



EMPLOYEES' RETIREMENT SYSTEM (ERS)

# Milwaukee County

**Pension Board**

Michael Harper  
Chairperson

Laurie Braun  
Vice Chairperson

Linda Bedford  
George Cashman  
Aimee Funck  
William Holton  
LaValle Morgan  
Ron Nelson  
David Zepecki

Tim Coyne  
Director – Retirement Plan  
Services

December 11, 2018

Mr. Chris Abele  
County Executive  
Milwaukee County Courthouse  
901 North 9th Street, Room 306  
Milwaukee, WI 53233

Mr. Theodore Lipscomb, Sr.  
Chairman, Milwaukee County Board of Supervisors  
Milwaukee County Courthouse  
901 North 9th Street, Room 201  
Milwaukee, WI 53233

Dear County Executive Abele and Chairman Lipscomb:

Ordinance section 201.24(8.17)(b) of the Milwaukee County Code of General Ordinances provides the Pension Board at least 30 days to comment on the impact of any proposed benefit changes referred from the County Board. On October 22, 2018, the Pension Board received the referral of File 18-802 regarding the draft Ordinance amendments, which include amendments related to the partial forgiveness of interest on overpayments and procedures to address future erroneous payments ("Draft Amendments").

The Pension Board briefly discussed the referral at its October 24, 2018 meeting, and I provided Chairman Lipscomb with the enclosed letter dated October 26, 2018 requesting an extension of the Pension Board's comment period to allow the Pension Board to discuss the Draft Amendments further at its November meeting. The Pension Board discussed the Draft Amendments at its November 28, 2018 meeting and authorized me to provide an overview of the Pension Board's comments.

To begin, the Pension Board would like to applaud the efforts by the County Executive's Office, the County Board of Supervisors and the Comptroller's Office to come together and provide a proposal that aims to address the difficult issue of overpayments. As

the Pension Board deals with these issues on a regular basis, it appreciates the challenge that each overpayment presents. Often Milwaukee County retirees experience overpayments through no fault of their own. However, it is equally difficult to require the taxpayers of the County to fully shoulder the burden of overpayments. The Draft Amendments seek to strike a balance between these competing interests, and the Pension Board fully supports this intent.

While the Pension Board is very appreciative of the County's efforts to address the overpayment situation, the Pension Board discussed an area where a technical revision could be helpful: Ordinance section 201.24(8.21). At the request of the Pension Board, its outside counsel has coordinated with the Office of Corporation Counsel to offer this possible suggested revision:

File 18-802, Section 5, deletes and recreates Section 201.24(8.21) as follows:

- (1) General Powers: RPS is authorized to act on behalf of the Pension Board with respect to the general administration of the Employees' Retirement System. RPS shall report to the pension board at each meeting of any material actions taken as reasonably adjudged by RPS under the circumstances in existence at the time of the report.

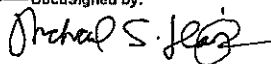
Suggested revision:

- (1) General Powers: RPS performs general administration of the Employees' Retirement System for the Pension Board. RPS shall report to the pension board at each meeting of any material actions taken as reasonably adjudged by RPS under the circumstances in existence at the time of the report.

The Pension Board further understands that Retirement Plan Services is preparing a communications plan to assist in communicating the changes to ERS members and retirees. The Pension Board supports a clear plan to communicate the changes that will occur as this is a vital part of ensuring that the Draft Amendments, if adopted, are rolled out successfully.

The Pension Board is aware that if the Draft Amendments are adopted, it will need to take further action to integrate the Draft Amendments into ERS, including amending Rules and communicating the changes to the IRS as part of the Voluntary Correction Program submission sent to the IRS last year. The Pension Board hopes to continue working collaboratively with County stakeholders to implement the Draft Amendments, if adopted, and make any further necessary changes to the Ordinances or Rules as the procedures are integrated into the day-to-day workings of ERS.

Sincerely,

DocuSigned by:  
  
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Michael Harper, Chairperson

Pension Board of the Employees'  
Retirement System of the County  
of Milwaukee

cc Scott Manske, Comptroller  
Margaret Daun, Corporation Counsel  
Tim Coyne, Director – Retirement Plan Services



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Tim Coyne  
Director - Retirement Plan  
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October 26, 2018

SENT BY COURIER

Theodore Lipscomb, Sr., Chairman  
Milwaukee County Board of Supervisors  
Milwaukee County Courthouse  
901 North 9<sup>th</sup> Street, Room 201  
Milwaukee, WI 53233

Dear Chairman Lipscomb:

Re: Referral of File 18-802

On October 22, 2018, you referred File 18-802 to the Pension Board, pursuant to Section 201.24(8.17(b)) of the Milwaukee County Code of General Ordinances. The Pension Board appreciates this referral and, particularly given the scope and significance of the proposed legislation, wishes to thoroughly and comprehensively evaluate the matter.

Because the Pension Board does not meet again until November 28, 2018, we respectfully request a fifteen (15) day extension of the 30-day comment period set forth in Section 8.17(b). This extension would permit the Pension Board to discuss the proposed ordinance amendments further at its November 28 meeting and to provide comments no later than December 6, 2018.

Thank you.

Sincerely,

Michael Harper, Chairperson  
Pension Board of the Employees'  
Retirement System of the County  
of Milwaukee