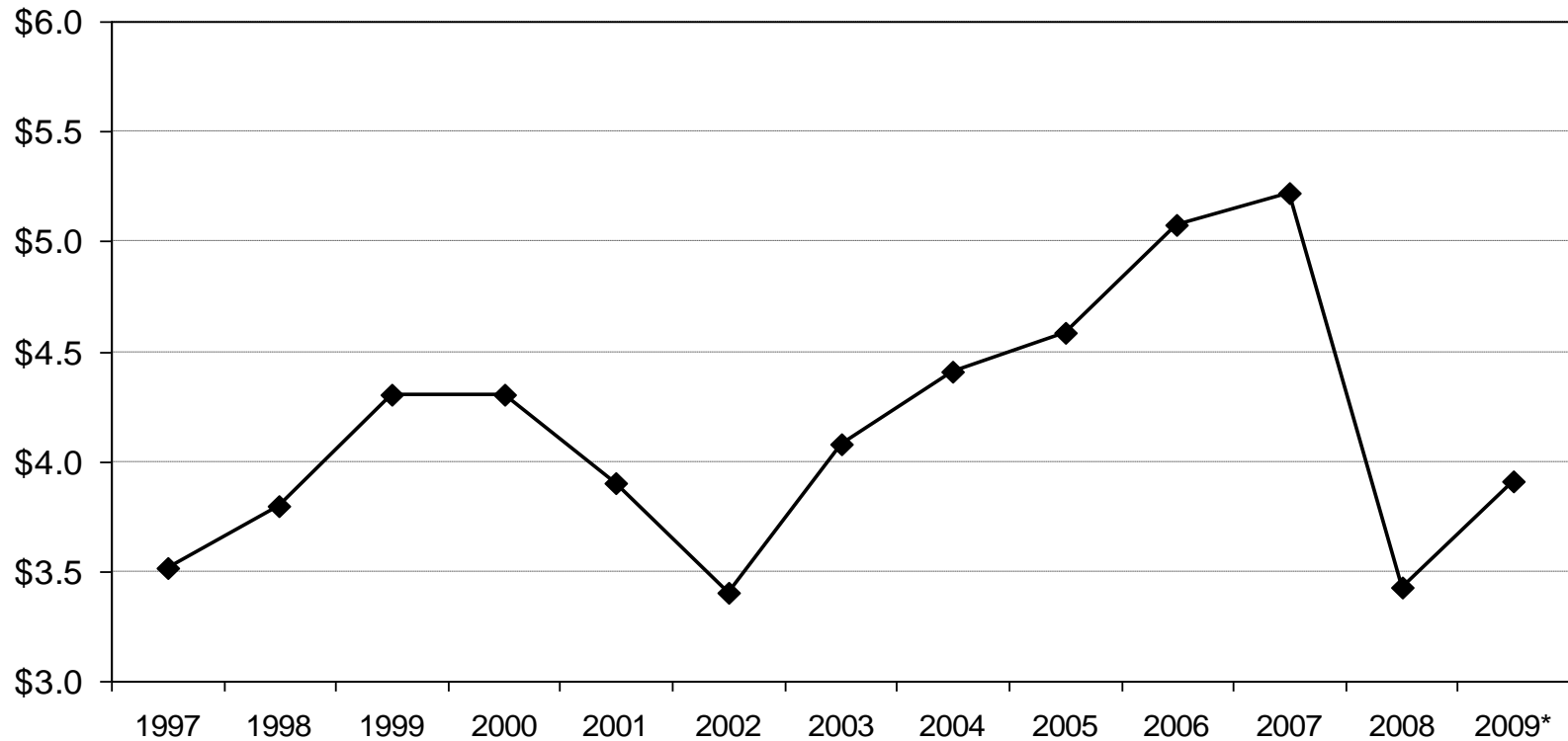


**OVERVIEW:  
Employees' Retirement  
System (ERS)**

**Finance & Personnel Committee  
October 12, 2009**

# ERS Value of Assets (in Billions)



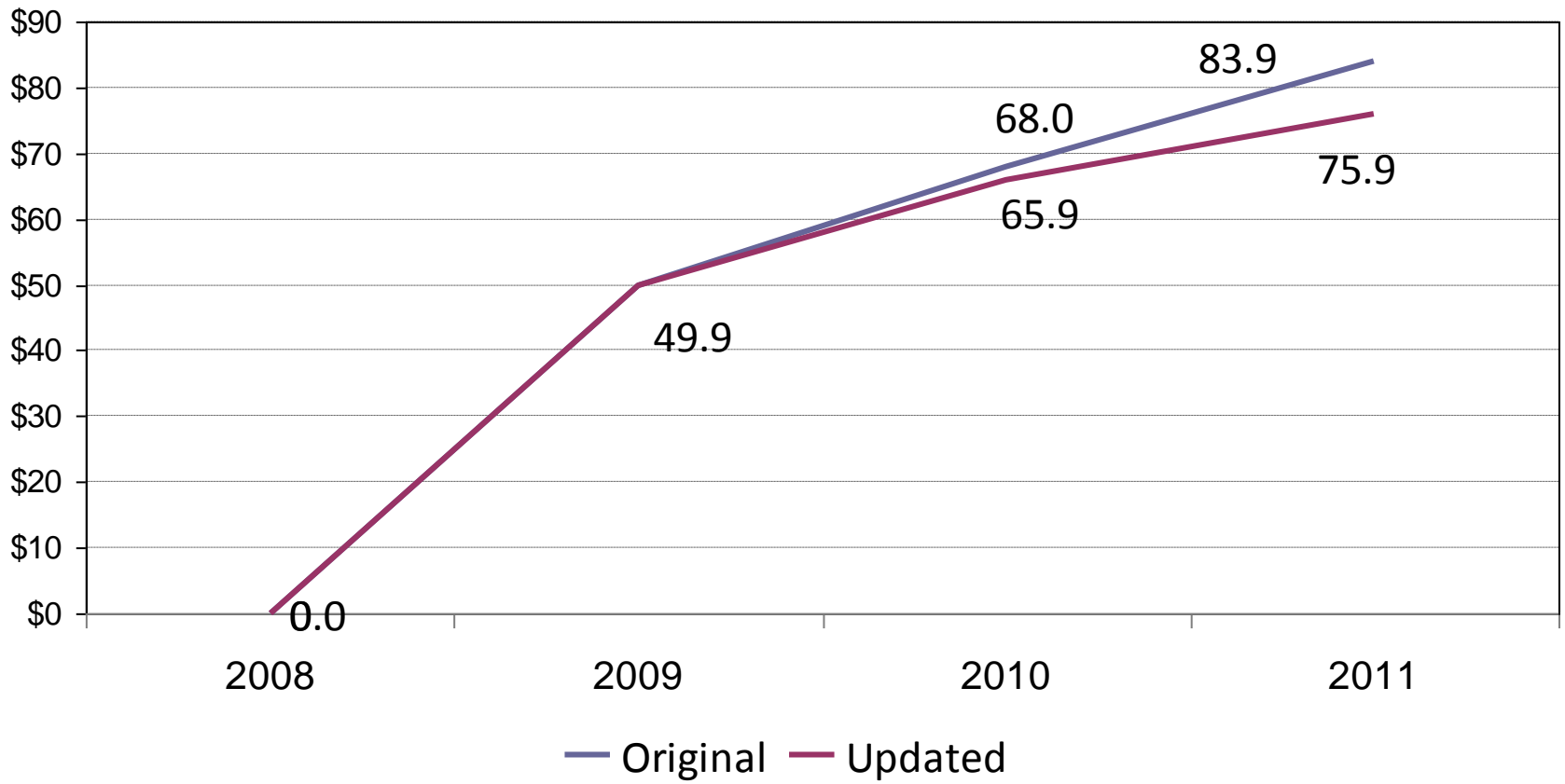
\* Through September 2009.

# Pension contribution

---

- As a result of drop in asset value and increased liabilities for retirees, tax-levy funded pension contribution of \$47.9 million included in 2010 budget.
- Other retirement-related provisions:
  - Annuity contributions = approx. \$17 million
  - Employers' Reserve Fund withdrawal = \$6.8 million
  - Deferred Compensation = \$1.6 million
  - Social Security Tax = \$17.2 million
  - PABF, Firemen's Pension, Town of Lake Employees Fund combined = approx. \$550,000.
- Future years project higher City contributions, indicating a multiple-year issue that needs long-term solutions.

