



Office of the City Clerk

Jim Owczarski
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June 23, 2023

Ald. Milele A. Coggs
City Hall, Room 205
200 East Wells St.
Milwaukee, WI 53202

Dear Ald. Coggs:

At a meeting of the Steering and Rules Committee on June 5, 2023, you requested information related to the fiscal impacts of various provisions of the 2023 Wisconsin Act 12, commonly referred to as the "Shared Revenue" bill.

In response to your request, the Legislative Reference Bureau reached out to the Budget and Management Division, the Employees' Retirement System, the Comptroller, and the City Assessor to develop statements for your review.

Sincerely,

Jim Owczarski
City Clerk

cc: Keith Broadnax



City of Milwaukee Fiscal Impact Statement

A

Date 6/22/2023 File Number CC230374 ☒ Original ☐ Substitute
Subject Financial Audit Requirements Pursuant to Wisconsin Act 12, Sect. 3

B

Submitted By (Name/Title/Dept./Ext.) Jerry Allen, ERS Executive Director

C

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☒ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

- Charge To
- | | |
|--|---|
| ☐ Department Account | ☐ Contingent Fund |
| ☐ Capital Projects Fund | ☐ Special Purpose Accounts |
| ☐ Debt Service | ☐ Grant & Aid Accounts |
| ☒ Other (Specify) <u>T/B/D</u> | |

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services	Annual State Legislative Audit Bureau Audit of ERS	\$15,000.00	\$0.00
		\$0.00	\$0.00
Other		\$0.00	\$0.00
		\$0.00	\$0.00
TOTALS		\$15,000.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**Assumes LAB will accept ERS audited ACFR in lieu of a full scope audit
_____**G****For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.**☐ 1-3 Years ☒ 3-5 Years☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years_____

_____**H****List any costs not included in Sections D and E above.**If a full scope audit, estimated cost would increase to approx.
\$75,000 annually
_____**I****Additional information.**ERS on advice of outside tax counsel will determine whether IRS rules permit ERS or require city to bear audit cost
_____**J****This Note** ☐ **Was requested by committee chair.**



City of Milwaukee Fiscal Impact Statement

A

Date 6/22/2023 File Number CC230374 ☒ Original ☐ Substitute
Subject 5-Year Actuarial Audit of Employees' Retirement System as Required by 2023 WI Act 12, Sect.4

B

Submitted By (Name/Title/Dept./Ext.) Bernard J Allen, Executive Director, Employees' Retirement System

C

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☒ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

- Charge To
- | | |
|--|---|
| ☐ Department Account | ☐ Contingent Fund |
| ☐ Capital Projects Fund | ☐ Special Purpose Accounts |
| ☐ Debt Service | ☐ Grant & Aid Accounts |
| ☒ Other (Specify) <u>TBD</u> | |

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services	Actuarial Audit - full replication	\$65,000.00	\$0.00
		\$0.00	\$0.00
Other		\$0.00	\$0.00
		\$0.00	\$0.00
TOTALS		\$65,000.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**

Utilizing cost for current valuation as the basis for the audit firm's cost for conducting a review assuming they will be replicating the entire process

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years**H****List any costs not included in Sections D and E above.**

If the audit is to include the 5-year experience study review also, then the costs may increase by an additional \$65,000

I**Additional information.**

Incidence of costs will depend upon a review of IRS regulations by Counsel to determine if ERS can absorb such a cost.

J

This Note ☐ Was requested by committee chair.



City of Milwaukee Fiscal Impact Statement

A

Date 6/22/2023 File Number CC230374 ☒ Original ☐ Substitute
Subject Actuarially Determined Employer Contribution Pursuant to Wisconsin Act 12, Sect. 44

B

Submitted By (Name/Title/Dept./Ext.) Jerry Allen, Executive Director ERS

C

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☒ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

- Charge To
- ☐ Department Account
 - ☐ Capital Projects Fund
 - ☐ Debt Service
 - ☒ Other (Specify) Annual City contribution to ERS- Budget Office to determine account
 - ☐ Contingent Fund
 - ☐ Special Purpose Accounts
 - ☐ Grant & Aid Accounts

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services		\$0.00	\$0.00
		\$0.00	\$0.00
Other	Annual Actuarially Determined Employer Contribution	\$48,000,000.00	\$0.00
		\$0.00	\$0.00
TOTALS		\$48,000,000.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**

Please see the attached preliminary estimate by ERS actuary, dated January 25, 2023 (especially highlighted text on p.1, 8 and 21).

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years Annual recurring expense

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

H

List any costs not included in Sections D and E above.

I**Additional information.**

Preliminary estimate of \$48,000,000 is the incremental cost beyond 2023 level for first year and will vary annually based on plan experience as reported by 2024 actuarial valuation and subsequent annual valuations.

J

This Note ☐ Was requested by committee chair.



Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

January 25, 2023

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

Re: Actuarial Impact of CMERS Soft Close with Future Members Participating in WRS

Dear Jerry:

At your request, we have prepared an analysis of the potential actuarial impact to the City of Milwaukee Employees' Retirement System (CMERS) of a soft close with new hires participating in the Wisconsin Retirement System (WRS). For the purposes of this analysis, the change is assumed to be effective as of January 1, 2023 (i.e., the measurement date).

Changes from January 13, 2023 letter

Our meeting with Speaker Vos provided some clarification and additional requests which we address in this letter. This letter replaces our previous letter dated January 13, 2023. The changes in the current version include:

- **"All-in" Costs** During our meeting we learned that all in costs was not intended to be the lump sum costs provided in our earlier letter, but rather was intended to mean employer contributions would be sufficient to cover employer normal costs, administrative expenses and unfunded liability payments. We have removed the Development of "All-in" Lump Sum Cost shown on page 4 of our previous letter.
- **Projections** We have added the following baseline projections based on 1/1/2022 valuation. These baseline projections reflect the actuarial value of assets, but not the current stable employer contribution policy:
 - Baseline using the same actuarial assumptions and methods used in the January 1, 2022 actuarial valuation report. Reflects all actuarial assumptions being met in all future years, including the 7.5% investment return assumption in 2022;
 - Baseline with proposed demographic assumptions and UAAL amortization method being considered by the CMERS Board of Trustees; and
 - Baseline with proposed demographic assumptions and UAAL amortization method, and the estimated \$5.5 billion asset value as of January 1, 2023.

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Mr. Jerry Allen
January 25, 2023
Page 2

- *Change in Funding Methods* We made the following changes in funding methods for reasons stated below. Changing the funding methods changes the timing of contributions, but not the overall liability being funded.
 - *Use of Entry Age Cost Method* We used the Aggregate cost method in the January 13 letter to estimate the “All-in” Lump Sum Cost. This method does not provide an explicit allocation of the total cost to the normal cost and unfunded actuarial accrued liability (UAAL) contributions. The Entry Age Normal method does provide for such an allocation and is used in the current projections. It is also the same cost method used for the current valuation.
 - *Use of an Asset Smoothing Method (Actuarial Value of Assets)* We used the market value of assets to estimate the “All-in” Lump Sum Cost in the January 13 letter. The actuarial valuation process currently uses an asset smoothing method which recognizes investment experience different from our assumption over a five-year period. This smoothing method ameliorates employer contribution volatility, and we have used this methodology to develop employer contributions under the three Baseline scenarios shown on page 4 of this letter.
 - *Amortization Period* For the plan closure scenarios, we have included a ten year amortization period, which we recommend, as well as the twenty and thirty year scenarios that were requested. Under these scenarios, the System’s UAAL is amortized over a closed period using level-dollar payments, rather than as a level-percent of payroll that is currently used.
- *More Detail* We have provided more detail in the contribution development, including the employer’s share of the normal cost, administrative expenses and payments on the unfunded actuarial accrued liability.
- *City Only Contributions* In the January 13 letter, the contributions shown represented the total amounts for all CMERS employers. We have isolated the contribution amounts attributable to the City versus non-City employers.

Additional Requested Analysis

As mentioned previously, additional points of analysis were requested as a result of our meeting with Speaker Vos. These include:

- *COLA* We have calculated the impact to key actuarial valuation results if COLAS are eliminated for the following groups:
 - All members
 - All Actives
 - All Actives hired after 1/1/2000 (the Global Pension Settlement)
 - All Actives hired after 11/23/2011
- *Member Contributions* Consideration is being given to increasing member contributions.

Background

Current Provisions

- Current and future employees of the City of Milwaukee, including Police and Fire, and other participating employers remain in CMERS.



Mr. Jerry Allen
January 25, 2023
Page 3

Proposed Provisions

- CMERS is closed to all new hires. Current members continue to accrue benefits under CMERS.
- All future employees of the City of Milwaukee, including Police and Fire, and other participating employers move to WRS after January 1, 2023.
- Contributions are made to the retirement system in which the member participates.

