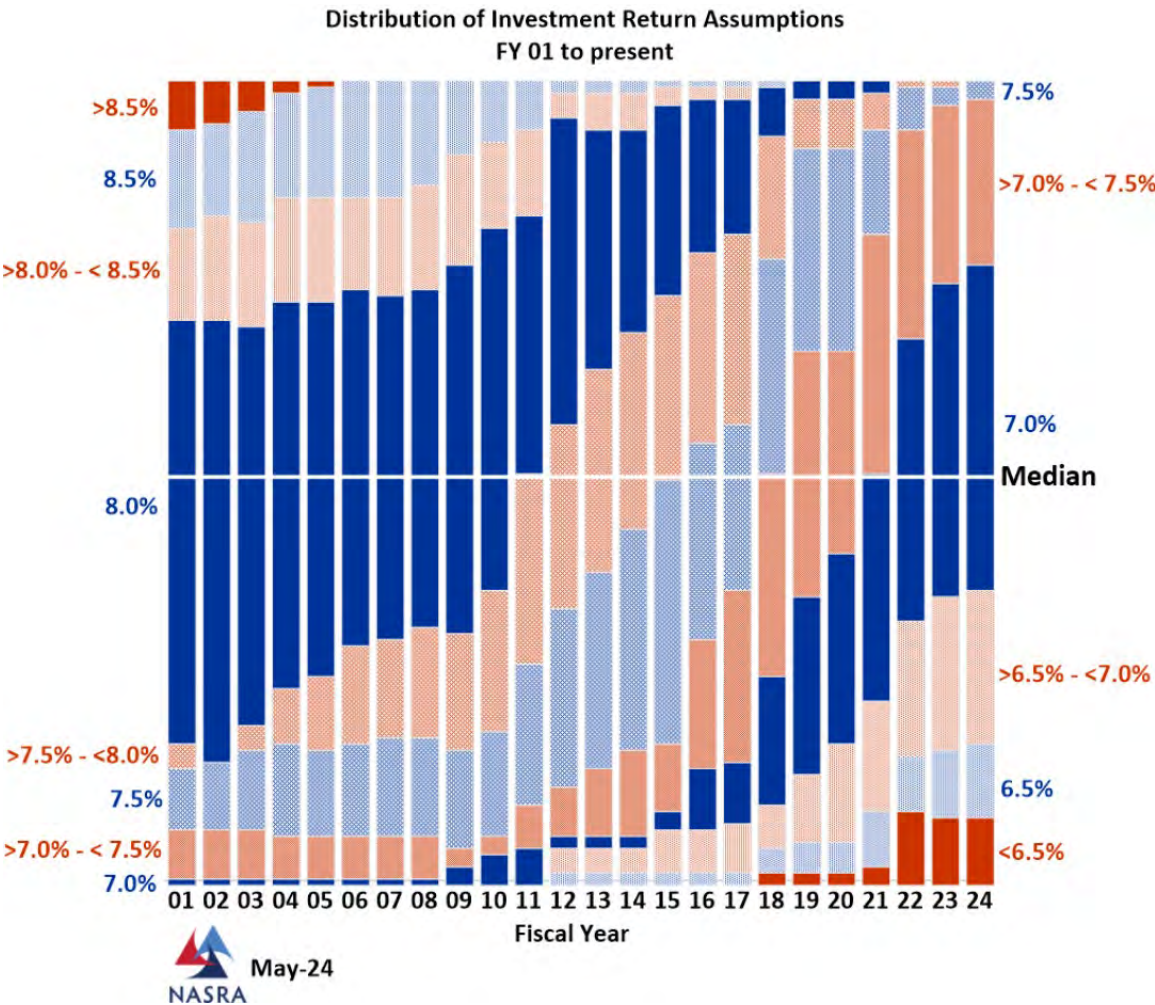
Appendix



National Funding Level Trend



National Trend in Investment Return



Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	BUTTS	CARLTON	7/23/2018	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Deferred	CASTILLO	RAYSA	1/5/2020	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JAMES	BRIONI	4/26/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MCDONALD	IRALENA	8/19/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	HACKETT	MATTHEW	11/3/2022	MAX	MILWAUKEE FIRE DEPARTMENT
Regular	Deferred	PORTER	ORSON	1/15/2025	MAX	MAYOR
Regular	Service	KHAN	ASAD	2/13/2025	MAX	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Deferred	MCNEIL	FRANCINE	4/1/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JACKSON	LESLIE	4/2/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	SZALLAI	RHONDA	4/2/2025	MAX	DCD - MGMT & SPECIAL PROJECTS
Regular	Deferred	ADAMS	MILFORD	4/3/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	MILLER	KELLY	4/3/2025	MAX	MILWAUKEE FIRE DEPARTMENT
Regular	Deferred	JOHNSON	DANIEL	4/4/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	JACKSON	GREEN	4/5/2025	MAX	HACM
Regular	Service	ANDREJAT	TIMOTHY	4/12/2025	50	DPW-OPS-FLEET SERVICES
Regular	Deferred	SGRIGNUOLI	JULIE	4/13/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Involuntary Separation	YOUNG	DALE	4/14/2025	MAX	DPW-OPS-SANITATION
Regular	Service	BRACERO	LIBRADO	4/15/2025	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	KEARNEY	HEIKE	4/19/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JONES	ALISHA	4/20/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	MALDONADO	MARGARITA	4/24/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MIGLIACCIO	PASQUALE	4/25/2025	50	PARKING
Regular	Service	WATTS	TARANADA	4/25/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BAUER	JOSEPH	4/26/2025	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	CEFALU	NICOLA	4/26/2025	MAX	DPW-WATER-DISTRIBUTION
Regular	Service	KOTECKI	ANTHONY	4/26/2025	100	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	LARSON	JOAN	4/26/2025	MAX	LIBRARY
Regular	Deferred	OSOWSKI	JON	4/27/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WOLF	JOHN	4/27/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	STONE	KRISTIN	4/29/2025	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	NAWOTKA	CRAIG	4/30/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	NYCZ	PETER	5/1/2025	50	FIRE - FIREFIGHTING
Regular	Service	STEWART	VINCENT	5/1/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	ZEMBROWSKI	ELIZABETH	5/1/2025	100	HEALTH-LABORATORIES
Regular	Conversion (Duty Disability to Regular)	LAVENDER	MARY	5/16/2025	100	CITY OF MILWAUKEE

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					Deaths
Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	VOLLMER	THOMAS	3/22/2025	5/30/2025	\$ 15,168.90
Ordinary Death	BROSTOFF	JONATHAN	11/5/2024	5/30/2025	\$ 44,354.75
Ordinary Death	THOMPSON	JOSEPH	2/12/2025	5/30/2025	\$ 30,621.45
Retiree Death-Termination	ABADIE	MARLENE	12/26/2024	5/30/2025	\$ 1,376.53
Retiree Death-Termination	BENISH	KATHLEEN	4/20/2025	5/30/2025	\$ 925.15
Retiree Death-Termination	BOYLE	ROBERT	12/25/2024	5/30/2025	\$ 3,334.63
Retiree Death-Termination	BRINZA	BARBARA	12/9/2022	5/30/2025	\$ 182.87
Retiree Death-Termination	BURNHAM	JAMES	5/18/2015	5/30/2025	\$ 7,891.77
Retiree Death-Termination	LUDAN	THOMAS	4/9/2023	5/30/2025	\$ 24,751.61
Retiree Death-Termination	MCGRATH	DENNIS	2/21/2025	5/30/2025	\$ 986.19
Retiree Death-Termination	NEAL	LESLIE	7/19/2024	5/30/2025	\$ 927.84
Retiree Death-Termination	WILLIAMS	MAVIS	3/9/2025	5/30/2025	\$ 550.28
Surv Death-Termination	BENISH	KATHLEEN	4/20/2025	5/30/2025	\$ 584.93
Surv Death-Termination	BRINZA	BARBARA	12/9/2022	5/30/2025	\$ 1,431.52
Surv Death-Termination	ELLENBERGER	NELLIE	2/2/2025	5/30/2025	\$ 63.54
Surv Death-Termination	ERKANDER	GLORIA	1/6/2025	5/30/2025	\$ 444.78
Surv Death-Termination	HENSEL	GLORIA	1/19/2025	5/30/2025	\$ 2,787.76
Surv Death-Termination	IVANCIC	MARY ANN	1/16/2025	5/30/2025	\$ 941.17
Surv Death-Termination	KANNENBERG	DOLORES	5/9/2024	5/30/2025	\$ 285.84
Surv Death-Termination	KIDD	SAMUEL	4/20/2025	5/30/2025	\$ 333.27
Surv Death-Termination	KOEPKE	RAYMOND	4/8/2025	5/30/2025	\$ 172.09
Surv Death-Termination	LUDWIG	KATHLEEN	3/24/2025	5/30/2025	\$ 1,688.65
Surv Death-Termination	MOORE-STEEN	MELANIE	4/17/2025	5/30/2025	\$ 970.90
Surv Death-Termination	MUZYNOSKI	JOYCE	4/14/2025	5/30/2025	\$ 322.90
Surv Death-Termination	NOWICKI	STELLA	3/22/2025	5/30/2025	\$ 1,465.80
Surv Death-Termination	PAULICK	CLIFFORD	4/17/2025	5/30/2025	\$ 66.75
Surv Death-Termination	RUNTE	KATHLEEN	12/8/2024	5/30/2025	\$ 326.20
Surv Death-Termination	SCHLICHT	JANET	2/3/2023	5/30/2025	\$ 356.50
Surv Death-Termination	WASIELEWSKI	SYLVIA	3/15/2025	5/30/2025	\$ 125.77
					TOTAL \$ 143,440.34

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	GLOCKA	HELEN	5/1/2025	5/1/2025	
Retiree Death-Cont Opt	GRAGE	GORDON	4/25/2025	5/1/2025	
Retiree Death-Cont Opt	HINTZ	MAYNARD	4/29/2025	5/1/2025	
Retiree Death-Cont Opt	LUCKETT	JULIOUS	4/7/2025	5/1/2025	
Retiree Death-Cont Opt	MATTE	ALAN	4/21/2025	5/1/2025	
Retiree Death-Cont Opt	MEDILL	BARRY	5/10/2025	5/1/2025	
Retiree Death-Cont Opt	NILES	HORACE	4/20/2025	5/1/2025	
Retiree Death-Cont Opt	O'NEILL	JEFFREY	4/20/2025	5/1/2025	
Retiree Death-Cont Opt	SLONIKER	SUSAN	4/27/2025	5/1/2025	
Retiree Death-Cont Opt	TURCZYNSKI	RALPH	5/15/2025	5/1/2025	
Retiree Death-Cont Opt	WINIARSKI	JOSEPH	5/14/2025	5/1/2025	
Retiree Death-Cont Opt	WIRSCHING	PETER	5/6/2025	5/1/2025	
Retiree Death-Cont Opt	ZMUDZINSKI	JAMES	5/4/2025	5/1/2025	

