

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE
MINUTES OF THE JULY 27, 2016 PENSION BOARD MEETING

1. Call to Order

The Chairman called the meeting to order at 8:30 a.m. at the Marcus Center for the Performing Arts, 929 North Water Street, Milwaukee, WI 53202.

2. Roll Call

Members Present

Laurie Braun (Vice Chair)
Daniel Byrne
Norb Gedemer
Michael Harper
D.A. Leonard
Vera Westphal
Dr. Brian Daugherty (Chairman)

Members Excused

Linda Bedford
Aimee Funck
Patricia Van Kampen

Others Present

Marian Ninneman, Director-Retirement Plan Services
James Carroll, Assistant Corporation Counsel
Steven Kreklow, Milwaukee County Budget Director
Vivian Aikin, Sr. Pension Analyst
Tina Lausier, Fiscal Officer
CJ Pahl, Budget and Management Coordinator, Office of the Comptroller
Scott Darling, President/Portfolio Manager, American Realty Advisors
Jon Lulu, Director, Marketing & Client Service, American Realty Advisors
Brett Christenson, Marquette Associates, Inc.
Steven Huff, Reinhart Boerner Van Deuren s.c.
Jessica Culotti, Reinhart Boerner Van Deuren s.c.
Clay Ecklund, Milwaukee County Employee
Scott Griffin, Retiree
David Stokes, Former Milwaukee County Employee
Janice Reed, Retiree
Louis Elder, Attorney for Ms. Reed
Andrew Wendt, Retiree
Susan Born, Milwaukee County Employee
Renee Cottier, Milwaukee County Employee
David Gardison, Former Milwaukee County Employee
Marquis Johnson, Former Milwaukee County Employee
Patrick Walker, Former Milwaukee County Employee
Dennis Hughes, AFSCME Council 32
Mark Grady, Retiree

3. Minutes—June 15, 2016 Pension Board Meetings

The Pension Board reviewed the minutes of the June 15, 2016 Pension Board meeting.

The Pension Board unanimously approved the minutes of the June 15, 2016 Pension Board meeting. Motion by Mr. Leonard, seconded by Mr. Harper.

The Chairman then explained that counsel and Ms. Ninneman must leave at 11 a.m. to attend another meeting. Therefore, the Board will take the agenda out of order and next discuss appeals in open session.

4. Appeals—Open Session Discussions

The Chairman first invited the appellants to address the Board in open session.

(a) Scott Griffin

In open session, Mr. Griffin thanked the Pension Board for the opportunity to appear and appeal his accidental disability retirement ("ADR") pension start date. Mr. Griffin explained that Attorney Peter Stanford is representing him regarding his appeal. Mr. Griffin noted Mr. Stanford could not attend today's meeting but indicated he conferred with Mr. Stanford via telephone prior to today's meeting.

Mr. Griffin indicated the Pension Board should have received the documentation regarding his appeal and stated he had some additional questions for Ms. Ninneman. Mr. Griffin then reported that he and Mr. Stanford have reviewed ERS Rule 1027(1), which describes when a member eligible for a disability pension shall be entitled to receive his disability pension. Mr. Griffin stated the letter he received from Retirement Plan Services ("RPS") dated May 13, 2016 indicates the final date he was employed by the County was January 16, 2016. Mr. Griffin noted January 16, 2016 was the end of a pay period and asked Ms. Ninneman if the end of a pay period is always the date used by RPS for calculating an ADR pension.

Mr. Huff then explained to Mr. Griffin that Ms. Ninneman is present to answer questions posed by the Pension Board. Mr. Huff further noted that all questions asked today will appear on the record. However, as stated in the letter from the Pension Board, questions regarding Mr. Griffin's appeal must be submitted by the stated deadline so that RPS can respond accordingly.

Mr. Griffin argued that his question pertains to common information regarding past practices and precedents cited in the May 13, 2016 letter and other documentation he received from RPS.

Mr. Huff reiterated to Mr. Griffin that all questions asked today will be part of the appeal record. If the Pension Board has questions for Ms. Ninneman, the Pension Board could call Ms. Ninneman into closed session to ask such questions.

