



City of Milwaukee  
Employees' Retirement System

Bernard J. Allen  
Executive Director

David M. Silber, CFA, CAIA  
Chief Investment Officer

Melody Johnson  
Deputy Director

July 10, 2019

Mr. Antonio Perez  
Housing Authority of the City of Milwaukee  
809 N Broadway, 3rd Floor  
Milwaukee, WI 53202

Re.: True-up of Actuarial Contributions due January 31, 2020

Dear Mr. Perez:


At its June 2019 meeting, the Annuity and Pension Board accepted the January 1, 2019, actuarial valuation performed by Cavanaugh Macdonald Consulting, LLC. A copy of the valuation report has been posted on ERS's website, and you can find it by going to [www.cmers.com](http://www.cmers.com), and navigating to "About ERS & the Fund" and then "Financial Reports and Policies."

As a result of the stable contributions policy under MCC 36-08 the amount due as of January 31, 2020, is \$727,746 for the Housing Authority (based upon 7.48% of covered compensation, plus contributions due for the Retirement Fund). Since you pre-paid the employer contributions, **no payment is due.**

**IMPORTANT INFORMATION: Please note that the contributions due at this time are significantly lower than what would have been due had the stable contributions policy not been in place.** It is estimated that if the full actuarially determined employer contributions (ADEC) been due, the payment due as of January 31, 2020, would have been approximately \$1,515,000, or 15.57% of the covered compensation. Please refer to Table 17 of the valuation for a comparison between the stable contributions policy and the actuarially determined contributions. **With the significant difference between the stable contribution policy rates and the actuarially determined contribution rates, the actuary advises that employers start preparing and budgeting now for the higher contributions that are expected when the stable contributions policy is reset for the 2023 valuation (contributions due January 31, 2024).** For reference, please refer to the attached illustration that shows the expected growth in employer contributions when the stable contribution rates are reset in 2023 for five years.

If you have any questions regarding this matter, please contact the ERS at 414-286-3557.

Sincerely,



Bernard J. Allen  
Executive Director

cc: Martin Matson, Comptroller, City of Milwaukee  
Willie Hines, Jr., Associate Director, DCD  
Mark Wagner, Chair, HACM Board of Commissioners  
David Piedt, HACM  
David Misky, DCD  
Rocky Marcoux, Commissioner, DCD  
Fernando Aniban, DCD  
Rick Koffarnus, HACM  
David Schroeder, DCD

DG  
BJA:DG





# Projections

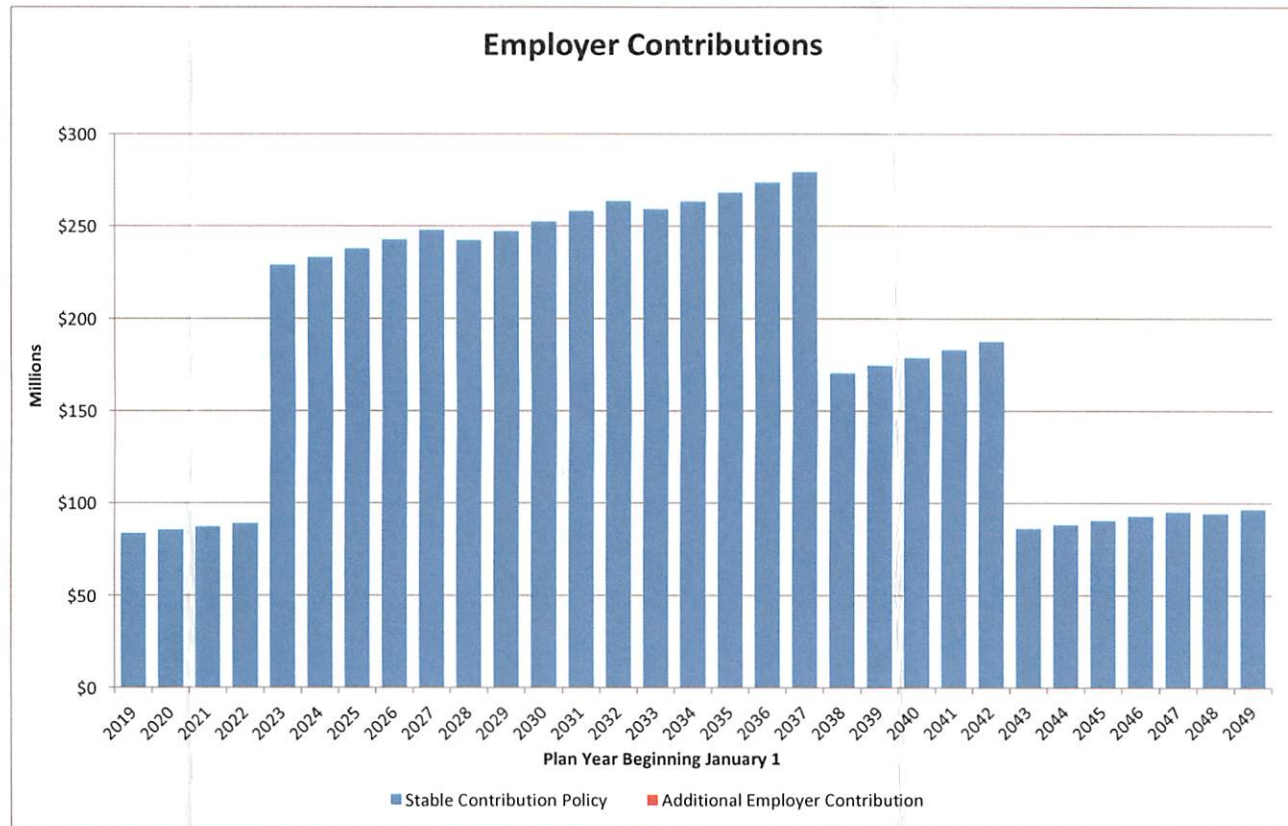
**Inputs**

- Membership Data
- Asset Data
- Benefit Provisions
- Assumptions
- Funding Methodology

↓

**Results**

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



Here we show the projected dollar amount of employer contributions across all employers.