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				Withdrawals	
Type	Last Name	First Name	Payment Date	Amount	
Administrative Withdrawal	CASHMAN	DMITRI	5/30/2025	\$	2,646.59
Administrative Withdrawal	GOERS	KATELYN	5/30/2025	\$	1,720.02
Administrative Withdrawal	GRAY	MALINA	5/30/2025	\$	451.04
Administrative Withdrawal	HARRIS	RODNEY	5/30/2025	\$	189.28
Administrative Withdrawal	LEES	SEAN	5/30/2025	\$	2,615.62
Administrative Withdrawal	MONDRAGON	OFELIA	5/30/2025	\$	2,521.93
Administrative Withdrawal	WHITTINGTON	BRIANNA	5/30/2025	\$	546.25
Full Refund	BOWIE	LAKIESHA	5/30/2025	\$	10,792.02
Full Refund	BRANDEMUEHL	THERESA	5/30/2025	\$	16,572.78
Full Refund	COLEMAN	SIMONE	5/30/2025	\$	4,577.98
Full Refund	COX	LAQUANA	5/30/2025	\$	3,492.86
Full Refund	DAVIS	PETER	5/30/2025	\$	10,101.74
Full Refund	ENDALEW	TILAHUN	5/30/2025	\$	1,498.63
Full Refund	GARCIA	HILDA	5/30/2025	\$	14,541.35
Full Refund	GOODWIN	LATANYA	5/30/2025	\$	9,343.30
Full Refund	GUZMAN-CORDERO	MARIA	5/30/2025	\$	8,915.00
Full Refund	JAMES	BRIONI	5/30/2025	\$	11,014.40
Full Refund	MARTIN	JASMINE	5/30/2025	\$	3,238.62
Full Refund	REED	DLANA	5/30/2025	\$	3,303.36
Full Refund	ROSS	DAVETTE	5/30/2025	\$	5,178.41
Full Refund	THORNTON	MICHELLE	5/30/2025	\$	4,972.56
Full Refund	TREMAINE	PAUL	5/30/2025	\$	6,748.13
Full Refund	WHITE	TYANA	5/30/2025	\$	3,442.34
Full Refund	WHITLEY	ABEL	5/30/2025	\$	6,194.27
Member Only Refund	APPLETON	WENDY	5/30/2025	\$	72.82
Member Only Refund	BAINES	SIERRA	5/30/2025	\$	669.93
Member Only Refund	BART	ELIZABETH	5/30/2025	\$	546.56
Member Only Refund	BELL	SHARON	5/30/2025	\$	659.58
Member Only Refund	BOWIE	NASIF	5/30/2025	\$	1,285.01
Member Only Refund	CANACASCO RUBIO	ALAN	5/30/2025	\$	4,230.18
Member Only Refund	COOPER	LASHAWNDRA	5/30/2025	\$	685.30
Member Only Refund	COOPER	MICAH	5/30/2025	\$	2,007.86
Member Only Refund	DAVIS	KESHAW	5/30/2025	\$	549.96

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	DEVIC	TERESA	5/30/2025 \$	982.76
Member Only Refund	EDWARDS	BRANDON	5/30/2025 \$	330.02
Member Only Refund	HOOD	DARLENE	5/30/2025 \$	632.34
Member Only Refund	JACKSON	JENNIFER	5/30/2025 \$	410.58
Member Only Refund	JAMISON	TATYANA	5/30/2025 \$	827.54
Member Only Refund	JEAN	LEISA	5/30/2025 \$	1,516.18
Member Only Refund	JEFFERY	CASSIE	5/30/2025 \$	550.50
Member Only Refund	PAHLISCH	ABBAY	5/30/2025 \$	493.71
Member Only Refund	PEQUENO ROMERO	YADIRA	5/30/2025 \$	642.09
Member Only Refund	ROBINSON	RHONDA	5/30/2025 \$	1,141.94
Member Only Refund	RUSSELL	LAKIESHA	5/30/2025 \$	4,445.29
Member Only Refund	RUTLEDGE	BARBARA	5/30/2025 \$	1,772.55
Member Only Refund	SALGADO	MELINDA	5/30/2025 \$	764.46
Member Only Refund	SHEEHAN	KATE	5/30/2025 \$	236.54
Member Only Refund	SHOLAR	JAILIN	5/30/2025 \$	1,722.90
Member Only Refund	WARD	ERICA	5/30/2025 \$	1,769.38
Member Only Refund	WILLIAMSON	CANDICE	5/30/2025 \$	1,717.31
Member Only Refund	WONDRACHEK	WILLIAM	5/30/2025 \$	3,591.83
TOTAL \$				168,873.60

Conference Requests – June 2025 Board Meeting

Patrick McClain	2025 NAPPA Legal Education Conference
Sponsor:	NAPPA
Location:	Denver, CO
Date(s):	June 24-27, 2025
Estimated Cost:	\$2,505.00
Erich Sauer, Keith Dickerson	Reams Due Diligence
Sponsor:	Reams Asset Management
Location:	Indianapolis, IN
Date(s):	August 11-12, 2025
Estimated Cost:	\$700.00 per person
David Silber	Baird Advisors' Institutional Investors Conference
Sponsor:	Robert W. Baird
Location:	Kohler, WI
Date(s):	September 8, 2025
Estimated Cost:	\$80.00
David Silber	Goldman Sachs Alternatives Summit
Sponsor:	Goldman Sachs
Location:	New York, NY
Date(s):	October 20-22, 2025
Estimated Cost:	\$1,950.00

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

RETIRED MEMBER ELECTION

TO ELECT ONE RETIRED MEMBER TO THE ANNUITY AND PENSION BOARD OF
THE EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
BY THE VOTE OF PERSONS WHO HAD BEEN MEMBERS BUT WHO HAVE RETIRED
AND ARE RECEIVING A RETIREMENT ALLOWANCE

FOR A TERM OF FOUR YEARS COMMENCING JANUARY 1, 2026 AND EXPIRING DECEMBER 31, 2029

TERM OF THOMAS KLUSMAN EXPIRES DECEMBER 31, 2025

**RULES AND REGULATIONS FOR THE RETIREE MEMBER ELECTION
NOVEMBER 7, 2025**

Nomination papers shall be available at the office of the Election Commission, Room 501 of City Hall, on August 1, 2025 and must be filed before 3:30 p.m. August 22, 2025. Nomination papers shall be required of all candidates. Each candidate must have at least 5 and no more than 10 signatures of eligible retired members of the system. To be eligible for nomination and election, candidates must be members of the retirement system who have retired and are receiving a retirement allowance. Positions on the ballot shall be determined by lot, and such drawing shall take place in the office of the Election Commission at 10:00 a.m. August 26, 2025. Attendance of candidates is optional.

The election will be held on November 7, 2025. In the event there are more than two candidates and one candidate receives one more than half the number of the legal votes cast at the election, that person receiving said vote shall be declared elected to the office. In the event of failure of any one candidate to receive one more than half the number of the legal votes cast, then the two candidates having the highest number of votes shall have their names placed on the ballot for the run-off election to be held December 12, 2025. In the event that only one eligible candidate files, no election shall take place and the candidate shall be declared elected to the office.

The election shall be conducted by mail. Instruction sheet, ballot and return envelope shall be furnished to each eligible retired member of the system at least one week before each election. **Members who do not receive a ballot should contact the Employees' Retirement System at 789 N. Water St., Suite 300, Milwaukee, WI 53202 or by telephone at 414-286-3557 or 1-800-815-8418 to obtain a ballot.** Members shall be required to mark the ballot and enclose such ballot in the return envelope. **For the sole purpose of verifying eligible voters, members are required to PRINT their name, and either their pension number, person ID number or payroll number on the outside of the mailing envelope.**

ENVELOPES WITHOUT A MEMBER'S NAME, AND EITHER A PENSION NUMBER, PERSON ID NUMBER OR PAYROLL NUMBER SHALL BE DECLARED ILLEGAL AND DISQUALIFIED, AND SHALL BE EXCLUDED FROM THE ELECTION.

Ballots shall be returned in the official envelope via U.S. mail or interdepartmental mail addressed to the City of Milwaukee Election Commission, Room 501.

PLEASE MAKE EVERY EFFORT TO VOTE.

Ballots will be removed from the post office box not later than 9:30 a.m. the day of the election and results will be tabulated at ERS offices as specified by the Board.

ANNUITY AND PENSION BOARD

Bulletin No. 199
June 2025

Bernard J. Allen
Executive Director

EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

AT LARGE ACTIVE MEMBER ELECTION

TO ELECT ONE ACTIVE MEMBER TO THE ANNUITY AND PENSION BOARD OF
THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

FOR TERM COMMENCING JANUARY 1, 2026 AND
EXPIRING DECEMBER 31, 2029.

TERM OF MATTHEW BELL EXPIRES DECEMBER 31, 2025

RULES AND REGULATIONS FOR THE AT LARGE ACTIVE MEMBER ELECTION
November 7, 2025

Nomination papers shall be available on www.cmers.com or at the office of the Election Commission, Room 501 of City Hall, on August 1, 2025 and must be filed before 3:30 p.m. August 22, 2025. Nomination papers shall be required of all candidates. Each candidate must have at least 100 and no more than 150 signatures of Active members of the system. Active members can not have signed the nomination paper of any other candidate for the same office at this election. To be eligible for nomination and election, candidates must be defined members. Positions on the ballot shall be determined by lot, and such drawing shall take place in the office of the Election Commission at 10:00 a.m. August 26, 2025. Attendance of candidates is optional.

The election shall be held on November 7, 2025. In the event there are more than two candidates and one candidate receives one more than half the number of the legal votes cast at the election, that person receiving said vote shall be declared elected to the office. In the event of failure of any one candidate to receive one more than half the number of the legal votes cast, then the two candidates having the highest number of votes shall have their names placed on the ballot for the run-off election to be held December 12, 2025. In the event that only one eligible candidate files, no election shall take place and the candidate shall be declared elected to the office.

The election shall be conducted by mail. Instruction sheet, ballot and return envelope shall be furnished to each eligible Active member of the system at least one week before each election. **Members who do not receive a ballot should contact the Employees' Retirement System at 789 N. Water St., Suite 300, Milwaukee, WI 53202 or by telephone at 414-286-3557 or 1-800-815-8418 to obtain a ballot.** Members shall be required to mark the ballot and enclose such ballot in the return envelope. **For the sole purpose of verifying eligible voters, members are required to PRINT their names, and either their pension numbers, person ID numbers or payroll numbers on the outside of the mailing envelope.**

ENVELOPES WITHOUT A MEMBER'S NAME, AND EITHER A PENSION NUMBER, PERSON ID NUMBER OR PAYROLL NUMBER SHALL BE DECLARED ILLEGAL AND DISQUALIFIED, AND SHALL BE EXCLUDED FROM THE ELECTION.

Ballots shall be returned in the official envelope via U.S. mail or interdepartmental mail addressed to the City of Milwaukee Election Commission, Room 501.

PLEASE MAKE EVERY EFFORT TO VOTE.

Ballots must be received by the Election Commission, at the ERS office, or be in the Post Office Box no later than 9:30 a.m. the day of the election and results will be tabulated at 789 N. Water St. Any interested person may observe the entire procedure.

ANNUITY AND PENSION BOARD

VII.