# Employer Pension Contribution (Million \$)



# ERS Administration Budget

---

- 2010 Proposed Administration budget of \$24.2 million, decrease of more than \$172,000 vs. 2009 Adopted Budget.
  - Result of furloughs and other salary adjustments, as well as reductions in Professional Services and computers.
  - 1 position increased from 2009 budget (2 are unfunded aux.)
- MERITS upgrades ongoing. Future improvements will be discussed in 2010, with action expected in future years.
- SPAs vs. 2009 funding-
  - RBAF reduced by \$16,000 (7.9%), less than recent attrition rate.
  - Group Life Insurance Premium reduced by \$140,000 (5.3%), due to lower salary expenses.



# **2010 Budget Presentation**

---

Employes' Retirement System

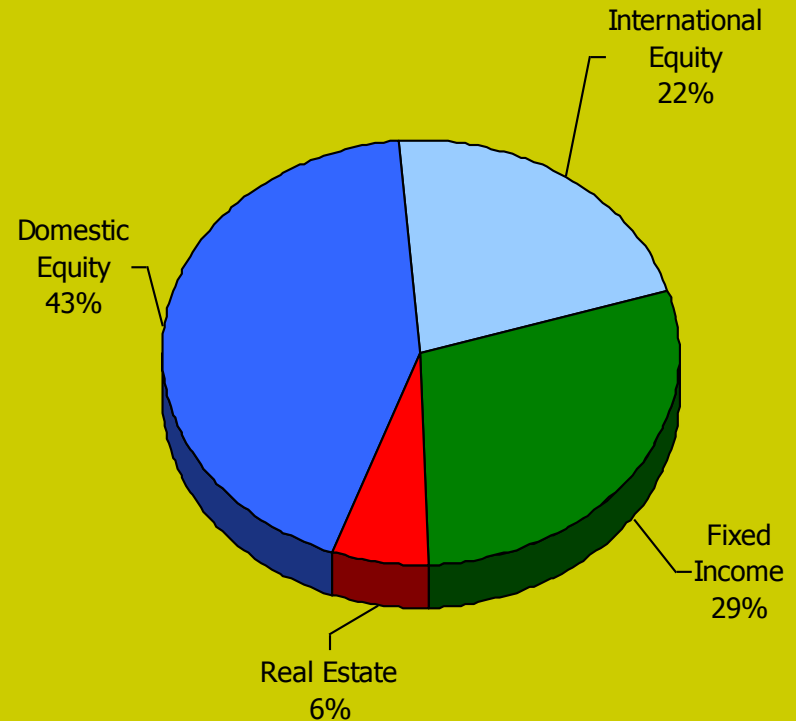
October 12, 2009

# General Pension Fund Statistics

- \$3.9 billion (Est. as of September 2009)
- Actives: 11,581
- Deferred: 4,143
- Retirees/Beneficiaries: 11,082
- Funded Status: 99%
  - As of the latest actuarial valuation – 01/01/2009.
  - Based on the revised funding policy adopted by the Annuity & Pension Board on 08/27/2009.

