

COUNTY OF MILWAUKEE

Interoffice Memorandum

DATE: March 16, 2016

TO: Milwaukee County Board Supervisors

FROM: Supervisor Michael Mayo, Sr., Chairman, Pension Study Commission

SUBJECT: **Review of Proposed Amendments to Chapter 201.24 (2.18) and (4.1) of the Milwaukee County General Ordinances to clarify eligibility for normal retirement for sworn law enforcement officers in a position of District Attorney Investigator (File No. 16-66)**

The Pension Study Commission (PSC) is charged with issuing a written report on the actuarial effect, cost implications and desirability of proposed changes to the pension system. At its meeting on March 16, 2016, the PSC reviewed File No. 16-66, which outlines proposed amendments to Chapter 201.24 (2.18) and (4.1) of the Milwaukee County General Ordinances (M.C.G.O.) to clarify eligibility for normal retirement for sworn law enforcement officers in a position of District Attorney Investigator. The amendments would also allow some District Attorney Investigators and firefighters to retire using the rule of 75 under certain conditions in the Employees' Retirement System of the County of Milwaukee ("ERS"). The PSC reviewed a resolution/ordinance that was unanimously recommended for adoption by the Committee on Finance, Personnel and Audit at its meeting on March 10, 2016.

The PSC heard testimony from a Pension Board attorney related to eligibility for normal retirement for sworn law enforcement officers in a position of District Attorney Investigator and allow some Investigators and firefighters to retire using the rule of 75 under certain conditions. Specifically, the amendments would do the following:

1. The amendments would allow all current and future District Attorney Investigators to retire under the following conditions:
 - o Age 57 or
 - o Age 55 with 15 years of service

Currently, any District Attorney Investigator hired on or before December 31, 2009, may retire under the following conditions:

- o Age 60 or
- o Age 55 with 30 years of service

Any District Attorney Investigator hired after December 31, 2009, may retire under the following conditions:

- o Age 64 or
- o Age 55 with 30 years of service

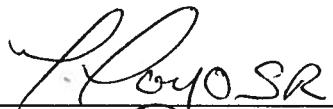
2. The amendments would also allow some District Attorney Investigators and firefighters to retire using the rule of 75, under the following conditions:
 - o On September 29, 2011, the employee was either a deputy sheriff who was covered by a collective bargaining agreement with the Milwaukee Deputy Sheriffs Association, or was a firefighter who was covered by

- a collective bargaining agreement with the Firefighter's Association;
and
- o At the time of retirement, the former deputy is not represented by the Milwaukee Deputy Sheriff's Association, or the former firefighter is not represented by the Firefighter's Association; and
- o The former deputy sheriff's membership date in ERS was prior to January 1, 1994, or the former firefighter's membership date in ERS was prior to December 2, 1996.

The PSC reviewed a written report from the District Attorney explaining the rationale for requesting these pension benefit changes. The PSC also reviewed the written actuarial report dated January 29, 2016, and heard testimony from Mr. Larry Langer of Buck Consultants Inc., the firm retained by the Pension Board and the County to provide actuarial services related to the ERS. Mr. Langer's report and testimony indicated that changes would increase ERS' liability by a total of \$290,617, including \$178,855 for Proposal #1 and \$111,762 for Proposal #2. According to Mr. Langer's memo, "(T)he current policy for the amortization is for any increase in the Actuarial Accrued Liability to be amortized over 21 years as a level percent of pay."

Based on the information presented and contained in File No. 16-66, the Pension Study Commission voted (Vote 4-1) to recommend that the County Board adopt the proposed changes to the pension ordinances as outlined in the resolution adopted March 10, 2016, by the Committee on Finance, Personnel, and Audit.

Respectfully submitted,



Michael Mayo, Sr., Chairman
Pension Study Commission

cc: County Executive Abele
Paul Bargren, Corporation Counsel
Jim Carroll, Principal Assistant Corporation Counsel
Marian Ninneman, Director, Retirement Plan Services
Steve Cady, Research and Policy Director, Office of the Comptroller
Janelle Jensen, Senior Committee Coordinator, County Clerk