MEDICAL REPORTS

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

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Panel Approvals Report	DATE RAN :	06/13/2025
Approved by Executive Director	Pension Board Meeting Date 06/24/2025	TIME RAN :	13:33

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
685	SMITH, ROBERT	FIRE LIEUTENANT	MILWAUKEE FIRE DEPT	DD 75%	Re-Examination	Approved	Approved		09/01/2023	
1031	MUCHA, JASON	POLICE SERGEANT	POLICE	DD 75%	Re-Examination	Approved	Approved		12/22/2012	

Number of Cases: 2

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 : 06/09/2025

Board Meeting: 06/24/2025

TIME RAN : 06:58

<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>
BARANOWSKI, BRANDON	POLICE OFFICER	MPD	Duty Disability 75%	Re-Examination	01/23/2018	06/06/2025	
GEPPERT, DEREK	FIRE FIGHTER	MFD	Duty Disability 90%	Re-Examination	10/22/2018	06/06/2025	
HUBER, STEPHAN	OPERATIONS DRIVER WORKER	DPW-SANITATION	Ordinary Disability	Re-Examination	06/27/2010	06/06/2025	
LAZARSKI, DANIEL	HEO	FIRE	Ordinary Disability	Re-Examination	04/08/2014	06/06/2025	
MAIER, CRAIG	CUSTODIAL WORKER II	DEPARTEMTN OF PUBLIC WORK	Ordinary Disability	Re-Examination	06/18/2023	06/06/2025	
WEINZIERL, THOMAS	FIRE PARAMEDIC	MFD	Ordinary Disability	Re-Examination	03/04/2021	06/06/2025	
WILLIAMS, GLADYS	OPERATIONS DRIVER/WORKER	DPW-SANITATION	Duty Disability 75%	Re-Examination	05/20/2007	06/06/2025	
WILLIAMS, TIMOTHY	WATER DISTRIBUTION REPAIR	DPW	Ordinary Disability	Re-Examination	12/13/2012	06/06/2025	

Number of Cases: 8

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.

VIII.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.

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

- C. Pending Litigation Report.
- D. Executive Director's Report – Inventory of ERS Projects.



June 24, 2025 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

01/03/25 **Collection of Delinquent City Agency Employer Pension Contributions**
ERS staff requesting legal guidance regarding the collection of delinquent City Agency employer pension contributions.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

01/30/25 **Executive Recruiter RFP and Contract**
ERS requests the City Attorney's Office to draft sample contract for an RFP as it relates to an executive recruiter.
02/17/25 Received contract for RFP for recruiting services from City Attorney's Office.
02/25/25 RFP for Recruiting Services Contract approved by Pension Board.
06/24/25 Amendment to Board Rule II as it relates to moving the deadline for receiving Board elections ballots is scheduled for consideration before the Legislative Committee.
06/24/25 Board Rule II amendment on Pension Board Agenda for approval.

05/05/25 **CliftonLarsenAllen**
Request for City Attorney's Office to draft and negotiate an amendment for additional audit services with CLA, LLC.
06/06/25 Received amendment from City Attorney's Office.
06/24/25 On Pension Board Agenda.

05/14/25 **Adviser Compliance Associates (Global Trading Analytics) Amendment**
Request for City Attorney's Office to draft and negotiate an amendment to extend current contract for one year.

05/19/25 **DS Consulting Group**
Review proposed professional services agreement with DS Consulting Group LLC.
06/03/25 City Attorney's Office completed its review of proposed agreement.
06/24/25 On Pension Board Agenda.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

06/06/25

Neuberger Berman Group LLC Contract

City Attorney's Office requested to negotiate the appropriate limited partnership agreement and side letter with Neuberger as it relates to the Secondary Opportunity Fund VI with NB.

06/06/25 City Attorney's Office approved referral of this contract service request to outside legal counsel, Reinhart.



June 24, 2025 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION

None.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

Executive Management Positions Succession Planning Procedures and Guidelines

Draft proposal creating Board Rule II.8 that would establish temporary and permanent succession planning procedures and guidelines as it relates to executive management positions in the ERS.

05/28/24 Referred to the Legislative Committee by Pension Board.

01/28/25 Committee recommended to amend Board Rule II to provide that the Executive Director will always serve as Board Secretary.

02/25/25 Discussion held regarding proposed amendments to Board Rule II.

06/24/25 Scheduled for Committee consideration.

PART 4. PENDING STATE LEGISLATION

None.



June 24, 2025 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****

➤ 02/26/25 Submitted on briefs; Appellate Court's decision pending.

Benjean Lara v. City of Milwaukee, et al; Case Nos. 2024AP001685; and 2023CV007107

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

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

➤ 01/17/25 Record and Briefs sent. Case awaiting assignment.

Kurt Lacina v Employees' Retirement System, et al; Case No. 2024CV008283

Plaintiff alleges that duty disability retirees receiving a 90% benefit are only subject to the re-examination requirements prior to reaching his/her conversion date.

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

- 04/17/25 Order signed by Court amending Briefing Schedule. Motion hearing rescheduled to July 9, 2025.
- 04/30/25 Defendants' Brief filed with the court.
- **05/19/25** Plaintiff's Brief filed with the court.
- **05/20/25** Intervenor's Brief filed with the court.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason E Rodriguez; Administrative Case No. 1443

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

Joel Rodriguez; Administrative Case No. 1554

See prior Reports for case history

➤ **06/04/25** Scheduling Conference held. Appeal hearing scheduled for July 1, 2025.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Employees' Retirement System – Executive Director's Report

June 2025

- I. Personnel Update
 - A. ERS has no vacancies.
- II. Member Services
 - A. New retirees on payroll in May - 38; 33 are currently anticipated for the June payroll.
 - B. Retiree/Employee deaths entered in April - 16.
 - C. A Retirement Workshop for General City was held on 6/6/25 and 51 registered.
 - D. Annual Statements have been mailed and we have received 60 phone calls with questions.
 - E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

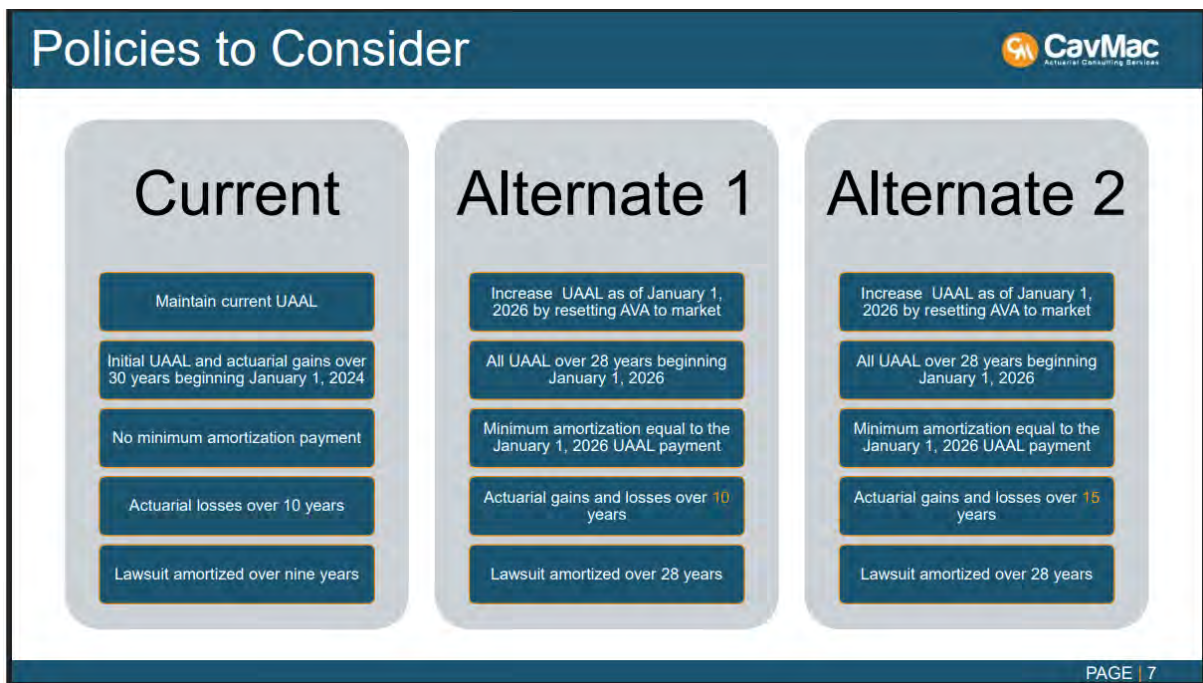
Category	Count
Annuityants	
Death - Duty	23
Death - Ordinary	100
Disability - Duty	350
Disability - Ordinary	562
Retirement	12,850
Separation	40
Total Annuityants	13,925
Active	9,550
Deferred	3,415
Total Population	26,890

- III. Financial Services
 - A. Staff continues to work with the auditors on the Annual Comprehensive Financial Report.
 - B. **The City's contract with the Local 215 was approved by the Common Council.** The City has sent out retro payments to the eligible firefighters. ERS expects to start the recalculation of benefits in June and plans to complete all retro payments and benefit recalculations with the July 31st payroll.
- IV. Information Services
 - A. Struts Upgrade and Modernize MERITS Website in progress.
 - B. Upgrade FileNet P8 to IBM CloudPak4BA in progress.
 - C. MS Windows Desktop and Laptop OS Upgrade in progress.
 - D. Network Redesign in progress.
 - E. Titan Upgrade for CMERS.com in progress.
 - F. IP Address Review and Cleanup 2024 in progress.
 - G. DNS Review and Cleanup 2024 in progress.
 - H. AD Review and Cleanup 2024 in progress.
 - I. Firewall Review and Cleanup 2024 completed.
 - J. Rational Application Developer for Windows 11 Upgrade completed.
 - K. Storage Area Network Firmware Upgrade completed.

V. Administration

- A. Trustees received presentations by three semi-finalist management recruiting firms and the finalist firm has been selected pending contract negotiations. It is anticipated that the firm selected will begin discussions with the Board and other key ERS stakeholders once the contract has been finalized.
- B. Staff reviewed the draft 2025 actuarial valuation report (which determines the 2026 employer contributions) with Cavanaugh Macdonald and the final report is before the Board today for approval. Cavanaugh Macdonald is in the process of updating the financial impact of alternate funding policy options #1 & #2 (suggested by that firm and initially presented to the Board in March, see chart below) based on the 2025 actuarial valuation report.

However, because there remain unrecognized investment losses attributable to the 2022 market sell-off, the January 1, 2025 market value of assets is less than the actuarial value of assets and would require additional employer contributions beyond those determined by the actuary in the 2025 valuation report. A revision to the funding policy requires a City Charter amendment, approval of the Board and certification by the actuary regarding conformity to actuarial standards. This process would require at least 90 days to complete due to statutory notice requirements regarding charter amendments. If the funding policy is so revised to select either option, the 2025 valuation report would need to be restated with retroactive effect to increase actuarially determined employer contributions for 2026.



Basic Website Metrics

	2024								2025				
	May	June	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Users	3,407	3,289	3,332	3,366	3,343	4,108	3,770	3,367	3,735	3,499	3,581	3,454	3,319
Page Views	11,573	10,455	11,124	10,956	11,294	14,359	14,191	11,751	14,508	14,814	12,773	11,684	12,215
Ave. Visit	1:23	1:12	1:18	1:21	1:23	1:34	1:47	1:31	1:39	1:34	1:37	1:20	1:31

IX.