## ***Fund Asset Allocation***

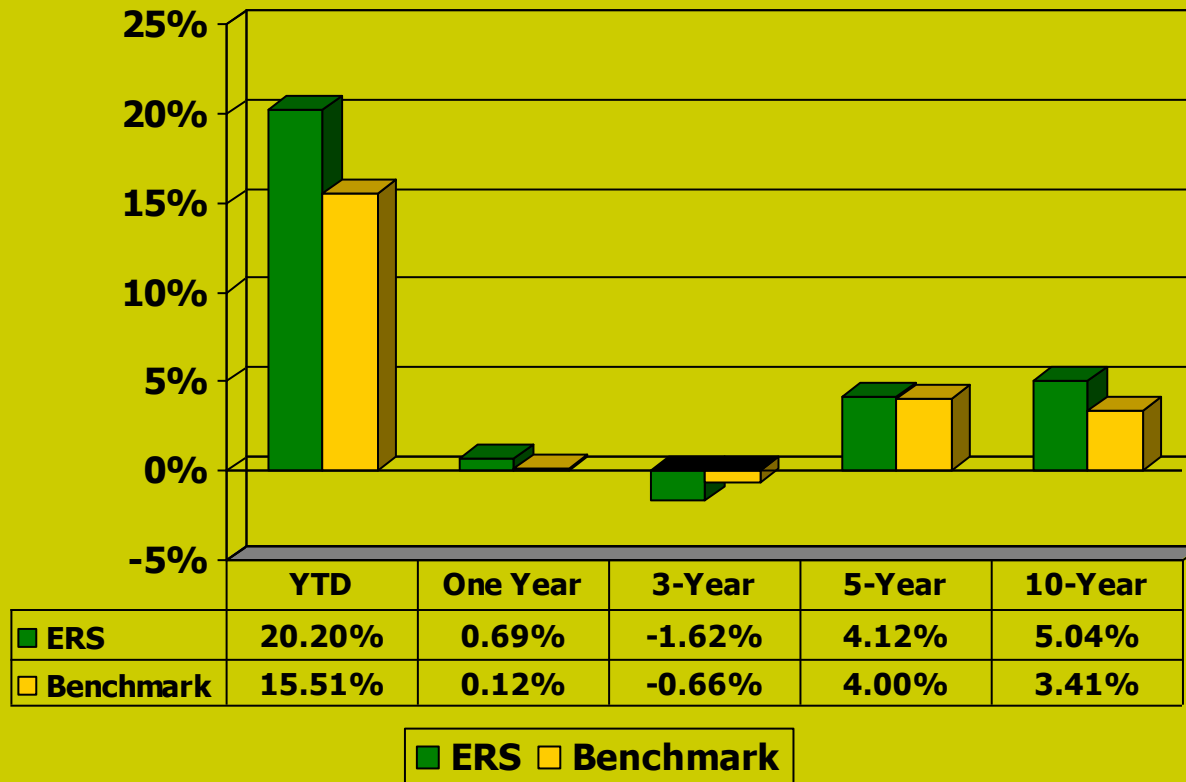
(Est. as of September 2009)





# Investment Performance History

(Est. as of September 30, 2009)



# ERS YTD Cash Flow Analysis as of 09/30/2009

December 31, 2008 Market Value		\$ 3,430,305,062
Monthly Cash Outflows thru	<u>September 30, 2009</u>	
Retiree Payroll Expense		\$ (181,032,728)
PABF Payroll Expense		\$ (797,844)
Expenses Paid		\$ (6,692,412) ***
GPS Benefit Payments		\$ (6,498,524)
Sub-Total Monthly Cash Outflows		\$ (195,021,507)
Monthly Cash Inflows thru	<u>September 30, 2009</u>	
Sponsoring Agency Contributions		\$ 22,893,999
Capital Market Gain/(Loss)		\$ 663,526,102
Projected Value as of	<u>September 30, 2009</u>	\$ 3,921,703,656
Less City Reserve Account *		\$ 17,275,000
Less PABF Fund **		\$ 2,147,172
Net Projected Value as of	<u>September 30, 2009</u>	<u>\$ 3,902,281,484</u>

