


**COUNTY OF MILWAUKEE**  
**DAS-Division of Employee Benefits**  
INTER-OFFICE COMMUNICATION

Date : December 27, 2011

To : Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

From : Matthew Hanchek, Interim Director, Employee Benefits 

Subject : **Report from the Interim Director, Employee Benefits, requesting an amendment to Section 201.24(8.2) of the Milwaukee County Code of General Ordinances as it pertains to membership on the Pension Board.**

**Issue**

The Milwaukee County Pension Board is comprised of 5 appointed members (3 executive appointments and 2 appointments by the Chair of the County Board) and 4 elected members (3 active and 1 retiree representative). This board is tasked with stewardship of the County's Pension Trust and is supported in that effort by the Employees Retirement System (ERS). The Pension Board authorizes pension trust spending and directs the administration of the plan by ERS staff.

The proposed amendment to Section 201.24(8.2) of the Milwaukee County Code of General Ordinances addresses three issues currently impacting the Pension Board.

First, an elected employee member of the Pension Board who is also part of the support staff for the Pension Board would have inherent conflicts of interest that interfere with that person's ability to effectively carry out the fiduciary responsibility of both positions. The proposed amendment would preclude ERS employees from serving on the Pension Board.

Second, turnover within the Pension Board has led to instances of partial terms. The impact of partial terms on the term limits currently defined in ordinance is unclear. The proposed amendment would clarify full and partial terms, and overall term limits.

Finally, turnover and vacancies within the Board cause an impediment to the Board's ability to carry out its fiduciary duties. At the minimum, attendance for a quorum, a unanimous 5-0 vote, is required under current rules for the Pension Board to take actions. The proposed amendment would improve the Pension Board's ability to effectively carry out its duties at minimum quorum.

**Requested Action**

It is requested that the County Board of Supervisors authorize the attached amendment to Section 201.24(8.2) of the Milwaukee County Code of General Ordinances.