INFORMATIONAL

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Minutes of the Special Administration & Operations Committee Meeting Held May 22, 2025.
- D. Minutes of the Special Administration & Operations Committee Meeting Held June 3, 2025.
- E. Minutes of the Investment Committee Meeting Held June 5, 2025.
- F. Minutes of the Administration & Operations Committee Meeting Held June 11, 2025.
- G. Report on Bills.
- H. Deployment of Assets.
- I. Securities Lending Revenue and Budget Report.
- J. Preliminary Performance Report and Asset Allocation.

Client Conferences 2025

Board Meeting: June 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 25, 2025 11:30 am – 12:30 pm	2Q25 Market Intelligence Webinar Virtual	Callan Associates
September 8, 2025	Baird Advisors Institutional Investors Conference Kohler, WI	Robert W. Baird
September 9 – 10, 2025	2025 LaSalle Americas Investor Summit New York, NY	LaSalle
September 11 – 12, 2025	2025 USLF Annual Meeting New York, NY	ProLogis
September 23 – 25, 2025 10:30 am – 1:30 pm	“Callan College” Introduction to Investments - Learn the Fundamentals Virtual	Callan Associates
October 28, 2025 8:00 am – 11:00 pm	2025 October Regional Workshop Chicago, IL	Callan Associates`
February 3 – 4, 2026	2026 Apogem Annual General Meeting Miami, FL	Apogem Capital

Trustee Conferences 2025

Board Meeting: June 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 14 – 15, 2025	ALTSCHI Chicago, IL	Markets Group
July 15 – 16, 2025	Public Plan Trustees Institute – Level 1 Chicago, IL	International Foundation of Employee Benefit Plans
July 15 – 17, 2025	Pension Bridge Private Equity Exclusive 2025 Chicago, IL	with.Intelligence
August 17 – 19, 2025	Public Pension Funding Forum Chicago, IL	NCPERS
September 4, 2025	11 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 8 – 10, 2025	CII Fall 2025 Conference San Francisco, CA	Council of Institutional Investors
September 9 – 10, 2025	2025 Fixed Income & Credit Conference Dallas, TX	Pensions & Investments
October 7 – 8, 2025	2025 Pension Derisking Conference Chicago, IL	Pensions & Investments
October 8 – 9, 2025	Consultants & Institutional Investors Roundtable Chicago, IL	Institutional Investor
October 10 – 11, 2025	Investment Basics Austin, TX	International Foundation of Employee Benefit Plans
October 25 – 26, 2025	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATs) Ft. Lauderdale, FL	NCPERS

Trustee Conferences 2025

Board Meeting: June 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 26 – 29, 2025	Financial, Actuarial, Legislative & Legal (FALL) Conference Ft. Lauderdale, FL	NCPERS
October 28, 2025	Pension Bridge Alternatives 2025 New York, NY	with.Intelligence
November 13, 2025	Pension Bridge Real Assets 2025 Austin, TX	with.Intelligence
November 19 – 20, 2025	Public Funds Conference Austin, TX	Pensions & Investments
January 26 – 28, 2026	2026 Visions, Insights & Perspectives (VIP) Americas Carlsbad, CA	Institutional Real Estate, Inc.
January 26 – 28, 2026	Legislative Conference Washington DC	NCPERS
March 9 – 11, 2026	CII Spring 2026 Conference Washington DC	Council of Institutional Investors
April 28 - 29, 2026	12 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 3 – 6, 2026	Global Conference Los Angeles, CA	Milken Institute
May 17 – 20, 2026	Annual Conference & Exhibition (ACE) Las Vegas, NV	NCPERS
September 30 – October 2, 2026	CII Fall 2026 Conference Boston, MA	Council of Institutional Investors

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
July 7-8, 2025	Principal (Iowa)	Erich and Keith
August 11-12, 2025	Reams	Erich and Keith
September 10, 2025	Principal (New York)	Erich and Keith

Class Action Income 2025 YTD

Asset Description	Date(s)	Amount
McKesson Corp.	1/10/2025 \$	15,220
Tactile Systems Technology, Inc.	1/21/2025 \$	1,576
General Motors Company	1/28/2025 \$	355
Fifth Third Bancorp	2/5/2025 \$	13,004
Valeant Pharmaceuticals Int'l	2/6/2025 \$	20,849
Mohawk Industries, Inc.	2/21/2025 \$	6,948
Fluor Corp.	3/24/2025 \$	283
Viacom, Inc.	3/27/2025 \$	1,943
American Realty Capital	4/2/2025 \$	201
LIBOR-Based Financial Instruments	4/11/2025 \$	70
Petroleo Brasileiro SA	4/28/2025 \$	4,950
Santander Consumer	4/29/2025 \$	14,601
Boston Scientific Corp.	5/2/2025 \$	4,493
Kraft Heinz Co.	5/19/2025 \$	7,102
Benefitfocus, Inc.	6/3/2025 \$	75
Nissan Motor Co.	6/5/2025 \$	2,287
Total Class Action Income Received in 2025 YTD		\$ 93,956

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

Minutes of the Special Meeting of the Administration and Operations Committee Meeting
held May 22, 2025 via teleconference

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

Committee Members Present: Bill Christianson
 Justin DeCleene
 Timothy Heling, Chair

ERS Staff Present: Bernard Allen, Executive Director
 Melody Johnson, Deputy Director
 Gust Petropoulos, Deputy Director – Disability
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Andrew Brown, Lindsay Higerd, Korn Ferry; Deborah Ford, Thomas Klusman, Rudy Konrad, Matthew Bell, Trustees; Patrick McClain, Alexander Foundos, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; two members of the public called in to the meeting.

Presentations by RFP Semi-Finalists for Management Recruiting Firms. As a matter of information, Committee members and Trustees received the Proposal to ERS for Executive Recruitment Services for the Executive Director position. The presentation is on file with the Board Secretary and is incorporated as part of these minutes.

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

Discussion with Legal Counsel Regarding Strategy for Negotiations over the Terms And Conditions of the Contract for a Management Recruiting Firm and Bargaining with Semi-Finalist Firms over Proposed Exceptions to Contract Terms and Conditions Included in their RFP Responses.

The Committee did not convene in closed session as noticed. Discussion ensued.

It was moved by Mr. Bell and seconded by Mr. Christianson to adjourn the meeting.

Mr. Heling adjourned the meeting at 10:10 a.m.

Bernard J. Allen
Secretary and Executive Director

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

Minutes of the Special Meeting of the Administration and Operations Committee Meeting
held June 3, 2025 via teleconference

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

Board Members Present: Matthew Bell
 Bill Christianson
 Justin DeCleene
 Deborah Ford
 Timothy Heling, Chair
 Thomas Klusman
 Rudy Konrad

Board Members Not Present: Nik Kovac (excused)

ERS Staff Present: Bernard Allen, Executive Director
 Melody Johnson, Deputy Director
 Gust Petropoulos, Deputy Director – Disability
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Kim Bradney, CBIZ; Amy McCauley, Brian Van Swol, Jefferson Wells; Patrick McClain, Alexander Foundos, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; one member of the public called in to the meeting.

Presentations by RFP Semi-Finalists for Management Recruiting Firms. As a matter of information, Committee members and Trustees received from CBIZ the Proposal and Presentation to ERS for Executive Recruitment Services for the Executive Director position. The presentation is on file with the Board Secretary and is incorporated as part of these minutes.

The Chair called for a break at 9:58 a.m.

The Chair resumed the meeting at 10:04 a.m.

As a matter of information, Committee members and Trustees received from Jefferson Wells the Proposal and Presentation to ERS for Executive Recruitment Services for the Executive Director position. The Presentation from Jefferson Wells is on file with the Board Secretary and is incorporated as part of these minutes.

Mr. Heling advised that the Administration & Operations Committee of the Annuity and Pension Board may vote to convene in closed session on the following item (II.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever

competitive or bargaining reasons require a closed session. The Committee may then vote to reconvene in open session following the closed session.

Discussion with Legal Counsel Regarding Strategy for Negotiations over the Terms And Conditions of the Contract for a Management Recruiting Firm and Bargaining with Semi-Finalist Firms over Proposed Exceptions to Contract Terms and Conditions Included in their RFP Responses.

Mr. Bell left the meeting at 10:50 a.m.

It was moved by Mr. Heling, and seconded by Mr. Christianson to convene in closed session. The motion prevailed by the following roll call: AYES: Ms. Ford; Messrs. Christianson, DeCleene, Heling, Klusman, and Konrad. NOES: None.

The Committee convened in closed session at 11:06 a.m.

The Committee re-convened in closed session at 11:40 a.m.

Discussion ensued.

It was moved by Mr. DeCleene and seconded by Mr. Christianson to adjourn the meeting.

Mr. Heling adjourned the meeting at 11:40 a.m.

Bernard J. Allen
Secretary and Executive Director

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

Minutes of the Investment Committee Meeting
held June 5, 2025 via teleconference

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

Committee Members Present: Matthew Bell
 Justin DeCleene
 Deborah Ford
 Timothy Heling
 Thomas Klusman, Chair
 Nik Kovac

Committee Members Not Present: Bill Christianson (arrived 9:02 a.m.)
 Rudy Konrad (arrived 9:02 a.m.)

ERS Staff Present: Jerry Allen, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Keith Dickerson, Pension Investment Analyst – Sr.
 Dan Gopalan, Chief Financial Officer
 Jan Wills, Board Stenographer

Others present: Cheryl Cannistra, Ben Perl, Neuberger Berman; Andrew Boyd, Matt Westhoven, MFS; John Jackson, Mike Joecken, Callan; Lauren Albanese, Financial News; Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; two members of the public called into the meeting.

Chief Investment Officer Report. Mr. Silber provided the Committee with the rebalance activity since the Glide Path was approved in April, as well as a performance and market update for the Fund and upcoming initiatives. He noted the Glide Path was approved within a couple days of the market trough. Mr. Silber noted the Fund is making good progress toward the new targets due to the strong equity market rally since mid-April. Mr. Silber noted \$41 million was withdrawn from stocks in April and \$120.4 million was withdrawn in May, noting the May amount includes withdrawals made in both early May and late May. He stated \$68 million was invested into Fixed Income managers in April and another \$79 million in May. Mr. Silber added that about \$80 million in benefit payments were also made during this time. He said that the priority has been to get the Fixed Income allocation closer to its new target, especially since the Fund is overweight to both Public and Private Equity. Mr. Silber said the new benchmark will be effective on July 1st. He said the next Investment Committee meeting will be in September. Discussion ensued.

Please be advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or

disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Investment Committee may then vote to reconvene in open session following the closed session.

The Board did not convene in closed session as noticed.

Neuberger Berman Private Equity Presentation. As a matter of information, Committee members received the “NB Secondary Opportunities Fund ‘SOF’ Update” booklet from Neuberger Berman. Mr. Silber noted the ERS has invested in three of Neuberger Berman’s funds and they have invested money on the Fund’s behalf for over a decade. Mr. Perl stated Neuberger Berman is a large, global independent asset manager and manage half a trillion dollars globally across public and private Fixed Income and Equities and are 100% employee owned. Mr. Perl gave a presentation on the Neuberger Berman Platform and Secondary Strategy and discussed the following topics: Independent, Privately Owned, Global Asset Manager; NB Private Markets Overview; Differentiated Market Intelligence and Enhanced Due Diligence Capabilities; Dedicated Secondary Investment Team Leveraging the Neuberger Berman Platform; SOF Flagship Fund Series – Investment Strategy Overview; Sourcing – Leveraging NB’s Global Relationships and Platform to Source Attractive Opportunities; Underwriting – Differentiated Access to GPs, Proprietary Company Information and Industry Experts; Targeting the Secondary Middle Market With Global Institutional Resources; Overview of Active Flagship Secondary Opportunity Funds (“SOF”); and Summary Investment Highlights.