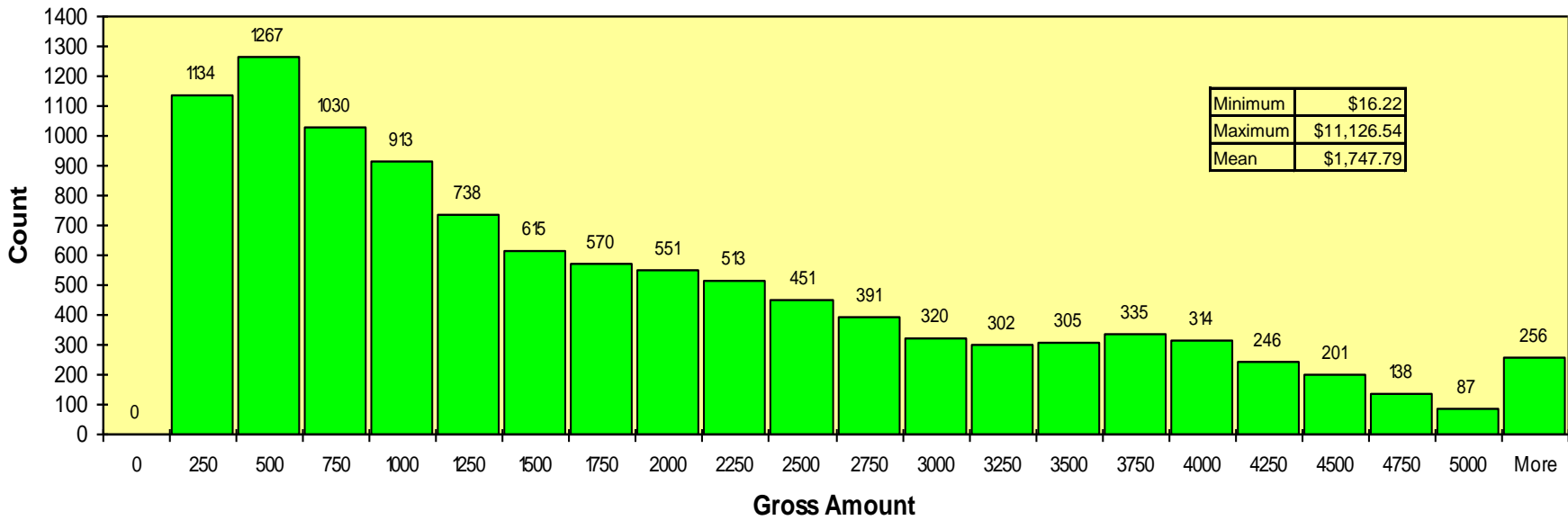
\* The City Reserve account balance of \$17,275,000 is based on the January 1, 2009 Actuary report.

\*\* PABF Fund amount equals market value as of January 1, 2009 based on the January 1, 2009 Actuary report.

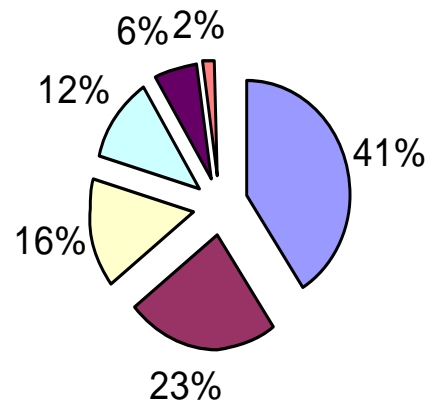
\*\*\* Amount includes \$5,286,588.24 reimbursement from City related to 2008 Expenses Paid.

