

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

Call to Order

Audit Committee Chair, Vera Westphal, called the meeting to order at 1:30 p.m. on Wednesday, October 2, 2013 in the DHR Commission Room, Room 210, Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee Wisconsin.

Board Members Present

Laurie Braun (arrived at 1:35 p.m.)
Aimee Funck
Mickey Maier
Dean Muller (arrived at 1:43 p.m.)
Vera Westphal

Others Present

Mark Grady	Daniel Gopalan
Steven Huff	Theresa Diaz
Marian Ninneman	Vivian Aikin

1. Topic: \$2000 Death Benefit – Discussion

Continuing the discussion from its September meeting, the Committee agreed with the analysis of Attys. Grady and Huff that the intent of County Ordinance is to provide both the \$2000 lump sum death benefit and a refund of the Membership Account balance in the event of a member's death. Ordinance sections 201.24 (6.3) and (3.5) were cited. The Committee will recommend that the full Board approve a Rule clarifying how the benefit is to be paid.

2. Topic: 2014 Budget – Discussion

Marian Ninneman and Dan Gopalan presented a preliminary draft of the 2014 ERS budget for discussion. Ms. Ninneman provided cost information on the possible upgrade to the latest version of the V3 computer system and additional programming made necessary by the backdrop calculation changes.

3. Topic: Actuarial Services Contract – Discussion

Ms. Ninneman explained that ERS would propose continuation of Buck's contract on a month-to-month basis through July 2014 to avoid any disruption to actuarial services during the valuation period. The Committee agreed with this strategy.

4. Topic: 2014 Proposed Meeting Dates – Discussion

Ms. Ninneman presented the schedule of proposed meeting dates for next year. Ms. Braun raised the possibility of modifying the Annual Meeting format to include attendance of current County employees. The Committee considered several suggestions including a survey of active employees to gauge their level of interest. ERS staff will follow up on these suggestions and report back to the Committee.

5. Topic: Deferred Retirement Application/Early Process – Discussion

Per Milwaukee County Code of General Ordinances Chapter 201.24§4.5(4) "if a member has at least fifteen (15) years of service, he may request the board to authorize commencement of his deferred vested pension as of his 55th birthday". The Retirement office is requesting guidance on what process should be used for Pension Board authorization prior to the start of an early deferred pension. Mr. Huff will draft a proposed Rule for the Committee to consider. A general question was also raised regarding whether the 5% per year reduction is still the appropriate percentage. Ms. Ninneman indicated she would raise this question with Buck's Larry Langer.

6. Topic: Early Retirement Reduction Percentage – Discussion

The County Board has changed the normal retirement age to 64 (instead of 60) for most employee groups. ERS would like direction on how this change is to be applied to members requesting early retirement at age 55 as permitted by Ordinance. For example, could a member retire at age 55 with a 45% monthly benefit reduction? Mr. Maier recommended ERS consult with Buck to see if there is any cost to the fund before deciding if any action is needed. Ms. Ninneman will follow up with Buck and report back to the Committee.

The meeting adjourned at 2:34 p.m.

A handwritten signature in cursive script, appearing to read "Marian", followed by a long horizontal flourish line extending to the right.

Marian Ninneman
ERS Manager