



Retirement Plan Services

Milwaukee County

ACTION REPORT

TO: Chairman Theodore Lipscomb, Sr., County Board Chairman

FROM: Amy Pechacek, Interim Director, RPS

RE: Coordinated Review Process for Pension Ordinance & Rule Updates

DATE: 8/25/2017

I. BACKGROUND

Retirement Plan Services (RPS) has reported various errors dating back to 1985 in the Employee Retirement System (ERS) and proposed correction methodology for the errors related to a Voluntary Correction Plan submission ("VCP") (File 17-243). RPS is also developing correction methodology for errors dating back to 1955 related to Phase I of an Agreed-Upon Procedures Audit by Baker Tilly ("AUP Audit") (File 17-532). Corporation Counsel has reported on various plan administration changes that should be considered (File 17-567). RPS, DAS, and Corporation Counsel continue to identify plan administration changes that need to be resolved.

Each plan administration change can have a significant impact on the County as plan sponsor, related to legal liability, fiscal impact, and ability to administer going forward. A consistent process is necessary to understand the impact of plan administration changes on the County and to ERS. Additional staff capacity is necessary to expedite the drafting of plan administration changes, and therefore RPS recommends the County Board approve the two companion files to this request as well as approve the below coordinated Review Process to ensure all stakeholders are consulted and informed.

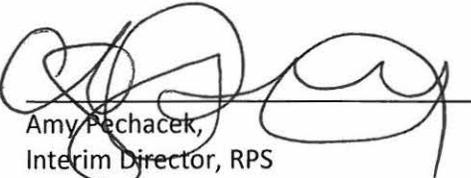
II. RECOMMENDATION

RPS recommends that the County Board approve the following proposed process to ensure that all stakeholders are consulted and informed with upcoming future proposed plan administration changes:

1. The County Board, County Executive, Pension Board or RPS may request a plan administration change by submitting a letter to the Principal Assistant Corporation Counsel assigned by Corporation Counsel ("Project Manager").
2. The Project Manager will develop a list of all requested plan administration changes and prioritize changes that represent the most significant legal risk to the plan or the plan sponsor.

3. The Project Manager will prepare a quarterly report for the County Board, County Executive, Pension Board and RPS on the progress of each requested plan administration change.
4. The Project Manager will coordinate the drafting of each plan administration change. In developing each plan administration change, the Project Manager will consult the professionals deemed necessary to develop an effective plan administration change, including outside counsel when necessary.
5. Upon the completion of drafting of each plan administration change the change shall be reviewed by the following professionals:
 - a. Comptroller review for fiscal impact
 - b. RPS Director review for administrative feasibility from the plan perspective
 - c. DAS Director review for administrative feasibility from the plan sponsor perspective
 - d. Corporation Counsel review for legal perspective, including when necessary review by outside counsel for ERS and OBRA, review by outside counsel related to any outstanding VCP, and review by Baker Tilly if related to a change that impacts the issues identified through the Agreed Upon Procedures Audit
6. The Comptroller will prepare a fiscal note for each proposed plan administration change.
7. Corporation Counsel, in consultation with the Comptroller, RPS Director, and DAS Director, will determine whether the plan administration change will be proposed as an Ordinance Change (e.g. Chapter 201-203 of Milwaukee County Ordinances) or a Rule Change (i.e. Appendix B of Milwaukee County Ordinances)
8. Rule Changes will be submitted to the Pension Board consistent with Pension Board guidelines, and if approved, will be submitted as an informational report to the County Board.
9. Ordinance Changes will be submitted to the County Board consistent with County Board guidelines, including referral to the Pension Study Commission, and if approved, will be submitted as an informational report to the Pension Board.

This process has been submitted as a third companion file to the two position requests.


Amy Pechacek,
Interim Director, RPS

cc: Chris Abele, County Executive
Scott Manske, Comptroller
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Chief of Staff, County Executive
Steve Cady, Research & Policy Director
Margaret Daun, Corporation Counsel
Jim Carrol, Principal Assistant Corporation Counsel
Kerry Mitchell, Director, Dept. Human Resources
Teig Whaley-Smith, Director, DAS
Steve Kreklow, Director, DAS- Performance Strategy & Budget