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*Client-Driven. Community-Focused.*

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TO: Theodore Lipscomb, Sr., Chairman,  
Milwaukee County Board of Supervisors

FROM: Margaret Daun, Corporation Counsel  
Anne Berleman Kearney, Deputy Corporation Counsel *AK*

DATED: September 27, 2019

RE: *Michael Hoffmann v. Milwaukee County, et al.*,  
Milwaukee County Case No. 17-CV-11634

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We request that this matter be referred to the Committee on Judiciary, Safety, and General Services, and the Committee on Finance for approval of a settlement of a lawsuit brought by Michael Hoffmann for pension benefits based on an adjusted number of service credits.

Michael Hoffmann was a long-standing employee (zookeeper) at the Milwaukee County Zoo. He paid to purchase service credits and was subsequently told that the payment was insufficient. Hoffmann received annual statements that included the now-disputed service credits. Hoffmann sought to retire in 2017. He was told that he could retire, but that his service credits did not include the now-disputed service credits. Hoffman filed suit in federal court, which suit he subsequently dismissed. Hoffmann also filed suit in state court, the existing lawsuit sought to be settled, which suit contains breach of contract, deprivation of property and estoppel claims.

There is a legal dispute under the Milwaukee County General Ordinances, Pension Board rules, and Wisconsin law over the correct pension benefit amount for Hoffmann. As part of the mediated settlement, the parties have reached a reasonable agreement as to the correct benefit amount by adjusting Hoffmann's service credit to account for 80% of the now-disputed service credit. Hoffmann will dismiss with prejudice his lawsuit. As this settlement is for a correct benefit amount, payment will come from the ERS pension trust. The Pension Board has approved this settlement.

If the payment from the trust is disallowed by the Internal Revenue Service, the County may be required to pay to ERS to account for the adjusted pension benefit amount paid to Hoffmann. If this occurs, a separate resolution and fiscal note will be prepared for all issues that will need to be paid by the County to the Pension trust consistent with the Voluntary Correction program.

The Office of Corporation Counsel recommends approval of this settlement.

cc: Kelly Bablitch  
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