The effective employer contribution rates to WRS during calendar year 2023 are 6.80% for General members and 18.10% for Protective members without Social Security coverage. Police and Fire members under CMERS do not participate in Social Security so the 18.10% WRS employer contribution rate was used in our modeling. For the purposes of our analysis, these employer contribution rates are assumed to remain unchanged. We do not have the necessary information to analyze the potential impact on employer contribution rates under WRS as a result of the participation of new employees from the City of Milwaukee, but the impact would be gradual and unfold over time. Such analysis is outside the scope of this project.

Baseline Projection Results

One of the requested changes to our analysis in the January 13 letter was to include results under a “baseline” scenario where current and future employees continue to participate in CMERS. As we mentioned in our prior letter, there are many differences between the System’s current assumptions, methods and policies, and those proposed. To help identify and quantify the components of change, the following table includes projected employer contributions to CMERS under the three scenarios. Comparison of results will identify the incremental impact of each change.

The three scenarios are as follows:

- *Scenario 1- Baseline* Projection of results based on the actuarial assumptions and methods used in the January 1, 2022 actuarial valuation report. Assumes all actuarial assumptions are met in all future years, including a 7.5% investment return in 2022.
- *Scenario 2 – Experience Study* Projection of results based on Scenario 1, but using the proposed demographic assumptions and UAAL amortization method from our recent experience study, with a 7.50% investment return assumption. Note the Board has not yet taken action on the recommendations in the experience study.
- *Scenario 3 – Experience Study & Estimated January 1, 2023 Market Value of Assets of \$5.5 Billion* Projection of results based on Scenario 2 and estimated market value of assets as of January 1, 2023 of \$5.5 billion. As seen in the table on the following page, employer contributions increase in future years even if the investment return assumption of 7.50% used in these projections is achieved after calendar 2022 due to the deferred recognition of investment losses.

As mentioned earlier, the figures shown in the following table do not reflect the current stable employer contribution policy for 2023 and thereafter. Instead, the amounts shown after 2022 represent the Actuarial Determined Employer Contribution (ADEC) amounts and assume that the full contribution is made each year. Because the plan is still open to new hires, the UAAL contribution is calculated as a level percent of payroll. Under Scenarios 2 and 3, the increase to the UAAL in 2023 resulting from the change to the demographic assumptions is amortized over a closed 25-year period. Additionally, under these scenarios future changes to the UAAL resulting from actual experience that is different from assumed, including the negative investment performance during 2022 in Scenario 3, are amortized over closed 20-year periods.



Projection of Employer Contributions CMERS Remains Open to New Hires (Amounts in Millions)									
Year	Scenario								
	(1) Baseline			(2) Experience Study			(3) Experience Study & Estimated \$5.5 Billion January 1, 2023 Market Value		
	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 67	\$ 14	\$ 81	\$ 67	\$ 14	\$ 81	\$ 67	\$ 14	\$ 81
2023	118	27	145	117	33	151	129	37	166
2024	98	21	119	100	28	128	129	36	165
2025	86	17	104	91	25	116	135	38	173
2026	76	14	90	83	22	105	142	39	181
2027	77	14	91	84	22	106	158	43	201
2028	77	14	91	84	22	107	160	44	203
2029	78	14	92	85	22	108	162	44	207
2030	79	14	93	87	22	109	165	44	210
2031	80	13	94	88	22	110	168	45	213
2032	81	13	94	89	22	112	171	45	217
2033	82	13	95	90	23	113	174	46	220
2034	82	13	96	91	23	114	176	47	223
2035	69	10	78	93	24	116	179	48	227
2036	69	10	79	94	24	118	182	49	231
2037	84	13	98	96	24	120	185	50	236
2038	98	16	114	98	24	122	189	51	240
2039	132	23	155	100	25	124	194	51	245
2040	153	26	180	76	17	92	185	48	233
2041	174	30	204	78	17	95	189	49	237
2042	178	30	208	80	18	97	206	53	259
2043	182	31	212	82	18	100	202	52	254
2044	83	11	95	84	18	103	84	18	103
2045	85	11	97	87	19	105	87	19	105
2046	87	12	99	89	19	108	89	19	108
2047	90	12	102	92	20	111	92	20	111
2048	92	12	104	94	20	115	94	20	115
2049	94	13	107	97	21	118	97	21	118
2050	96	13	109	100	21	121	100	21	121

Additional detail for these projections can be found in the appendix.

Actuarial Impact

We were asked to analyze the potential cost impact of the proposed change under six scenarios. These scenarios reflect three investment return assumptions (7.5%, 7.0% and 6.8%) and two amortization periods for funding the System's UAAL as of January 1, 2023 (20 years and 30 years). In addition to showing amortization periods requested, we are including 10-year amortization scenarios, which is our recommendation for a plan which is closed to new hires. Please note the three investment return assumptions used in this analysis were not selected by Cavanaugh Macdonald but were prescribed by others. By providing the requested analysis it should not be inferred that any of these assumptions are compliant with Actuarial Standards of Practice and thus reasonable for the purpose of funding CMERS under the proposed scenario.



Mr. Jerry Allen
January 25, 2023
Page 5

The following table shows the estimated actuarial valuation results as of January 1, 2023 under the three proposed investment return assumptions. These results reflect the same changes due to the experience study and the estimated January 1, 2023 market value of assets of \$5.5 billion as shown in Scenario 3 under the Baseline projections (page 3).

Summary of Liabilities and Funded Ratios (Amounts in Millions)			
Amounts as of January 1, 2023:	Investment Return Assumption		
	7.50%	7.00%	6.80%
Liabilities			
1) Present Value of Projected Benefits	\$ 7,763	\$ 8,277	\$ 8,500
2) Present Value of Future Normal Costs	743	864	920
3) Actuarial Accrued Liability: 1 - 2	7,020	7,413	7,580
Assets			
4) Market Value	\$ 5,478	\$ 5,478	\$ 5,478
5) Actuarial Value	5,729	5,729	5,729
UAAL			
6) Market Value Basis: 3 - 4	\$ 1,542	\$ 1,935	\$ 2,102
7) Actuarial Value Basis: 3 - 5	1,291	1,684	1,851
Funded Ratio			
6) Market Value Basis: 3 ÷ 4	78.03%	73.90%	72.27%
7) Actuarial Value Basis: 3 ÷ 5	81.61%	77.28%	75.58%

As mentioned previously, we have analyzed the potential cost impact of closing the System to future hires under three investment return assumptions using three different amortization periods. In total, our results reflect the following nine scenarios:

- *Scenarios 4a, 4b, and 4c* Three scenarios based on a 7.50% investment return assumption with 10, 20 and 30-year level-dollar amortization of CMERS projected UAAL as of January 1, 2023, respectively.
- *Scenarios 5a, 5b, and 5c* Three scenarios based on a 7.00% investment return assumption with 10, 20 and 30-year level-dollar amortization of CMERS projected UAAL as of January 1, 2023, respectively.
- *Scenarios 6a, 6b, and 6c* Three scenarios based on a 6.80% investment return assumption with 10, 20 and 30-year level-dollar amortization of CMERS projected UAAL as of January 1, 2023, respectively.

Under these scenarios, future changes to the UAAL resulting from actual experience that is different from assumed are amortized over the remaining amortizing period. Please note that this analysis addresses only the actuarial impact of the proposed changes to the plan design. There could be other implications, either positive or negative, that result from adopting this proposed change. We recommend that other stakeholders provide input on the non-actuarial aspects of the proposed change.



Mr. Jerry Allen
January 25, 2023
Page 6

The following table illustrates 30-year projections of the employer contributions to both CMERS and WRS under the six scenarios. Additional details can be found in the appendix.

Projection of Total Employer Contributions (ERS + WRS) Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions)									
Year	Scenario								
	(4b) 7.50% 30-Year	(4c) 7.50% 20-Year	(4c) 7.50% 10-Year	(5a) 7.00% 30-Year	(5b) 7.00% 20-Year	(5c) 7.00% 10-Year	(6a) 6.80% 30-Year	(6b) 6.80% 20-Year	(6c) 6.80% 10-Year
2022	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81
2023	183	201	270	217	242	329	231	259	353
2024	184	203	272	218	243	329	232	259	355
2025	186	205	274	220	245	332	234	262	356
2026	188	207	275	221	246	333	236	263	358
2027	190	209	277	223	248	335	236	264	359
2028	191	211	279	225	249	336	239	266	361
2029	194	213	282	227	252	338	240	268	362
2030	197	216	284	229	254	340	242	270	364
2031	199	218	286	231	255	343	244	272	367
2032	201	220	288	232	258	345	246	274	368
2033	204	223	82	235	260	90	248	276	93
2034	206	225	85	237	261	91	250	277	95
2035	209	228	88	240	265	95	253	280	97
2036	213	232	92	243	268	98	256	283	101
2037	216	235	94	246	270	100	258	285	103
2038	219	238	98	249	274	104	262	288	106
2039	223	243	102	252	278	107	265	293	110
2040	226	245	105	255	280	109	267	295	112
2041	230	249	109	259	283	113	271	298	116
2042	233	252	112	262	287	117	274	302	118
2043	237	116	116	266	120	120	277	122	122
2044	241	119	119	268	123	123	279	125	125
2045	245	124	124	273	127	127	284	129	129
2046	248	127	127	276	131	131	286	132	132
2047	253	132	132	280	134	134	291	136	136
2048	258	137	137	285	139	139	295	141	141
2049	261	141	141	287	142	142	299	144	144
2050	267	145	145	293	147	147	303	148	148
2051	174	133	307	206	133	339	219	133	352
2052	174	139	312	206	139	345	219	139	358

The proposed change to close CMERS to new members significantly increases the funding risk. While the number of active employees participating in CMERS will begin to decrease immediately, the benefit payments made by CMERS are expected to increase for many years before declining. The changes in the demographic profile of the system over time increases the maturity of the Plan, which may result in higher volatility in the actuarial contribution rate. In addition, there are also risks to the System that investment returns and demographic experience will be different from expected, or that employer contributions to either WRS or CMERS will be different from expected. Any of these events has the potential to significantly impact the funding status of the System.



