

**Milwaukee County Employees' Retirement System (ERS)
Audit Committee Meeting
MINUTES**

Call to Order

The Audit Committee was called to order at 1:30 p.m. on June 5, 2012, by Monique Taylor in Commission Room 210, Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, Wisconsin.

Board Members Present:

Keith Garland
Mickey Maier
Monique Taylor

Others Present:

Marian Ninneman
Steven Huff
Mark Grady

1. Topic: Pension Board Retiree Election -- Discussion

Discussion took place on current retiree election process. Mickey Maier stated that if a Board member wanted a change in process, it needed to be submitted to the Committee and then the full Board for consideration. Monique Taylor indicated she would take the lead on researching and submitting alternatives to the current electronic and telephonic process.

2. Topic: Forms and Letters -- Discussion

Marian Ninneman questioned guidance on which changes to ERS forms and letters the Board needed to approve. Mickey Maier said only forms and letter changes that required discussion and Board approval were those that could potentially impact or alter interpretation of Ordinance or Pension Board Rules.

3. Topic: Option 7 -- Discussion

Currently the fee assessed to members for calculation of an Option 7 benefit is \$50. ERS has requested an amendment to Pension Board Rule 1035(a) allowing ERS to recoup all costs associated with calculating this benefit option. Board Rule will be amended and presented to full Board at the June 20, 2012 meeting for adoption.

4. Certified Employee Benefit Specialist (CEBS) Designation -- Discussion

Monique Taylor requested that all courses for obtaining the Certified Employee Benefit Specialist designation be included as an eligible Pension Board training expense. Keith Garland stated that he preferred to defer this decision to the full Pension Board.

5. Topic: FAS Calculation – Number of Pay Periods -- Discussion

The Committee discussed the audit findings related to the administrative practice ERS follows regarding the utilization of consecutive bi-weekly pay periods to constitute the appropriate number of years when calculating final average salary and the inclusion of an adjustment for a potential leap year in five year averages, but not three year averages. The Committee discussed the issue and agreed that no adjustment should be made for potential leap years. Mark Grady will draft Board Rule to clarify the periods to be used for the FAS calculation.

6. Topic: PSO Form – Discussion

ERS presented an updated PSO form. The Board approved immediate use of this new form.

7. Topic: Option 6 – Discussion

After discussion of exactly when the 120 month period begins when a backdrop is elected, it was agreed that a board rule will be drafted for consideration at the Pension Board meeting. The Committee agreed that the 10 years of guaranteed payments should begin on the member's retirement date rather than on the member's backdrop date, but should be actuarially adjusted to reflect the backdrop selection and period.

8. Topic: ERS Check Register – Discussion

Monique Taylor asked for clarification on process ERS follows when purchasing goods and services such as furniture. Mickey Maier indicated that items are included in the annual budget that the Board approves. The ERS Manager is responsible for administering the budget, and a quarterly check register is presented to the Board for review and questions.

9. Topic: ERS Open Positions Update

Monique Taylor requested an update on the ERS positions lost during the 2012 County budget process. Marian Ninneman indicated that there had been no changes to staff levels and did not anticipate getting any of the positions back during 2012.

10. Meeting was adjourned at 2:45 p.m.



Marian Ninneman
ERS Manager