Mr. Perl also gave a Secondary Market Update and discussed the following topics; Strong Long-Term Growth in Secondary Market Transaction Volumes; Key Secular Growth Drivers for the Secondary Market; Current Market Conditions Create Potential for Attractive Secondary Supply; Lack of Exits Creating Cash Flow Challenge; Growth in Transaction Volumes Outpacing Growth in Fundraising; Different Secondary Strategies – Illustrative Comparisons; Relative Risk / Reward of Levered Beta LP Transactions vs Targeted Secondaries; Market Observation – Targeted Buying Strategies Capitalize on Dislocation; Illustrative Example of Identifying Value as a Buyer Through Asset Selection; Secondary Market Pricing Trends; GP-Led Market: Attractive, Rapidly Growing Segment; GP-Led Market: Capturing Share from Traditional Private Equity Exit Alternatives; GP-Led Market: Types of Continuation Funds and Age of Assets; and Potential Benefits to Investors: Continuation Fund vs Buyout Fund Dynamics. Discussion ensued.

MFS Investment Management Presentation. As a matter of information, Committee members received the MFS Global Growth Equity booklet from MFS. Mr. Silber noted MFS is the ERS’ Global Growth Public Equity Manager who invests in growth stocks headquartered in both the United States and around the world. Mr. Silber stated they have been managing money for the ERS since 2012. Messrs. Boyd and Westhoven provided an MFS Overview and Investment Overview presentation on the following topics: Responsible Active Management; Business Profile; MFS Perspectives – Featured Events & Insights; Executive Summary; MFS Global Growth Equity Team; MFS Global Growth Equity; Consistent Quality Exposure; Exposure to Durable Growth Compounds; Valuation; Downside Risk Management; Historical Relative Performance Over Rolling Periods; Performance Results – Gross and Net of Fees (USD); Leadership Broadened Significantly in Q1; Valuation Matters in the Long Run; Expensive Valuation Has Led Since 2023;

Valuation Quintiles – A Return to Long-Term Pattern; Market Concentration Near Historical Levels; Market has Become Increasingly Concentrated; Performance Drivers – Sectors; Performance Drivers – Stocks; Significant Transactions; Sector Weights; Regional Exposures – Domicile vs. Revenue; Characteristics and Top 10 Holdings: and MFS Global Growth Equity Composite (USD). Discussion ensued.

The Chair called for a break at 10:17 a.m.

The Chair resumed the meeting at 10:23 a.m.

Callan Statement of Investment Policy Review. As a matter of information, Committee members received a redlined copy of the Statement of Investment Policy. Mr. Silber noted the document gets updated as needed, but a lot of the sections are at least 20 years old and Staff and Callan decided it was time for a deep-dive review. He said the goal is to explain the document to the Committee and identify areas that can be improved. Mr. Joecken walked Committee members through the document to discuss what is in it and what the Committee wants the document to be. He noted the document is used by Board Members, Committee members, and members of the public as a high-level document in terms of what is the purpose of the Fund, what are the responsibilities of the parties and stakeholders involved in the Fund, what are the important things to know about the Fund, who does what, and how to think about managing the Fund. Mr. Joecken stated some of the suggested changes are stylistic, some are changes in the wording to make things more clear, some are changes to make the document better describe existing practice, and some are changes to reflect what they see as trends amongst the ERS' peers. He said many of the ERS' peers place the Investment Guidelines in a separate document or within the Investment Manager Agreements signed with each manager. Mr. Joecken went over Sections I. through XI. with the Committee and presented on the following topics: Statement of Investment Policy (Introduction, Responsibilities of the Board, Scope and Purpose of the Policy, Duties of Fiduciaries, including Staff, Investment Consultant, Investment Managers, Custodian, Additional Professionals); Investment Goals and Objectives (Funding Levels and Liquidity Requirements, Asset Allocation Considerations, Target Allocations, Rebalancing Procedures, Transition Manager Procedures); Guidelines for Actively Managed Fund Assets (Risk Aversion, Fully Invested, Investment Discipline Objectives, Commingled Funds, Brokerage and Execution of Transactions); Selection and Review of Investment Managers (Performance Review and Evaluation); Definitions and Conclusion; Specific Objectives for Individually Managed Portfolios (Investment Objectives and Guidelines, Board Restrictions, Derivatives, Transition Manager, Total Fund Objectives and Guidelines, Individual Investment Managers Objectives and Guidelines); Required Reporting of Actively Managed Investment Portfolios; Proxy Voting Guidelines; Policy and Guidelines for Brokerage Services; Approved Securities Lending Programs; and Addendum.

Ms. Ford left the meeting at 10:44 a.m.

Informational.

Callan 1st Quarter 2025 Performance Report. Mr. Klusman accepted this item and placed it on file.

06/05/25

It was moved by Mr. Christianson and seconded by Mr. Bell to adjourn the meeting.

There being no further business, Mr. Klusman adjourned the meeting at 11:29 a.m.

Bernard J. Allen
Secretary and Executive Director

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

Minutes of the Administration and Operations Committee Meeting
held June 11, 2025 via teleconference

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

Committee Members Present: Timothy Heling, Chair
 Justin DeCleene

Committee Members No Present: Bill Christianson (excused)

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

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

Approval of CliftonLarsonAllen (CLA) Contract. Mr. Allen stated Mr. Gopalan is proposing to retain CliftonLarsonAllen as independent accountants. Mr. Gopalan said the contract came about as a result of Act 12 which requires ERS' financial statements be audited annually by the Wisconsin Legislative Audit Bureau (LAB). He noted the ERS issues two audited financial reports every year – the Annual Comprehensive Financial Report (ACFR) which LAB is required to audit and the Schedule of Employer Allocations by pension amounts by employer, also known as Employer Schedules. Mr. Gopalan said Act 12 is silent on who should audit the Employer Schedules, but ERS Staff thought it important that the Board retain its ability to choose the auditor for the Employer Schedules. He noted the Employer Schedules are used by our employer (the City of Milwaukee), and the City Agencies that issue their own financial statements. Mr. Gopalan said the employers take ERS' pension expenses, contributions they have made, and the pension liabilities, and they are required to report their share of the pension liabilities and expense on their financial statements. He noted in order for the City of Milwaukee to rely on these amounts, the Schedules need to be audited.. Mr. Gopalan said when they did the RFQ, he only expected a few CPA firms to respond because it is such a unique situation with Act 12. Discussion ensued. Mr. Allen added that there are two accounting standards of Government Accounting Standards Board 67 (GASB 67) which are for the main audited financials and the employer schedules are covered by a companion standard called GASB 68. He noted that the ERS financial statements under GASB 67 are an aggregate of all the liabilities, expenses, and contributions for the system as a whole. Mr. Foundos added that he reviewed the contract and CLA

requested several edits to the contract which were accepted or denied. He said the auditor proposed a two-year reduction of the statute of limitations for which claims could be brought against the contractor. Mr. Foundos said the ERS proposed to set it to 24 months which was higher than some of the limits of the contract it was proposing. He said this was consistent with other ERS contracts with other auditors which was agreed to in the past. Mr. Foundos said everything in acceptable in the contract and can be approved.

It was moved by Mr. Heling and seconded by Mr. DeCleene to approve the Approval of CliftonLarsonAllen (CLA) Contract.

Approval of DS Consulting Contract. Mr. Allen announced that Mr. Siddiqui left the Board Room during his contract discussion. He noted that DS Consulting is Mr. Terry Siddiqui and it is his firm. Mr. Allen said Mr. Siddiqui has been with the ERS since 2003 and is the living embodiment of the ERS' institutional knowledge. He said he came to the ERS after working at Accenture, a spinoff of Arthur Andersen. Mr. Allen stated he was brought in to help with the development and installation of MERITS which was accomplished by 2006. He said his contract runs through next year and is not expiring this year. Mr. Allen noted the many retirements coming up with persons who are familiar with the plan and he wanted to secure this resource for the plan as part of the management succession transition to provide for continuity. He noted the ERS does not run without Mr. Siddiqui. He stated Mr. Siddiqui is in charge of quality assurance, which includes IT and every department in the ERS. Mr. Allen said Mr. Siddiqui works with each area of the business to assure that the records are kept and that IT works. He said by trade, he is an industrial engineer, but has mastered disciplines such as tax reporting and is essential to that aspect of the ERS payroll as well. Mr. Allen stated is asking the Committee to extend Mr. Siddiqui's contract, because his skills are in high demand in the marketplace. He said Mr. Siddiqui is providing a market analysis of the cost of his services compared to other firms. Mr. Allen concluded this agency needs him. Mr. Shober said Mr. Siddiqui was integral in building MERITS and doing the customization required for it and he understands the product inside and out. Mr. Shober added that any operational question that comes up that needs to be addressed in that product, he knows about, and is able to facilitate getting it fixed in a timely and expedient fashion. He said because Mr. Siddiqui knows the operation so well, up to and including Chapter 36, there is no one who has more institutional knowledge than he does. Mr. Shober said Mr. Siddiqui has the knowledge and the discipline because of what he has done in his career that allows him to think off the cuff to get the solution quickly, averting many crises because of his ability to do that. Mr. Heling asked if there were a successor to Mr. Siddiqui to shadow him to learn some of the duties. Mr. Allen said there is documentation but there is no one else here who has the experience of developing MERITS. He said the shell of a product was purchased, customized and has to be maintained and updated. Mr. Allen said an organizational review was done in 2009 and the ERS was told that is among the most complex public pension plans in the world because there are 40,000 benefit iterations. Mr. Shober added that Mr. Siddiqui wrote most of the documentation, and brings value in that he can get to the crux of the problem, without having to wade through the document and do any research.

It was moved by Mr. Heling and seconded by Mr. DeCleene to approve the Approval of DS Consulting Contract.

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

Organizational/Personnel Update. Ms. Johnson stated that there are no ERS vacancies, but she noted they will be recruiting for her position when she retires next February. Mr. Allen added that there is a finalist candidate for the management recruitment firm position and the City Attorney will be contacting their attorneys. He said if the contract is in place, the discussion can begin next month with the Trustees and other stakeholders for the Executive Director candidate.

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

Mr. Heling adjourned the meeting at 9:26 a.m.