# Retiree Gross Monthly Payments

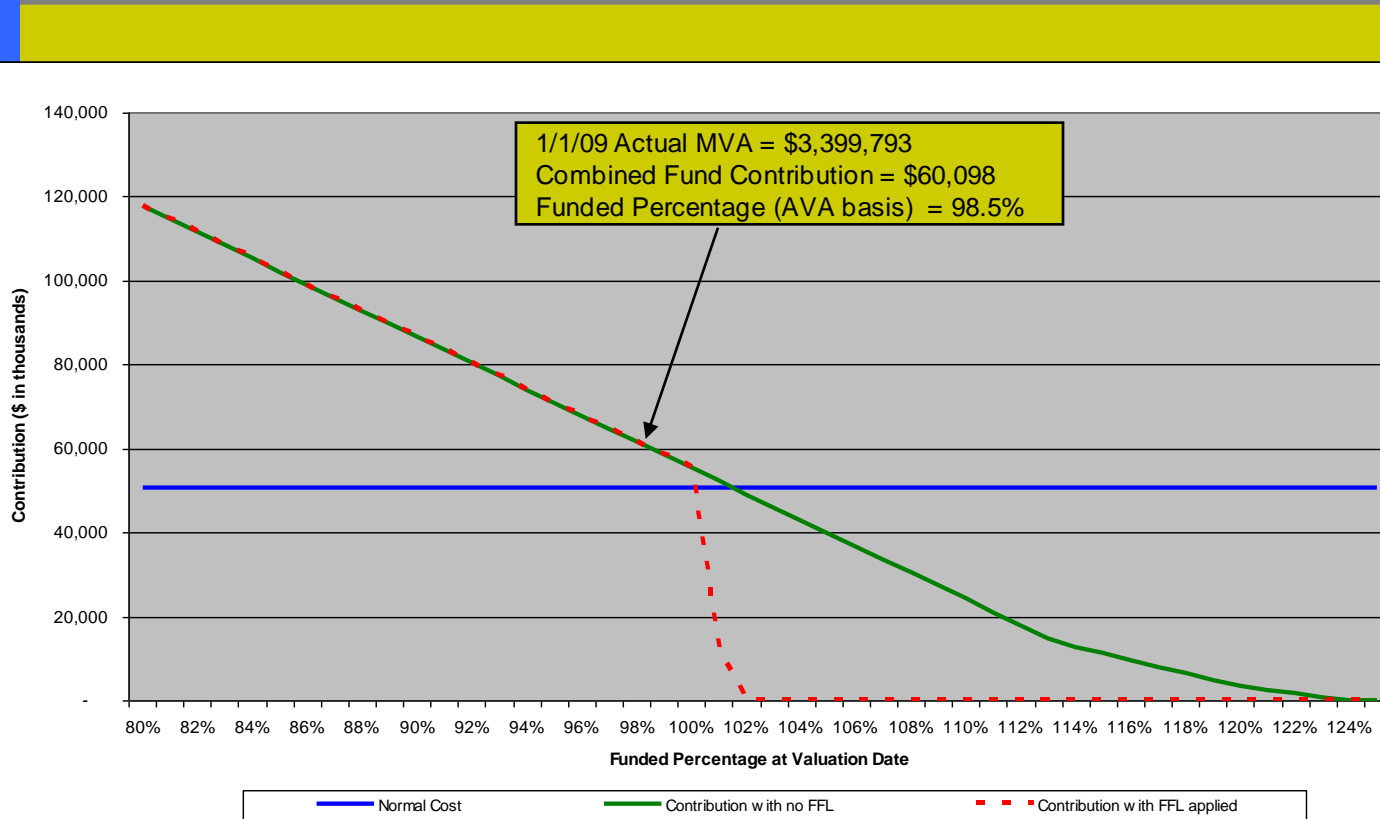
September 2009  
(Excludes Duty Disability)



