

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE  
789 N. WATER ST. (Employees' Retirement System)  
TUESDAY, JULY 30, 2024 – 9:00 A.M.**

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

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

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

**REGULAR MEETING**

- I. Approval of Minutes.
  - A. Regular Meeting Held June 25, 2024.

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

- II. Chief Investment Officer Report.
- III. New Business.
  - A. Retirements, Death Claims, and Refunds (June).
  - B. Conference Requests – July 2024 Board Meeting.
  - C. Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation.
  - D. Approval of August Resolution.
- IV. Medical Reports.
  - A. All Duty & Ordinary Disability Applications & Re-examinations (July).

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

VI. Informational.

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

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2024 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held June 18, 2024.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.

**MEETING REMINDERS**

**INVESTMENT COMMITTEE MEETING**

**THURSDAY, SEPTEMBER 5, 2024 – 9:00 A.M.**  
789 N. WATER ST.

**ADMINISTRATION & OPERATIONS COMMITTEE MEETING**

**THURSDAY, SEPTEMBER 19, 2024 – 9:00 A.M.**  
789 N. WATER ST.

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

**TUESDAY, SEPTEMBER 24, 2024 – 9:00 A.M.**  
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held June 25, 2024.

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

Minutes of the Regular Meeting  
held June 25, 2024 via teleconference

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

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

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

Others Present: Larry Langer, Aaron Chochon, Cavanaugh Macdonald; Dan Ludwig, David Anderson, CliftonLarsonAllen (CLA); Carolyn Stittleburg, Legislative Audit Bureau; Maggie DeDomenico, Post Advisory; Terry Siddiqui, DS Consulting, Inc., nine members of the public called in to the meeting.

**Regular Meeting.**

**Approval of Minutes.**

**Regular Meeting Held May 28, 2024.** It was moved by Mr. Christianson, seconded by Mr. Heling, and unanimously carried, to approve the minutes of the Regular Meeting Held May 28, 2024.

**Special Board Meeting Held June 6, 2024.** It was moved by Mr. Konrad, seconded by Ms. Ford, and unanimously carried, to approve the minutes of the Special Board Meeting Held June 6, 2024.

**Chief Investment Officer Report.** As a matter of information, Board members received the June 25, 2024 Performance Update. Mr. Sauer said the Fund as of May 31, 2024, had a value of \$5.91 billion dollars. He said the Fund return of 2.4% in May, gross of fees, outperformed by approximately 17 basis points. Mr. Sauer said the primary driver of relative Performance was Manager Selection with Private Equity adding 27 basis points this month due to the 4<sup>th</sup> quarter

Private Equity reports coming in and were reflected in May. Because of the way the Fund benchmarks Private Equity, this was compared to a Private Equity benchmark return of zero for May. He said partially offsetting that was the Fund's Style Bias, Primarily Value, detracting 13 basis points. Mr. Sauer added the Fund has underperformed the benchmark in the year-to-date and one-year time periods, while outperforming in the 5-, 10-, 15- and 20-year periods. He said as of June 24, 2024, the Fund return is 0.6% month-to-date, bringing the year-to-date return to up 3.7%, and the Fund value to \$5.95 billion. Mr. Sauer noted 10 out of 15 active mandates are outperforming year-to-date. He said the Fixed Income and Absolute Return asset classes are outperforming their respective benchmarks year-to-date. Mr. Sauer said year-to-date, the Fund has an investment change of a positive \$223.2 million, paid benefits and expenses of \$208.6 million, and has received contributions of \$223.4 million. He said the monthly manager withdrawals are \$9.3 million from BlackRock Global Alpha Tilts, \$7.6 million from Northern Trust S&P 500 Fund, \$5.2 million from DFA Large Cap Value, and \$4 million from AQR. Mr. Sauer noted the upcoming due diligence trips and requested the Board members to let him know if they would like to attend any of the due diligence meetings. Discussion ensued.

**Investment Committee Report.** Mr. Klusman reported at its June 6<sup>th</sup> meeting, Callan provided an update on the Fund's Real Estate portfolio, and the Committee discussed the Harrison Street Data Center Allocation Proposal. He said Callan explained that Harrison Street has experience investing in data centers in its other real estate products, and how the exposure is intended to better diversify the Core vehicle that the Fund currently invests in. After some discussion, the Committee approved the Data Center Proposal. Mr. Klusman said Staff and the City Attorney then discussed, and the Committee approved, a UBS Hedge Fund Solutions Amendment that incorporates both an internal reorganization within UBS that changed the legal structure of the entity that manages the Fund's account along with investment guideline changes that have been previously approved by the Board. He said next, that Staff provided a routine due diligence report on Brandes Investment Partners. Mr. Klusman said Staff also provided a performance update for the Fund. He said finally, the Committee went into closed session to go over the Approval of Action Regarding Stock Loan Settlement. Mr. Klusman said the Committee then went into open session to approve the Approval of Action Regarding Stock Loan Settlement agenda item, including paying the fee necessary to gather the pertinent information in a timely manner to file a claim in the Litigation that was discussed. He stated that the Investment Committee recommends approval of the following items: 1. Approval of UBS Hedge Fund Solutions and CMERS Low Beta LLC Contract Amendment; 2. Approval of Harrison Street Core Property Fund Data Center Allocation Proposal; and 3. Approval of Action Regarding Stock Loan Settlement.

**Approval of UBS Hedge Fund Solutions and CMERS Low Beta LLC Contract Amendment.** It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of UBS Hedge Fund Solutions and CMERS Low Beta LLC Contract Amendment.

**Approval of Harrison Street Core Property Fund Data Center Allocation Proposal.** It was moved by Mr. Klusman, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Harrison Street Core Property Fund Data Center Allocation Proposal.

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

is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

The Board did not convene in closed session as noted.

**Approval of Action Regarding Stock Loan Settlement.** It was moved by Mr. Klusman, seconded by Ms. Ford, and unanimously carried, to approve the Approval of Action Regarding Stock Loan Settlement.

**Administration & Operations Committee Report.** Mr. Bell took the Administration & Operations Committee Report items out of order to item IV.C. 2023 Cybersecurity Assessments.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85(1)(d), Wisconsin State Statutes, to consider “strategy for crime detection and prevention.” The Board may then vote to reconvene in open session following the closed session.

### **2023 Cybersecurity Assessments.**

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

The Board convened in closed session at 9:28 a.m.

The Board reconvened in open session at 9:52 a.m.

Mr. Bell returned the meeting to order at agenda item IV.A. Approval of A&O Committee Audit Charter and Internal Audit Charter.

Mr. Heling stated the A&O Committee meeting met last Tuesday for the CliftonLarsonAllen presentation and reviewed the internal audit reports. He said CLA gave a thorough presentation and presented slides regarding audits for Accounting and Finance, Benefit Administration, Benefit Calculation, Entity Level Controls and Governance, and HR and Payroll. Mr. Heling stated CLA audited each area of our system. He noted that as a general overview, CMERS is doing a very good job and did not find anything out of the ordinary. Mr. Heling said they mentioned the COSO 2013 framework CLA uses, to evaluate high-level governance structure for internal auditing and risk assessment monitoring purposes. He said that system gives a maturity definition of one through five and CMERS is right in the middle as a Defined level of maturity. The maturity levels are: Initial Repeatable, Defined, Managed, and Optimal. Mr. Heling said Optimal is the highest level but CMERS is in the Defined category for most functionalities audited. He said a couple areas were in the Managed area, a step above defined. Mr. Heling said a question came up to how to get to Managed and Optimized and he said it comes down to money and time and human capital. He said Mr. Allen gave an example of the benefit calculation category where CMERS developed the customized MERITS automated pension record keeping solution to the Managed level which cost \$25 million initially to develop such that all the benefit calculations are fully automated employing a Java language based rules table driven system. Mr. Heling said Mr. Ludwig of CLA did the main presentation, along with three principals of CLA. He said CLA said CMERS is doing a very good job. Mr. Heling noted they looked back to 2023 and did the five

audits. He concluded that there were two audit charters for approval today and there were no changes to the existing charters. Mr. Allen said the Legislative Audit Bureau (LAB), after the A&O Committee meeting last week, requested an amendment to the audit charter approved by the A&O Committee. He said they requested an amendment to provision number five in the audit charter that says the Board has the authority to select the auditors and review the scope and control the audit. The LAB requested language that conforms the Audit Charter to the requirements of Act 12. This request has been referred to the City Attorney's office for interpretation of Act 12 requirements relating to the Act's financial audit provisions. He said City Attorney Mr. McClain would draft the appropriate language along with a legal opinion analyzing the relevant Act 12 provisions. Mr. Allen said the charter should be carried over because of the request to revise it. Mr. McClain could not be in attendance today due to flight delays due to the storms. Mr. Heling concluded the approval item would be moved to a future meeting after Mr. McClain looks at it.

**Approval of A&O Committee Audit Charter and Internal Audit Charter.** Mr. Bell stated the LAB is requesting to revise the Approval of A&O Committee Audit Charter so no approval was taken today and it will be carried over to the next meeting.

**CLA Audit Reports.** Mr. Heling discussed the reports in his meeting report.

#### **New Business.**

**Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald Acceptance of 2024 Actuarial Valuation Report.** As a matter of information, Board members received documents for the agenda items titled, "Results of the January 1, 2024 Actuarial Valuation" and "Actuarial Valuation Report of the 86<sup>th</sup> Annual Actuarial Valuation as of January 1, 2024 For Determining Actuarially Determined Employer Contributions For Plan Year 2025." Mr. Langer and Mr. Chochon gave a presentation to the Board members on the following topics:

- Purpose of the Actuarial Valuation
- Actuarial Valuation Process Reserve Funding
- Actuarial Valuation Process
- Events During Calendar Year 2023 Which Impacted the January 1, 2024 Actuarial Valuation Results
- Impact of Events during Calendar Year 2023 on the January 1, 2024 Actuarial Valuation Results
- Change in UAAL
- Change in Funded Ratio
- Change in Employer Contribution
- Comparative Summary of Census Data
- Historical Census Data
- Comparative Summary of Assets and Liabilities
- Market Value of Assets
- Actuarial Value of Assets
- Historical Asset Returns
- Historical Funded Ratio
- Employer Contributions for Plan Year 2025 as of January 1, 2025
- Estimated Employer Contributions Allocated by Employer

- Estimated UAAL: Based on Calendar Year 2024 returns of 6.8%, -3.2% and 16.8%; and 6.8% Thereafter
- What a Difference a Year Makes
- Key Takeaways

It was moved by Mr. Klusman, seconded by Mr. Kovac, and unanimously carried to approve the Acceptance of 2024 Actuarial Valuation Report.

**Retirements, Death Claims, and Refunds (May).** Mr. Allen presented the following activity for the month of May 2024.

Administrative Withdrawal	\$4,138.53
Full Refund	\$67,812.53
Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$39,537.96
Retired Death Benefits reported	\$41,096.50
Survivor Death – Termination Benefits reported	\$5,366.38
Refund of Member Contributions paid	\$34,596.00

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

**Conference Requests – June 2024 Board Meeting.**

Erich Sauer, Keith Dickerson	UBS & AQR Due Diligence; additional meeting with Morgan Stanley
Sponsor:	UBS, AQR, Morgan Stanley
Location:	New York, NY
Date(s):	August 13-14, 2024
Estimated Cost:	\$1,250.00 per person

Aaron Shew	Prologis Conference
Sponsor:	Prologis
Location:	San Francisco, CA and Napa, CA
Date(s):	September 16-18, 2024
Estimated Cost:	\$1,500.00



Erich Sauer, Tim Heling	UBS Due Diligence; additional meetings with Blair, MFS, Abbott, DFA, BlackRock
Sponsor:	UBS
Location:	London, UK
Date(s):	October 5-9, 2024
Estimated Cost:	\$3,250.00 per person

David Silber, Aaron Shew	2024 Roundtable for Consultants and Institutional Investors
Sponsor:	Institutional Investor
Location:	Chicago, IL
Date(s):	October 7-10, 2024
Estimated Cost:	\$1,500.00 per person

Ms. King also requested to attend the Public Pension Funding Forum, sponsored by NCPERS, in Boston, MA on August 18-20, 2024.

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

**Approval of At Large Member Election Bulletin No. 198.** Mr. Allen said this is for the November 1, 2024 Board member election and nominations papers need to be filed by 3:30 pm on August 30, 2024. He said there is a Board Member term of office expiring at the end of the year. It was moved by Ms. Ford, seconded by Mr. Heling, and unanimously carried, to approve the Approval of At Large Member Election Bulletin No. 198.

### **Medical Reports.**

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85(1)(f), Wisconsin State Statutes, 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.

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

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

The Board convened in closed session at 11:03 a.m.

The Board reconvened in open session at 11:38 a.m.