Mr. Jerry Allen
January 25, 2023
Page 7

Impact of Eliminating COLAs

The following tables illustrate the impact of eliminating COLAs for the various groups identified, using both a 7.50% and a 6.80% investment return assumption.

7.50% Investment Return Assumption

Impact of Eliminating Future Cost-of-Living Adjustments (COLAs) (Amounts in Thousands)					
Amounts as of January 1, 2022	Group for Which COLAs are Eliminated				
	None	All Actives hired after 11/23/2011	All Actives hired after 1/1/2000	All Actives	All members
<i>Normal Cost</i>	\$ 92,704	\$ 87,363	\$ 81,030	\$ 78,436	\$ 78,436
<i>Actuarial Accrued Liability (AAL)</i>	6,899,859	6,872,008	6,711,717	6,553,799	5,651,019
<i>Actuarial Value of Assets</i>	5,673,797	5,673,797	5,673,797	5,673,797	5,673,797
<i>Unfunded AAL (UAAL)</i>	\$ 1,226,062	\$ 1,198,211	\$ 1,037,920	\$ 880,002	\$ (22,778)
<i>Funded Ratio</i>	82.23%	82.56%	84.54%	86.57%	100.40%
<i>Actuarial Determined Employer Contribution Rate</i>	27.07%	38.07%	33.28%	29.19%	8.53%

6.80% Investment Return Assumption

Impact of Eliminating Future Cost-of-Living Adjustments (COLAs) (Amounts in Millions)					
Amounts as of January 1, 2022	Group for Which COLAs are Eliminated				
	None	All Actives hired after 11/23/2011	All Actives hired after 1/1/2000	All Actives	All members
<i>Normal Cost</i>	\$ 108,490	\$ 101,783	\$ 93,803	\$ 90,492	\$ 90,492
<i>Actuarial Accrued Liability (AAL)</i>	7,453,790	7,419,677	7,230,567	7,049,012	6,044,901
<i>Actuarial Value of Assets</i>	5,673,797	5,673,797	5,673,797	5,673,797	5,673,797
<i>Unfunded AAL (UAAL)</i>	\$ 1,779,993	\$ 1,745,880	\$ 1,556,770	\$ 1,375,215	\$ 371,104
<i>Funded Ratio</i>	76.12%	76.47%	78.47%	80.49%	93.86%
<i>Actuarial Determined Employer Contribution Rate</i>	35.13%	52.16%	46.54%	41.88%	19.27%

For purposes of this analysis, we have utilized the proposed demographic assumption changes from our recent experience study under all scenarios. In addition, it is our understanding that the System will not remove COLAs for any group unless the plan is also closed to new hires. Therefore, under the scenarios where COLAs are eliminated, the UAAL was re-amortized as a level-dollar amount with a closed 10-year amortization period to reflect closing the plan to new hires.



Mr. Jerry Allen
January 25, 2023
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Member Contributions

Increasing member contributions results in a direct reduction in employer contributions. Consideration is being given to setting member contribution rates based on the results of the annual actuarial valuation (e.g., one-half of the total normal cost). Based on the recommended assumptions, the projected 2023 member contributions are estimated to be around \$30 million and the total normal cost is estimated to around \$90 million. This would suggest member contributions would increase by \$15 million and employer contributions would decrease by a like amount. The increase would not be uniform across employer groups. In this example, the increase would be allocated to the Police and Fire because General members already contribute about one-half of the normal cost. Different assumptions and plan provisions would result in different member contribution rates by group.

Prescribed Assumptions and Methods

As noted below, the investment return assumption and the Funding Policy have been prescribed. However, in order to meet Actuarial Standards of Practice and ensure the sound funding of CMERS, if the System is closed to new hires, our recommendation would be:

- *Investment Return Assumption* Closing a retirement system to new hires is a significant change with various funding implications because it changes both the future contributions and benefit payments. In such a situation, we would typically recommend that CMERS conduct a thorough analysis of the investment return assumption with the help of their investment consultant and actuary. It is impossible to provide a specific recommendation without performing such an analysis. However, in our professional opinion, it is likely that the recommended investment return assumption would not match any of the proposed assumptions listed above. Therefore, when analyzing the cost results provided with this letter, the user should understand that the costs are heavily dependent on the investment return assumption and actual costs may vary significantly from these estimates. Based on our professional judgement, the closing of CMERS would likely require a lower investment return, possibly lower than 6.8%. A lower investment return assumption would result in higher employer contributions to CMERS.
- *Funding Policy* The GFOA Best Practice entitled *Core Elements of a Funding Policy* recommends that governments adopt a Funding Policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner. Specifically, under *Additional Considerations for Plans Closed to New Entrants* it recommends a shorter amortization period of no more than 10 years. This shorter amortization period would result in higher contributions in the short term compared to the 20- and 30-year amortization period prescribed for this analysis. We have included results based on a 10-year amortization in this analysis.

Data, Assumptions and Methodology

Unless otherwise noted, the analysis contained in this letter is based on the January 1, 2022 actuarial valuation. To the extent any of that data is inaccurate, our analysis may need to be revised. Notable exceptions include:

- *Assumptions* Unless noted below, the assumptions and methods used in analyzing this proposal are the same as those used in the January 1, 2022 actuarial valuation, which are shown in Appendix C of that report.



- *Prescribed Investment Return Assumption:* The investment return assumption alternatives of 7.50%, 7.00% and 6.80% have been prescribed by Speaker Vos.
- *Impact of the 2017-2021 Experience Study:* The CMERS Board has not yet adopted the set of actuarial assumptions to be used for the January 2023 through January 2027 actuarial valuations. While not yet adopted, we have based our analysis on the recommendations that have been made, as outlined below. Note that if an assumption is not listed below, the assumption is unchanged from the January 1, 2022 actuarial valuation.
 - Retiree Mortality
 - General Employees: Pub-2010 Below Median Employee Mortality Table with 1-year age setback for males and 2-year set forward for females
 - Police/Fire: Pub-2010 Public Safety Mortality Table with 1-year age set forward for males and females
 - Future improvements: Scale MP-2021
 - Other Mortality
 - Same family of tables (Pub-2010) with same age adjustments for active members, disabled retirees and beneficiaries/joint annuitants
 - Future improvements: Scale MP-2021
 - Retirement
 - Lower early retirement rates for General Employees and adjust normal retirement rates for males/females to better fit experience (some increase/some decrease).
 - Increase retirement rates for Police and Fire to better reflect actual experience.
 - Termination
 - Move to service-based assumption for both General and Police and Fire (separate assumptions for each). Higher rates for earlier durations.
 - Disability
 - Lower the disability assumption for all 3 groups to partially reflect the observed experience.
 - Duty-related Disability
 - 20% for General and Non-union Police and Fire. 60% for MPA Police and 75% for MPFFA Fire. None eligible for 90% benefit.
 - Salary Increase
 - Move to service-based assumption for both General Employees and Police/Fire with 3.0% general wage increase assumption
- *Prescribed Funding Policy:* For purposes of this study, the funding policy for CMERS has been prescribed for the scenarios where CMERS is closed to future hires. The methodology is either a 20 or 30-year level-dollar amortization of the UAAL based on the entry age normal cost method using the market value of assets.
- *Stable Employer Contribution Policy:* This analysis is not based on the Stable Employer Contribution Policy which is currently specified in city ordinances. Use of this policy impacts the timing of contributions, not the overall cost.
- *Impact of Calendar 2022 Market Returns:* This analysis is based on the preliminary market value of assets as of January 1, 2023, as provided by CMERS staff. Final asset values will not be available until May 2023.
- *WRS Employer Contribution Rates:* The WRS Employer Contribution Rates are the rates effective for 2023. We recommend the impact of future CMERS members participating in WRS be estimated by the WRS actuary.



