

**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, September 4, 2013 at 1:30 p.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
Aimee Funck
Mickey Maier
Vera Westphal

Others Present:

Theresa Diaz
Steven Huff, Reinhart
Daniel Gopalan
Marian Ninneman

1. Vendor Requests for Proposals – Discussion

As vendor contracts expire, ERS typically issues requests for proposals (RFP). Two service areas will undergo the RFP process this Fall – investment consultant and pension fund custodian. The committee discussed the process and the availability of an outside consultant to assist in the process. This will be discussed further at the September Board meeting.

2. BNY Proposed Fee Schedule – Discussion

Daniel Gopalan informed the committee that BNY had proposed the implementation of a new fee schedule. In a subsequent conversation, they have agreed to hold with their current fee schedule through December 31, 2013. Requests for proposals for custodial services will be requested. Marquette will be asked to assist in preparation of search materials.

3. V3 Pension System Change Order – Backdrop Modification – Discussion

The pension information system vendor submitted their cost estimate to modify the system and bring into compliance with Ordinance. The committee supports the use of a manual calculation until the system can be modified. Mickey Maier requested that the Retirement Office undergo a periodic internal audit.

4. 2014 Budget – Discussion

The 2014 budget timeline was presented for discussion. The committee agreed with the schedule and process.

5. \$2000 Death Benefit Ordinance – Discussion

The Retirement office is looking for guidance on the payment of the \$2000 death benefit. Specifically, would the death benefit still be payable to a beneficiary if the accumulated required contributions exceeds the \$2000 death benefit. The committee requested additional information from the Retirement office. Discussion will continue at a future Audit Committee meeting.

6. Use of ERS/OBRA service Credits for Retirement – Discussion

The committee discussed whether an ERS member could use OBRA credits for vesting or the calculation of benefits. The Pension Board has adopted Rules to clarify unclear Ordinance sections and the Audit Committee will recommend that the Pension Board approve an amended Rule 305 clarifying the practice of excluding OBRA service credit from ERS.

7. VCP – Possible Additions – Discussion

The Audit Committee discussed the addition of ERS member pension benefit corrections to the Voluntary Compliance Program. Discussion will continue at a future meeting.

Meeting adjourned at 3:15 p.m.



Marian Ninneman
ERS Manager