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

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

<u>Police – Applications – Duty</u>	<u>Recommendation</u>
Herbert Davis Effective 03/22/2024	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Jerry Allen	Approval
Maurya Lomen	Approval
Thomas Repaci	Approval
Christopher Underwood	Approval
James Youngblood	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Jack Stainback	Approval
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Daren Andrysczyk	Approval

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

**Unfinished Business.**

**Pending Legal Opinions and Service Requests Report.** Mr. Allen stated the question before the City Attorney was whether Act 12 had any adverse or unlawful impacts on the rights and benefits of the members and beneficiaries with respect to ERS participation upon re-hire. He said the opinion is 25 pages long, has not yet been signed by the City Attorney and Mr. McClain requested it be delayed until next month in order to provide Board Members adequate time for review. Mr. Allen noted in connection with the Legal Service Requests report that the Board had approved today the UBS Hedge Fund Solutions Second Amendment.

**Pending Legislation Report.** Mr. Allen noted there is no pending legislation.

**Executive Director’s Report – Inventory of ERS Projects.** As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the ERS.

**Informational.**

Mr. Klusman made a motion to go into closed session.

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

Mr. Allen noted that after Mr. Bell read the closed session language, legal counsel is not present, so this item does not qualify for the exception under the open meetings law. He said it will be held over until the next meeting. Mr. Bell then withdrew the motion for closed session.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2024.
- 4) Minutes of the Investment Committee Meeting Held June 6, 2024.

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

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

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

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

Mr. Bell adjourned the meeting at 11:51 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.

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

### CHIEF INVESTMENT OFFICER REPORT

# Milwaukee Employees' Retirement System - July 30, 2024

## Fund as of June 30, 2024

\*Fund value of \$5.90b.  
\*Fund return of 0.4% in June, net of fees, underperformed by approximately 161bp.

\*Primary Relative Perf. Drivers:  
**Manager Selection**  
Private Equity -128bp  
**Style Bias** -61bp  
Primarily Value and Small

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

## July Update (as of 7/23/24)

\*Fund return 1.5% MTD  
\*Fund return 5.1% YTD  
\*Fund value \$5.99b

\*8 out of 15 active mandates outperforming YTD.

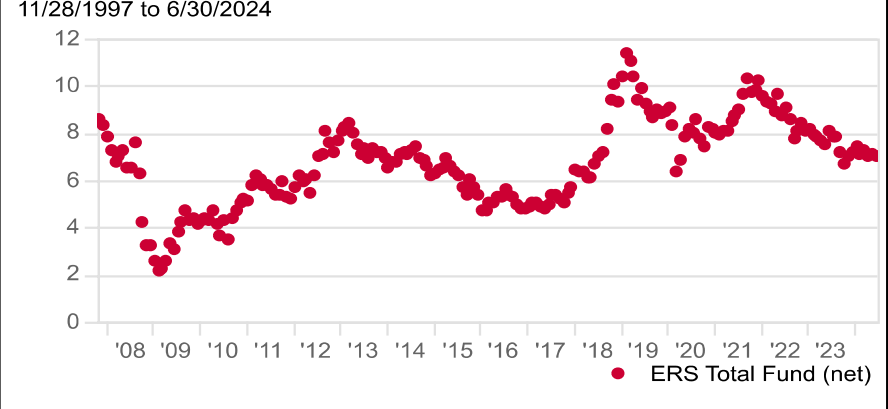
\*Fixed Income, Absolute Return, & Real Assets asset classes outperforming their respective benchmarks YTD.

\*Investment Change: \$301.2m  
\*Benefits & Expenses: 250.3m  
\*Contributions: 231.3m

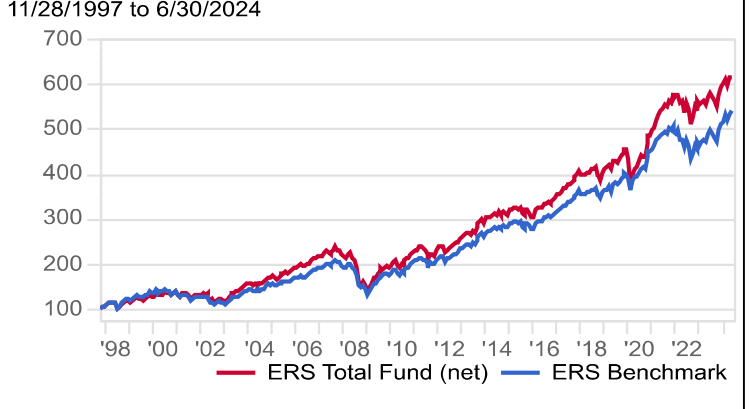
## Monthly Withdrawals:

Brandes \$12.1m, Blair \$8.6m, BlackRock R1KV \$7.6m, NT S&P 500 \$7.5m, DFA Int'l \$4.4m, AQR \$4.0m

## Total Fund - 10-Year Rolling Returns



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

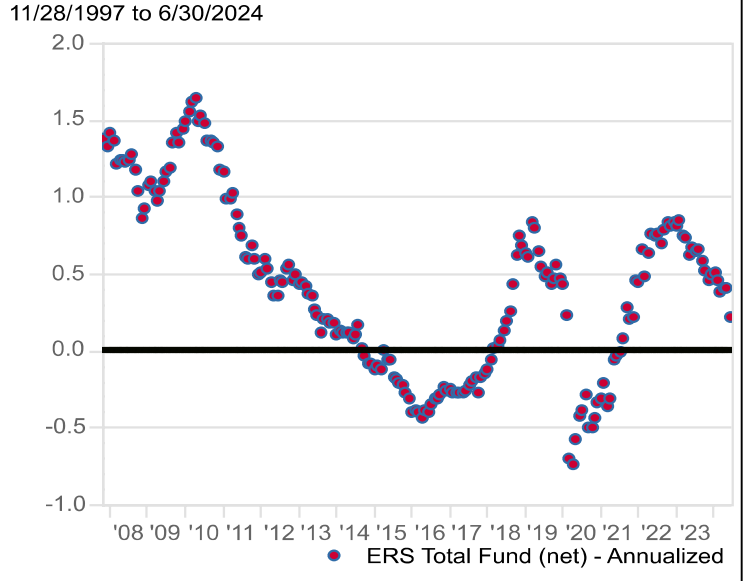


## Return Data

Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	0.4	3.5	7.9	7.6	7.0	9.1	7.1
ERS Benchmark	2.0	6.2	11.1	7.4	6.8	8.7	6.9

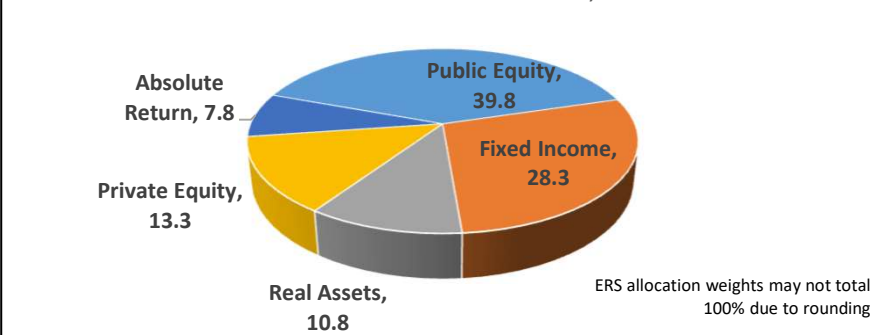
## Total Fund - 10-Year Rolling Excess Returns



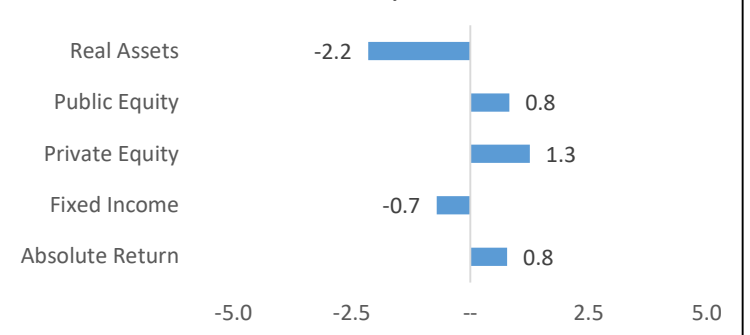
## Total Fund - 20-Year Risk & Return Data

	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.1	10.3	2.5	0.1	0.5	-0.4	1.1
ERS Benchmark	6.9	9.2	--	--	0.6	0.0	1.0

## ERS Allocation as of June 30, 2024



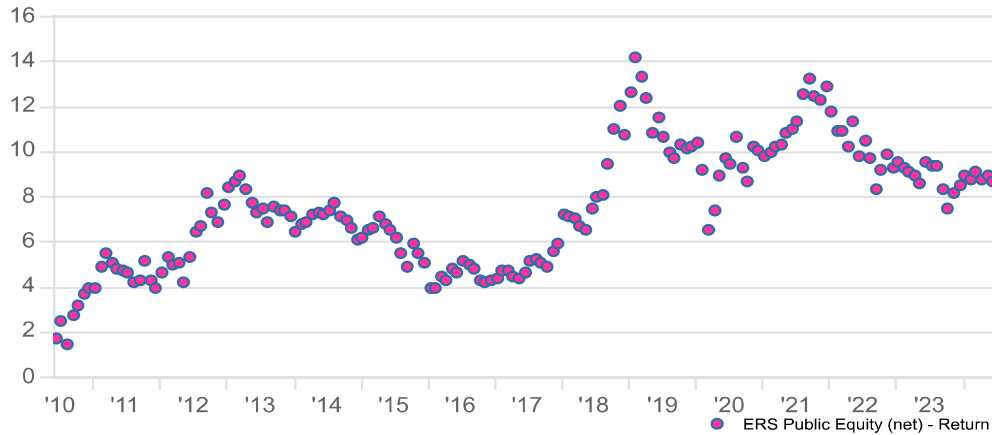
## Asset Allocation vs Policy as of June 30, 2024



# Milwaukee Employees' Retirement System - July 30, 2024

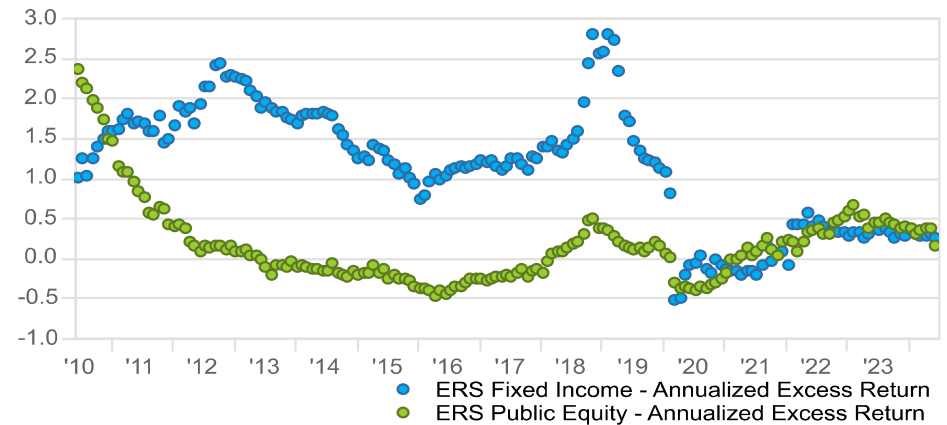
## Public Equity - 10-Year Rolling Returns

06/30/2000 to 6/30/2024



## Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 6/30/2024



## Return Data

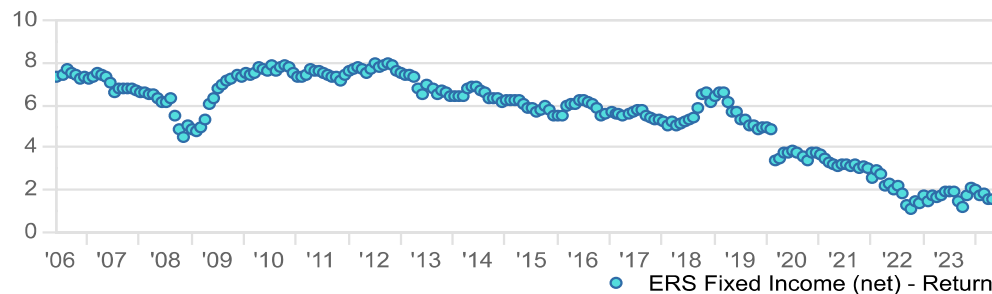
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	0.1	7.6	16.6	10.9	9.0	11.5	8.3
Public Equity (net)	0.0	7.4	16.1	10.5	8.7	11.2	7.9
Public Equity Benchmark	1.9	10.3	18.4	10.4	8.5	11.0	7.9
MSCI ACWI IMI NR USD	1.9	10.3	18.4	10.4	8.2	10.3	8.0

## Risk Adjusted Returns (6/30/14 - 6/30/24)

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	8.7	15.5	0.5	-25.3
Fixed Income (net)	1.6	6.5	0.0	-13.6
Absolute Return (net)	5.9	9.3	0.5	-27.1