Bernard J. Allen
Secretary and Executive Director

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Fiscal Year
2025
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2025-05-31

	Budget	2025-1	2025-2	2025-3	2025-4	2025-5	Year to Date Expended	Life to Date Commitments	Remaining Budget
Regular Departmental Appropriations:									
Employee Salaries & Wages	5,379,533.00	-	-	-	-	-	-	-	5,379,533.00
Base Pay-Salary & Wage	-	438,820.69	382,097.32	365,469.93	355,770.88	363,520.32	1,905,679.14	-	(1,905,679.14)
Overtime Premium	-	-	-	-	-	256.22	256.22	-	(256.22)
Other Worked Compensation	-	-	-	-	-	(79.70)	(79.70)	-	79.70
Time Paid Not Worked	-	191,193.94	28,078.83	44,798.75	54,206.03	52,712.49	370,990.04	-	(370,990.04)
Employee Salaries & Wages	\$ 5,379,533.00	630,014.63	410,176.15	410,268.68	409,976.91	416,409.33	\$ 2,276,845.70	\$ -	\$ 3,102,687.30
Fringe Benefits Applied	2,420,790.00	-	-	-	-	-	-	-	2,420,790.00
Fringe Benefits Applied	-	207,342.80	180,540.97	172,684.56	168,101.74	171,763.34	900,433.41	-	(900,433.41)
Applied Employee Benefits	\$ 2,420,790.00	207,342.80	180,540.97	172,684.56	168,101.74	171,763.34	\$ 900,433.41	\$ -	\$ 1,520,356.59
Operating Expenditures	16,013,400.00	-	-	-	-	-	-	-	16,013,400.00
Office Supplies	-	527.71	788.63	525.29	804.83	1,614.33	4,260.79	-	(4,260.79)
Magazines, Subscription	-	950.40	1,214.18	237.99	612.99	1,886.37	4,901.93	-	(4,901.93)
Postal and Mailing Services	-	217.09	13,313.23	13,251.11	550.59	13,301.44	40,633.46	-	(40,633.46)
Electricity	-	3,968.65	4,100.83	4,080.97	3,095.05	2,861.66	18,107.16	-	(18,107.16)
Other Operating Supply	-	-	-	3,394.81	-	-	3,394.81	-	(3,394.81)
Building Rental	-	76,728.04	40,443.40	40,002.78	40,568.74	40,002.78	237,745.74	-	(237,745.74)
Printing & Dupl Machine Rental	-	(2,298.48)	3,298.94	2,026.05	1,142.31	1,126.54	5,295.36	-	(5,295.36)
Consulting	-	(7,500.00)	46,521.43	50,932.58	39,465.58	44,907.58	174,327.17	-	(174,327.17)
Medical, Surgical & Lab	-	8,494.87	6,974.33	942.31	27,913.02	10,119.99	54,444.52	-	(54,444.52)
Administrative Charges	-	4,223.66	192,229.64	86,152.92	35,651.65	55,757.14	374,015.01	-	(374,015.01)
Other Professional Services	-	(1,328,007.96)	1,153,906.29	75,000.00	657,346.58	990,353.91	1,548,598.82	-	(1,548,598.82)
Systems Support	-	-	56,107.36	50,888.24	54,746.60	26,081.12	187,823.32	-	(187,823.32)
IT Infrastructure	-	-	9,448.00	2,581.80	-	-	12,029.80	-	(12,029.80)
Infrastructure	-	-	2,228.08	5,636.34	-	-	7,864.42	-	(7,864.42)
Telephone, Communications	-	2,275.59	10,981.43	7,393.58	8,758.10	7,043.84	36,452.54	-	(36,452.54)
Bldgs-Machinery & Equip Repair	-	-	4,017.00	-	1,370.73	-	5,387.73	-	(5,387.73)
Travel & Subsistence	-	1,285.10	3,572.57	2,032.70	2,257.09	6,147.73	15,295.19	-	(15,295.19)
Printing Services	-	-	899.15	-	24,224.73	266.36	25,390.24	-	(25,390.24)
Insurance-Non Health	-	12,398.00	-	-	-	-	12,398.00	-	(12,398.00)
Other Misc Services	-	740.00	13,561.02	292.62	950.80	246.90	15,791.34	-	(15,791.34)
Operating Expenditures	\$ 16,013,400.00	(1,225,997.33)	1,563,605.51	345,372.09	899,459.39	1,201,717.69	\$ 2,784,157.35	\$ -	\$ 13,229,242.65
All Equipment	713,000.00	-	-	-	-	-	-	-	713,000.00
Computer Server & Components	-	-	66,403.27	-	44,324.55	84,127.70	194,855.52	-	(194,855.52)
Total Equipment	\$ 713,000.00	-	66,403.27	-	44,324.55	84,127.70	\$ 194,855.52	\$ -	\$ 518,144.48
Total Regular Class	\$ 24,526,723.00	(388,639.90)	2,220,725.90	928,325.33	1,521,862.59	1,874,018.06	\$ 6,156,291.98	\$ -	\$ 18,370,431.02
Other Departmental Appropriations:									
Group Life Insurance Premium	4,200,000.00	351,955.38	345,399.02	336,415.67	332,973.63	342,315.08	1,709,058.78	-	2,490,941.22
Retiree's Benefit Adjustment	25,000.00	1,144.68	1,144.68	1,144.68	1,144.68	1,144.68	5,723.40	-	19,276.60
Other Classes	\$ 4,225,000.00	353,100.06	346,543.70	337,560.35	334,118.31	343,459.76	\$ 1,714,782.18	\$ -	\$ 2,510,217.82
Total Dept Appropriations	\$ 28,751,723.00	(35,539.84)	2,567,269.60	1,265,885.68	1,855,980.90	2,217,477.82	\$ 7,871,074.16	\$ -	\$ 20,880,648.84

Monthly Board Report

31-May-25

Account number COMALL

CITY OF MILW ALL ACCTS

Page 1 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-CASH ACCOUNT	0.00	62,628,878.75	0.00	0.00	0.00	0.00	62,628,878.75
2605491	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	1.02%
MILWAUKEE-THE NORTHERN TRS	0.00	0.00	193,452,166.00	0.00	0.00	0.00	193,452,166.00
2605496	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.14%
MILWAUKEE-ERS EXPENSE FUND	0.00	263,832.91	0.00	0.00	0.00	0.00	263,832.91
2605504	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-PABF BENEFIT PAYMENT	0.00	2,509.52	0.00	0.00	0.00	0.00	2,509.52
2610128	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-DFA INTERNATIONAL	0.00	0.00	162,551,840.60	0.00	0.00	0.00	162,551,840.60
2619838	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.64%
MILWAUKEE-EARNEST -SL	0.00	3,053,562.82	168,027,272.20	0.00	0.00	0.00	171,080,835.10
2630942	0.00%	1.78%	98.22%	0.00%	0.00%	0.00%	2.77%
MILWAUKEE - UBS A&Q	0.00	0.00	0.00	0.00	286,185,210.50	0.00	286,185,210.50
2637239	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	4.64%
MILWAUKEE-DFA	0.00	0.00	177,773,606.20	0.00	0.00	0.00	177,773,606.20
2637848	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.88%
MILWAUKEE-BAIRD	0.00	36,352,259.27	0.00	56,927,467.14	0.00	-1,958,556.53	91,321,169.88
2674604	0.00%	39.81%	0.00%	62.34%	0.00%	-2.14%	1.48%
MILWAUKEE - BLACKROCK R1000V	0.00	0.00	186,942,235.90	0.00	0.00	0.00	186,942,235.90
4472746	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.03%
MILWAUKEE-LOOMIS SAYLE	9,509,280.23	0.00	4,497,794.08	721,203,887.20	-225,998,125.00	-1,427,831.50	507,785,005.00
CME01	1.87%	0.00%	0.89%	142.03%	-44.51%	-0.28%	8.24%
MILWAUKEE-BRANDES INT'L EQUITY	3,424,357.19	0.00	287,752,955.30	0.00	2,632,873.76	1,486,001.52	295,296,187.80
CME03	1.16%	0.00%	97.45%	0.00%	0.89%	0.50%	4.79%
MILWAUKEE-REAMS	107,166,519.30	0.00	0.00	899,451,927.00	7,576,334.08	-221,133,303.40	793,061,476.90
CME04	13.51%	0.00%	0.00%	113.42%	0.96%	-27.88%	12.86%
MILWAUKEE-BLAIR	20,006.79	0.00	47,709,663.86	0.00	1,306,726.52	0.00	49,036,397.17
CME05	0.04%	0.00%	97.29%	0.00%	2.66%	0.00%	0.80%
MILWAUKEE-MFS	2,698,532.11	0.00	200,092,416.30	0.00	479,631.24	0.00	203,270,579.60
CME12	1.33%	0.00%	98.44%	0.00%	0.24%	0.00%	3.30%

Monthly Board Report

31-May-25

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-POLEN 2644553	0.00 0.00%	2,012,678.74 1.79%	110,269,092.50 98.21%	0.00 0.00%	0.00 0.00%	0.00 0.00%	112,281,771.20 1.82%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	191,343,994.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	191,343,994.80 3.10%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	246,728,366.40 93.17%	0.00 0.00%	0.00 0.00%	18,100,000.00 6.83%	264,828,366.40 4.30%
MILWAUKEE - MESIROW IX / 4421480 4421480	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	11,398,217.00 100.00%	0.00 0.00%	11,398,217.00 0.18%
MILWAUKEE - ABBOTT 2025 / 4430172 4430172	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1,800,000.00 100.00%	0.00 0.00%	1,800,000.00 0.03%
MILWAUKEE - BLACKROCK US AGG / 4433045 4433045	0.00 0.00%	0.00 0.00%	0.00 0.00%	68,288,862.12 100.00%	0.00 0.00%	0.00 0.00%	68,288,862.12 1.11%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	108,246,264.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	108,246,264.00 1.76%
MILWAUKEE-APTITUDE / 4479682 4479682	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	197,873,331.60 100.00%	0.00 0.00%	197,873,331.60 3.21%
MILWAUKEE-INV TRAN CME08	7,111,779.39 3.97%	0.00 0.00%	172,117,429.40 96.03%	0.00 0.00%	0.00 0.00%	0.00 0.00%	179,229,208.80 2.91%
MILWAUKEE-CME03 SANCTIONED P/F / CME103 CME103	0.00 0.00%	0.00 0.00%	2,821,313.13 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,821,313.13 0.05%
MILWAUKEE - DFA US LCV CME15	427,808.40 0.32%	0.00 0.00%	133,337,420.80 99.69%	0.00 0.00%	0.00 0.00%	-18,647.06 -0.01%	133,746,582.20 2.17%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	465,214,341.30 100.00%	0.00 0.00%	0.00 0.00%	465,214,341.30 7.54%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	759,003,886.00 100.00%	0.00 0.00%	759,003,886.00 12.31%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	490,274,047.19 100.21%	-1,048,902.77 -0.21%	489,225,144.39 7.93%

Monthly Board Report

31-May-25

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
Total for consolidation	130,358,283.41	104,313,722.01	2,393,663,831.47	2,211,086,484.76	1,532,532,132.89	-206,001,239.74	6,165,953,214.77
% for consolidation	2.11%	1.69%	38.82%	35.86%	24.85%	-3.34%	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: 2025
As of MAY 31, 2025

Date	Income From Lending	Amounts Expended		Balance
		Fees	Administrative Transfers	
Balance 12-31-24				\$919,258.43
Quarter 1 Totals	\$213,231.68	\$41,240.76	\$920,000.00	\$171,249.35
04/03/25	\$536.57	\$0.00	\$0.00	\$171,785.92
04/15/25	\$55,950.13	\$11,183.69	\$0.00	\$216,552.36
05/05/25	\$699.68	\$0.00	\$0.00	\$217,252.04
05/15/25	\$57,238.06	\$11,441.48	\$0.00	\$263,048.62
Current Totals	\$327,656.12	\$63,865.93	\$920,000.00	\$263,048.62