## Retiree Gross Monthly Payments September 2009



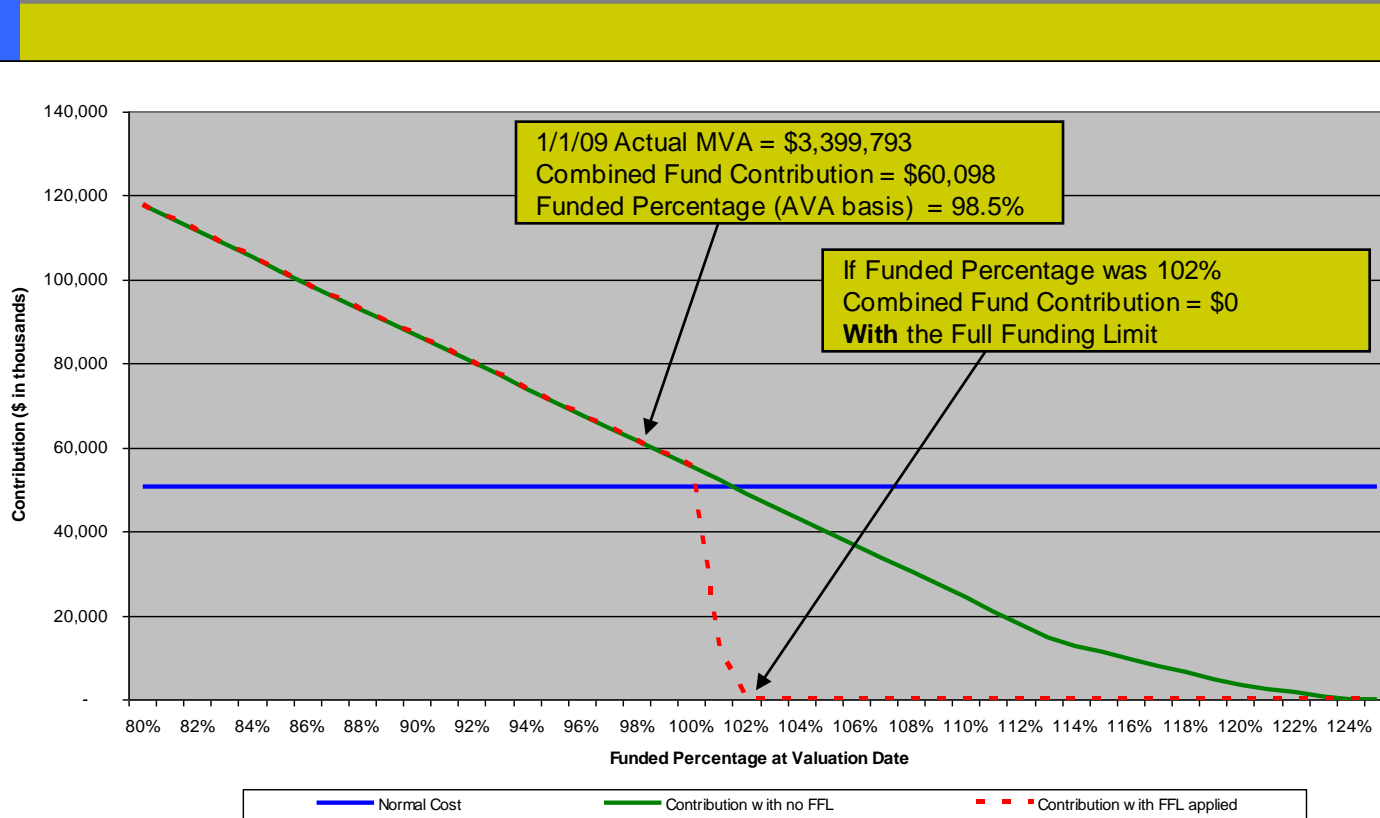
# City of Milwaukee Employees' Retirement System Combined Fund contributions under various funded statuses as of January 1, 2009: With and without the full funding limit



Funded Percent	Contribution No FFL	Contribution With FFL
80%	117,741	117,741
82%	111,503	111,503
84%	105,264	105,264
86%	99,026	99,026
88%	92,787	92,787
90%	86,549	86,549
92%	80,311	80,311
94%	74,071	74,071
96%	67,832	67,832
98%	61,594	61,594
100%	55,355	55,355
102%	49,116	-
104%	42,878	-
106%	36,639	-
108%	30,401	-
110%	24,162	-
112%	17,924	-
114%	12,713	-
116%	9,575	-
118%	6,437	-
120%	3,527	-
122%	1,607	-
124%	-	-

Note: Contributions described above do not include the members' portion that the city contributes on their behalf.