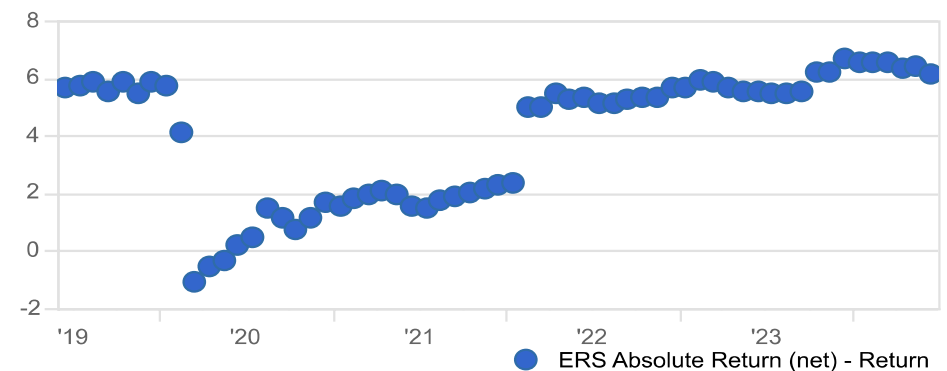
## Fixed Income - 10-Year Rolling Returns

06/28/1996 to 6/30/2024



## Absolute Return - 5-Year Rolling Returns

06/30/2014 to 6/30/2024



## Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	1.1	0.0	3.7	0.1	1.7	3.9	4.3
Fixed Income (net)	1.1	0.0	3.6	0.0	1.6	3.7	4.2
Bbg US Agg Bond TR USD	0.9	-0.7	2.6	-0.2	1.3	2.5	3.1

## Return Data

	1 Month	YTD	1 Year	5 Year	10 Year
Absolute Return (net)	0.8	5.2	9.9	6.2	5.9
90-Day T-Bill + 3%	0.7	4.2	8.6	5.3	4.6

### III.

#### NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (June).
- B. Conference Requests – July 2024 Board Meeting.
- C. Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation.
- D. Approval of August Resolution.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	TAPP	BARBARA	11/7/2012	MAX	LIBRARY
Regular	Deferred	HAKOLA	LORI	8/8/2023	MAX	MMSD
Regular	Service	BARTH	PAMELA	4/16/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	GONZALEZ	BERNARD	5/3/2024	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	HILL	JUDITH	5/3/2024	50	LIBRARY - CENTRAL LIBRARY
Regular	Service	DEBOER	TREVOR	5/6/2024	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	RICHARDS	KIRSTIN	5/11/2024	MAX	DER
Regular	Service	SCHNEIDER	TAMARA	5/11/2024	MAX	DPW-OPS-FLEET SERVICES
Regular	Deferred	SANDS	KAREN	5/12/2024	50	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Deferred	BURKEL	JENNIFER	5/13/2024	MAX	COMMON COUNCIL - CITY CLERK
Regular	Involuntary Separation	SKYS	RONALD	5/15/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	KOTLOWSKI	PHILLIP	5/22/2024	75	MILWAUKEE FIRE DEPARTMENT
Regular	Service	KOCH	STEVEN	5/22/2024	MAX	FIRE - FIREFIGHTING
Regular	Early	FORD	ADONIS	5/23/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	FAIR	F ROXANNE	5/24/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	FLOWERS	CHERYL	5/24/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ARMSTRONG	ANDREA	5/25/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HAYMAN	CYNTHIA	5/25/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	JUDE	ROSEMARY	5/25/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	TAYLOR	RAYMOND	5/27/2024	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BASTA	KENNETH	5/27/2024	100	WISCONSIN CENTER DISTRICT
Regular	Service	HINICKLE	MICHAEL	5/29/2024	75	FIRE - FIREFIGHTING
Regular	Service	WADE	RITA	5/29/2024	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	KUST	JAN	5/31/2024	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	DELGADO	ARTURO	5/31/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HOFFER	JACOB	5/31/2024	60	FIRE - FIREFIGHTING
Regular	Service	POLACHOWSKI	DAVID	5/31/2024	MAX	FIRE - FIREFIGHTING
Regular	Service	STEINER	STEVE	5/31/2024	MAX	DPW-INFRASTRUCTURE-ELECTRICAL
Regular	Deferred	BYTHELL	BARBARA	6/1/2024	MAX	LIBRARY - NEIGHBORHOOD SRVC
Regular	Service	CUEVAS	RICHARD	6/1/2024	100	HACM
Regular	Service	DUERR	HARVEY	6/1/2024	50	DPW-OPS-FLEET SERVICES
Regular	Service	SCHAEWE	DONALD	6/1/2024	100	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	SCHNEEWEIS	JOHN	6/1/2024	MAX	MILWAUKEE PUBLIC SCHOOLS



**Board Report - June 2024**

**Deaths**

Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	HOBSON	BRIAN	5/1/2024	6/28/2024	\$ 63,418.24
Deferred Death	JONES	BOBBY	8/28/2023	6/28/2024	\$ 32,807.50
Ordinary Death	XIONG	MAI	3/20/2024	6/28/2024	\$ 54,871.07
Retiree Death-Termination	BORNITZ	DELBERT	1/24/2024	6/28/2024	\$ 2,598.10
Retiree Death-Termination	BROWN	BESSIE	12/25/2023	6/28/2024	\$ 171.70
Retiree Death-Termination	DZIUBEK	PHILLIP	1/25/2024	6/28/2024	\$ 2,113.80
Retiree Death-Termination	FRASCH	JOSEPH	10/18/2021	6/28/2024	\$ 312.97
Retiree Death-Termination	GEISS	RUTH	4/22/2024	6/28/2024	\$ 532.50
Retiree Death-Termination	JOHNSON	EARL	5/18/2024	6/28/2024	\$ 272.35
Retiree Death-Termination	KLEPPIN	JEROME	4/21/2024	6/28/2024	\$ 1,922.24
Retiree Death-Termination	KUBACKI	RICHARD	4/10/2024	6/28/2024	\$ 863.21
Retiree Death-Termination	LOPER	ESTHER	10/30/2023	6/28/2024	\$ 522.69
Retiree Death-Termination	MELCHIOR	LEO	2/15/2024	6/28/2024	\$ 1,699.69
Retiree Death-Termination	RAABE	HARRY	3/17/2024	6/28/2024	\$ 697.08
Retiree Death-Termination	SCHRIEVER	JOHN	4/27/2024	6/28/2024	\$ 357.14
Retiree Death-Termination	SIEGREST	WAYNE	11/19/2023	6/28/2024	\$ 561.80
Retiree Death-Termination	THEIS	FLOYD	4/25/2024	6/28/2024	\$ 1,277.97
Retiree Death-Termination	TILLMAN	REGINALD	3/18/2024	6/28/2024	\$ 1,264.18
Surv Death-Termination	BACHHUBER	MARIE	4/25/2024	6/28/2024	\$ 1,059.48
Surv Death-Termination	BUETOW	BONITA JEAN	12/23/2023	6/28/2024	\$ 2,941.26
Surv Death-Termination	DLUGI	SHEILA	5/9/2024	6/28/2024	\$ 939.74
Surv Death-Termination	GEISS	RUTH	4/22/2024	6/28/2024	\$ 1,010.67
Surv Death-Termination	GRANDBERRY	MARIE	4/3/2024	6/28/2024	\$ 205.50
Surv Death-Termination	JOHNSON	EARL	5/18/2024	6/28/2024	\$ 126.05
Surv Death-Termination	JOHNSON	ETHEL	4/26/2024	6/28/2024	\$ 3,846.10
Surv Death-Termination	KASSULKE	SHIRLEY	12/25/2023	6/28/2024	\$ 1,675.50
Surv Death-Termination	KONCZAL	GERALDINE	4/4/2024	6/28/2024	\$ 59.06
Surv Death-Termination	LEY	JUDITH	3/25/2024	6/28/2024	\$ 4,377.39
Surv Death-Termination	MELCHIOR	LEO	2/15/2024	6/28/2024	\$ 78.03
Surv Death-Termination	MORATZ	DANIEL	3/26/2024	6/28/2024	\$ 274.46
Surv Death-Termination	NIEWOLNY	KRISTINE	3/30/2024	6/28/2024	\$ 245.47
Surv Death-Termination	REINKE	JOAN	3/30/2024	6/28/2024	\$ 1,207.82
Surv Death-Termination	ROCH	VALERIA	1/18/2024	6/28/2024	\$ 296.15

Type	Last Name	First Name	Death Date	Payment Date	Amount
Surv Death-Termination	SCOFIELD	BEVERLY	4/6/2024	6/28/2024	\$ 380.43
Surv Death-Termination	STAFFARONI	CARLENE	12/29/2023	6/28/2024	\$ 229.79
Surv Death-Termination	WINGER	NANCY	4/24/2023	6/28/2024	\$ 2,201.02
<b>TOTAL \$</b>					<b>187,418.15</b>
Retiree Death-Cont Opt	BEHLEN	MICHAEL	6/2/2024	6/1/2024	
Retiree Death-Cont Opt	BERNDT	ROBERT	6/3/2024	6/1/2024	
Retiree Death-Cont Opt	DEML	GORDON	5/21/2024	6/1/2024	
Retiree Death-Cont Opt	HARRISON	CHARLES	6/2/2024	6/1/2024	
Retiree Death-Cont Opt	KUHR	WILLIAM	4/26/2024	6/1/2024	
Retiree Death-Cont Opt	ULLRICH	JEROME	6/7/2024	6/1/2024	
Retiree Death-Cont Opt	WOZNICKI	DAVID	6/10/2024	6/1/2024	

**Board Report - June 2024**

**Withdrawals**

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	CEFALU	MARIANO	6/28/2024	\$ 298.55
Administrative Withdrawal	GIVENS	ROBERT	6/28/2024	\$ 5,620.18
Administrative Withdrawal	GONZALES	JESSE	6/28/2024	\$ 2,559.81
Administrative Withdrawal	HALL	MICHAEL	6/28/2024	\$ 276.27
Administrative Withdrawal	HERNANDEZ	ARATI	6/28/2024	\$ 1,767.10
Administrative Withdrawal	HICKS	JOHN	6/28/2024	\$ 1,009.78
Administrative Withdrawal	JEANES	NARKESHA	6/28/2024	\$ 185.96
Administrative Withdrawal	WATTS	CHIQUITA	6/28/2024	\$ 495.38
Administrative Withdrawal	WILKINS	NAOMI	6/28/2024	\$ 1,003.32
Full Refund	ACKLEY	THOMAS	6/28/2024	\$ 92,784.45
Full Refund	EDMONDS	LISA	6/28/2024	\$ 8,203.80
Full Refund	FISHER	BRIANNA	6/28/2024	\$ 450.28
Full Refund	GRIMAGE	NAYO	6/28/2024	\$ 4,888.86
Full Refund	HAYNES	SHERIKA	6/28/2024	\$ 5,835.66
Full Refund	LOCKETT	ROYCE	6/28/2024	\$ 58,146.18
Full Refund	PERRY	GABE	6/28/2024	\$ 7,092.13
Full Refund	SYLVAS	BRIAN	6/28/2024	\$ 1,934.39
Full Refund	THOMPSON	SHAKIRA	6/28/2024	\$ 6,329.18
Member Only Refund	BALDERAS	JASMINE	6/28/2024	\$ 1,559.85
Member Only Refund	BULLOCK	MALADYA	6/28/2024	\$ 496.53
Member Only Refund	FIGUEROA	MARIA	6/28/2024	\$ 1,554.81
Member Only Refund	GARDISON	KEYAIRA	6/28/2024	\$ 3,389.62
Member Only Refund	GIDARISINGH	SARINA	6/28/2024	\$ 1,659.75
Member Only Refund	HILLMAN	ERICA	6/28/2024	\$ 2,563.99
Member Only Refund	JONES	LATESHA	6/28/2024	\$ 155.46
Member Only Refund	LAMACK	ADRIANNA	6/28/2024	\$ 9,498.80
Member Only Refund	LASK	MITCHELL	6/28/2024	\$ 3,791.50
Member Only Refund	LEWIS	KYLE	6/28/2024	\$ 4,900.03
Member Only Refund	MARTINEZ	ELISA	6/28/2024	\$ 1,233.71
Member Only Refund	MONTANEZ-HERNANDEZ	MYLADYS	6/28/2024	\$ 919.84
Member Only Refund	RADAVICH	MICHAEL	6/28/2024	\$ 4,077.24
Member Only Refund	RIES	CATHERINE	6/28/2024	\$ 324.74

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	ROEMER	ANDREW	6/28/2024 \$	10,103.46
Member Only Refund	RUTOWSKI	PARKER	6/28/2024 \$	11,958.32
Member Only Refund	SHERIFF	KADIJAH	6/28/2024 \$	1,880.32
Member Only Refund	SMITH	TONJA	6/28/2024 \$	464.37
Member Only Refund	WALKER	KEANTE	6/28/2024 \$	1,948.34
Member Only Refund	WILEY	JESSICA	6/28/2024 \$	823.45
Member Only Refund	WRIGHT	BRIANNA	6/28/2024 \$	2,327.44
			<b>TOTAL \$</b>	<b>264,512.85</b>

## Conference Requests – July 2024 Board Meeting

Bill Christianson, Deborah Ford	NCPERS 2024 Public Pension Funding Forum
Sponsor:	NCPERS
Location:	Boston, MA
Date(s):	August 18-20, 2024
Estimated Cost:	\$2,500.00 per person
David Silber	Baird Advisors' 24 <sup>th</sup> Annual Institutional Investors Conference
Sponsor:	Robert W. Baird
Location:	Kohler, WI
Date:	September 9, 2024
Estimated Cost:	\$75.00
Keith Dickerson	Goldman Sachs Alternatives Investment Summit
Sponsor:	Goldman Sachs
Location:	New York, NY
Date(s):	October 21–23, 2024
Estimated Cost:	\$1,650.00
Bernard Allen, Matthew Bell, Gust Petropoulos	NCPERS 2024 Public Safety Conference
Sponsor:	NCPERS
Location:	Palm Springs, CA
Date(s):	October 27-30, 2024
Estimated Cost:	\$2,500.00 per person

The following (10) retirees were totally offset on the July 2024 payroll due to non-compliance of outside earnings required by Sections 36-07-2-a and 36-05-6-c of the Milwaukee City Charter.

