

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

Call to Order

Chairperson Vera Westphal called the Audit Committee meeting to order at 1:35 p.m. on Thursday, September 8, 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
James Carroll
Steven Huff
Marian Ninneman
Vivian Aikin

1. Topic: 2017 Budget

Ms. Ninneman distributed a draft of the preliminary 2017 budget. Also included in the draft was information on the 2016 actual year-to-date vs. the approved 2016 budget as well as 2015 actual figures. The group asked for and received additional information on several specific line items in the budget. The budget will be finalized after the 2017 County Budget is adopted.

2. Topic: 415 Limit Determination Methods

Ms. Ninneman and Mr. Huff reviewed the administrative and legal issues concerning Internal Revenue Code Section 415 limits. The Audit Committee agreed that a new Rule was needed to specify (1) use of the Buck method for all new retirees and (2) apply the Buck method to future payments of past Mercer calculations in a way that accrued benefits are not reduced. The Committee requested a draft Rule for review at its October meeting and indicated the Rule will require a fiscal review.

3. Topic: Retiree Election

Ms. Ninneman shared a suggestion she received from a retiree regarding the timing of future retiree Pension Board elections. In the recent election, there was a period of almost 4 weeks between the election announcement in *The Communicator* and the start of voting. A shorter "lag time" was recommended as a way to increase voter participation. Committee members endorsed this idea. Mr. Leonard shared the many negative comments he received from retirees regarding the use of 7 digits of their social security number in the voting log in process. Ms. Ninneman committed to working with the vendor to find an alternative identifier for future voting. Ms. Ninneman also shared the results of the recently-concluded retiree member election. David Zepecki was the winner with 54% of the votes cast and will take his seat effective November 1st. Ms. Ninneman also remarked on the disappointingly low number of retirees voting: 252 votes cast out of 7866 eligible retirees.

4. Topic: Change in Disability Status After Periodic Review

Ms. Ninneman advised the Committee that periodic reviews of disability retirees have begun. She shared a concern that one of the requirements established in ERS Rules 1025 and 1028 would need to be addressed. In both Rules, the "*procedure for terminating pension upon recovery from disability*" references the County's lay-off recall system which no longer exists. Alternatives are being investigated and will be shared with the Committee in the near future.

5. Topic: "Any Job" Disability Criteria

With the Pension Board's recent decision to widen the geographic area for the ADR "any job" standard, the County program administered by Sue Chase cannot provide the in depth vocational

assessment now required. Ms. Ninneman discussed a proposal from Managed Medical Review Organization ("MMRO") to provide vocational assessments to include a transferable skills analysis, labor market survey and functional capacity evaluation. MMRO's services will thoroughly evaluate if applicants meet the any job standard and also provide them with helpful information on their job skills. The Committee agreed with this course of action.

The Committee voted unanimously to enter into closed session to discuss Agenda item 6, Structure of Mandatory Contributions, and Agenda item 7, Administrative Corrections. Returning to open session after discussion, the Committee took no action.

The Audit Committee meeting adjourned at 3:10 p.m.