Mr. Griffin then restated his question and asked whether it is past practice and a standard precedent for RPS to use the pay period end date, not the check date, for calculating the start date of an ADR pension. Mr. Griffin stated that when his ADR pension was originally calculated, the date RPS used was the last day he received his paycheck from the County and not the pay period end date. Mr. Griffin explained that he received his last paycheck from the County on April 9, 2015 and the first time his ADR pension was calculated, April 10, 2015 was listed as his pension effective date. Mr. Griffin argued the effective date for his ADR pension is now being calculated differently and RPS is using the actual pay period end date, not the actual date his final paycheck was issued. Mr. Griffin stated he has his original retirement paperwork that he reviewed during an appointment with Ms. Ninneman and retirement specialist, Susanna Mayer. Mr. Griffin noted his retirement paperwork indicates his last day of work was April 9, 2015, which was the last date he was paid. Mr. Griffin stated he did not fill out his retirement paperwork and suggested either Mses. Ninneman or Mayer entered that information.

Mr. Griffin then stated he believes the issue regarding his ADR pension start date relates to a simple overpayment. Mr. Griffin explained that he previously appeared before the Pension Board to appeal the denial of his ADR pension and his ADR pension was unanimously approved by the Board on January 20, 2016. Mr. Griffin stated he completed and signed his retirement paperwork at the RPS office on January 22, 2016 with Mses. Ninneman and Mayer present. On January 28, 2016, Mr. Griffin stated he received the first payment for his 2016 vacation time via direct deposit to his bank account. Mr. Griffin then argued that RPS is now using the 2016 vacation payment as a basis for stating his pension start date must be changed. Mr. Griffin also argued that because he signed his retirement paperwork on January 22, 2016, he was retired as of that date. Mr. Griffin stated he received a telephone call on March 25, 2016 from Carol Coates who advised him the payroll department had just received notification of Mr. Griffin's retirement. Therefore, according to Mr. Griffin, Ms. Coates advised him that the \$1,200 vacation payment for 2016 had been issued in

error. Mr. Griffin agreed to refund the \$1,200 vacation payment. Mr. Griffin stated he was in the process of repaying the \$1,200 when he alleges Ms. Ninneman contacted him sometime in May 2016. Mr. Griffin reported that Ms. Ninneman advised him that his pension start date was calculated incorrectly because of the 2016 vacation payment.

Mr. Griffin continued by alleging that Sue Drummond from the payroll department confirmed the \$1,200 refund was complete and she advised Mr. Griffin that a refund check was on her desk ready to be issued. Mr. Griffin also explained that ERS owed him a refund check at that time for health care insurance premiums he paid out of pocket during the ten months he was absent without pay. According to Mr. Griffin, Ms. Drummond advised him that his health care insurance premium reimbursement check would be reduced by the \$1,200 vacation overpayment. However, Ms. Drummond also allegedly advised Mr. Griffin she was instructed by Ms. Ninneman to hold his health care premium reimbursement check because of another issue. Mr. Griffin further stated that Ms. Ninneman contacted him on May 10 or 11 of 2016 to advise that his pension was calculated incorrectly and his start date would be changed from April 10, 2015 to January 17, 2016. Ms. Ninneman also advised Mr. Griffin that he would be responsible for reimbursing any pension overpayment.

In response to a question from Mr. Huff regarding any additional documents he may wish to submit, Mr. Griffin submitted a copy of his final pay stub from April 9, 2015. Mr. Griffin added that the April 9, 2015 pay stub illustrates his pension payment was originally calculated based on the date he received his final paycheck and was not based on the pay period end date.

In response to a question from Mr. Leonard, Mr. Griffin clarified he was not sending a check to the payroll department to reimburse the \$1,200 vacation overpayment. Instead, Mr. Griffin alleges that it was agreed his \$1,200 vacation overpayment would be offset from his health care insurance premium reimbursement check.

The Chairman called for additional questions and there were none.

The Chairman thanked Mr. Griffin for appearing before the Board. The Chairman explained that Mr. Griffin would be notified in a timely manner of the Board's determination in writing if he did not wish to wait for the Board to return from closed session.

(b) David Stokes

In open session, Mr. Stokes thanked the Pension Board for the opportunity to discuss his appeal and indicated he is representing himself.

Mr. Stokes summarized his view of the circumstances regarding his appeal. Mr. Stokes explained his appeal relates to service credit dating back to a time in the 1980s when he was categorized as a contract employee by Milwaukee County. However, Mr. Stokes claimed the term contract employee was defined inaccurately relative to his position. Mr. Stokes alleges he was initially hired as a "Project Architect" in 1987 by the Opportunities Industrialization Center of Greater Milwaukee ("OIC-GM"). However, Mr. Stokes claims he did not realize he was hired by the OIC-GM until he received his first paycheck. Mr. Stokes alleges he was first interviewed for the position of Project Architect in 1987 at the Milwaukee County Courthouse by the County's then Central Services Director, Thurman Dansby, and other officials in the Department of Public Works. Mr. Stokes claims he was subsequently hired as a Project Architect. Mr. Stokes claimed he never met or dealt with anyone in the OIC-GM and his daily attendance, supervision and management were all administered by Milwaukee County staff.