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

MERS PERFORMANCE ESTIMATES
May 31, 2025

Account	2024 Return	1st Quarter 2025	Apr 2025	May 2025	YTD Thru 5/31/2025
Northern Trust S&P 500 Index	25.00%	-4.27%	-0.68%	6.29%	1.06%
S&P 500	<u>25.02%</u>	<u>-4.27%</u>	<u>-0.68%</u>	<u>6.29%</u>	<u>1.06%</u>
Difference	-0.02%	0.00%	0.00%	0.00%	0.00%
BlackRock Russell 1000 Value Index	14.38%	2.14%	-3.05%	3.51%	2.50%
Russell 1000 Value	<u>14.37%</u>	<u>2.14%</u>	<u>-3.05%</u>	<u>3.51%</u>	<u>2.50%</u>
Difference	0.01%	0.00%	0.00%	0.00%	0.00%
DFA US Large Cap Value	13.84%	2.11%	-4.50%	2.98%	0.42%
Russell 1000 Value	<u>14.37%</u>	<u>2.14%</u>	<u>-3.05%</u>	<u>3.51%</u>	<u>2.50%</u>
Difference	-0.53%	-0.02%	-1.46%	-0.53%	-2.08%
Polen	16.07%	-5.80%	-0.46%	6.15%	-0.47%
S&P 500	<u>25.02%</u>	<u>-4.27%</u>	<u>-0.68%</u>	<u>6.29%</u>	<u>1.06%</u>
Difference	-8.95%	-1.53%	0.21%	-0.15%	-1.53%
Earnest	8.19%	-3.31%	-3.14%	3.99%	-2.61%
Russell MidCap	<u>15.34%</u>	<u>-3.40%</u>	<u>-1.03%</u>	<u>5.72%</u>	<u>1.06%</u>
Difference	-7.15%	0.09%	-2.10%	-1.73%	-3.67%
DFA US Small Cap Value	7.87%	-8.03%	-5.17%	6.13%	-7.43%
Russell 2000 Value	<u>8.05%</u>	<u>-7.74%</u>	<u>-4.02%</u>	<u>4.20%</u>	<u>-7.73%</u>
Difference	-0.19%	-0.28%	-1.15%	1.93%	0.30%
Brandes	7.09%	10.38%	3.68%	3.50%	18.45%
MSCI EAFE	<u>3.82%</u>	<u>6.86%</u>	<u>4.58%</u>	<u>4.58%</u>	<u>16.87%</u>
Difference	3.27%	3.52%	-0.90%	-1.08%	1.58%
William Blair*	3.44%	0.00%	4.61%	6.02%	10.90%
MSCI ACWI ex US	<u>6.09%</u>	<u>5.36%</u>	<u>3.69%</u>	<u>4.96%</u>	<u>14.67%</u>
Difference	-2.65%	-5.36%	0.92%	1.06%	-3.77%
DFA Int'l Small Cap Value	7.89%	10.35%	4.51%	6.37%	22.68%
MSCI EAFE Small Cap	<u>1.82%</u>	<u>3.69%</u>	<u>5.80%</u>	<u>5.61%</u>	<u>15.86%</u>
Difference	6.07%	6.67%	-1.29%	0.77%	6.82%
AQR	6.62%	1.25%	-0.14%	5.20%	6.37%
MSCI EM	<u>7.50%</u>	<u>2.93%</u>	<u>1.31%</u>	<u>4.27%</u>	<u>8.73%</u>
Difference	-0.89%	-1.68%	-1.45%	0.93%	-2.36%
BlackRock Global Alpha Tilts	18.98%	-0.95%	0.67%	5.71%	5.40%
MSCI ACWI	<u>17.49%</u>	<u>-1.32%</u>	<u>0.93%</u>	<u>5.75%</u>	<u>5.32%</u>
Difference	1.49%	0.37%	-0.26%	-0.04%	0.08%
MFS	11.87%	-3.28%	0.03%	4.85%	1.44%
MSCI ACWI	<u>17.49%</u>	<u>-1.32%</u>	<u>0.93%</u>	<u>5.75%</u>	<u>5.32%</u>
Difference	-5.62%	-1.95%	-0.90%	-0.90%	-3.88%
BlackRock Gov't Bond Index	0.79%	2.91%	0.63%	-1.01%	2.52%
Bloomberg Gov't Bond	<u>0.62%</u>	<u>2.91%</u>	<u>0.63%</u>	<u>-1.02%</u>	<u>2.51%</u>
Difference	0.16%	0.00%	0.00%	0.01%	0.01%
BlackRock Aggregate Bond Index*				0.59%	0.59%
Bloomberg US Aggregate				<u>0.59%</u>	<u>0.59%</u>
Difference				0.00%	0.00%
Reams	1.76%	2.91%	0.48%	-0.46%	2.93%
Bloomberg US Aggregate	<u>1.25%</u>	<u>2.78%</u>	<u>0.39%</u>	<u>-0.72%</u>	<u>2.45%</u>
Difference	0.51%	0.13%	0.08%	0.26%	0.48%
Loomis Sayles	5.26%	2.35%	0.58%	0.40%	3.36%
Bloomberg US Aggregate	<u>1.25%</u>	<u>2.78%</u>	<u>0.39%</u>	<u>-0.72%</u>	<u>2.45%</u>
Difference	4.01%	-0.43%	0.19%	1.12%	0.91%
UBS	10.57%	2.12%	0.44%	0.61%	3.20%
SOFR + 4%	<u>9.31%</u>	<u>2.06%</u>	<u>0.68%</u>	<u>0.68%</u>	<u>3.45%</u>
Difference	1.26%	0.06%	-0.23%	-0.07%	-0.25%
Aptitude	13.15%	0.51%	1.20%	1.68%	3.42%
SOFR + 4%	<u>9.31%</u>	<u>2.06%</u>	<u>0.68%</u>	<u>0.68%</u>	<u>3.45%</u>
Difference	3.84%	-1.55%	0.52%	1.00%	-0.03%
Principal	3.28%	3.39%	-0.07%	2.12%	5.50%
Blended Benchmark	<u>4.21%</u>	<u>4.73%</u>	<u>0.16%</u>	<u>2.18%</u>	<u>7.18%</u>
Difference	-0.93%	-1.34%	-0.23%	-0.06%	-1.68%
Baird	5.16%	1.37%	0.54%	0.18%	2.09%
Bloomberg Govt/Credit 1-3 Year	<u>4.36%</u>	<u>1.63%</u>	<u>0.76%</u>	<u>-0.13%</u>	<u>2.26%</u>
Difference	0.80%	-0.25%	-0.22%	0.31%	-0.17%
Total MERS	6.85%	1.18%	0.28%	2.01%	3.51%

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).

Inception date for the BlackRock US Aggregate Index is May 21, 2025

William Blair performance runs through May 29, 2025.

ACTUAL ALLOCATIONS

May 31, 2025

		Target*	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 193,452,166	3.18%
	BlackRock (Russell 1000 Value)	3.19%	\$ 186,942,236	3.07%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 380,394,402	6.26%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 112,281,771	1.85%
	DFA (Russell 1000 Value)	2.28%	\$ 133,746,582	2.20%
	Sub-Total Active Large Cap Equity	4.06%	\$ 246,028,353	4.05%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 171,080,835	2.81%
	DFA (Russell 2000 Value)	2.81%	\$ 177,773,606	2.92%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 348,854,441	5.74%
Total Domestic		16.20%	\$ 975,277,197	16.04%
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 298,117,501	4.90%
	William Blair (MSCI ACWI ex US)	3.61%	\$ 49,036,397	0.81%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 162,551,841	2.67%
	AQR (MSCI EM)	1.63%	\$ 108,246,264	1.78%
	Sub-Total Active International Equity	12.60%	\$ 617,952,003	10.16%
Passive International Equity	Transition Account	0.00%	\$ 179,229,209	2.95%
Total International		12.60%	\$ 797,181,211	13.11%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 264,811,802	4.35%
	MFS (MSCI ACWI)	3.24%	\$ 203,270,580	3.34%
Total Global		7.20%	\$ 468,082,382	7.70%
Total Public Equity		36.00%	\$ 2,240,540,789	36.84%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 298,611,980	4.91%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 291,696,620	4.80%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 79,289,616	1.30%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 103,510,452	1.70%
Total Private Equity		11.00%	\$ 773,108,668	12.71%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 3,013,649,457	49.56%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 62,895,221	1.03%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$ 465,214,341	7.65%
	BlackRock (Bloomberg US Aggregate)	0.00%	\$ 68,288,862	1.12%
	Sub-Total Passive Fixed Income	8.00%	\$ 533,503,203	8.77%
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$ 793,061,477	13.04%
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$ 507,785,005	8.35%
	Sub-Total Active Fixed Income	23.00%	\$ 1,300,846,482	21.39%
Total Fixed Income		32.00%	\$ 1,897,244,906	31.20%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 201,197,919	3.31%
	UBS (SOFR + 4%)	5.14%	\$ 287,934,641	4.73%
Total Absolute Return		9.00%	\$ 489,132,559	8.04%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,386,377,466	39.24%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$ 94,159,247	1.55%
	Morgan Stanley (NFI-ODCE)	2.42%	\$ 146,952,302	2.42%
	LaSalle (NFI-ODCE)	2.06%	\$ 107,412,875	1.77%
	Prologis (NFI-ODCE)	1.17%	\$ 82,960,545	1.36%
	Harrison Street (NFI-ODCE)	0.81%	\$ 49,616,461	0.82%
	Sub-Total Private Real Estate - Core	8.70%	\$ 481,101,430	7.91%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 8,863,573	0.15%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 191,343,995	3.15%
TOTAL REAL ASSETS		12.00%	\$ 681,308,998	11.20%
TOTAL ERS			\$ 6,081,335,921	100.00%
Total City Reserve Fund		R. W. Baird	91,321,170	