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- Protective Occupations without Social Security – 18.10%
- General, Teachers, Executive and Elected Officials – 6.80%

The comments and analysis contained in this letter are not intended to give exact calculations of costs. They should be considered to be estimates. The emerging costs will vary from those presented in this letter to the extent that actual experience differs from that projected by the actuarial assumptions. This cost analysis has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statement of Actuarial Opinion of the American Academy of Actuaries.

Models are designed to identify anticipated trends and to compare various scenarios rather than predicting some future state of events. The projections are based on the System's estimated financial status on January 1, 2022, and project future events using a few sets of assumptions out of a range of many possibilities. The projections do not predict the System's financial condition or its ability to pay benefits in the future and do not provide any guarantee of future financial soundness of the System. Over time, a defined benefit plan's total cost will depend on a number of factors, including the amount of benefits paid, the number of people paid benefits, the duration of the benefit payments, plan expenses, and the amount of earnings on assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the time the projections were made. Because actual experience will not unfold exactly as expected, actual results can be expected to differ from the projections. To the extent that actual experience deviates significantly from the assumptions, results could be significantly better or significantly worse than indicated in this study.

We have not explored any legal issues with respect to the proposed plan changes. We are not attorneys and cannot give legal advice on such issues. We suggest that you review this proposal with counsel.

We, Patrice A. Beckham, FSA, Larry Langer, ASA, and Aaron Chochon, ASA are consulting actuaries with Cavanaugh Macdonald Consulting, LLC. We are members of the American Academy of Actuaries, Fellows or Associates of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

If you have any questions or additional information is needed, please let us know.

Sincerely,

A handwritten signature in blue ink that reads 'Patrice Beckham'.

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

A handwritten signature in blue ink that reads 'LL'.

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

A handwritten signature in blue ink that reads 'Aaron Chochon'.

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



APPENDIX

Additional Detail for Projection Results



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Scenario 1 Projection of Employer Contributions CMERS Remains Open to New Hires (Amounts in Millions)												
Year	Baseline											
	Employer Normal Cost			Admin Expenses			UAAL Payment			Total ER Contribution		
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81
2023	50	8	58	5	1	6	63	18	81	118	27	145
2024	51	8	59	5	1	6	41	12	53	98	21	119
2025	52	8	60	5	1	7	29	8	37	86	17	104
2026	53	8	61	6	1	7	17	5	22	76	14	90
2027	54	8	62	6	1	7	17	5	22	77	14	91
2028	54	8	62	6	1	7	17	5	22	77	14	91
2029	55	8	63	6	1	7	17	5	21	78	14	92
2030	56	8	64	6	1	7	17	4	21	79	14	93
2031	57	8	65	6	1	8	16	4	21	80	13	94
2032	58	8	66	7	1	8	16	4	20	81	13	94
2033	59	8	67	7	1	8	16	4	20	82	13	95
2034	60	8	68	7	1	8	15	4	19	82	13	96
2035	61	8	69	7	1	8	1	1	1	69	10	78
2036	62	8	70	7	1	9	0	1	0	69	10	79
2037	63	8	72	7	1	9	13	4	17	84	13	98
2038	65	9	73	8	1	9	26	6	32	98	16	114
2039	66	9	75	8	1	9	58	12	70	132	23	155
2040	68	9	77	8	1	9	77	16	93	153	26	180
2041	69	9	79	8	1	10	96	19	115	174	30	204
2042	71	9	80	9	1	10	98	20	118	178	30	208
2043	73	9	82	9	1	10	100	20	120	182	31	212
2044	74	10	84	9	1	10	0	0	0	83	11	95
2045	76	10	86	9	2	11	0	0	0	85	11	97
2046	78	10	88	9	2	11	0	0	0	87	12	99
2047	80	10	90	10	2	11	0	0	0	90	12	102
2048	82	11	92	10	2	12	0	0	0	92	12	104
2049	84	11	95	10	2	12	0	0	0	94	13	107
2050	86	11	97	10	2	12	0	0	0	96	13	109
2051	88	12	100	11	2	12	0	0	0	99	13	112
2052	90	12	102	11	2	13	0	0	0	101	14	115

Note: Numbers may not add due to rounding.



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Scenario 2 Projection of Employer Contributions CMERS Remains Open to New Hires (Amounts in Millions)												
Year	Experience Study											
	Employer Normal Cost			Admin Expenses			UAAL Payment			Total ER Contribution		
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81
2023	48	12	61	5	1	6	64	20	84	117	33	151
2024	49	12	61	5	1	6	46	15	61	100	28	128
2025	49	12	62	5	1	7	37	12	48	91	25	116
2026	50	12	62	5	1	7	27	9	36	83	22	105
2027	51	12	63	6	1	7	27	9	36	84	22	106
2028	52	12	64	6	1	7	27	9	36	84	22	107
2029	52	12	65	6	1	7	27	9	36	85	22	108
2030	54	12	66	6	1	7	27	9	36	87	22	109
2031	55	12	67	6	1	8	27	9	36	88	22	110
2032	56	12	68	6	2	8	27	9	36	89	22	112
2033	57	13	69	6	2	8	27	9	36	90	23	113
2034	58	13	71	7	2	8	27	9	35	91	23	114
2035	59	13	72	7	2	8	27	9	35	93	24	116
2036	61	13	74	7	2	9	26	9	35	94	24	118
2037	63	14	76	7	2	9	26	9	35	96	24	120
2038	64	14	78	7	2	9	26	9	35	98	24	122
2039	66	14	80	7	2	9	26	9	34	100	25	124
2040	68	15	83	8	2	9	0	1	0	76	17	92
2041	70	15	85	8	2	10	0	1	0	78	17	95
2042	72	15	87	8	2	10	0	0	0	80	18	97
2043	74	16	90	8	2	10	0	0	0	82	18	100
2044	76	16	92	8	2	10	0	0	0	84	18	103
2045	78	17	94	9	2	11	0	0	0	87	19	105
2046	80	17	97	9	2	11	0	0	0	89	19	108
2047	82	17	100	9	2	11	0	0	0	92	20	111
2048	85	18	103	9	2	12	0	0	0	94	20	115
2049	87	19	106	10	2	12	0	0	0	97	21	118
2050	90	19	109	10	2	12	0	0	0	100	21	121
2051	92	20	112	10	2	12	0	0	0	103	22	125
2052	95	20	115	10	2	13	0	0	0	105	23	128

Note: Numbers may not add due to rounding.



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Scenario 3 Projection of Employer Contributions CMERS Remains Open to New Hires (Amounts in Millions)												
Year	Experience Study & Estimated \$5.5 Billion January 1, 2023 Market Value											
	Employer Normal Cost			Admin Expenses			UAAL Payment			Total ER Contribution		
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81
2023	48	12	61	5	1	6	76	24	100	129	37	166
2024	49	12	61	5	1	6	75	23	98	129	36	165
2025	49	12	62	5	1	7	81	24	105	135	38	173
2026	50	12	62	5	1	7	87	26	112	142	39	181
2027	51	12	63	6	1	7	101	30	131	158	43	201
2028	52	12	64	6	1	7	103	30	133	160	44	203
2029	52	12	65	6	1	7	104	31	135	162	44	207
2030	54	12	66	6	1	7	106	31	137	165	44	210
2031	55	12	67	6	1	8	108	31	138	168	45	213
2032	56	12	68	6	2	8	109	31	141	171	45	217
2033	57	13	69	6	2	8	111	32	142	174	46	220
2034	58	13	71	7	2	8	112	33	144	176	47	223
2035	59	13	72	7	2	8	113	34	147	179	48	227
2036	61	13	74	7	2	9	114	34	149	182	49	231
2037	63	14	76	7	2	9	116	35	151	185	50	236
2038	64	14	78	7	2	9	118	35	153	189	51	240
2039	66	14	80	7	2	9	120	35	155	194	51	245
2040	68	15	83	8	2	9	109	32	141	185	48	233
2041	70	15	85	8	2	10	111	32	143	189	49	237
2042	72	15	87	8	2	10	126	36	161	206	53	259
2043	74	16	90	8	2	10	120	34	154	202	52	254
2044	76	16	92	8	2	10	0	0	0	84	18	103
2045	78	17	94	9	2	11	0	0	0	87	19	105
2046	80	17	97	9	2	11	0	0	0	89	19	108
2047	82	17	100	9	2	11	0	0	0	92	20	111
2048	85	18	103	9	2	12	0	0	0	94	20	115
2049	87	19	106	10	2	12	0	0	0	97	21	118
2050	90	19	109	10	2	12	0	0	0	100	21	121
2051	92	20	112	10	2	12	0	0	0	103	22	125
2052	95	20	115	10	2	13	0	0	0	105	23	128

