

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

Call to Order

Chairperson Vera Westphal called the Audit Committee meeting to order at 1:30 p.m. on Thursday, June 2, 2016 in the Commission Room (210) of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI 53233.

Board Members Present:

Laurie Braun
D. A. Leonard
Vera Westphal

Others Present:

Erika Bronikowski Steve Huff
Jim Carroll Marian Ninneman
Mark Grady Vivian Aikin

1. Topic: Posthumous Membership Account Refund

Seeking guidance from the Committee, Ms. Ninneman described a scenario in which a non-vested terminated ERS member died without requesting a Membership Account refund. After discussing the pros and cons of refunding the member's contributions posthumously, the Committee authorized Ms. Ninneman to decide on the best course of action in this specific case.

2. Topic: Rule 1054-Retention of Amounts Held in Membership Account

Mr. Huff presented the Committee with a draft revision to ERS Rule 1054 and reviewed the necessity for clarification. As a practical matter, a member's contributions for different periods of employment are merged and cannot be separated. The group discussed specifics of the Ordinance regarding absence from ERS-covered employment for a period of time. The Committee directed Mr. Huff to modify certain language in the draft Rule revision for presentation to the full Pension Board on June 15th.

3. Topic: Review of Disability Retirement Process

Mr. Carroll began his presentation by summarizing the three major disability retirement categories under discussion: eligibility standards, mental injury claims and offsets. Discussion at today's meeting centered on the "any job" and "single accident" standards for accidental disability applications. Mr. Carroll recommended clarifying both standards via ERS Rule since a prior Pension Board was responsible for interpreting them originally. The Committee members asked Mr. Carroll to continue the discussion with the full Pension Board at the June meeting; he will present Rules at that meeting to cover the any job and single accident standards.

4. Topic: Roles and Responsibilities

The Committee discussed the appropriate procedure to ensure the Pension Board's opinion on issues are represented at County Board proceedings. A variety of views were shared on how best to accomplish this. Mr. Grady shared his view that a Pension Board member should be present to comment on behalf of the Board. Mr. Carroll suggested that the next time this situation arises discussion should take place to reach consensus on how to proceed. However, for the June 15th Finance Committee meeting, Mr. Carroll will be present to share the Pension Board's opinion. The Committee members also agreed that the full Pension Board needs to consider potential changes to the quarterly Statement of Economic Interest filing. The group discussed additional subjects under this topic including staff representation at Pension Board meetings, updating the Roles and Responsibilities document, and methods for distributing documents to Pension Board members.

5. Topic: Administrative Errors

Ms. Ninneman advised the Committee that there were no corrections to report at this time.

The Audit Committee meeting adjourned at 3:45 p.m.