* Reflects targets approved at April 10, 2025 Investment Committee Meeting

PROJECTED TARGET ALLOCATIONS

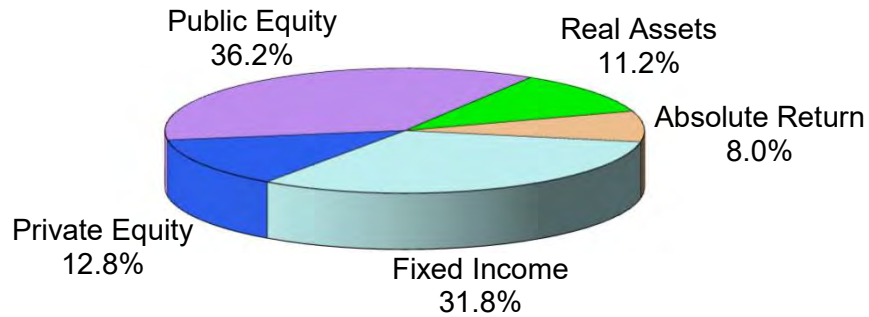
Jun 17, 2025

			Target*	Market Value	Allocation
EQUITY					
Public Equity					
Domestic					
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$	195,947,676	3.20%
	BlackRock (Russell 1000 Value)	3.19%	\$	187,851,995	3.06%
	Sub-Total Passive Large Cap Equity	6.37%	\$	383,799,671	6.26%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$	114,347,949	1.87%
	DFA (Russell 1000 Value)	2.28%	\$	135,776,115	2.21%
	Sub-Total Active Large Cap Equity	4.06%	\$	250,124,065	4.08%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$	173,268,196	2.83%
	DFA (Russell 2000 Value)	2.81%	\$	180,416,541	2.94%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$	353,684,737	5.77%
Total Domestic		16.20%	\$	987,608,472	16.11%
International					
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$	303,585,929	4.95%
	William Blair (MSCI ACWI ex US)	0.00%	\$	1,664,544	0.03%
	DFA (MSCI EAFE Small Cap)	2.62%	\$	164,064,232	2.68%
	AQR (MSCI EM)	1.63%	\$	106,458,882	1.74%
	Sub-Total Active International Equity	8.99%	\$	575,773,587	9.39%
Passive International Equity	Blackrock (MSCI ACWI ex US Growth)	3.61%	\$	204,181,314	3.33%
Total International		12.60%	\$	779,954,900	12.72%
Global					
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$	249,647,116	4.07%
	MFS (MSCI ACWI)	3.24%	\$	203,682,002	3.32%
Total Global		7.20%	\$	453,329,117	7.39%
Total Public Equity		36.00%	\$	2,220,892,490	36.23%
Private Equity					
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$	301,069,480	4.91%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$	303,872,927	4.96%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$	78,837,679	1.29%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$	103,510,452	1.69%
Total Private Equity		11.00%	\$	787,290,538	12.84%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$	3,008,183,028	49.07%
FIXED INCOME & ABSOLUTE RETURN					
Fixed Income					
Cash		1.00%	\$	107,188,171	1.75%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$	466,183,051	7.60%
	BlackRock (Bloomberg US Aggregate)	0.00%	\$	68,557,569	1.12%
	Sub-Total Passive Fixed Income	8.00%	\$	534,740,620	8.72%
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$	796,806,462	13.00%
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$	510,409,642	8.33%
	Sub-Total Active Fixed Income	23.00%	\$	1,307,216,105	21.32%
Total Fixed Income		32.00%	\$	1,949,144,896	31.79%
Absolute Return					
	Aptitude (SOFR + 4%)	3.86%	\$	201,197,919	3.28%
	UBS (SOFR + 4%)	5.14%	\$	287,934,641	4.70%
Total Absolute Return		9.00%	\$	489,132,559	7.98%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$	2,438,277,455	39.77%
REAL ASSETS					
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$	94,159,247	1.54%
	Morgan Stanley (NFI-ODCE)	2.42%	\$	146,952,302	2.40%
	LaSalle (NFI-ODCE)	2.06%	\$	107,412,875	1.75%
	Prologis (NFI-ODCE)	1.17%	\$	82,960,545	1.35%
	Harrison Street (NFI-ODCE)	0.81%	\$	49,616,461	0.81%
	Sub-Total Private Real Estate - Core	8.70%	\$	481,101,430	7.85%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$	8,864,875	0.14%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$	194,031,770	3.17%
TOTAL REAL ASSETS		12.00%	\$	683,998,075	11.16%
TOTAL ERS			\$	6,130,458,558	100.00%
Total City Reserve Fund		R. W. Baird		91,506,096	

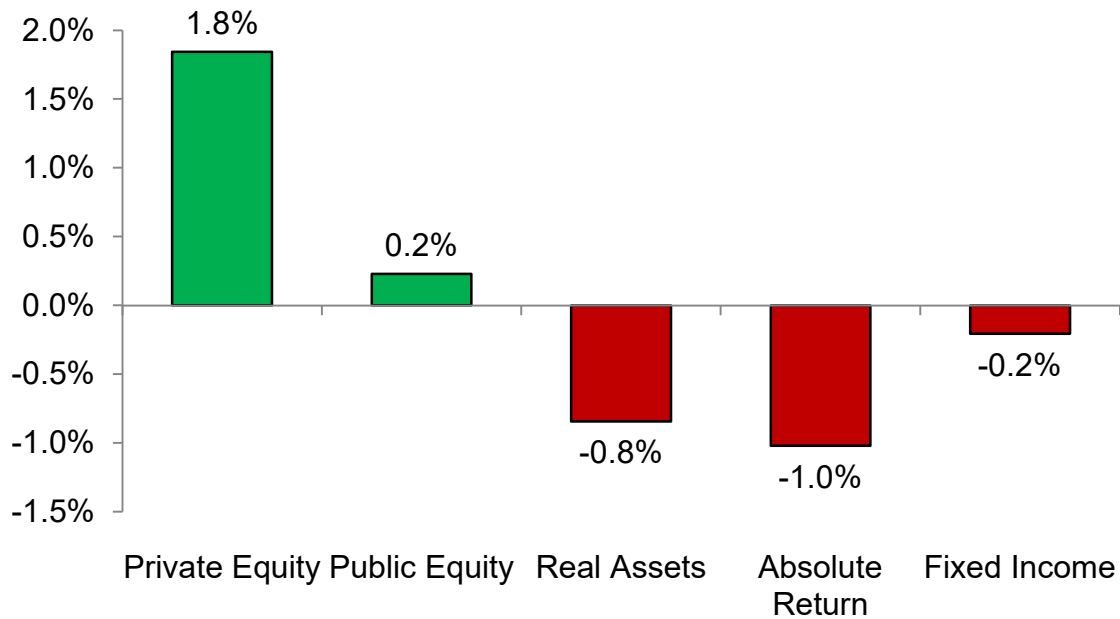
* Reflects targets approved at April 10, 2025 Investment Committee Meeting

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Targets Approved April 10, 2025



YTD Market Value Change

December 31, 2024 Market Value including City Reserve & PABF Accounts			\$ 5,946,620,135
Monthly Cash Outflows thru	<u>June 17, 2025</u>		
Retiree Payroll Expense		\$ (202,462,736)	
PABF Payroll Expense		\$ -	
Expenses Paid		\$ (7,532,553)	
GPS Benefit Payments		\$ (2,322,213)	
Sub-Total Monthly Cash Outflows			\$ (212,317,502)
Monthly Cash Inflows thru	<u>June 17, 2025</u>		
Contributions		\$ 226,486,097	
PABF Contribution		\$ -	
Sub-Total Monthly Contributions			\$ 226,486,097
Capital Market Gain/(Loss)			<u>\$ 261,175,924</u>
Value including City Reserve & PABF Accounts as of	<u>June 17, 2025</u>		<u>\$ 6,221,964,654</u>
Less City Reserve Account ¹			\$ 91,506,096
Less PABF Fund ²			\$ 2,515
Net Projected ERS Fund Value as of	<u>June 17, 2025</u>		<u><u>\$ 6,130,456,043</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.

2025 ESTIMATED MONTHLY CASH FLOWS

Revised 6/18/2025

(in 000's)

	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	
<u>Beginning Cash Account Balance</u>													
Townsend Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	34,353	195,240	158,015	139,991	81,748	62,220							
Total Cash Available	34,353	195,240	158,015	139,991	81,748	62,220							
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500	41,500							
Cash Available for Other Outflows	(7,147)	153,740	116,515	98,491	40,248	20,720	(8,287)	(8,198)	(8,198)	(8,188)	(8,188)	(8,188)	
<u>For Monthly Cash Outflows of:</u>													
Retiree Payroll Expense	(40,813)	(40,842)	(41,260)	(41,092)	(40,778)	(40,934)	(41,036)	(41,137)	(41,239)	(41,340)	(41,442)	(41,545)	(493,458)
Normal Retirement Payroll	(40,298)	(40,408)	(40,619)	(40,804)	(40,334)	(40,434)	(40,536)	(40,637)	(40,739)	(40,840)	(40,942)	(41,045)	(487,636)
Retiree Lump Sum Payments	(516)	(434)	(641)	(288)	(444)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(5,822)
Real Estate Capital Calls	(12,520)	-	-	-	-	-	-	-	-	-	-	-	(12,520)
Private Equity Capital Calls	(8,340)	(15,113)	(4,839)	(849)	(5,140)	(17,398)	-	-	-	-	-	-	(51,678)
Expenses Paid through City	(2,044)	(700)	(1,907)	(986)	(1,896)	(1,791)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(21,588)
PABF Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Outflows	(63,717)	(56,655)	(48,005)	(42,927)	(47,814)	(60,123)	(43,080)	(43,181)	(43,283)	(43,384)	(43,486)	(43,589)	(579,243)
<u>For Monthly Cash Inflows:</u>													
Sponsoring Agency and Employee Contribution	3,917	2,634	2,602	2,595	2,570	2,577	3,917	2,583	2,590	2,596	2,603	2,609	33,794
Real Estate Distributions	5,561	-	61	5,841	158	-	-	-	-	-	-	-	11,622
Private Equity Distributions	4,384	4,931	8,995	2,632	7,311	1,403	-	-	-	-	-	-	29,656
Miscellaneous Income	219	865	616	615	447	409	400	400	400	400	400	400	5,570
Security Lending Transfer	920	-	-	-	-	-	-	-	-	-	-	-	920
City and Agency Required Contribution	209,603	-	706	-	-	-	-	-	-	-	-	-	210,309
PABF Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Inflows	224,603	8,430	12,980	11,684	10,486	4,388	4,317	2,983	2,990	2,996	3,003	3,009	291,871
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	160,887	(48,225)	(35,025)	(31,243)	(37,328)	(55,735)	(38,763)	(40,198)	(40,293)	(40,388)	(40,484)	(40,580)	(287,372)
Net Monthly Cash Surplus (Need)	153,740	105,515	81,491	67,248	2,920	(35,014)	(80,263)	(81,698)	(81,793)	(81,888)	(81,984)	(82,080)	(113,804)
<u>Monthly Cash Withdrawals (Additions)</u>													
AQR					5,500	3,800							
BlackRock Global Alpha Tilts					18,100								
BlackRock Russell 1000 Value Index					13,800								
BlackRock US Government Bond Index				(38,000)									
Blackrock US Aggregate Index Fund					(68,000)								
Brandes		11,000	11,000	13,000									
Dimensional Fund Advisors US Large Cap					9,900								
Dimensional Fund Advisors International			6,000	10,000	15,800								
Dimensional Fund Advisors US Small Cap					6,200								
Earnest													
Loomis Sayles					(11,000)								
MFS					7,100								
Northern Trust S&P 500 Index					14,100								
Polen					8,200								
Principal													
Reams				(30,000)									
Transition Account						25,000							
UBS A&Q													
Goldman/Aptitude													
William Blair				18,000									
Sub-Total Monthly Cash Withdrawals	-	11,000	17,000	(27,000)	41,400	28,800	-	-	-	-	-	-	
<u>Estimated Month-End Cash Balance</u>													
Cash Available	153,740	116,515	98,491	40,248	44,320	(6,214)	(80,263)	(81,698)	(81,793)	(81,888)	(81,984)	(82,080)	
Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	
Total Cash Estimated on Hand For Next Month	195,240	158,015	139,991	81,748	85,820	35,286	(38,763)	(40,198)	(40,293)	(40,388)	(40,484)	(40,580)	