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 4a - 7.50% Investment Return Assumption and 30-Year Level Dollar Amortization																
Year	CMERS										WRS			Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution			City	Other	Total	City
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total				
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67
2023	43	10	53	5	1	6	93	29	122	141	40	181	1	1	2	142
2024	42	9	51	5	1	6	93	28	122	140	39	179	3	2	6	143
2025	40	9	49	5	1	7	94	28	121	139	38	177	6	3	9	145
2026	39	8	47	5	1	7	94	28	121	139	37	175	8	4	13	147
2027	38	7	45	6	1	7	94	27	121	138	36	174	11	5	16	149
2028	36	7	43	6	1	7	94	27	121	136	35	172	14	6	20	150
2029	35	6	41	6	1	7	95	27	121	135	35	170	17	7	24	152
2030	34	6	39	6	1	7	95	27	121	135	34	168	20	8	28	155
2031	32	5	38	6	1	8	95	26	121	134	33	167	23	9	32	157
2032	31	5	36	6	1	8	96	26	121	133	32	165	26	10	36	159
2033	29	5	33	6	1	8	96	26	122	131	32	163	30	11	41	161
2034	27	4	31	7	2	8	95	26	121	129	32	161	33	12	46	162
2035	26	4	29	7	2	8	95	27	122	127	32	159	37	13	50	164
2036	24	4	28	7	2	9	95	27	121	126	32	158	41	14	55	167
2037	23	3	26	7	2	9	95	27	121	125	32	156	44	15	59	169
2038	22	3	25	7	2	9	95	26	121	124	31	155	48	16	64	172
2039	20	3	23	8	2	9	95	26	121	123	31	154	52	17	68	175
2040	19	3	22	8	2	9	96	26	121	123	30	153	55	18	73	178
2041	18	2	21	8	2	10	96	25	121	122	30	152	59	19	78	181
2042	17	2	19	8	2	10	96	25	121	121	29	150	63	20	83	184
2043	15	2	17	8	2	10	96	25	121	120	29	149	67	21	88	187
2044	14	2	15	9	2	10	96	26	121	118	30	147	71	22	93	189
2045	12	2	14	9	2	11	95	26	121	116	30	146	76	23	99	192
2046	10	1	12	9	2	11	94	27	121	113	31	144	80	24	104	193
2047	9	1	10	9	2	11	93	28	121	111	32	143	85	25	110	196
2048	8	1	9	9	2	12	92	29	121	109	33	142	90	26	116	199
2049	6	1	7	9	3	12	91	30	121	106	34	141	94	27	121	200
2050	5	1	6	9	3	12	89	32	121	104	36	140	99	28	127	203
2051	4	1	5	9	3	12	88	34	121	101	38	139	103	30	133	204
2052	3	1	4	9	3	13	86	35	121	99	39	138	108	31	139	207

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 4b - 7.50% Investment Return Assumption and 20-Year Level Dollar Amortization																			
Year	CMERS										WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution			City	Other	Total	City	Other	Total	
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total							
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81	
2023	43	10	53	5	1	6	108	33	141	155	44	200	1	1	2	156	45	201	
2024	42	9	51	5	1	6	108	33	141	155	43	198	3	2	6	158	45	203	
2025	40	9	49	5	1	7	108	32	141	154	42	196	6	3	9	160	45	205	
2026	39	8	47	5	1	7	109	32	141	154	41	195	8	4	13	162	45	207	
2027	38	7	45	6	1	7	109	31	141	153	40	193	11	5	16	164	45	209	
2028	36	7	43	6	1	7	110	31	141	152	39	191	14	6	20	166	45	211	
2029	35	6	41	6	1	7	110	31	141	150	39	189	17	7	24	167	46	213	
2030	34	6	39	6	1	7	110	31	141	150	38	188	20	8	28	170	46	216	
2031	32	5	38	6	1	8	111	30	141	149	37	186	23	9	32	172	46	218	
2032	31	5	36	6	1	8	111	30	141	148	36	184	26	10	36	174	46	220	
2033	29	5	33	6	1	8	111	30	141	146	36	182	30	11	41	176	47	223	
2034	27	4	31	7	2	8	110	30	141	144	36	180	33	12	46	177	48	225	
2035	26	4	29	7	2	8	110	31	141	142	36	179	37	13	50	179	49	228	
2036	24	4	28	7	2	9	110	31	141	141	36	177	41	14	55	182	50	232	
2037	23	3	26	7	2	9	110	31	141	140	36	176	44	15	59	184	51	235	
2038	22	3	25	7	2	9	110	31	141	139	35	175	48	16	64	187	51	238	
2039	20	3	23	8	2	9	111	30	141	139	35	173	52	17	68	191	52	243	
2040	19	3	22	8	2	9	111	30	141	138	34	172	55	18	73	193	52	245	
2041	18	2	21	8	2	10	111	29	141	137	34	171	59	19	78	196	53	249	
2042	17	2	19	8	2	10	112	29	141	136	33	170	63	20	83	199	53	252	
2043	15	2	17	8	2	10	-	-	-	24	4	27	67	21	88	91	25	116	
2044	14	2	15	9	2	10	-	-	-	22	4	26	71	22	93	93	26	119	
2045	12	2	14	9	2	11	-	-	-	21	4	24	76	23	99	97	27	124	
2046	10	1	12	9	2	11	-	-	-	19	4	23	80	24	104	99	28	127	
2047	9	1	10	9	2	11	-	-	-	18	4	22	85	25	110	103	29	132	
2048	8	1	9	9	2	12	-	-	-	17	4	20	90	26	116	107	30	137	
2049	6	1	7	9	3	12	-	-	-	16	4	19	94	27	121	110	31	141	
2050	5	1	6	9	3	12	-	-	-	14	4	18	99	28	127	113	32	145	
2051	4	1	5	9	3	12	-	-	-	14	4	17	103	30	133	117	34	151	
2052	3	1	4	9	3	13	-	-	-	13	4	17	108	31	139	121	35	156	

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 4c - 7.50% Investment Return Assumption and 10-Year Level Dollar Amortization																			
Year	CMERS										WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution			City	Other	Total	City	Other	Total	
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total							
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81	
2023	43	10	53	5	1	6	160	49	209	208	60	268	1	1	2	209	61	270	
2024	42	9	51	5	1	6	161	48	209	208	59	266	3	2	6	211	61	272	
2025	40	9	49	5	1	7	161	48	209	207	58	265	6	3	9	213	61	274	
2026	39	8	47	5	1	7	162	47	209	207	56	263	8	4	13	215	60	275	
2027	38	7	45	6	1	7	163	46	209	206	55	261	11	5	16	217	60	277	
2028	36	7	43	6	1	7	163	46	209	205	54	259	14	6	20	219	60	279	
2029	35	6	41	6	1	7	163	46	209	204	54	257	17	7	24	221	61	282	
2030	34	6	39	6	1	7	164	45	209	203	53	256	20	8	28	223	61	284	
2031	32	5	38	6	1	8	164	45	209	203	51	254	23	9	32	226	60	286	
2032	31	5	36	6	1	8	165	44	209	202	50	252	26	10	36	228	60	288	
2033	29	5	33	6	1	8	-	-	-	35	6	41	30	11	41	65	17	82	
2034	27	4	31	7	2	8	-	-	-	34	6	39	33	12	46	67	18	85	
2035	26	4	29	7	2	8	-	-	-	32	6	38	37	13	50	69	19	88	
2036	24	4	28	7	2	9	-	-	-	31	6	36	41	14	55	72	20	92	
2037	23	3	26	7	2	9	-	-	-	30	5	35	44	15	59	74	20	94	
2038	22	3	25	7	2	9	-	-	-	29	5	34	48	16	64	77	21	98	
2039	20	3	23	8	2	9	-	-	-	28	5	32	52	17	68	80	22	102	
2040	19	3	22	8	2	9	-	-	-	27	5	31	55	18	73	82	23	105	
2041	18	2	21	8	2	10	-	-	-	26	5	30	59	19	78	85	24	109	
2042	17	2	19	8	2	10	-	-	-	25	4	29	63	20	83	88	24	112	
2043	15	2	17	8	2	10	-	-	-	24	4	27	67	21	88	91	25	116	
2044	14	2	15	9	2	10	-	-	-	22	4	26	71	22	93	93	26	119	
2045	12	2	14	9	2	11	-	-	-	21	4	24	76	23	99	97	27	124	
2046	10	1	12	9	2	11	-	-	-	19	4	23	80	24	104	99	28	127	
2047	9	1	10	9	2	11	-	-	-	18	4	22	85	25	110	103	29	132	
2048	8	1	9	9	2	12	-	-	-	17	4	20	90	26	116	107	30	137	
2049	6	1	7	9	3	12	-	-	-	16	4	19	94	27	121	110	31	141	
2050	5	1	6	9	3	12	-	-	-	14	4	18	99	28	127	113	32	145	
2051	4	1	5	9	3	12	-	-	-	14	4	17	103	30	133	117	34	151	
2052	3	1	4	9	3	13	-	-	-	13	4	17	108	31	139	121	35	156	

