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A resolution by Supervisor Wasserman, requesting the Director, Retirement Plan Services, Department of Human Resources, to explore the feasibility of transitioning Milwaukee County away from operating its own pension plan for employees, and to instead participate in the Wisconsin State Retirement System, by recommending adoption of the following:

AN AMENDED RESOLUTION

WHEREAS, the Employees’ Retirement System (ERS) of the County of Milwaukee is a defined benefit plan established pursuant to Chapter 201 of the Laws of Wisconsin 1937, as amended, to administer pension benefits payable to Milwaukee County (the County) employees; and

WHEREAS, most government employers in Wisconsin, except the City of Milwaukee and the County participate in the Wisconsin Retirement System (WRS); and

WHEREAS, the County has struggled to properly administer the ERS since the adoption of a new employee benefits package in late 2000 that provided enhanced pension benefits to more than 5,000 employees; and

WHEREAS, the WRS, according to a September 2016 Milwaukee Journal Sentinel Watchdog Report, is recognized as one of the strongest pension plans in the country, due to its shared risk structure with employees that is designed to keep it nearly fully funded; and

WHEREAS, the County in 2008 and 2014 filed Voluntary Correction Plans with the Internal Revenue Service to self-report errors made in the administration of the County’s pension plan; and

WHEREAS, in light of these additional pension administration errors, that often adversely impact pensioners through no fault of their own, the County is retaining an outside consulting firm to examine the operations of the Retirement Plan Services Division of the Department of Human Resources; and

WHEREAS, frequent pension administrative issues and a declining number of active employees provides an opportunity for the County to transition away from operating its own defined pension benefit plan, and instead join the State WRS Plan as more than 1,400 other local governments have done; and

WHEREAS, the County needs permission from the State of Wisconsin to join the WRS, and a transition from the current plan will require additional study and analysis; and

46 WHEREAS, the Committee on Finance and Audit, at its meeting of March 16,
47 2017, recommended rejection of File No. 17-266 due to a failed motion to recommend
48 adoption as amended (vote 2-4); and
49

50 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
51 supports exploration of transitioning from administering a separate defined benefit
52 pension plan on behalf of its employees, to seeking to participate in the Wisconsin
53 Retirement System (WRS); and
54

55 BE IT FURTHER RESOLVED, the Director, Retirement Plan Services,
56 Department of Human Resources, is authorized and requested to convene a Workgroup
57 comprised of representatives of the Office of Corporation Counsel, Office of the
58 Comptroller, and the Office of Performance, Strategy and Budget, Department of
59 Administrative Services, and any other staff deemed critical, to prepare a report
60 outlining the steps necessary to begin the transition, including required State approvals
61 and resources such as fiscal, actuarial, and legal analyses; and
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63 BE IT FURTHER RESOLVED, the Workgroup report should be presented to the
64 County Board for consideration no later than the May 2017 meeting cycle, or two
65 meeting cycles after the adoption of this resolution, whichever is later.
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