

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

Call to Order

Chairperson Vera Westphal called the Audit Committee to order at 1:35 p.m. on Thursday, April 2, 2015 in the Commission Room (210) of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI 53233.

Board Members Present:

Laurie Braun
Dr. Brian Daugherty
Aimee Funck
D. A. Leonard
Gregory Smith
Vera Westphal

Others Present:

Mark Grady
Steven Huff
Marian Ninneman
Vivian Aikin

1. Topic: Disability Earning Limits – Discussion

The Retirement Office asked the Committee to consider a change to the annual disability earnings limit review. Ms. Aikin explained that under the current administrative process, Accidental Disability retirees who have not reached age 70 are required to provide ERS with copies of their tax returns to confirm any earned income. Some retirees are reluctant to provide this information resulting in an administrative burden (multiple written requests, phone calls and possible suspension of benefits). As an alternative, ERS could require ADR retirees to complete IRS Form 4506 (*Request for Copy of Tax Return*) or 4506-T (*Request for Transcript of Tax Return*) authorizing our direct communication with the IRS for retiree tax information. Mr. Huff provided copies of these forms for the group to review. After discussion, the Committee unanimously agreed to move ahead with use of the IRS Forms in 2016 to ease administrative difficulty as well as create a more transparent process.

2. Topic: Annual Report Timeline – Discussion

Ms. Ninneman updated the Committee on the status of the 2014 outside audit and provided a timeline for the 2014 Annual Report. She also advised the group that the valuation file for Buck has been completed and a great deal of clean up was done. Mr. Smith and Dr. Daugherty shared their recent experiences with corporate audits. In response to a question about the appropriateness of continued use of Baker Tilly, Mr. Grady explained that it was the responsibility of the Milwaukee County Audit Director, Jerome Heer, to select the outside auditor.

3. Topic: Annual Meeting Agenda - Discussion

Ms. Ninneman distributed a draft Agenda for the Pension Board's April 15th Business and Annual Meeting. The Committee concluded that there was a need for Larry Langer of Buck Consultants to be added to the Business Meeting agenda. Mr. Huff distributed drafts of handouts ("*2014 Accomplishments and Events*" and "*The Role and Structure of the Pension Board*") for the Annual Meeting. Committee members made several suggestions for changes to the documents.

The Audit Committee meeting adjourned at 2:25 p.m.