Mr. Stokes next alleged the County Board ordered Milwaukee County to cease its practice of hiring contract employees in 1988 following a review in 1988 by the law firm of Borgelt, Powell, Peterson and Frauen. Mr. Stokes claimed that subsequent to the County Board's 1988 decision, all contract employees considered essential to Milwaukee County operations were hired as County employees. Mr. Stokes reported he was then hired as a Milwaukee County employee in 1988. Mr. Stokes alleged his employment then "transferred" to Milwaukee County as his job title changed from "Project Architect" to "Building Project Coordinator." Mr. Stokes stated that he served the County honorably and passionately for 15.5 years. Mr. Stokes explained, however, that his first year of service was excluded as earned service credit in ERS because he was classified as a contract employee through his 1987 employment with OIC-GM. Mr. Stokes stated that according to ERS records, his total years of vested service equal 14.5 years, which is 6 months short of the required 15 years to receive paid retiree health insurance. Mr. Stokes argued that his 15.5 total years of service to the County should receive equal consideration to that of many of his peers employed through the Comprehensive Employment Training Act ("CETA") and Emergency Employment Act ("EEA") programs in which the County participated. Mr. Stokes claimed that former CETA and EEA employees working in identical positions to his own were

granted service credit in ERS for the time they were employed as contract employees through CETA and EEA. Mr. Stokes noted he worked on renovations to install air conditioning in the County courthouse building and subsequently held a number of other positions within the County. Mr. Stokes alleged his 1987 employment with OIC-GM was never a matter of consequence to anyone he worked for at the County.

Mr. Stokes suggested that ERS Corporation Counsel previously dealt with other similar matters and referred to an audit performed in June 1987 by the Audit Committee. Mr. Stokes claims that Corporation Counsel and the Audit Committee referred to legal opinions rendered by outside counsel and other similar cases the courts previously ruled on, including a court case regarding contract employees from the Medical College of Wisconsin who had their employment with Milwaukee County backdated to their initial hire date following the court's decision. Mr. Stokes alleged the court's prior ruling regarding the Medical College employees set some type of precedent. Mr. Stokes also suggested that when the Pension Board addressed a similar issue related to CETA and EEA employees in the 1980's, the Pension Board ruled favorably on behalf of the larger pool of approximately 90 CETA and EEA employees. Mr. Stokes alleged the Board did not extend its analysis or make any determination related to the group of individuals employed through OIC-GM because fewer individuals were affected. Mr. Stokes stated he believes the specific issue the Pension Board addressed during its review of the CETA and EEA employees related to the definition of an employee under Milwaukee County Ordinance 307. Mr. Stokes alleged the Pension Board only dealt with the narrowest issue before it and did not apply its decision more broadly, perhaps because there were no plaintiffs with the OIC-GM service involved at that time. Mr. Stokes stated that to his knowledge, there have been no other reviews or rulings by the Pension Board on behalf of other ERS employees with OIC-GM service who may be in a similar situation as himself.

Mr. Stokes concluded his remarks by requesting that the Pension Board grant him credit for the service he fairly and justly earned. Mr. Stokes stated he is a Milwaukee County resident and taxpayer who served the public well. Mr. Stokes stated he is not asking the Pension Board to grant him anything he did not rightfully earn, and asked the Pension Board to grant him credit for the six months of service he needs to receive retiree health insurance for himself and his family. Mr. Stokes noted he was eligible for retirement on May 26, 2016; however, he has been unable to complete his application because the application requires him to declare whether he is applying for retiree health insurance.

In response to a question from Ms. Braun, Mr. Stokes confirmed he received the annual employee statements from ERS that reported his earned service credit in ERS and advised him to contact the RPS office if he had questions. Mr. Stokes stated he knew the amount of his service credit and understood why, under the circumstances and rules he was short one year of service credit. Mr. Stokes added that while the County's review of the matter relative to CETA employees was ongoing, he and other individuals remained hopeful that any outcome would also rule favorably in regards to OIC-GM employees. Mr. Stokes stated he personally contacted several County Board supervisors throughout the years to ask why the County Board was not taking any action relative to past service with OIC-GM employees. Mr. Stokes claimed that every time he inquired with the County Board, he was advised the Pension Board had the authority to take action on the matter. Mr. Stokes then stated he had no reason to come to the Pension Board or monitor its actions relative to OIC-GM employees and, he had almost forgotten about the issue until he received notification from ERS he was eligible for retirement.

