

**Milwaukee County Employees' Retirement System (ERS)**

**Pension Budget, Audit and Compliance Committee Meeting**

**MINUTES**

**Call to Order:**

Guy Stuller, Chairman, called the Audit Committee Meeting to order at 1:00 pm, on 5-6-10, in the 2<sup>nd</sup> Floor/Commission Room (210) of the Milwaukee County Courthouse, at 910 North 9<sup>th</sup> Street, Milwaukee, WI 53233.

**Roll Call:**

**Board Members Present:**

Guy Stuller  
Keith Garland  
Marilyn Mayr

**Others Present:**

David Arena  
Steve Huff  
Mark Grady  
Dale Yerkes

Four (4) handouts were provided to the Audit Committee members and others:

- Pension Board Meetings Cost Comparison
  - Revised Rule 1013 Optional Forms of Payment
  - Loss of Pension Due to Fault or Delinquency
  - Revised Rule 1036 Election of Retiree Member of Board
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**1. Topic: Direct Deposit – Mandatory Compliance**

The recent history of the ERS Direct Deposit program was reviewed. Participation in the program increased from 84% in 1984 to 97% in 2010, primarily through an aggressive marketing campaign. Currently, approximately 206 retirees receive paper checks each month. Conservatively, the annual cost to ERS for these 206 checks is \$10,000. Direct Deposit remains an expeditious and secure method of delivering retiree monthly pension payments.

The current Board Rule mandates Direct Deposit for all new retirees. This rule exempted pre-existing retirees. ERS recommended a Board Rule mandating 100% Direct Deposit for all retirees. ERS also recommended that a two-month transition period, in order to market the new rule, offer individual outreach and assist retirees with banking difficulties.

The Audit Committee supported the Direct Deposit proposal in principle and recommended that the proposal be brought to the full Pension Board.

Dave Arena directed Dale Yerkes to set up a meeting with Wells Fargo to discuss this topic with them.

## **2. Topic: Pension Board Meetings – Location & Food**

Discussion took place concerning the monthly Pension Board meeting costs and location. It was noted that the Board previously met at other locations and utilized other food services, and there had been difficulties at them.

The general discussion centered on the need for professional accommodations, the fact that even other county facilities will generally cross-charge ERS, the need for public access, the availability of parking and the cost of incidentals, including food. The Zoofari was discussed as an alternate site for future consideration.

ERS agreed to do a cost comparison of the Marcus Center to the Zoo location without having lunch.

## **3. Topic: Options 1 & 6 – Post-retirement beneficiary**

Buck Consultants previously stated that there would be no fiscal impact to allowing members who are receiving benefits under options 1 or 6 to change beneficiaries after retirement, due to the calculation of benefit being based on the retiree's life expectancy and not on the beneficiary's life expectancy.

The committee agreed with this rule change and recommended bringing a revised paragraph (2)(a) of rule 1013 to the full Pension Board for approval.

## **4. Topic: Loss of Pension – Fault of Delinquency**

A discussion of the reasons for the loss of pension was had. Guy noted that this only affects deferred vested pensions.

The committee recommends repealing rule 806 and keeping rule 805 unchanged.

## **5. Topic: Board Rule 1034: Retiree Election**

A discussion was had regarding the need to change rule 1034 because the current rule requires paper ballots for the election. The Pension Board approved only using a phone method of electing the retiree member, starting in 2010. Therefore, rule 1034 needs to be changed to allow the use of the phone method.

6. Topic: **The Audit Committee adjourned at 2:30 PM**

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Submitted by  
Dale A. Yerkes  
Fiscal Officer Assistant