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 5a - 7.00% Investment Return Assumption and 30-Year Level Dollar Amortization																		
Year	CMERS									WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution								
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81
2023	51	12	63	5	1	6	112	34	146	168	47	215	1	1	2	169	48	217
2024	50	11	61	5	1	6	112	34	146	167	46	213	3	2	6	170	48	218
2025	49	10	59	5	1	7	112	33	146	166	45	211	6	3	9	172	48	220
2026	47	10	57	5	1	7	113	33	146	165	44	209	8	4	13	173	48	221
2027	46	9	54	6	1	7	113	32	146	164	43	207	11	5	16	175	48	223
2028	44	8	52	6	1	7	113	32	146	163	42	205	14	6	20	177	48	225
2029	42	8	50	6	1	7	114	32	146	162	41	203	17	7	24	179	48	227
2030	41	7	48	6	1	7	114	32	146	161	40	201	20	8	28	181	48	229
2031	39	7	46	6	1	8	115	31	146	160	39	199	23	9	32	183	48	231
2032	37	6	43	6	1	8	115	31	146	158	38	197	26	10	36	184	48	232
2033	35	6	41	7	1	8	115	31	146	156	38	194	30	11	41	186	49	235
2034	33	5	38	7	2	8	114	31	146	154	38	192	33	12	46	187	50	237
2035	31	5	36	7	2	8	114	32	146	152	38	190	37	13	50	189	51	240
2036	29	5	34	7	2	9	114	32	146	150	38	188	41	14	55	191	52	243
2037	28	4	32	7	2	9	114	32	146	149	38	187	44	15	59	193	53	246
2038	26	4	30	7	2	9	114	32	146	148	37	185	48	16	64	196	53	249
2039	25	4	29	8	2	9	115	31	146	147	36	184	52	17	68	199	53	252
2040	24	3	27	8	2	9	115	31	146	146	36	182	55	18	73	201	54	255
2041	22	3	25	8	2	10	115	30	146	146	35	181	59	19	78	205	54	259
2042	21	3	23	8	2	10	116	30	146	144	35	179	63	20	83	207	55	262
2043	19	3	21	8	2	10	115	30	146	143	35	177	67	21	88	210	56	266
2044	17	2	19	9	2	10	115	31	146	140	35	175	71	22	93	211	57	268
2045	15	2	17	9	2	11	114	32	146	138	36	173	76	23	99	214	59	273
2046	13	2	15	9	2	11	113	33	146	135	37	172	80	24	104	215	61	276
2047	11	2	13	9	2	11	112	34	146	132	38	170	85	25	110	217	63	280
2048	10	2	11	9	2	12	111	35	146	130	39	168	90	26	116	220	65	285
2049	8	1	9	9	3	12	109	36	146	126	40	167	94	27	121	220	67	287
2050	6	1	8	9	3	12	107	39	146	123	43	166	99	28	127	222	71	293
2051	5	1	6	9	3	12	105	40	146	120	44	165	103	30	133	223	74	297
2052	4	1	5	10	3	13	104	42	146	117	46	164	108	31	139	225	77	302

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 5b - 7.00% Investment Return Assumption and 20-Year Level Dollar Amortization																		
Year	CMERS									WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution								
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total						
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81
2023	51	12	63	5	1	6	131	40	171	187	53	240	1	1	2	188	54	242
2024	50	11	61	5	1	6	131	39	171	186	52	238	3	2	6	189	54	243
2025	49	10	59	5	1	7	132	39	171	185	51	236	6	3	9	191	54	245
2026	47	10	57	5	1	7	132	38	171	185	49	234	8	4	13	193	53	246
2027	46	9	54	6	1	7	133	38	171	184	48	232	11	5	16	195	53	248
2028	44	8	52	6	1	7	133	38	171	182	47	230	14	6	20	196	53	249
2029	42	8	50	6	1	7	133	37	171	181	47	228	17	7	24	198	54	252
2030	41	7	48	6	1	7	134	37	171	180	46	226	20	8	28	200	54	254
2031	39	7	46	6	1	8	134	36	171	179	44	224	23	9	32	202	53	255
2032	37	6	43	6	1	8	135	36	171	178	44	222	26	10	36	204	54	258
2033	35	6	41	7	1	8	135	36	171	176	43	219	30	11	41	206	54	260
2034	33	5	38	7	2	8	134	37	171	173	43	217	33	12	46	206	55	261
2035	31	5	36	7	2	8	134	37	171	171	44	215	37	13	50	208	57	265
2036	29	5	34	7	2	9	133	37	171	170	43	213	41	14	55	211	57	268
2037	28	4	32	7	2	9	133	37	171	168	43	212	44	15	59	212	58	270
2038	26	4	30	7	2	9	134	37	171	168	42	210	48	16	64	216	58	274
2039	25	4	29	8	2	9	134	36	171	167	42	209	52	17	68	219	59	278
2040	24	3	27	8	2	9	135	36	171	166	41	207	55	18	73	221	59	280
2041	22	3	25	8	2	10	135	36	171	165	40	206	59	19	78	224	59	283
2042	21	3	23	8	2	10	135	35	171	164	40	204	63	20	83	227	60	287
2043	19	3	21	8	2	10	-	-	-	27	5	32	67	21	88	94	26	120
2044	17	2	19	9	2	10	-	-	-	25	5	30	71	22	93	96	27	123
2045	15	2	17	9	2	11	-	-	-	23	5	28	76	23	99	99	28	127
2046	13	2	15	9	2	11	-	-	-	22	5	26	80	24	104	102	29	131
2047	11	2	13	9	2	11	-	-	-	20	4	24	85	25	110	105	29	134
2048	10	2	11	9	2	12	-	-	-	19	4	23	90	26	116	109	30	139
2049	8	1	9	9	3	12	-	-	-	17	4	21	94	27	121	111	31	142
2050	6	1	8	9	3	12	-	-	-	16	4	20	99	28	127	115	32	147
2051	5	1	6	9	3	12	-	-	-	15	5	19	103	30	133	118	35	153
2052	4	1	5	10	3	13	-	-	-	14	5	18	108	31	139	122	36	158

Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 5c - 7.00% Investment Return Assumption and 10-Year Level Dollar Amortization																		
Year	CMERS									WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution								
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81
2023	51	12	63	5	1	6	198	59	257	254	73	327	1	1	2	255	74	329
2024	50	11	61	5	1	6	199	59	257	253	71	325	3	2	6	256	73	329
2025	49	10	59	5	1	7	199	58	257	253	70	323	6	3	9	259	73	332
2026	47	10	57	5	1	7	200	58	257	252	69	321	8	4	13	260	73	333
2027	46	9	54	6	1	7	201	57	257	252	67	319	11	5	16	263	72	335
2028	44	8	52	6	1	7	201	57	257	250	66	317	14	6	20	264	72	336
2029	42	8	50	6	1	7	201	56	257	249	65	315	17	7	24	266	72	338
2030	41	7	48	6	1	7	202	56	257	248	64	313	20	8	28	268	72	340
2031	39	7	46	6	1	8	203	55	257	248	63	311	23	9	32	271	72	343
2032	37	6	43	6	1	8	203	54	257	247	62	309	26	10	36	273	72	345
2033	35	6	41	7	1	8	-	-	-	41	8	49	30	11	41	71	19	90
2034	33	5	38	7	2	8	-	-	-	39	7	46	33	12	46	72	19	91
2035	31	5	36	7	2	8	-	-	-	38	7	44	37	13	50	75	20	95
2036	29	5	34	7	2	9	-	-	-	36	7	42	41	14	55	77	21	98
2037	28	4	32	7	2	9	-	-	-	35	6	41	44	15	59	79	21	100
2038	26	4	30	7	2	9	-	-	-	34	6	39	48	16	64	82	22	104
2039	25	4	29	8	2	9	-	-	-	32	6	38	52	17	68	84	23	107
2040	24	3	27	8	2	9	-	-	-	31	5	36	55	18	73	86	23	109
2041	22	3	25	8	2	10	-	-	-	30	5	35	59	19	78	89	24	113
2042	21	3	23	8	2	10	-	-	-	29	5	33	63	20	83	92	25	117
2043	19	3	21	8	2	10	-	-	-	27	5	32	67	21	88	94	26	120
2044	17	2	19	9	2	10	-	-	-	25	5	30	71	22	93	96	27	123
2045	15	2	17	9	2	11	-	-	-	23	5	28	76	23	99	99	28	127
2046	13	2	15	9	2	11	-	-	-	22	5	26	80	24	104	102	29	131
2047	11	2	13	9	2	11	-	-	-	20	4	24	85	25	110	105	29	134
2048	10	2	11	9	2	12	-	-	-	19	4	23	90	26	116	109	30	139
2049	8	1	9	9	3	12	-	-	-	17	4	21	94	27	121	111	31	142
2050	6	1	8	9	3	12	-	-	-	16	4	20	99	28	127	115	32	147
2051	5	1	6	9	3	12	-	-	-	15	5	19	103	30	133	118	35	153
2052	4	1	5	10	3	13	-	-	-	14	5	18	108	31	139	122	36	158