Ms. Braun then asked Mr. Stokes to confirm her understanding of his response by reiterating that as Mr. Stokes continued to receive his annual statements, he did not think it was imperative to contact RPS because he believed the issue with his prior OIC-GM service would eventually be resolved.

Mr. Stokes answered Ms. Braun by indicating he has records and memorandums he can provide to the Pension Board which indicate he previously raised this issue with certain Milwaukee County supervisors and other individuals at the County. Mr. Stokes stated this issue was of great concern to him and other similarly affected employees who knew at some point this matter must be addressed. However, Mr. Stokes stated while he was still actively working and not yet ready to retire, the issue was not urgent for him.

The Chairman called for additional questions and there were none.

The Chairman thanked Mr. Stokes for appearing today and explained that Mr. Stokes will be notified in a timely manner of the Board's determination in writing if he did not wish to wait for the Board to return from closed session.

Mr. Stokes indicated that he will accept the Board's written response.

In response to a question from Mr. Stokes, Mr. Huff stated the Pension Board's decision will be final. Mr. Huff also explained to Mr. Stokes that if denied, he may appeal the Pension Board's decision to the circuit court.

(c) Janice Reed

In open session, the Chairman welcomed Ms. Reed. Attorney Louis Elder then introduced himself as Ms. Reed's representative, noting he is also a retiree and former assistant corporation counsel for Milwaukee County.

Mr. Elder explained to the Board that Ms. Reed is seeking to obtain relief for the monthly payment she is making to ERS for her pension overpayment. Mr. Elder alleged the overpayment was the result of an administrative error made by the County for which Ms. Reed was not at fault. Mr. Elder stated that according to the information he received from RPS, Ms. Reed received a backDROP payment on March 31, 2015 for \$168,300.69. Mr. Elder stated Ms. Reed was later informed by ERS that her correct March 31, 2015 backDROP payment should have been \$84,610.29, a difference of \$83,609.40. Mr. Elder then noted the County initially sought reimbursement of the \$83,609.40 overpayment made to Ms. Reed, plus interest in the amount \$3,072.55. Mr. Elder then reported Ms. Reed had a total amount of \$62,340.06 remaining from her \$168,300.69 backDROP payment. Ms. Reed subsequently refunded the \$62,340.06 and is now responsible for refunding the remaining excess overpayment, plus interest, in the amount of \$39,784.16.

Mr. Elder continued, explaining that Ms. Reed's monthly retirement benefit is \$1,612.18. However, ERS informed Ms. Reed that her monthly retirement benefit would be offset by 50% until she repays the overpayment in full. With the 50% offset in effect, Ms. Reed is now left with a monthly net retirement benefit of \$629.01. Mr. Elder stated that Ms. Reed must now pay her monthly rent and bills, and buy food, clothing and necessities from only \$629 a month because of a mistake made by ERS. Mr. Elder explained to the Board that Ms. Reed does not dispute that ERS is entitled to recoup the overpaid amount. However, Ms. Reed is requesting a reduction to the 50% monthly offset because she cannot afford to pay her monthly expenses on \$629 a month. Mr. Elder noted that Ms. Reed is currently surviving with the help of friends and family. Mr. Elder then suggested Ms. Reed could file bankruptcy because the overpayment is likely a dischargeable debt. However, Ms. Reed has advised Mr. Elder that she only wishes to seek a reduction to the 50% offset amount. Mr. Elder noted that he has advised Ms. Reed it would likely take approximately four to five years to repay the amount at the 50% offset rate. Ms. Reed has stated that she can afford to reimburse \$100 per month. Ms. Reed even

advised Mr. Elder she has a life insurance policy she would sign over to the County to pay the debt to avoid filing bankruptcy. Mr. Elder acknowledged that Ms. Reed may need to return to work but stated should not have to because of an error made by ERS. Mr. Elder reported that Ms. Reed previously underwent knee surgery and returning to work would be difficult, if not impossible. Mr. Elder expressed concern that similar errors have occurred with other ERS retirees who must also refund overpayments with 5% interest. Mr. Elder remarked that he is concerned he may also one day receive a similar letter from ERS asking him to refund an overpayment. Mr. Elder argued there should be a statute of limitation on such action but noted Ms. Reed just retired in January 2015.