509585	Angela Algee-Cotton
584447	Jared Bertsche
516855	Kim Fahringer
536211	Christian Hlavinka
518096	Gordon Mathews
513624	Dorothy McLaurin
500085	Joel Rodriguez
515016	Tia Smith
511695	Kathy Wilder
523198	Maiyia Yang

*Note: The July 2024 payroll closed on July 23, 2024. All outside earnings paperwork (Certification of Earnings form and tax return with supporting documentation, if required) that was properly completed and submitted to our office on or before July 23, 2024 was processed.*

Resolution re: August Meeting

A RESOLUTION

WHEREAS, No regular meeting of the Board will be held during the month of August 2024; therefore, be it

RESOLVED, By the Annuity and Pension Board that the Secretary is authorized and directed to pay bills, retirement allowances, death claims and refund of contributions, and take whatever action may be necessary to administer the system, including approve disability reports of the Medical Council and Medical Panel applications, and report such action to the Board at the Regular Meeting on September 24, 2024. Denials will be held for action by the Board at its next regular meeting.

IV.

MEDICAL REPORTS

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



MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 07/22/2024

Approved by Executive Director

Pension Board Meeting Date 07/30/2024

TIME RAN : 08:48

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>
1063	ADAMSKI, NICHOLAS	FIREFIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		04/23/2013	
1191	ELLIOTT, JOHN	HEO	FIRE	DD 75%	Re-Examination	Approved	Approved		11/15/2014	
1251	BRESETTE, ROBERT	FIRE LIEUTENANT	MFD	DD 75%	Re-Examination	Approved	Approved		04/01/2020	Exempt from Re-Exam
1055	TESCH, MARK	PARAMEDIC	MFD	DD 75%	Re-Examination	Approved	Approved		12/08/2012	
713	MARTINEZ, DEANA	POLICE OFFICER	MILWAUKEE POLICE DEPT	DD 75%	Re-Examination	Approved	Approved		06/17/2009	
1132	KUNISCH, GRAHAM	POLICE OFFICER	MILWAUKEE POLICE DEPT	DD 90%	Re-Examination	Approved	Approved		03/17/2014	

Number of Cases: 6

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

<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>
COLIN, ROSA	CITY LABORER	DPW	Duty Disability 75%	Re-Examination	05/01/2006	07/12/2024	
MORRIS, CHARA	FOOD SERVICE ASST	MPS	Ordinary Disability	Re-Examination	10/05/2018	07/12/2024	
SLAWNIKOWSKI, DAVID	POLICE OFFICER	POLICE	Ordinary Disability	Re-Examination	07/10/2012	07/12/2024	

Number of Cases: 3

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

V.

UNFINISHED BUSINESS

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



## July 30, 2024 Board Meeting

### **PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT**

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

- 04/11/24 Pension Eligibility Pursuant to 2023 Wisconsin Act 12**  
Whether an active general city employee resigns from current employment and accepts a non-certified MPS position would still be considered an active member of the ERS and continue to receive service credit for new position, or must the employee be enrolled into the Wisconsin Retirement System in accordance with the language of Act 12.  
**07/30/24 On Pension Board agenda.**

#### **PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL**

None.

#### **PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY**

- 04/23/24 IT Fiber Internet Services**  
ERS has requested the City Attorney's Office to draft and negotiate a contract (or an amendment to current Master Services Agreement) with present vendor, Lumen (f/k/a CenturyLink) for IT fiber services.
- 05/23/24 Remote Office Lease Agreement**  
Request for City Attorney's Office to assist staff with negotiating either a new lease or an amended agreement as it relates to ERS' Remote Office location.
- 07/02/24 Contract for Outside Legal Services**  
Request for City Attorney's Office to assist ERS staff with negotiating an extension to its professional services agreement with Ice Miller LLP.
- 07/08/24 Printing Services Contract**  
Request for City Attorney's Office to assist ERS staff with negotiating and drafting a contract for printing services relating to 1099-R Forms issued to pension beneficiaries.
- 07/08/24 Contract for Mailing Services**  
Request for City Attorney's Office to assist ERS staff with negotiating and drafting a contract for mailing services.

#### **PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL**

None.



## July 30, 2024 Board Meeting

### **PENDING LEGISLATION REPORT**

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

None.

#### **PART 2. PENDING CHANGES TO THE RULES & REGULATIONS**

None.

#### **PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS**

##### **Pension Contribution Offset**

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

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

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

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

#### **PART 4. PENDING STATE LEGISLATION**

None.

# Employees' Retirement System – Executive Director's Report

## July 2024

### I. Personnel Update

- A. ERS has no vacancies.

### II. Member Services

- A. New retirees on payroll in June - 35; 75 are currently anticipated for the July payroll.
- B. Retiree/Employee deaths entered in May - 18.
- C. There was a Retirement Workshop for General City on 6/7/24 and 48 attended.
- D. There is a significant increase in retirements with many of them going on pension payroll in July.
- E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
<b>Annuitants</b>	
Death - Duty	24
Death - Ordinary	100
Disability - Duty	358
Disability - Ordinary	565
Retirement	12,765
Separation	38
<b>Total Annuitants</b>	<b>13,850</b>
<b>Active</b>	<b>11,012</b>
<b>Deferred</b>	<b>3,172</b>
<b>Total Population</b>	<b>28,034</b>

### III. Financial Services

- A. True-up letters for 2024 actuarial contributions due 12/31/24 from city agencies will be mailed out in August.
- B. There are currently 12 outside earning non-responders. If the members' paperwork and tax returns with supporting documents are properly completed and submitted to our office on or before July 22<sup>nd</sup> they will be paid on the July 2024 payroll.
- C. We are continuing to work with the Legislative Audit Bureau on our financial audit and the GASB 68 Employer Schedules. We are presenting the unaudited Annual Comprehensive Financial Report this month and expect to have both reports finalized in the near future.

### IV. Information Services

- A. Struts Upgrade and Modernize MERITS Website in progress.
- B. Upgrade FileNet P8 to IBM CloudPak4BA in progress.
- C. Upgrade WebSphere Application Server in progress.
- D. IT Vulnerability Audit completed.
- E. Third Party Review of Network Architecture completed.
- F. IP Address Review and Cleanup 2023 in progress.
- G. DNS Review and Cleanup 2023 in progress.
- H. AD Review and Cleanup 2023 in progress.

- I. Firewall Review and Cleanup 2023 in progress.
- J. MS Windows Desktop and Laptop OS Upgrade in progress.
- K. Upgrade WUG completed.
- L. Upgrade CentOS Systems to Red Hat Enterprise Linux 9 completed.
- M. Upgrade Video Conferencing System in progress.

**V. Administration**

- A. Attached is a message from Harper Donahue III, Director-Employee Relations, regarding Ethics and Harassment Training requirements for members of city boards and commissions. I will be attending the training as an ex officio Deferred Comp plan board member and Public Debt Commissioner.
  
- B. Special thanks to Jeff Shober and the ERS IT Team for an outstanding performance in quickly responding to the disruption caused by the CrowdStrike security software global computer outage and restoring ERS servers and desk top computer functionality on Friday following the overnight development.

ERS management was notified at approximately 6 am using our disaster recovery one-call phone notification system. Jeff and the IT Team performed the Herculean task of manually rebooting all the servers and desktops methodically and cautiously to avoid damaging the virtual infrastructure of our integrated systems. They are assessing the event with a retrospective review and will produce a "post-mortem" report.

As you may have read in the press, the outage occurred on a global basis because the CrowdStrike security software is an industry standard product that thousands of private and public organizations rely on for security against data breaches.

The fact that the global economy is now largely facilitated by interconnected data systems and many organizations are reliant on the same Microsoft operating system and security software tools has created widespread vulnerability to the sort of disruption experienced with the failure of the CrowdStrike software update event. ERS does employ another operating system on some servers for diversification and the IT Team will be evaluating mitigation strategies recommended by both Microsoft and CrowdStrike in connection with the post-mortem report.

**From:** Donahue IV, Harper <[hdonahue@milwaukee.gov](mailto:hdonahue@milwaukee.gov)>  
**Sent:** Monday, July 22, 2024 10:46 AM  
**To:** Department Heads <[DepartmentHeads@milwaukee.gov](mailto:DepartmentHeads@milwaukee.gov)>  
**Cc:** AllDepartmentHR <[AllDepartmentHR@milwaukee.gov](mailto:AllDepartmentHR@milwaukee.gov)>  
**Subject:** Ethics and Training requirements

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Dear Colleagues...

Good morning. DER has received several questions regarding how the Ethics and Harassment Training portion of MCO applies to various individual situations. To address these questions, we have put together the attached memo. Your understanding and application of the Code provision is important, so please review the attached memo to understand how it applies to your personal situation. Please do not hesitate to reach out with any questions or concerns. Thank you, and have a great day. Hd4.

Harper Donahue, IV (He/Him/His)  
Director  
Department of Employee Relations  
City of Milwaukee

Office: (414) 286-3335  
Email: [hdonahue@milwaukee.gov](mailto:hdonahue@milwaukee.gov)  
200 E. Wells Street Room 706  
Milwaukee, WI 53202

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Department of Employee Relations

**Cavalier Johnson**  
Mayor

**Harper Donahue, IV**  
Director

**Molly King**  
Employee Benefits Director

**Veronica Rudychev**  
Labor Negotiator

**MEMORANDUM**

**To:** City of Milwaukee Elected Officials, Cabinet Appointees, and Members of the City Service Commission, Fire and Police Commission, Board of Review, Board of Zoning Appeals, City Plan Commission, ERS Annuity and Pension Board, Standards and Appeals Commission

**From:** Katherine Holiday, Human Resources Compliance Officer, Department of Employee Relations

**Date:** July 22, 2024

**Subject:** Milwaukee Code of Ordinances Ethics and Harassment Training Requirements

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**CH. 303-09-14. ETHICS AND HARASSMENT TRAINING REQUIRED**

- a. Ethics and harassment training provided by the department of employee relations or the department's designee shall be completed by:
- a-1. Elected officials.
  - a-2. Members of the mayor's cabinet specified in s. 62.51(1)(a), Wis. Stats.
  - a-3. Members of boards and commissions as defined in Part I, Section 10 of the Salary Ordinance.
- b. Ethics and harassment training shall be completed within 120 days of election or appointment and once every 4 years thereafter.

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We have received several questions about how the training requirements apply in various situations. After consulting with the City Clerk and the Office of the City Attorney, we prepared this memo to respond to concerns regarding the requirements.

The Code language does not differentiate between newly elected and reelected individuals. It applies uniformly to all elected positions, regardless of whether the individual has previously held the same position. Similarly, the same applies to appointed positions. The Code does not distinguish between newly appointed and reappointed individuals; it applies uniformly to all appointed positions.

As such, if an individual is appointed or elected to a position in which they succeed themselves ("reelected" or "reappointed") and has taken the training within the last 4 years, they are required to retake it within 120 days of their most recent appointment or election. Similarly, if an individual moves into a new position that requires them to take the training, but they have taken it within the last 4 years, they must also retake it. Additionally, if an individual has never taken the training before and is "reelected" or "reappointed," they must complete it.

We understand that it may seem counterintuitive for those who have taken the training recently, and a potential code change is being considered to address this concern. However, as of now, this is the current requirement.

Appointees include members of the mayor's cabinet and members of the following boards and commissions: City Service Commission, Fire and Police Commission, Board of Review, Board of Zoning Appeals, City Plan Commission, ERS Annuity and Pension Board, Standards and Appeals Commission.

If anyone has questions about whether they are required to take the training, please reach out to me at [khold@milwaukee.gov](mailto:khold@milwaukee.gov) or the City Clerk.