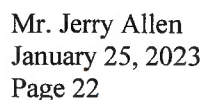
Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 6a - 6.80% Investment Return Assumption and 30-Year Level Dollar Amortization																		
Year	CMERS									WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution								
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81
2023	55	13	68	5	1	6	119	36	155	179	50	229	1	1	2	180	51	231
2024	53	12	65	5	1	6	120	36	155	178	49	227	3	2	6	181	51	232
2025	52	11	63	5	1	7	120	36	155	177	48	225	6	3	9	183	51	234
2026	51	10	61	5	1	7	120	35	155	177	47	223	8	4	13	185	51	236
2027	49	10	59	6	1	7	121	35	155	175	45	221	11	5	16	186	50	236
2028	47	9	56	6	1	7	121	34	155	174	45	219	14	6	20	188	51	239
2029	45	8	54	6	1	7	121	34	155	172	44	216	17	7	24	189	51	240
2030	44	8	51	6	1	7	122	34	155	171	43	214	20	8	28	191	51	242
2031	42	7	49	6	1	8	122	33	155	170	42	212	23	9	32	193	51	244
2032	40	7	47	6	1	8	123	33	155	169	41	210	26	10	36	195	51	246
2033	38	6	44	7	1	8	123	33	155	167	40	207	30	11	41	197	51	248
2034	35	6	41	7	2	8	122	33	155	164	41	205	33	12	46	197	53	250
2035	33	5	39	7	2	8	122	34	155	162	41	203	37	13	50	199	54	253
2036	32	5	37	7	2	9	122	34	155	160	41	201	41	14	55	201	55	256
2037	30	5	35	7	2	9	121	34	155	159	40	199	44	15	59	203	55	258
2038	29	4	33	7	2	9	122	34	155	158	40	197	48	16	64	206	56	262
2039	27	4	31	8	2	9	122	33	155	157	39	196	52	17	68	209	56	265
2040	26	4	29	8	2	9	123	33	155	156	38	194	55	18	73	211	56	267
2041	24	3	27	8	2	10	123	32	155	155	38	193	59	19	78	214	57	271
2042	22	3	25	8	2	10	123	32	155	154	37	191	63	20	83	217	57	274
2043	20	3	23	8	2	10	123	32	155	152	37	189	67	21	88	219	58	277
2044	18	3	21	9	2	10	123	33	155	149	37	187	71	22	93	220	59	279
2045	16	2	18	9	2	11	122	34	155	147	38	185	76	23	99	223	61	284
2046	14	2	16	9	2	11	121	35	155	143	39	183	80	24	104	223	63	286
2047	12	2	14	9	2	11	119	36	155	141	40	181	85	25	110	226	65	291
2048	10	2	12	9	2	12	118	37	155	138	41	179	90	26	116	228	67	295
2049	9	2	10	9	3	12	117	39	155	135	43	178	94	27	121	229	70	299
2050	7	1	9	9	3	12	114	41	155	131	45	176	99	28	127	230	73	303
2051	6	1	7	9	3	12	112	43	155	128	47	175	103	30	133	231	77	308
2052	5	1	6	10	3	13	111	45	155	125	49	174	108	31	139	233	80	313

Note: Numbers may not add due to rounding.



Note: Numbers may not add due to rounding.



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Projection of Employer Contributions Soft Close of CMERS with New Hires Participating in WRS (Amounts in Millions) Scenario 6c - 6.80% Investment Return Assumption and 10-Year Level Dollar Amortization																		
Year	CMERS									WRS						Total		
	Employer Normal Cost			Admin Expenses			UAAL Payment			CMERS ER Contribution								
	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total	City	Other	Total
2022	\$ 49	\$ 9	\$ 58	\$ 5	\$ 1	\$ 6	\$ 13	\$ 5	\$ 17	\$ 67	\$ 14	\$ 81	\$ -	\$ -	\$ -	\$ 67	\$ 14	\$ 81
2023	55	13	68	5	1	6	214	64	278	273	78	352	1	1	2	274	79	353
2024	53	12	65	5	1	6	214	63	278	273	77	349	3	2	6	276	79	355
2025	52	11	63	5	1	7	215	63	278	272	75	347	6	3	9	278	78	356
2026	51	10	61	5	1	7	216	62	278	272	74	345	8	4	13	280	78	358
2027	49	10	59	6	1	7	216	61	278	271	72	343	11	5	16	282	77	359
2028	47	9	56	6	1	7	217	61	278	270	71	341	14	6	20	284	77	361
2029	45	8	54	6	1	7	217	61	278	268	70	339	17	7	24	285	77	362
2030	44	8	51	6	1	7	218	60	278	267	69	337	20	8	28	287	77	364
2031	42	7	49	6	1	8	219	59	278	267	68	334	23	9	32	290	77	367
2032	40	7	47	6	1	8	219	58	278	266	66	332	26	10	36	292	76	368
2033	38	6	44	7	1	8	-	-	-	44	8	52	30	11	41	74	19	93
2034	35	6	41	7	2	8	-	-	-	42	8	49	33	12	46	75	20	95
2035	33	5	39	7	2	8	-	-	-	40	7	47	37	13	50	77	20	97
2036	32	5	37	7	2	9	-	-	-	39	7	45	41	14	55	80	21	101
2037	30	5	35	7	2	9	-	-	-	37	7	43	44	15	59	81	22	103
2038	29	4	33	7	2	9	-	-	-	36	6	42	48	16	64	84	22	106
2039	27	4	31	8	2	9	-	-	-	35	6	40	52	17	68	87	23	110
2040	26	4	29	8	2	9	-	-	-	33	6	39	55	18	73	88	24	112
2041	24	3	27	8	2	10	-	-	-	32	6	37	59	19	78	91	25	116
2042	22	3	25	8	2	10	-	-	-	30	5	35	63	20	83	93	25	118
2043	20	3	23	8	2	10	-	-	-	29	5	34	67	21	88	96	26	122
2044	18	3	21	9	2	10	-	-	-	27	5	31	71	22	93	98	27	125
2045	16	2	18	9	2	11	-	-	-	25	5	29	76	23	99	101	28	129
2046	14	2	16	9	2	11	-	-	-	23	5	27	80	24	104	103	29	132
2047	12	2	14	9	2	11	-	-	-	21	5	25	85	25	110	106	30	136
2048	10	2	12	9	2	12	-	-	-	20	5	24	90	26	116	110	31	141
2049	9	2	10	9	3	12	-	-	-	18	5	22	94	27	121	112	32	144
2050	7	1	9	9	3	12	-	-	-	16	5	21	99	28	127	115	33	148
2051	6	1	7	9	3	12	-	-	-	15	5	19	103	30	133	118	35	153
2052	5	1	6	10	3	13	-	-	-	14	5	18	108	31	139	122	36	158

Note: Numbers may not add due to rounding.



City of Milwaukee Fiscal Impact Statement

A

Date 6/26/2023 File Number 230374 ☐ Original ☐ Substitute
Subject Required audit of Office of Violence Prevention pursuant to Wisconsin Act 12

B

Submitted By (Name/Title/Dept./Ext.) Aycha Sawa, Comptroller

C

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☐ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

- Charge To
- | | |
|--|---|
| ☒ Department Account | ☐ Contingent Fund |
| ☐ Capital Projects Fund | ☐ Special Purpose Accounts |
| ☐ Debt Service | ☐ Grant & Aid Accounts |
| ☐ Other (Specify) _____ | |

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services	Professional Services	\$50,000.00	\$0.00
		\$0.00	\$0.00
Other		\$0.00	\$0.00
		\$0.00	\$0.00
TOTALS		\$ 0.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**

Assuming an entire audit of the program, its performance and audit of grants awarded to the division and expenditures made by the division. This also assumes that an independent 3rd party is conducting an audit if the Comptroller's Internal Audit Division is not conducting it..

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years**H**

List any costs not included in Sections D and E above.

I

Additional information.

J

This Note ☒ Was requested by committee chair.



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Communication relating to the fiscal impact of various provisions of 2023 Wisconsin Act 12.				

B	Submitted By (Name/Title/Dept./Ext.)	Bryan J Rynders, Budget & Fiscal Policy Operations Manager, DOA-Budget, x8524
----------	---	---

C	This File	☒ Increases or decreases previously authorized expenditures.
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		☐ Authorizes a department to administer a program affecting the city's fiscal liability.
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D	Charge To	☒ Department Account	☐ Contingent Fund
		☐ Capital Projects Fund	☐ Special Purpose Accounts
		☐ Debt Service	☐ Grant & Aid Accounts
		☐ Other (Specify)	

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$11,600,981.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other		\$0.00	\$0.00
			\$0.00	\$0.00
	TOTALS		\$11,600,981.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**

The listed amount is the estimated annual cost to increase police strength from 1,630 to 1,725. The exact timing of when the City will increase to this strength level is unknown, but ACT 12 requires the City to achieve this strength level within 10 years.

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ **1-3 Years** ☒ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**

The listed amount is the estimated average annual cost to increase police strength from 1,630 to 1,725. Actual costs will vary year to year as the staffing level increases from increased sales tax revenues and as wage rates change.

