

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 15, 2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution to approve the settlement of the pension benefit-related claims of former Milwaukee County employee Susan L. Baldwin and her spouse Leverett F. Baldwin.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	174,420.00	
	Revenue	0	
	Net Cost	174,420.00	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
 - A. The County is proposing a settlement with Susan Baldwin and her husband, who sued Milwaukee County and the Employees' Retirement System ("ERS") to stop ongoing recoupment of overpaid pension benefits from Ms. Baldwin.
 - B. The Baldwins prevailed before the Wisconsin Court of Appeals and the matter is now before the Wisconsin Supreme Court.
 - C. This settlement provides Ms. Baldwin with her corrected monthly pension benefit going forward (which continues to be paid by the ERS) and releases Ms. Baldwin from any repayment responsibility for any overpayments not yet collected by the ERS at the time of settlement. So that the ERS is "made whole," any outstanding amounts due to the ERS for prior overpayments to Ms. Baldwin, including interest, would be due by the County. This results in a direct financial cost to the County of \$174,420. This is a one-time settlement and has no future financial impact.
 - D. Approval of this resolution authorizes a payment of \$174,420 to the ERS from Fringe Benefits, Org. 1950. There is currently sufficient expenditure authority within Org. 1950 to cover these costs. There is no future budgetary impact as this is a one-time settlement.
 - E. The proposed payment to the ERS by the County has been calculated by the ERS' actuary. It is assumed that the amount paid to the ERS by the County will satisfy any requirements by the Internal Revenue Service (IRS) to make the ERS whole.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By James M. Carroll, Assistant Corporation Counsel

Authorized Signature J.M. Carroll 11/15/18

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required