**Upcoming Training Dates (all virtual via Teams):**

- Tuesday, August 6, 2024, from 9:00 AM to 10:30 AM
- Thursday, August 8, 2024, from 2:00 PM to 3:30 PM
- Monday, September 9, 2024, from 2:00 PM to 3:30 PM
- Thursday, September 12, 2024, from 9:00 AM to 10:30 AM
- Thursday, October 10, 2024, from 9 AM to 10:30 AM
- Monday, October 14, 2024, from 2 PM to 3:30 PM

Click on the [link here to register.](#)

# Basic Website Metrics

	2023							2024					
	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Visits	4,907	5,735	5,601	5,341	5,626	5,370	5,023	5,918	6,216	5,417	5,847	4,813	<b>4,659</b>
Users	3,380	3,663	3,667	3,490	3,758	3,923	3,525	4,121	4,119	3,860	4,019	3,407	<b>3,289</b>
Page Views	12,220	13,694	13,930	12,747	14,150	13,570	12,238	14,925	15,831	12,712	13,809	11,573	<b>10,455</b>
Ave. Visit	1:40	1:32	2:24	1:31	1:35	1:29	1:30	1:35	1:11	1:23	1:34	1:23	<b>1:12</b>

## VI.

### INFORMATIONAL

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

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2024 YTD.
- D. Minutes of the Administration & Operations Committee Meeting Held June 18, 2024.
- E. Report on Bills.
- F. Deployment of Assets.
- G. Securities Lending Revenue and Budget Report.
- H. Preliminary Performance Report and Asset Allocation.



## July 30, 2024 Board Meeting

# PENDING LITIGATION REPORT

### Part 1. ERS Litigation through the City Attorney

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

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

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

➤ **07/03/24** Court grants request for adjournment of motion hearing and request to extend filing deadlines. Motion hearing rescheduled to August 9, 2024.

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

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

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

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

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

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

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

➤ **07/02/24** Motion hearing held; Court grants request to adjourn matter pending possible settlement. Status Conference set for September 11, 2024.

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

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

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

- 03/29/24 Respondent's Brief in Opposition to Petition for Writ of Certiorari filed.
- 04/22/24 Petitioner's Reply Brief filed with court.

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

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

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

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

**Kurt Lacina v City of Milwaukee and Employes' Retirement System and Annuity and Pension Board**

Claimant alleges that duty disability retirees receiving a 90% benefit are only subject to the re-examination requirements prior to reaching their conversion date.

- 06/05/24 ERS served with Notice of Circumstances and Claim.
- 06/13/24 Letter to City Attorney's Office sent. New claim reported to fiduciary carriers.

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

None.

# Client Conferences 2024

Board Meeting: July 30, 2024

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
September 9, 2024	Baird Advisors' 24 <sup>th</sup> Annual Institutional Investors Conference Kohler, WI	Robert W. Baird & Company
September 17 – 18, 2024	2024 USLF Annual Meeting San Francisco, CA	ProLogis
September 24 – 26, 2024 10:30 am – 1:30 pm	“Callan College” Introduction to Investments Virtual	Callan Associates
October 23, 2024 8:00 am – 10:30 am	2024 October Workshop Chicago, IL	Callan Associates

# Trustee Conferences 2024

**Board Meeting: July 30, 2024**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
August 1 – 2, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part II Boston, MA	International Foundation of Employee Benefit Plans
August 18 – 20, 2024	Public Pension Funding Forum Boston, MA	NCPERS
September 9 – 11, 2024	CII Fall 2024 Conference Brooklyn, NY	Council of Institutional Investors
September 16 - 17, 2024	Investment Basics Nashville, TN	International Foundation of Employee Benefit Plans
September 17, 2024	10 <sup>th</sup> Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 24, 2024	2024 2024 Fixed Income & Credit Conference Chicago, IL	Pensions & Investments
October 8 – 9, 2024	2024 Roundtable for Consultants and Institutional Investors Chicago, IL	Institutional Investor
October 16 – 17, 2024	Pension Bridge Alternatives 2024 New York, NY	with.Intelligence
October 26 – 27, 2024	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATS) Palm Springs, CA	NCPERS
October 27 – 30, 2024	Public Safety Conference Palm Springs, CA	NCPERS
November 9 – 10, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part II San Diego, CA	International Foundation of Employee Benefit Plans
November 13 – 14, 2024	2024 Public Funds Conference Sacramento, CA	Pensions & Investments



# Trustee Conferences 2024

**Board Meeting: July 30, 2024**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
November 18 – 19, 2024	Pension Bridge Real Assets Austin, TX	with.Intelligence
January 26 – 27, 2025	Pension Communication Summit Washington DC	NCPERS
January 27 – 29, 2025	Legislative Conference Washington DC	NCPERS
January 27 – 29, 2025	2025 Visions, Insights & Perspectives (VIP) Americas Dana Point, CA	Institutional Real Estate, Inc.
March 10 – 12, 2025	CII Spring 2025 Conference & 40 <sup>th</sup> Anniversary Celebration Washington DC	Council of Institutional Investors
April 9 – 10, 2025	11 <sup>th</sup> Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 4 – 7, 2025	Global Conference Los Angeles, CA	Milken Institute
May 17 – 18, 2025	NCPERS Accredited Fiduciary (NAF) Program & Trustee Educational Seminar (TEDS) Denver, CO	NCPERS
May 18 – 21, 2025	Annual Conference & Exhibition (ACE) Denver, CO	NCPERS
July 14 – 15, 2025	ALTSCHI Chicago, IL	Markets Group
September 8 – 10, 2025	CII Fall 2025 Conference San Francisco, CA	Council of Institutional Investors
September 20, 2025	11 <sup>th</sup> Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group

# Upcoming Due Diligence Meetings

Date	Manager(s)	Team
August 13-14, 2024	UBS (NY) & AQR, with additional Morgan Stanley meeting	Erich & Keith
September 17-18, 2024	Aptitude (Seattle), with additional Principal meeting	David & Keith
October 5-9, 2024	UBS (London) with multiple additional manager meetings	Erich & Tim Heling
November or December, 2024	Polen	David & Keith

## Class Action Income 2024 YTD

Asset Description	Date(s)	Amount
Arthrocare Corp.	1/5/2024 \$	28,400
Teva Pharmaceutical	1/8/2024 \$	1,273
Countrywide Financial	1/30/2024 \$	82
Bank of America	2/7/2024 \$	14,750
Corrections Corp. of America	2/16/2024 \$	362
Petroleo Brasileiro SA	2/27/2024 \$	81,460
Oracle Corp.	5/10/2024 \$	212
Amedisys, Inc.	5/30/2024 \$	166
OSI Systems, Inc.	6/18/2024 \$	668
Wells Fargo & Company	7/12/2024 \$	50,806
Benefitfocus, Inc.	7/15/2024 \$	607
Cognizant Technology	7/18/2024 \$	343
<b>Total Class Action Income Received in 2024 YTD</b>	<b>\$</b>	<b>179,130</b>

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

Minutes of the Administration and Operations Committee Meeting  
held June 18, 2024 via teleconference

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

Committee Members Present: Molly King  
Thomas Klusman  
Timothy Heling, Chair

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 Shober, Chief Technology Officer  
Gust Petropoulos, Deputy Director - Disability  
Jan Wills, Board Stenographer

Others Present: David Anderson, Jim Kreiser, Dan Ludwig, Brian Pye, CliftonLarsonAllen (CLA); Erin Scharlau, Legislative Audit Bureau; Patrick McClain, City Attorney's Office; Bill Christianson, Comptroller; Terry Siddiqui, DS Consulting, Inc.

**CliftonLarsonAllen (CLA) Internal Audit Status Report Presentation – 2023.** As a matter of information, Committee members received the Internal Audit Status Report Presentation – 2023 document. Mr. Ludwig stated they would be discussing the audits that go back to the 2023 Audit Plan. He said they work with the CMERS team and all levels of the organization. He noted the CMERS team is responsive, transparent, and is easy to work with in providing information. Mr. Ludwig said CMERS is a well-run organization, has good control structure, everything is tightly managed, and there are multiple layers of controls over each of the processes. He said, based upon CLA's review and findings, there have been no internal control deficiencies or areas that would need to be improved at this time. Discussion ensued.

**CliftonLarsonAllen (CLA) Audit Reports Presentation – 2023.** As a matter of information, Committee members received the Entity Level Controls & Governance, Accounting & Finance, Benefit Calculation, HR and Payroll, and Benefit Administration documents.

**Entity Level Controls & Governance.** Mr. Ludwig said this is a thorough review of management's controls at the Executive level or highest level. He stated the controls in place would be expected to be found at any organization to insure the organization is operating effectively.

Mr. Ludwig said the object of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) 2013 Controls Framework Assessment is to review and evaluate the

Entity Level processes and controls that are in place against leading practices of the COSO Internal Control – Integrated Framework (2013).

He said this audit included the review of processes and controls related to the design and test of operating effectiveness, including

- Control Environment (Organization’s commitment to integrity and ethical values, Board demonstrates independence from management and exercises oversight of the development and performance of internal control, management establishes, with Board oversight, structures, reporting lines, and appropriate authorities and responsibilities in pursuit of objectives, organization demonstrates commitment to attract, develop, and retain competent individuals in alignment with objectives, organization holds individuals accountable for their internal control responsibilities in pursuit of objectives).
- Risk Assessment (Organization specifies objectives with clarity to enable identification and assessment of risks relating to objectives, identifies risks to the achievement of its objectives and analyzes risks for determining how risks should be managed, considers potential for fraud in assessing risks, identifies and assesses changes that could impact the system of internal control).
- Control Activities (Organization selects and develops control activities that contributes to the mitigation of risks, selects and develops general control activities over technology, deploys control activities through policies).
- Information and Communication (Organization obtains or generates and uses relevant, quality information to support the function of internal control, internal communicates information, including objectives and responsibilities for internal control, communicates with external parties regarding matters affecting the functioning of internal control).
- Monitoring Activities (Organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether components of internal control are present and functioning, evaluates and communicates internal control deficiencies in a timely manner to parties responsible for taking corrective action).

Mr. Ludwig said CLA goes through all the controls to see that the organization is functional and operating effectively. He noted CMERS matched up well with all the control points. Mr. Pye said there are five phases of maturity and CMERS wants to be at the Defined level where they are now. Mr. Ludwig said the reports are in the Defined category and there were a few that were one better in the managed category. Discussion ensued.

**Accounting & Finance.** Mr. Ludwig said this audit included the review of processes and controls related to the design and test of operating effectiveness, including

- Procurement and Cash Disbursements Process and Controls (Vendor Selection, Procurement Process, Invoice Review and Approval).
- General Accounting Process (Journal Entry Review and Approval, Balance Sheet Reconciliations, Intra-Government Reimbursement Process).

- Third Party Service Reports review (SSAE SOC-1).
- Financial Reporting Process (Financial Statement Compilation and Review Process, Preparation and Approval of the Annual Budget).
- Control over Complex Accounting Spreadsheets.
- Actuarial Reports (Preparation and Review of Actuarial Data, Review and Approval Actuarial Reports).
- System Access Restrictions (User System Access Review and Approval, Segregation of Duties).
- Organizational Resilience (Review and Update of Standard Practice Instructions (SPIs), Cross Training Procedures).

He said CMERS has a well-honed process with good control over all of these functions. He noted the external auditors do the review in greater detail of the Financial Reporting Process. Mr. Ludwig noted there were no findings for this audit.

**Benefit Calculation.** Mr. Ludwig said one of the most important parts of CMERS is making sure benefit payroll checks that are prepared are properly calculated. He said they go through a detailed process of identifying samples of the calculations for the participants. He said they do a variety of tests, including lump sum payments to early retirements to terminations to traditional retirement payments. Mr. Ludwig said this audit included the review of processes and controls related to the design and test of operating effectiveness, including

- Participant Benefit Calculations (Processes and Controls, System Applications and Controls, Use of Authorized Supporting Documentation, Management Review and Approval Procedures).
- Employment Contracts (Impact of Employee Contract Changes in MERITS, Impact of Retroactive Changes).
- System Access Restrictions (System Access Review and Approval, Access and Safeguarding of PII -Personal Identifiable Information, Segregation of Duties).
- Organizational Resilience (Standard Practice Instructions, Cross Training Procedures).

He said for Benefit Calculation and Employment Contract, the Process Maturity Level is at a Managed level and ahead of its peers. Mr. Allen said a decision was made 20 years ago to automate Benefit Calculation for MERITS, the Milwaukee Employee Retirement Information Technology System. Discussion ensued.

**HR and Payroll.** Mr. Ludwig said this audit included the review of processes and controls related to the design and test of operating effectiveness, including

- Human Resource Compliance with City of Milwaukee Department of Employee Relations (Background Check of Eligible Candidates, Hiring, Transfer, and Promotion of Employees, Termination of Employees, Approval of Wage Increases).
- Payroll Process (Employee Time Sheet Approval, Payroll Reconciliation).

- System Access Restrictions (User System Access Review and Approval, Segregation of Duties).
- Organizational Resilience (Review and Update of Standard Practice Instructions, Cross Training Procedures).

**Benefit Administration.** Mr. Ludwig said this audit included the review of processes and controls related to the design and test of operating effectiveness, including

- Health & Dental Insurance Benefits (Rate Accuracy, Benefit Election Approval, Change Authorization, Deduction Reconciliations, Premium Reconciliations).
- Life Insurance Benefits (Benefit Election Approval, Premium Reconciliations, Receipt, Collection and Reconciliation of Participant Receivables, Death Benefit Claim Administration).
- System Access Restrictions (System Access Review and Approval, Access and Safeguarding of PII, Segregation of Duties).
- Organizational Resilience (Standard Practice Instructions, Cross-Training Procedures).