The Chairman thanked Mr. Elder for his comments and called for questions from the Board.

Ms. Braun explained to Ms. Reed she sympathizes with her situation and understands Ms. Reed did not cause the error. However, Ms. Braun observed that Ms. Reed received backDROP and monthly benefit payments that were double the amount Ms. Reed expected to receive based on the calculations RPS previously provided to her. Ms. Braun then asked Ms. Reed to describe her thought process once she received these unexpected amounts. Ms. Braun also asked Ms. Reed whether she felt any obligation to contact ERS to report the overpayments.

Ms. Reed acknowledged she noticed the overpayments but felt at the time she had done nothing wrong. Ms. Reed further explained she had followed all of the rules and filed all of the proper paperwork with RPS.

In response to a follow up question from Ms. Braun, Ms. Reed stated she did not simply keep the additional money and engage in a spending spree on herself. Ms. Reed indicated that she helped a lot of unfortunate people with the money. Ms. Reed added that she was the reason RPS learned of the overpayment because she contacted RPS to obtain information regarding short-term disability benefits following her second knee surgery in October 2015. Ms. Reed alleged that had she not called about her short-term disability, the overpayment would have continued to go unnoticed by RPS.

Mr. Elder then questioned why the Pension Board appeared to be placing all of the blame on Ms. Reed and ignoring the fact that the initial mistake was made by ERS. Mr. Elder also asked what actions the Pension Board is taking to ensure RPS is held accountable and does not continue to make these types of errors.

Ms. Braun expressed agreement with Mr. Elder's statement that there needs to be more accountability from RPS.

In response to a question from Mr. Leonard, Mr. Elder confirmed that Ms. Reed has agreed to fully repay the overpaid amount, but is asking for a reduction to the current 50% monthly offset amount. However, Mr. Elder argued that because the mistake was initially made by ERS, Ms. Reed should not have to pay any interest on the overpayment. Mr. Elder also asked the Pension Board to consider Ms. Reed's offer regarding her life insurance policy.

The Chairman thanked Ms. Reed and Mr. Elder for appearing before the Board.

(d) Andrew Wendt

Mr. Wendt addressed the Board in open session. Mr. Wendt indicated he has previously communicated with Mr. Carroll via e-mail to ask certain questions and to send Mr. Carroll a copy of his 2014 ADR application. Mr. Wendt explained that he is asking for his pension to begin as of February 6, 2014 instead of February 6, 2016. Mr. Wendt stated he received a letter from Mr. Carroll on July 26, 2016 via e-mail and noted the letter references Rule 1027. Mr. Wendt indicated he has not heard of Rule 1027 before and has not yet had the time to look into it. Mr. Wendt stated he believes the issue with his pension start date relates to the fact that he was compensated through vacation and personal time in 2014 and 2015. Mr. Wendt stated it is his understanding that annual vacation and personal time is granted to employees who work at least one day of the year. Mr. Wendt alleged he did not work in 2014 or 2015 and was absent without pay in 2014 and 2015. Mr. Wendt stated he paid for his own health insurance in 2014 and 2015 and was living on deferred compensation payments and a settlement he received from his insurance company.

Mr. Wendt continued, explaining he inquired about the delay in his case through numerous e-mails and telephone communications with Ms. Ninneman and Mr. Grady at ERS. Mr. Wendt stated that when he inquired why he had heard nothing from ERS for two years regarding his situation, it was explained to him that ERS was in the process of changing medical review providers. Mr. Wendt stated that had he known the process would take so long, he would have "gone further" with workers' compensation, because he believes Risk Management made a "big mistake." Mr. Wendt reported he has consulted with an attorney, and alleges the attorney agrees with his assessment but also advised him it would be in Mr. Wendt's best interest to "let the workers' compensation go

and just continue on," because "of the award of the duty disability or the max amount of disability retirement." Mr. Wendt also noted that Mr. Carroll advised him via e-mail correspondence that the workers' compensation matter is now with the new risk management company. Mr. Wendt concluded his remarks by stating he is appearing today to answer any new questions that may have arisen.

The Chairman called for questions and there were none. The Chairman then thanked Mr. Wendt for appearing before the Board.

(e) Clay Ecklund Appeal

In open session, Mr. Ecklund introduced himself and stated Dennis Hughes is acting as his representative. Mr. Hughes introduced himself as a union representative from the American Federation of State, County and Municipal Employees ("AFSCME") Council 32.