H**List any costs not included in Sections D and E above.****I****Additional information.****J****This Note** ☐ **Was requested by committee chair.**



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Communication relating to the fiscal impact of various provisions of 2023 Wisconsin Act 12.				

B	Submitted By (Name/Title/Dept./Ext.)	Bryan J Rynders, Budget & Fiscal Policy Operations Manager, DOA-Budget, x8524
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D	Charge To	☒ Department Account	☐ Contingent Fund
		☐ Capital Projects Fund	☐ Special Purpose Accounts
		☐ Debt Service	☐ Grant & Aid Accounts
		☐ Other (Specify)	

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$11,430,367.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other		\$0.00	\$0.00
			\$0.00	\$0.00
	TOTALS		\$11,430,367.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.**

The listed amount is the estimated annual cost to increase fire daily staffing from 192 to 218. The exact timing of when the City will increase to this strength level is unknown, but ACT 12 requires the City to achieve this strength level within 10 years.

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ **1-3 Years** ☒ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**

The listed amount is the estimated average annual cost to increase fire daily staffing from 192 to 218. Actual costs will vary year to year as the staffing level increases from increased sales tax revenues and as wage rates change.

H

List any costs not included in Sections D and E above.

I

Additional information.

J

This Note ☐ **Was requested by committee chair.**



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Communication relating to the fiscal impact of various provisions of 2023 Wisconsin Act 12.				

B	Submitted By (Name/Title/Dept./Ext.)	Bryan J Rynders, Budget & Fiscal Policy Operations Manager, DOA-Budget, x8524
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D	Charge To	☒ Department Account	☐ Contingent Fund
		☐ Capital Projects Fund	☐ Special Purpose Accounts
		☐ Debt Service	☐ Grant & Aid Accounts
		☐ Other (Specify) _____	

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$0.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services	School Resource Officer Training	\$16,500.00	\$0.00
			\$0.00	\$0.00
	Other		\$0.00	\$0.00
			\$0.00	\$0.00
	TOTALS		\$16,500.00	\$ 0.00

F

Assumptions used in arriving at fiscal estimate. Assumes 30 officers trained at \$550 per officer.

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ 1-3 Years ☐ 3-5 Years Depending on officer turnover and assignment changes cost could be annual.

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

H

List any costs not included in Sections D and E above.

I

Additional information.

J

This Note ☐ Was requested by committee chair.



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Communication relating to the fiscal impact of various provisions of 2023 Wisconsin Act 12.				

B	Submitted By (Name/Title/Dept./Ext.)	Bryan J Rynders, Budget & Fiscal Policy Operations Manager, DOA-Budget, x8524
----------	---	---

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	☐ Increases or decreases city services.	
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D	Charge To	☐ Department Account	☐ Contingent Fund
	☐ Capital Projects Fund	☐ Special Purpose Accounts	
	☐ Debt Service	☐ Grant & Aid Accounts	
	☐ Other (Specify)		

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$0.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other	2% sales tax	\$0.00	\$190,200,000.00
			\$0.00	\$0.00
	TOTALS		\$ 0.00	\$190,200,000.00

F

Assumptions used in arriving at fiscal estimate. _____

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ 1-3 Years ☒ 3-5 Years

Sales tax is projected to grow at 3% annually.. _____

☐ 1-3 Years ☐ 3-5 Years _____☐ 1-3 Years ☐ 3-5 Years _____**H**

List any costs not included in Sections D and E above. _____

I

Additional information. _____

JThis Note ☐ Was requested by committee chair.



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Communication relating to the fiscal impact of various provisions of 2023 Wisconsin Act 12.				

B	Submitted By (Name/Title/Dept./Ext.)	Bryan J Rynders, Budget & Fiscal Policy Operations Manager, DOA-Budget, x8524
----------	---	---

C	This File	☐ Increases or decreases previously authorized expenditures.
	☐ Suspends expenditure authority.	
	☐ Increases or decreases city services.	
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D	Charge To	☐ Department Account	☐ Contingent Fund
	☐ Capital Projects Fund	☐ Special Purpose Accounts	
	☐ Debt Service	☐ Grant & Aid Accounts	
	☐ Other (Specify)		

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$0.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other	State Shared Revenue	\$0.00	\$21,700,000.00
			\$0.00	\$0.00
	TOTALS		\$ 0.00	\$21,700,000.00

F

Assumptions used in arriving at fiscal estimate. _____

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ 1-3 Years ☒ 3-5 Years

State Shared Revenue is projected to grow at 3% annually. _____

☐ 1-3 Years ☐ 3-5 Years _____☐ 1-3 Years ☐ 3-5 Years _____**H**

List any costs not included in Sections D and E above. _____

I

Additional information. _____

JThis Note ☐ Was requested by committee chair.



City of Milwaukee Fiscal Impact Statement

A

Date 6/23/2023 File Number 230374 ☒ Original ☐ Substitute
Subject Fiscal impact of repeal of personal property tax by 2023 Wisconsin Act 12

B

Submitted By (Name/Title/Dept./Ext.) Nicole F. Larsen, Commissioner of Assessments

C

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
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D

- Charge To
- | | |
|--|---|
| ☐ Department Account | ☐ Contingent Fund |
| ☐ Capital Projects Fund | ☐ Special Purpose Accounts |
| ☐ Debt Service | ☐ Grant & Aid Accounts |
| ☐ Other (Specify) _____ | |

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services		\$0.00	\$0.00
		\$0.00	\$0.00
Other		\$0.00	\$0.00
		\$0.00	\$0.00
TOTALS		\$ 0.00	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.** _____**G****For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.**☒ **1-3 Years** ☐ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**☐ **1-3 Years** ☐ **3-5 Years**Beginning in 2025, the state will pay to the City an amount equal to the personal property taxes levied as of Jan. 1, 2023. Wis. Stat. s. 79.0965(1).

_____**H****List any costs not included in Sections D and E above.** _____**I****Additional information.**This change is revenue-neutral. 2023 Wis Act 12 repeals the personal property tax on businesses with personal property located in the state. The law freezes PP tax revenues at 2023 levels, the last year personal property taxes will be levied. Beginning in 2025, the State will reimburse the City an amount equal to the 2023 revenue level.
_____**J****This Note** ☒ **Was requested by committee chair.**



City of Milwaukee Fiscal Impact Statement

A	Date	6/23/2023	File Number	230374	☒ Original	☐ Substitute
	Subject	Fiscal Impact of WI 2023 Act 12 on TID Incremental Revenues due to Personal Property Taxes				

B	Submitted By (Name/Title/Dept./Ext.)	Nathaniel Haack, Budget Analyst, Budget and Management Division
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C	This File	☐ Increases or decreases previously authorized expenditures.
	☐ Suspends expenditure authority.	
	☒ Increases or decreases city services.	
	☐ Authorizes a department to administer a program affecting the city's fiscal liability.	
	☒ Increases or decreases revenue.	
	☐ Requests an amendment to the salary or positions ordinance.	
	☐ Authorizes borrowing and related debt service.	
	☐ Authorizes contingent borrowing (authority only).	
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D	Charge To	☒ Department Account	☐ Contingent Fund
	☐ Capital Projects Fund	☐ Special Purpose Accounts	
	☐ Debt Service	☐ Grant & Aid Accounts	
	☐ Other (Specify)		

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages	Decreased salary for appraisal of personal property in TIDs	(\$35,000.00)	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other	Decrease in incremental taxes in TIDs due to personal property taxes	\$110,000.00	\$0.00
		WI DOA reimbursement for personal property tax increment in TIDs	\$0.00	\$110,000.00
	TOTALS		\$75,000.00	\$110,000.00

F

Assumptions used in arriving at fiscal estimate.

Fiscal estimate assumes that the WI Dept of Revenue will calculate incremental personal property taxes within TIDs the same way as the city.

Fiscal estimate that the labor needed to calculate personal property taxes in TIDs is equivalent to 0.5 Senior Appraisers. This saving may not be directly realized as staff are reassigned to other appraisal duties but is likely an underestimation as this reassignment should increase the accuracy of real property assessments, reducing tax remissions and legal liabilities.

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☒ 1-3 Years ☒ 3-5 Years

Decrease in labor expenditures for assessing the values of personal property tax in TID districts. Estimated savings of \$35,000 in direct labor.

☒ 1-3 Years ☒ 3-5 Years

State of WI will contribute to TIDs for loss of personal property tax. State contribution will be frozen at the 2022 level of personal property tax. Personal property taxes account for less than 2% of TID values.

☐ 1-3 Years ☐ 3-5 Years

Legislation is unclear on the specific value that the State will contribute but will likely be revenue neutral.

H

List any costs not included in Sections D and E above.

I

Additional information.

WI Act 12 Section 12(3) specifies that tax incremental districts (TIDs) will be compensated by the Wisconsin Dept of Administration for loss of personal property tax revenue.

J

This Note ☒ Was requested by committee chair.