Mr. Heling advised that the Administration & Operations Committee may vote to convene in closed session on the following item (III.), as provided in Section 19.85(1)(d), Wisconsin State Statutes, to consider “strategy for crime detection and prevention.” The Administration & Operations Committee may then vote to reconvene in open session following the closed session.

### **2023 Cybersecurity Assessments.**

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

The Committee convened in closed session at 9:50 a.m.

The Committee reconvened in open session at 10:24 a.m.

Mr. Ludwig stated this is the proposed 2024 audit plan. He noted 2023 was more focused on the non-IT functionality of CMERS and 2024 will be heavy on IT. Mr. Ludwig said the 2024 Audit Plan includes the three-year Risk Assessment (to see that risks were not missed, that any risks were properly identified, and brought to the attention of the A&O Committee), the Benefit Payroll Audit (the actual cash disbursement process), and Contributions Audit. Mr. Anderson discussed the remaining 2024 Audit Plan which includes the IT General Controls, Business Continuity, External Vulnerability Assessment, Internal Vulnerability Assessment, the Purple Team Assessment, and Engagement Management.

**Approval of A&O Committee Audit Charter and Internal Audit Charter.** As a matter of information, Committee members received the Approval of A&O Committee Audit Charter and Internal Audit Charter documents. Mr. Allen said this is a renewal of existing charters and noted

the only document change was the date change to May 2024 on both documents. He said the charter gives the A&O Committee jurisdiction over a number of subject areas without having to go back to the Board and getting a referral each time. Mr. Allen said they are looking for a recommendation from the Committee to the full Board to renew the charters.

It was moved by Ms. King, and seconded by Mr. Klusman, to approve the Approval of A&O Committee Audit Charter and Internal Audit Charter.

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

**Organizational/Personnel Update.** Ms. Johnson stated that there are no ERS vacancies.

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

Mr. Heling adjourned the meeting at 10:35 a.m.

Bernard J. Allen  
Secretary and Executive Director

**NOTE:** All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)



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

**City of Milwaukee**  
**Departmental**  
**Appropriation Budget Balances**

**As of: 2024-06-30**

	Budget	2024-4	2024-5	2024-6	Year to Date Expended	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>							
Employee Salaries & Wages	5,002,345.00	-	-	-	-	-	5,002,345.00
Base Pay-Salary & Wage	-	344,187.61	362,206.18	320,922.99	2,091,933.81	-	(2,091,933.81)
Overtime Premium	-	17.86	-	232.79	362.92	-	(362.92)
Other Worked Compensation	-	294.00	10,287.05	-	10,581.05	-	(10,581.05)
Time Paid Not Worked	-	36,373.12	43,483.08	75,577.73	379,151.62	-	(379,151.62)
Employee Salaries & Wages	\$ 5,002,345.00	380,872.59	415,976.31	396,733.51	\$ 2,482,029.40	\$ -	\$ 2,520,315.60
Fringe Benefits Applied	2,251,055.00	-	-	-	-	-	2,251,055.00
Fringe Benefits Applied	-	180,870.60	190,339.37	168,645.05	1,099,311.31	-	(1,099,311.31)
Applied Employee Benefits	\$ 2,251,055.00	180,870.60	190,339.37	168,645.05	\$ 1,099,311.31	\$ -	\$ 1,151,743.69
Operating Expenditures	16,305,400.00	-	-	-	-	-	16,305,400.00
Office Supplies	-	596.60	1,424.05	1,376.79	4,839.78	-	(4,839.78)
Printed Forms	-	-	-	-	625.55	-	(625.55)
Magazines, Subscription	-	150.20	350.58	232.96	4,943.25	-	(4,943.25)
Postal and Mailing Services	-	14,473.89	22,804.96	876.98	64,072.17	-	(64,072.17)
Electricity	-	3,387.15	2,551.82	2,444.07	15,553.82	-	(15,553.82)
Other Operating Supply	-	-	-	-	2,821.57	-	(2,821.57)
Building Rental	-	40,525.36	-	77,076.54	285,363.62	-	(285,363.62)
Printing & Dupl Machine Rental	-	2,081.83	1,223.61	5,484.80	13,973.11	-	(13,973.11)
Consulting	-	41,754.90	46,254.90	35.40	200,661.51	-	(200,661.51)
Medical, Surgical & Lab	-	24,408.71	8,778.87	3,984.00	85,800.10	-	(85,800.10)
Administrative Charges	-	53,833.61	64,057.89	35,139.25	268,204.98	-	(268,204.98)
Other Professional Services	-	458,180.31	1,619,573.83	75,000.00	1,953,847.50	-	(1,953,847.50)
Systems Support	-	48,233.00	49,074.00	45,389.72	242,251.72	-	(242,251.72)
IT Infrastructure	-	-	-	5,696.00	19,228.00	-	(19,228.00)
Infrastructure	-	537.81	537.81	-	1,075.62	-	(1,075.62)
Telephone, Communications	-	2,910.58	13,783.70	4,630.72	41,588.58	-	(41,588.58)
Bldgs-Machinery & Equip Repair	-	3,148.58	-	422.00	3,570.58	-	(3,570.58)
Travel & Subsistence	-	5,089.70	9,168.99	4,964.77	27,714.89	-	(27,714.89)
Printing Services	-	2,368.44	-	-	3,432.97	-	(3,432.97)
Insurance-Non Health	-	-	-	-	11,569.00	-	(11,569.00)
Other Misc Services	-	826.21	803.14	22,508.52	40,664.42	-	(40,664.42)
Operating Expenditures	\$ 16,305,400.00	702,506.88	1,840,388.15	285,262.52	\$ 3,291,802.74	\$ -	\$ 13,013,597.26
All Equipment	713,000.00	-	-	-	-	-	713,000.00
Computer Server & Components	-	-	-	-	47,569.14	-	(47,569.14)
Total Equipment	\$ 713,000.00	-	-	-	\$ 47,569.14	\$ -	\$ 665,430.86
<b>Total Regular Class</b>	<b>\$ 24,271,800.00</b>	<b>1,264,250.07</b>	<b>2,446,703.83</b>	<b>850,641.08</b>	<b>\$ 6,920,712.59</b>	<b>\$ -</b>	<b>\$ 17,351,087.41</b>
<i>Other Departmental Appropriations:</i>							
Pol Pension Lump-Sum Sup Cont	2,000.00	-	-	-	2,000.00	-	-
PABF Payroll	12,000.00	500.00	-	-	2,500.00	-	9,500.00
Group Life Insurance Premium	4,200,000.00	337,745.11	335,356.26	335,154.97	2,043,787.17	-	2,156,212.83
Retiree's Benefit Adjustment	25,000.00	934.35	130.55	2,092.30	7,202.75	-	17,797.25
Other Classes	\$ 4,239,000.00	339,179.46	335,486.81	337,247.27	\$ 2,055,489.92	\$ -	\$ 2,183,510.08
<b>Total Dept Appropriations</b>	<b>\$ 28,510,800.00</b>	<b>1,603,429.53</b>	<b>2,782,190.64</b>	<b>1,187,888.35</b>	<b>\$ 8,976,202.51</b>	<b>\$ -</b>	<b>\$ 19,534,597.49</b>

# Monthly Board Report

30-Jun-24

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 2605491	0.00 0.00%	69,376,070.06 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	69,376,070.06 1.16%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	209,117,761.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	209,117,761.20 3.50%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	593,938.95 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	593,938.95 0.01%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,723.03 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,723.03 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	166,467,797.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	166,467,797.80 2.79%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	5,888,319.69 3.53%	160,824,959.40 96.47%	0.00 0.00%	0.00 0.00%	0.00 0.00%	166,713,279.10 2.79%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	261,943,175.00 100.00%	0.00 0.00%	261,943,175.00 4.38%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	184,776,516.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	184,776,516.90 3.09%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	25,621,796.96 29.48%	0.00 0.00%	61,300,630.06 70.52%	0.00 0.00%	0.00 0.00%	86,922,427.02 1.45%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	205,548,622.50 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	205,548,622.50 3.44%
MILWAUKEE-LOOMIS SAYLE CME01	12,821,337.67 2.78%	0.00 0.00%	9,439,075.20 2.05%	499,033,649.00 108.36%	-50,206,656.25 -10.90%	-10,535,735.06 -2.29%	460,551,670.60 7.71%
MILWAUKEE-BRANDES INT'L EQUITY CME03	8,136,060.41 2.49%	0.00 0.00%	316,901,599.40 97.04%	0.00 0.00%	2,307,072.21 0.71%	-769,210.11 -0.24%	326,575,521.90 5.46%
MILWAUKEE-REAMS CME04	124,550,552.30 17.18%	0.00 0.00%	0.00 0.00%	833,055,252.50 114.92%	260,000.00 0.04%	-232,988,487.20 -32.14%	724,877,317.60 12.13%
MILWAUKEE-BLAIR CME05	5,527,980.83 2.35%	0.00 0.00%	227,638,522.70 96.57%	0.00 0.00%	1,033,542.36 0.44%	1,525,314.10 0.65%	235,725,360.00 3.94%
MILWAUKEE-MFS CME12	3,502,840.29 1.71%	0.00 0.00%	200,757,041.30 98.07%	0.00 0.00%	469,171.29 0.23%	-12,970.61 -0.01%	204,716,082.20 3.43%

# Monthly Board Report

30-Jun-24

Account number COMALL

CITY OF MILW ALL ACCTS

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## Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-POLEN 2644553	0.00 0.00%	5,961,041.20 4.78%	118,707,114.10 95.22%	0.00 0.00%	0.00 0.00%	0.00 0.00%	124,668,155.30 2.09%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	177,905,118.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	177,905,118.90 2.98%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	255,507,604.80 96.49%	0.00 0.00%	0.00 0.00%	9,300,000.00 3.51%	264,807,604.80 4.43%
MILWAUKEE - HARRISON STREET 4423196	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	12,500,000.00 100.00%	0.00 0.00%	12,500,000.00 0.21%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	114,588,108.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	114,588,108.00 1.92%
MILWAUKEE-APTITUDE / 4479682 4479682	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	192,997,714.30 100.00%	0.00 0.00%	192,997,714.30 3.23%
MILWAUKEE - DFA US LCV CME15	173,790.99 0.12%	0.00 0.00%	143,914,219.40 99.66%	0.00 0.00%	0.00 0.00%	315,236.31 0.22%	144,403,246.70 2.42%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	449,047,470.78 100.00%	0.00 0.00%	449,047,470.78 7.51%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	780,730,218.00 100.00%	0.00 0.00%	780,730,218.00 13.06%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	410,464,856.40 100.00%	0.00 0.00%	0.00 0.00%	410,464,856.40 6.87%

# Monthly Board Report

30-Jun-24

Account number COMALL

CITY OF MILW ALL ACCTS

Page 3 of 3

## Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
<b>Total for consolidation</b>	<b>154,712,562.49</b>	<b>107,443,889.89</b>	<b>2,492,094,061.60</b>	<b>1,803,854,387.96</b>	<b>1,651,081,707.69</b>	<b>-233,165,852.57</b>	<b>5,976,020,757.04</b>
<b>% for consolidation</b>	<b>2.59%</b>	<b>1.80%</b>	<b>41.70%</b>	<b>30.18%</b>	<b>27.63%</b>	<b>-3.90%</b>	<b>100.00%</b>

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

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**Employees' Retirement System**  
**Securities Lending Income and Expenses: 2024**  
**As of JUNE 30, 2024**

Date	Income From Lending	Amounts Expended		Balance
		Fees	Administrative Transfers	
<b>Balance 12-31-23</b>				<b>\$852,821.09</b>
<b>Quarter 1 Totals</b>	\$497,937.30	\$97,968.54	\$853,000.00	\$399,789.85
04/03/24	\$1,685.67	\$0.00	\$0.00	\$401,475.52
04/15/24	\$100,520.69	\$20,098.36	\$0.00	\$481,897.85
05/03/24	\$1,946.51	\$0.00	\$0.00	\$483,844.36
05/15/24	\$58,933.65	\$11,780.15	\$0.00	\$530,997.86
06/05/24	\$2,315.90	\$0.00	\$0.00	\$533,313.76
06/17/24	\$72,823.21	\$14,558.24	\$0.00	\$591,578.73
<b>Current Totals</b>	<b>\$736,162.93</b>	<b>\$144,405.29</b>	<b>\$853,000.00</b>	<b>\$591,578.73</b>

