

**Milwaukee County Employees' Retirement System (ERS)
Pension Budget, Audit, And Compliance Committee Meeting
MINUTES**

Call to Order

The Audit Committee was called to order, Wednesday, July 3, 2013 at 1:30p.m. by Vera Westphal in the Commission Room (210) at the Milwaukee County Courthouse at 901 North 9th Street, Milwaukee, WI 53233.

Board Members Present:

Laurie Braun
John Michael Maier
Dean Muller
Vera Westphal

Others Present:

Charles Bares, Baker Tilly
Darlene Middleman, Baker Tilly
Wayne Morgan, Baker Tilly
Steven Huff, Reinhart
Theresa Diaz
Daniel Gopalan
Mark Grady
Marian Ninneman

1. Topic: Baker Tilly Audit Update – Discussion

Wayne Morgan and Darlene Middleman from Baker Tilly discussed the progress of the audit for the 2012. They explained the auditors' responsibilities and the actual scope of the audit. They also discussed new accounting policies in effect for 2012, specifically GASB 63, which relates to financial reporting of deferred inflows and outflows of resources, and the net position of the plan.

Wayne and Darlene then discussed their comments on internal control and related accounting matters. They discussed the retention of participant information and forms, benefit payments, the actuarial file, and risk assessment. They offered recommendations to improve the processes and increase internal controls.

Wayne then went over a draft version of the annual report. The auditors are planning to issue their opinion report in late July. Wayne then went on to discuss the upcoming GASB 67 & 86 pronouncements that will go into effect for the 2014 fiscal year.

2. Topic: Birth Certificates and Other Documents

The committee discussed the legality of copying vital records. Steven Huff explained that under Wisconsin Statute, it is a Class 1 felony to copy birth certificates. The committee discussed alternative ways of verifying a member's and spouse's date of birth. The recommendation was made to amend Pension Board Rule 1039 allowing ERS management to approve alternative forms of verification. This will be presented to the full Pension Board at its meeting July 17, 2013.

3. Topic: Retiree Election – Update

Update on retiree election were provided. Only one retiree submitted nomination papers; therefore, no election will be necessary.

4. Topic: Effect of Contribution Refund Requests on Survivor Benefits – Discussion
ERS Management indicated that they had received a request from a beneficiary asking for a refund of the required contribution. This case is unusual in that the member also has an adult child who was completing his final two weeks of school. It was noted that if the contributions were refunded, the child would not receive a benefit. The committee agreed that the child should receive a benefit through August and possibly beyond if education were continued.

5. Meeting adjourned at 3:15 p.m.

Marian Ninneman
ERS Manager