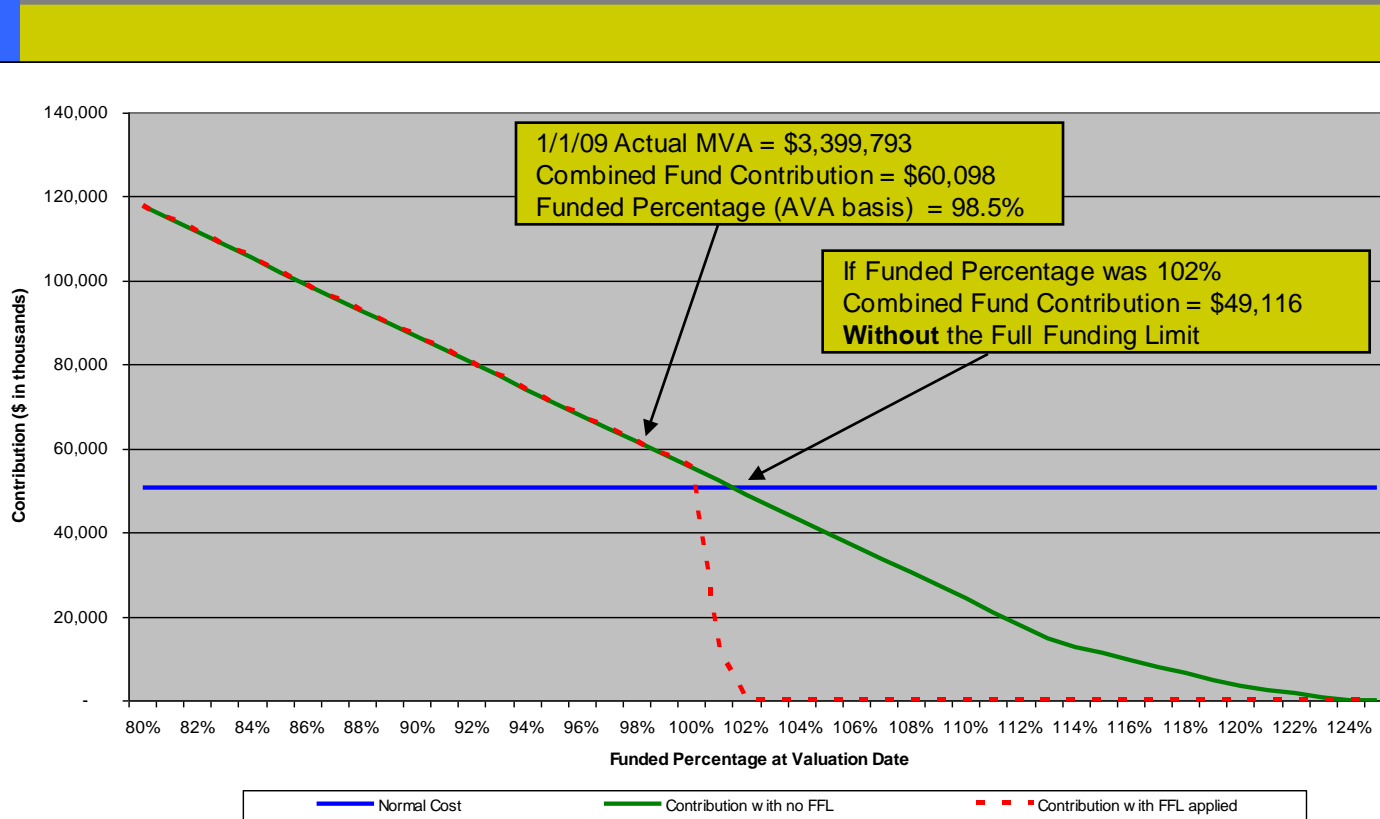
# City of Milwaukee Employees' Retirement System Combined Fund contributions under various funded statuses as of January 1, 2009: With and without the full funding limit



Funded Percent	Contribution No FFL	Contribution With FFL
80%	117,741	117,741
82%	111,503	111,503
84%	105,264	105,264
86%	99,026	99,026
88%	92,787	92,787
90%	86,549	86,549
92%	80,311	80,311
94%	74,071	74,071
96%	67,832	67,832
98%	61,594	61,594
100%	55,355	55,355
102%	49,116	-
104%	42,878	-
106%	36,639	-
108%	30,401	-
110%	24,162	-
112%	17,924	-
114%	12,713	-
116%	9,575	-
118%	6,437	-
120%	3,527	-
122%	1,607	-
124%	-	-

Note: Contributions described above do not include the members' portion that the city contributes on their behalf.

# City of Milwaukee Employees' Retirement System Combined Fund contributions under various funded statuses as of January 1, 2009: With and without the full funding limit



Funded Percent	Contribution No FFL	Contribution With FFL
80%	117,741	117,741
82%	111,503	111,503
84%	105,264	105,264
86%	99,026	99,026
88%	92,787	92,787
90%	86,549	86,549
92%	80,311	80,311
94%	74,071	74,071
96%	67,832	67,832
98%	61,594	61,594
100%	55,355	55,355
102%	49,116	-
104%	42,878	-
106%	36,639	-
108%	30,401	-
110%	24,162	-
112%	17,924	-
114%	12,713	-
116%	9,575	-
118%	6,437	-
120%	3,527	-
122%	1,607	-
124%	-	-

Note: Contributions described above do not include the members' portion that the city contributes on their behalf.