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

**MERS PERFORMANCE ESTIMATES**  
June 30, 2024

Account	2023 Return	1st Quarter 2024	Apr 2024	May 2024	Jun 2024	2nd Quarter 2024	YTD Thru 6/30/24
<b>Northern Trust S&amp;P 500 Index</b>	26.30%	10.55%	-4.08%	4.96%	3.59%	4.28%	15.28%
S&P 500	<u>26.29%</u>	<u>10.56%</u>	<u>-4.08%</u>	<u>4.96%</u>	<u>3.59%</u>	<u>4.28%</u>	<u>15.29%</u>
Difference	0.01%	-0.01%	0.00%	0.00%	0.00%	0.00%	-0.01%
<b>BlackRock Russell 1000 Value Index</b>	11.51%	8.99%	-4.27%	3.17%	-0.94%	-2.16%	6.63%
Russell 1000 Value	<u>11.46%</u>	<u>8.99%</u>	<u>-4.27%</u>	<u>3.17%</u>	<u>-0.94%</u>	<u>-2.17%</u>	<u>6.62%</u>
Difference	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>DFA US Large Cap Value</b>	12.49%	11.56%	-4.37%	2.58%	-1.33%	-3.20%	7.99%
Russell 1000 Value	<u>11.46%</u>	<u>8.99%</u>	<u>-4.27%</u>	<u>3.17%</u>	<u>-0.94%</u>	<u>-2.17%</u>	<u>6.62%</u>
Difference	1.03%	2.58%	-0.10%	-0.59%	-0.39%	-1.04%	1.36%
<b>Polen</b>	38.59%	7.73%	-5.51%	0.18%	5.09%	-0.52%	7.17%
S&P 500	<u>26.29%</u>	<u>10.56%</u>	<u>-4.08%</u>	<u>4.96%</u>	<u>3.59%</u>	<u>4.28%</u>	<u>15.29%</u>
Difference	12.30%	-2.83%	-1.43%	-4.78%	1.51%	-4.81%	-8.12%
<b>Earnest</b>	17.75%	8.17%	-5.93%	1.56%	-0.64%	-5.07%	2.68%
Russell MidCap	<u>17.23%</u>	<u>8.60%</u>	<u>-5.40%</u>	<u>2.85%</u>	<u>-0.66%</u>	<u>-3.35%</u>	<u>4.96%</u>
Difference	0.52%	-0.43%	-0.53%	-1.29%	0.02%	-1.73%	-2.28%
<b>CastleArk</b>	10.67%	8.75%					8.75%
Russell 2000 Growth	<u>18.66%</u>	<u>2.17%</u>					<u>2.17%</u>
Difference	-7.99%	6.58%					6.58%
<b>DFA US Small Cap Value</b>	21.83%	3.61%	-5.94%	5.44%	-2.54%	-3.34%	0.15%
Russell 2000 Value	<u>14.65%</u>	<u>2.90%</u>	<u>-6.37%</u>	<u>4.68%</u>	<u>-1.69%</u>	<u>-3.64%</u>	<u>-0.85%</u>
Difference	7.18%	0.71%	0.43%	0.77%	-0.86%	0.30%	1.00%
<b>Brandes</b>	31.52%	5.27%	-1.04%	4.37%	-3.26%	-0.08%	5.18%
MSCI EAFE	<u>18.24%</u>	<u>5.78%</u>	<u>-2.56%</u>	<u>3.87%</u>	<u>-1.61%</u>	<u>-0.42%</u>	<u>5.34%</u>
Difference	13.29%	-0.52%	1.52%	0.49%	-1.64%	0.34%	-0.16%
<b>William Blair</b>	15.90%	6.83%	-4.65%	2.89%	0.56%	-1.35%	5.39%
MSCI ACWI ex US	<u>16.21%</u>	<u>4.81%</u>	<u>-1.72%</u>	<u>3.00%</u>	<u>-0.06%</u>	<u>1.17%</u>	<u>6.04%</u>
Difference	-0.31%	2.02%	-2.94%	-0.11%	0.62%	-2.52%	-0.65%
<b>DFA Int'l Small Cap Value</b>	17.56%	5.32%	-1.16%	6.11%	-3.72%	0.98%	6.35%
MSCI EAFE Small Cap	<u>13.16%</u>	<u>2.40%</u>	<u>-2.97%</u>	<u>4.33%</u>	<u>-3.04%</u>	<u>-1.84%</u>	<u>0.51%</u>
Difference	4.40%	2.92%	1.81%	1.78%	-0.68%	2.83%	5.84%
<b>AQR</b>	17.92%	6.14%	0.46%	1.51%	3.12%	5.15%	11.61%
MSCI EM	<u>9.83%</u>	<u>2.37%</u>	<u>0.45%</u>	<u>0.56%</u>	<u>3.94%</u>	<u>5.00%</u>	<u>7.49%</u>
Difference	8.09%	3.77%	0.01%	0.94%	-0.83%	0.16%	4.12%
<b>BlackRock Global Alpha Tilts</b>	23.33%	9.12%	-3.50%	5.04%	2.86%	4.26%	13.77%
MSCI ACWI	<u>22.20%</u>	<u>8.20%</u>	<u>-3.30%</u>	<u>4.06%</u>	<u>2.23%</u>	<u>2.87%</u>	<u>11.30%</u>
Difference	1.13%	0.92%	-0.20%	0.98%	0.63%	1.39%	2.47%
<b>MFS</b>	21.34%	6.48%	-3.88%	3.95%	1.15%	1.07%	7.62%
MSCI ACWI	<u>22.20%</u>	<u>8.20%</u>	<u>-3.30%</u>	<u>4.06%</u>	<u>2.23%</u>	<u>2.87%</u>	<u>11.30%</u>
Difference	-0.87%	-1.72%	-0.58%	-0.11%	-1.08%	-1.80%	-3.68%
<b>BlackRock Gov't Bond Index</b>	4.26%	-0.90%	-2.24%	1.45%	1.01%	0.18%	-0.72%
Bloomberg Gov't Bond	<u>4.09%</u>	<u>-0.93%</u>	<u>-2.30%</u>	<u>1.45%</u>	<u>1.00%</u>	<u>0.11%</u>	<u>-0.83%</u>
Difference	0.17%	0.04%	0.06%	0.00%	0.00%	0.07%	0.11%
<b>Reams</b>	6.76%	-0.63%	-2.77%	1.92%	1.39%	0.48%	-0.16%
Bloomberg US Aggregate	<u>5.53%</u>	<u>-0.78%</u>	<u>-2.53%</u>	<u>1.70%</u>	<u>0.95%</u>	<u>0.07%</u>	<u>-0.71%</u>
Difference	1.23%	0.14%	-0.24%	0.23%	0.44%	0.41%	0.55%
<b>Loomis Sayles</b>	8.53%	0.63%	-2.39%	1.89%	0.79%	0.24%	0.87%
Bloomberg US Aggregate	<u>5.53%</u>	<u>-0.78%</u>	<u>-2.53%</u>	<u>1.70%</u>	<u>0.95%</u>	<u>0.07%</u>	<u>-0.71%</u>
Difference	3.00%	1.41%	0.13%	0.19%	-0.16%	0.17%	1.58%
<b>UBS</b>	6.80%	2.57%	0.37%	0.83%	0.72%	1.93%	4.55%
SOFR + 4%	<u>9.02%</u>	<u>2.31%</u>	<u>0.78%</u>	<u>0.76%</u>	<u>0.72%</u>	<u>2.28%</u>	<u>4.64%</u>
Difference	-2.21%	0.27%	-0.41%	0.06%	0.00%	-0.35%	-0.09%
<b>Aptitude</b>	5.24%	4.80%	0.00%	0.51%	0.91%	1.43%	6.30%
SOFR + 4%	<u>9.02%</u>	<u>2.31%</u>	<u>0.78%</u>	<u>0.76%</u>	<u>0.72%</u>	<u>2.28%</u>	<u>4.64%</u>
Difference	-3.78%	2.50%	-0.78%	-0.25%	0.19%	-0.85%	1.66%
<b>Principal</b>	3.31%	1.68%	-1.79%	3.36%	-1.84%	-0.36%	1.31%
Blended Benchmark	<u>4.31%</u>	<u>0.67%</u>	<u>-1.53%</u>	<u>3.62%</u>	<u>-1.60%</u>	<u>0.40%</u>	<u>1.07%</u>
Difference	-1.00%	1.01%	-0.26%	-0.26%	-0.23%	-0.76%	0.24%
<b>Baird</b>	5.46%	0.96%	-0.01%	0.65%	0.52%	1.16%	2.13%
Bloomberg Govt/Credit 1-3 Year	<u>4.61%</u>	<u>0.42%</u>	<u>-0.33%</u>	<u>0.73%</u>	<u>0.56%</u>	<u>0.95%</u>	<u>1.38%</u>
Difference	0.85%	0.54%	0.32%	-0.08%	-0.04%	0.20%	0.75%
<b>Total MERS</b>	<b>9.98%</b>	<b>2.83%</b>	<b>-2.08%</b>	<b>2.41%</b>	<b>0.41%</b>	<b>0.69%</b>	<b>3.53%</b>

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

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

## ACTUAL ALLOCATIONS

June 30, 2024

		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 209,117,761	3.55%
	BlackRock (Russell 1000 Value)	3.45%	\$ 205,548,622	3.49%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 414,666,384	7.03%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 124,668,155	2.11%
	DFA (Russell 1000 Value)	2.46%	\$ 144,403,247	2.45%
	Sub-Total Active Large Cap Equity	4.40%	\$ 269,071,402	4.56%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.20%	\$ 166,713,279	2.83%
	DFA (Russell 2000 Value)	3.05%	\$ 184,776,517	3.13%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 351,489,796	5.96%
<b>Total Domestic</b>		<b>17.55%</b>	<b>\$ 1,035,227,582</b>	<b>17.56%</b>
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 326,633,396	5.54%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 235,725,360	4.00%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 166,467,798	2.82%
	AQR (MSCI EM)	1.76%	\$ 114,588,108	1.94%
<b>Total International</b>		<b>13.65%</b>	<b>\$ 843,414,662</b>	<b>14.31%</b>
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 264,807,605	4.49%
	MFS (MSCI ACWI)	3.51%	\$ 204,716,082	3.47%
<b>Total Global</b>		<b>7.80%</b>	<b>\$ 469,523,687</b>	<b>7.96%</b>
<b>Total Public Equity</b>		<b>39.00%</b>	<b>\$ 2,348,165,931</b>	<b>39.83%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 310,415,632	5.27%
	Mesirov (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 293,875,979	4.98%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 71,830,006	1.22%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 105,451,038	1.79%
<b>Total Private Equity</b>		<b>12.00%</b>	<b>\$ 781,572,655</b>	<b>13.26%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>51.00%</b>	<b>\$ 3,129,738,586</b>	<b>53.09%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash		1.00%	\$ 69,972,732	1.19%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 410,464,856	6.96%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 726,979,261	12.33%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 460,552,159	7.81%
	Sub-Total Active Fixed Income	20.78%	\$ 1,187,531,421	20.14%
<b>Total Fixed Income</b>		<b>29.00%</b>	<b>\$ 1,667,969,009</b>	<b>28.29%</b>
<b>Absolute Return</b>				
	Aptitude (SOFR + 4%)	3.00%	\$ 194,749,814	3.30%
	UBS (SOFR + 4%)	4.00%	\$ 263,830,890	4.48%
<b>Total Absolute Return</b>		<b>7.00%</b>	<b>\$ 458,580,704</b>	<b>7.78%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>36.00%</b>	<b>\$ 2,126,549,713</b>	<b>36.07%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 108,744,053	1.84%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 144,102,687	2.44%
	LaSalle (NFI-ODCE)	2.30%	\$ 105,165,918	1.78%
	Prologis (NFI-ODCE)	1.30%	\$ 80,862,796	1.37%
	Harrison Street (NFI-ODCE)	0.90%	\$ 12,579,290	0.21%
Sub-Total Private Real Estate - Core		9.70%	\$ 451,454,744	7.66%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 9,915,869	0.17%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 177,905,119	3.02%
<b>TOTAL REAL ASSETS</b>		<b>13.00%</b>	<b>\$ 639,275,733</b>	<b>10.84%</b>
<b>TOTAL ERS</b>			<b>\$ 5,895,564,031</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>		<b>R. W. Baird</b>	<b>86,922,427</b>	

