

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

Call to Order

Chairperson Vera Westphal called the Audit Committee to order at 9:00 a.m. on Thursday, November 13, 2014 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
Amy Pechacek
Vivian Aikin

Milwaukee County Risk Management Manager Amy Pechacek joined the meeting at 9:05 a.m. and the Committee decided to discuss Agenda item 3 first.

3. Topic: Medical Review Board - Discussion

At the request of Chairperson Vera Westphal, Ms. Pechacek provided the Committee with an overview of her department. She shared background on the County's recent change to a third party administrator for Worker's Compensation/Risk Management services and explained the benefits of the change. Ms. Pechacek advised the Committee of a recent meeting with representatives of Aurora Health Care and their renewed interest in providing medical review services for ERS. A partnership between Risk Management and ERS in cases of potential fraud was also discussed. The Committee agreed that ERS should begin the process of selecting a new Medical Board.

1. Topic: Roles and Responsibilities - Discussion

Mr. Huff presented an informational outline that discussed the roles of the County Board, County Executive, Pension Board and the ERS Manager/Retirement Office. The Committee discussed the sometimes overlapping roles of each group and also ideas on what the role the Pension Board could play to aid ERS in its mission of serving ERS members.

2. Topic: Disability Processing – Discussion

Ms. Ninneman provided the Committee with an update on outstanding disability cases.

4. Topic: Appeal Process - Discussion

Mr. Huff distributed a revised version of the non-disability appeal procedure. The Committee agreed that this process should be codified and presented to the full Pension Board as an ERS Rule at the November Board meeting.

5. Topic: Membership Account Forfeiture – Discussion

A revised draft of proposed Rule 1054 was provided by Mr. Huff. He also summarized responses to a series of questions previously raised by Ms. Westphal. The group discussed how the proposed Rule would impact the Option 1 pension benefit that allows a member to elect to receive a reduced pension in return for his or her beneficiary receiving the difference between the benefit paid to the member and the balance of the member's membership account. Rule 1054 will be presented to the full Pension Board at a future meeting. The Option 1 benefit will be added to the Future Topics list for continued discussion.

6. Topic: Authorized Signer List – Discussion

The need for an authorized signer list for ERS was initially discussed at the October 15th Pension Board meeting. Since existing ERS Rule 1044 deals with a similar issue, proposed amendments to that Rule were discussed. The Committee recommended bringing amended Rule 1044 to the full Pension Board at the November meeting.

7. Topic: 2015 Pension Board Budget – Discussion

The Committee tabled discussion of next year's budget to the December meeting.

The Audit Committee meeting adjourned at 11:05 a.m.