## PROJECTED TARGET ALLOCATIONS

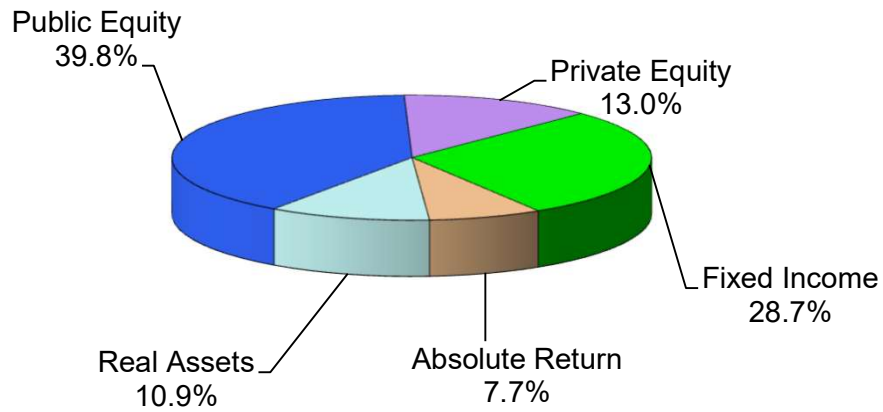
Jul 23, 2024

		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 205,416,521	3.43%
	BlackRock (Russell 1000 Value)	3.45%	\$ 212,180,415	3.54%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 417,596,935	6.97%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 124,521,589	2.08%
	DFA (Russell 1000 Value)	2.46%	\$ 148,320,855	2.48%
	Sub-Total Active Large Cap Equity	4.40%	\$ 272,842,444	4.55%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	3.20%	\$ 172,179,129	2.87%
	DFA (Russell 2000 Value)	3.05%	\$ 200,310,958	3.34%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 372,490,087	6.22%
<b>Total Domestic</b>		<b>17.55%</b>	<b>\$ 1,062,929,466</b>	<b>17.74%</b>
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 342,314,391	5.71%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 229,495,939	3.83%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 169,014,625	2.82%
	AQR (MSCI EM)	1.76%	\$ 111,099,542	1.85%
<b>Total International</b>		<b>13.65%</b>	<b>\$ 851,924,497</b>	<b>14.22%</b>
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 258,869,348	4.32%
	MFS (MSCI ACWI)	3.51%	\$ 208,150,660	3.47%
<b>Total Global</b>		<b>7.80%</b>	<b>\$ 467,020,008</b>	<b>7.79%</b>
<b>Total Public Equity</b>		<b>39.00%</b>	<b>\$ 2,381,873,971</b>	<b>39.75%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 310,415,632	5.18%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 293,875,979	4.90%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 71,830,006	1.20%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 105,287,020	1.76%
<b>Total Private Equity</b>		<b>12.00%</b>	<b>\$ 781,408,637</b>	<b>13.04%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>51.00%</b>	<b>\$ 3,163,282,608</b>	<b>52.79%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash				
		1.00%	\$ 102,656,907	1.71%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 414,606,808	6.92%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 733,789,218	12.25%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 467,167,848	7.80%
	Sub-Total Active Fixed Income	20.78%	\$ 1,200,957,067	20.04%
<b>Total Fixed Income</b>		<b>29.00%</b>	<b>\$ 1,718,220,782</b>	<b>28.68%</b>
<b>Absolute Return</b>				
	Aptitude (SOFR + 4%)	3.00%	\$ 194,749,814	3.25%
	UBS (SOFR + 4%)	4.00%	\$ 263,830,890	4.40%
<b>Total Absolute Return</b>		<b>7.00%</b>	<b>\$ 458,580,704</b>	<b>7.65%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>36.00%</b>	<b>\$ 2,176,801,486</b>	<b>36.33%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 105,309,095	1.76%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 144,102,687	2.40%
	LaSalle (NFI-ODCE)	2.30%	\$ 104,995,755	1.75%
	Prologis (NFI-ODCE)	1.30%	\$ 81,186,247	1.35%
	Harrison Street (NFI-ODCE)	0.90%	\$ 25,079,290	0.42%
	Sub-Total Private Real Estate - Core	9.70%	\$ 460,673,074	7.69%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 9,924,483	0.17%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 181,360,830	3.03%
<b>TOTAL REAL ASSETS</b>		<b>13.00%</b>	<b>\$ 651,958,387</b>	<b>10.88%</b>
<b>TOTAL ERS</b>			<b>\$ 5,992,042,481</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>	<b>R. W. Baird</b>		<b>87,439,384</b>	

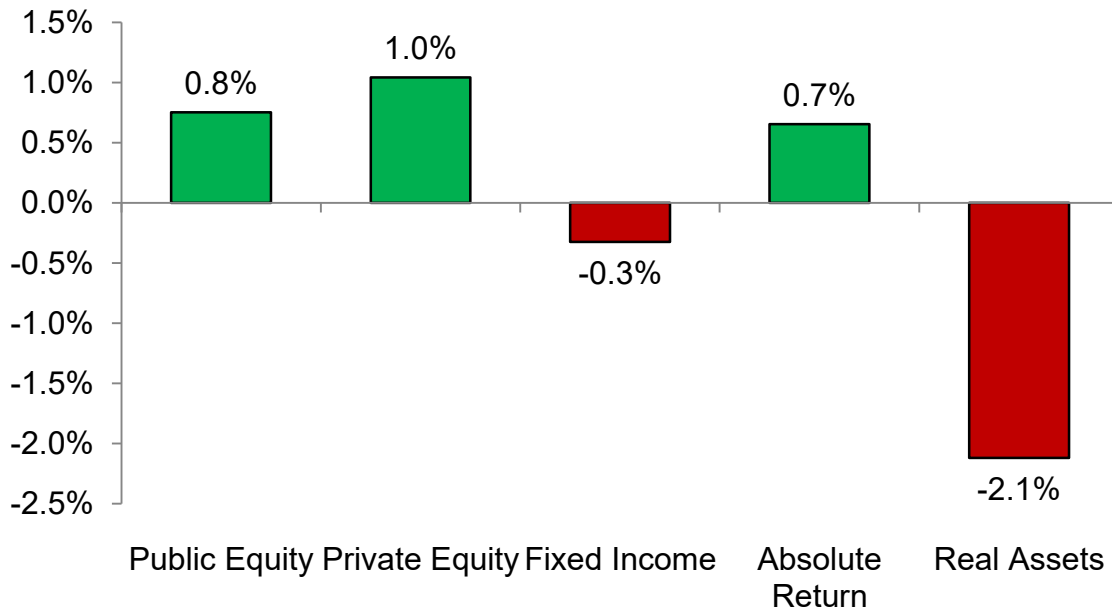


# PROJECTED VERSUS POLICY ALLOCATIONS

## Asset Mix Using Projected Balances



## Asset Allocation vs. Current Policy Benchmark



## YTD Market Value Change

December 31, 2023 Market Value including City Reserve & PABF Accounts			\$ 5,797,273,012
Monthly Cash Outflows thru	<u>July 23, 2024</u>		
Retiree Payroll Expense		\$ (236,102,207)	
PABF Payroll Expense		\$ (4,000)	
Expenses Paid		\$ (10,142,343)	
GPS Benefit Payments		\$ (4,040,100)	
Sub-Total Monthly Cash Outflows		\$ (250,288,650)	\$ (250,288,650)
Monthly Cash Inflows thru	<u>July 23, 2024</u>		
Contributions		\$ 231,267,863	
PABF Contribution		\$ 4,500	
Sub-Total Monthly Contributions		\$ 231,272,363	\$ 231,272,363
Capital Market Gain/(Loss)			\$ 301,225,139
Value including City Reserve & PABF Accounts as of	<u>July 23, 2024</u>		\$ 6,079,481,865
Less City Reserve Account <sup>1</sup>			\$ 87,439,384
Less PABF Fund <sup>2</sup>			\$ 2,732
Net Projected ERS Fund Value as of	<u>July 23, 2024</u>		\$ 5,992,039,748

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

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

## 2024 ESTIMATED MONTHLY CASH FLOWS

Revised 7/24/2024

(in 000's)

	<u>12/31/2023</u>	<u>1/31/2024</u>	<u>2/29/2024</u>	<u>3/31/2024</u>	<u>4/30/2024</u>	<u>5/31/2024</u>	<u>6/30/2024</u>	<u>7/31/2024</u>	<u>8/31/2024</u>	<u>9/30/2024</u>	<u>10/31/2024</u>	<u>11/30/2024</u>	
<b>Beginning Cash Account Balance</b>													
Townsend Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	46,059	179,092	167,742	134,564	88,675	79,198	68,983						
<b>Total Cash Available</b>	<b>46,059</b>	<b>179,092</b>	<b>167,742</b>	<b>134,564</b>	<b>88,675</b>	<b>79,198</b>	<b>68,983</b>						
Less: Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500						
<b>Cash Available for Other Outflows</b>	<b>6,559</b>	<b>139,592</b>	<b>128,242</b>	<b>95,064</b>	<b>49,175</b>	<b>39,698</b>	<b>29,483</b>						
<b>For Monthly Cash Outflows of:</b>													
	<u>Jan-2024</u>	<u>Feb-2024</u>	<u>Mar-2024</u>	<u>Apr-2024</u>	<u>May-2024</u>	<u>Jun-2024</u>	<u>Jul-2024</u>	<u>Aug-2024</u>	<u>Sep-2024</u>	<u>Oct-2024</u>	<u>Nov-2024</u>	<u>Dec-2024</u>	<u>Total 2024</u>
Retiree Payroll Expense	(40,300)	(39,713)	(39,957)	(39,552)	(39,807)	(40,814)	(40,986)	(41,086)	(41,186)	(41,287)	(41,387)	(41,488)	(487,563)
Normal Retirement Payroll	(39,242)	(38,947)	(39,410)	(39,270)	(39,346)	(39,886)	(39,986)	(40,086)	(40,186)	(40,287)	(40,387)	(40,488)	(477,523)
Retiree Lump Sum Payments	(1,058)	(765)	(546)	(282)	(460)	(928)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(10,040)
Real Estate Capital Calls	-	-	(23)	(12,500)	-	(46)	(12,500)	-	-	-	-	-	(25,069)
Private Equity Capital Calls	(2,149)	(3,464)	(6,173)	(14,033)	(614)	(3,934)	(1,028)	-	-	-	-	-	(31,396)
Expenses Paid through City	(2,023)	(2,156)	(1,198)	-	(986)	(2,923)	(856)	(2,023)	(2,023)	(2,023)	(2,023)	(2,023)	(20,257)
PABF Payroll	(1)	(3)	(1)	(1)	-	-	-	-	-	-	-	-	(4)
<b>Sub-Total Monthly Cash Outflows</b>	<b>(44,472)</b>	<b>(45,336)</b>	<b>(47,351)</b>	<b>(66,085)</b>	<b>(41,406)</b>	<b>(47,718)</b>	<b>(55,370)</b>	<b>(43,109)</b>	<b>(43,209)</b>	<b>(43,310)</b>	<b>(43,410)</b>	<b>(43,511)</b>	<b>(564,289)</b>
<b>For Monthly Cash Inflows:</b>													
Sponsoring Agency and Employee Contribution	2,710	2,721	2,049	3,675	2,708	2,613	2,620	3,939	2,633	2,639	2,646	2,653	33,606
Real Estate Distributions	1,920	-	92	4,428	-	147	3,841	-	-	-	-	-	10,429
Private Equity Distributions	904	3,891	11,310	1,935	2,547	8,037	1,211	-	-	-	-	-	29,836
Miscellaneous Income	163	950	790	755	573	406	445	95	95	95	95	95	4,557
Security Lending Transfer	853	-	-	-	-	-	-	-	-	-	-	-	853
City and Agency Required Contribution	205,954	987	-	-	-	-	5,456	-	-	-	-	-	212,397
PABF Inflow	-	1	-	3.0	1	-	-	-	-	-	-	-	5
<b>Sub-Total Monthly Cash Inflows</b>	<b>212,505</b>	<b>8,551</b>	<b>14,242</b>	<b>10,796</b>	<b>5,829</b>	<b>11,203</b>	<b>13,573</b>	<b>4,034</b>	<b>2,728</b>	<b>2,734</b>	<b>2,741</b>	<b>2,748</b>	<b>291,682</b>
<b>Net Monthly Cash Inflows/(Outflows) Before Withdrawals</b>	<b>168,033</b>	<b>(36,785)</b>	<b>(33,110)</b>	<b>(55,290)</b>	<b>(35,577)</b>	<b>(36,515)</b>	<b>(41,798)</b>	<b>(39,075)</b>	<b>(40,482)</b>	<b>(40,575)</b>	<b>(40,670)</b>	<b>(40,764)</b>	<b>(272,607)</b>
<b>Net Monthly Cash Surplus (Need)</b>	<b>174,592</b>	<b>102,807</b>	<b>95,132</b>	<b>39,775</b>	<b>13,598</b>	<b>3,183</b>	<b>(12,315)</b>	<b>(39,075)</b>	<b>(40,482)</b>	<b>(40,575)</b>	<b>(40,670)</b>	<b>(40,764)</b>	<b>215,206</b>
<b>Monthly Cash Withdrawals (Additions)</b>													
AQR					4,100	4,000	4,000						
BlackRock Global Alpha Tilts			9,400		9,400	9,300							
BlackRock Russell 1000 Value Index							7,600						
BlackRock US Government Bond Index	(54,000)												
Brandes					12,400		12,100						
CastleArk													
Dimensional Fund Advisors US Large Cap						5,200							
Dimensional Fund Advisors International					6,200		4,400						
Dimensional Fund Advisors US Small Cap													
Earnest													
Loomis Sayles													
MFS					7,500								
Northern Trust S&P 500 Index			7,400			7,600	7,500						
Polen			4,500										
Principal													
Reams													
Transition Account		25,435	33	0									
UBS A&Q	19,000												
Goldman/Aptitude			(12,000)										
William Blair							8,600						
<b>Sub-Total Monthly Cash Withdrawals</b>	<b>(35,000)</b>	<b>25,435</b>	<b>9,333</b>	<b>0</b>	<b>39,600</b>	<b>26,100</b>	<b>44,200</b>						
<b>Estimated Month-End Cash Balance</b>													
Cash Available	139,592	128,242	104,464	39,775	53,198	29,283	31,885						
Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500						
<b>Total Cash Estimated on Hand For Next Month</b>	<b>179,092</b>	<b>167,742</b>	<b>143,964</b>	<b>79,275</b>	<b>92,698</b>	<b>68,783</b>	<b>71,385</b>						