Mr. Hughes summarized his view of the circumstances regarding Mr. Ecklund's appeal. Mr. Hughes stated Mr. Ecklund's appeal relates to an ongoing issue regarding a purchase of service credit and noted there are 13 other individuals in a similar situation to Mr. Ecklund. Mr. Hughes stated Mr. Ecklund was in the process of attempting to purchase 9.5 years of service credit through four equal installment payments at a total cost of \$28,485.05. Mr. Ecklund completed his first installment payment in 2007 of approximately \$7,000 and used funds from his Milwaukee County Plan of Deferred Compensation ("457 Plan") account to make the payment. When Mr. Ecklund attempted to make his second installment payment, Mr. Ecklund was allegedly advised by Mr. Grady he could not make another payment until ERS received further guidance from the IRS. Mr. Hughes alleged Mr. Ecklund was not offered any other options to complete his purchase of service, such as making cash payments. Mr. Hughes then noted there have recently been certain retroactive changes made to the Ordinances because of a recent ruling ERS received from the IRS in terms of how to move forward on situations involving purchases of service credit. Mr. Hughes argued that the retroactive Ordinance changes now in effect would make Mr. Ecklund's payments from his 457 Plan account allowable.

Mr. Hughes then claimed that when Mr. Ecklund was first offered the option to purchase his service, he began investing 25% of his annual wages into his 457 Plan account to make the four installment payments. Mr. Hughes alleged Mr. Ecklund invested the additional funds so he could purchase his service when ERS unilaterally stopped accepting such payments. Mr. Hughes further claimed that ERS's suspension order created

a financial burden for Mr. Ecklund because he had already transferred additional funds into his 457 Plan account to prepare for the additional installment payments. Mr. Hughes noted those funds remain in Mr. Ecklund's 457 Plan account. Mr. Hughes stated that ERS initially offered Mr. Ecklund the option to purchase his service credit, Mr. Ecklund accepted ERS's offer and subsequently began making the installment payments. Therefore, Mr. Hughes argued Mr. Ecklund has a legal right to continue making these payments and should be allowed to complete his purchase of service. Mr. Hughes noted he also discussed Mr. Ecklund's situation with the County Board at last week's Finance Committee meeting. Mr. Hughes asked that the County Board and Pension Board work together to create some type of solution for the 14 affected individuals. Mr. Hughes suggested the Pension Board could establish a Rule that would apply only to the 14 individuals allegedly ordered to suspend their purchases of service. Mr. Hughes further suggested the new Rule could apply only to these 14 individuals and allow them to complete their purchases of service. Alternatively, Mr. Hughes suggested ERS could pay the 14 affected individuals 5% interest on any funds ERS previously withheld for their purchases of service credit. Mr. Hughes indicated he understood the option to pay 5% interest on withheld funds was recommended by the Pension Board and approved by the IRS.

In response to a question from Mr. Huff, Mr. Hughes clarified the 5% interest option was recommended by the Pension Board and approved by the IRS but requires County Board approval to move forward. Mr. Hughes suggested a decision on the matter could be made at the July 2016 County Board meeting or held over for another cycle.

Mr. Ecklund then addressed the Pension Board. Mr. Ecklund stated when he was initially offered to purchase his service credit his sole intention was to purchase those 9.5 years. Mr. Ecklund explained that he was looking forward to completing his purchase of service credit and once the payments were ordered to cease, he offered to purchase the service with a cash payment. Mr. Ecklund alleged he was willing to take out a loan so he could complete a lump sum cash payment. Mr. Ecklund stated that throughout the approximately 9 years this matter has been ongoing, he has received little contact from anyone at ERS regarding the status of the IRS review. Mr. Ecklund explained that he would telephone RPS or Mark Grady approximately every six months for an update. Mr. Ecklund noted that Mr. Grady always took the time to speak with him. However, Mr. Ecklund alleged Mr. Grady always told him nothing could be done and he could make no additional payments, by any method, until the IRS issued its ruling. Mr. Ecklund stated he also spoke via telephone with Vivian Aikin

at RPS. Mr. Ecklund alleged Ms. Aikin also advised him that nothing further could be done until the IRS issued an official ruling. Mr. Ecklund noted he communicated with RPS and Mr. Grady via telephone and did not engage in any e-mail correspondence. Mr. Ecklund claimed he asked if he could make a lump sum payment but was never provided that as an option. Mr. Ecklund explained that he began working for the County as a seasonal employee in 1987 and did not become a full time employee until 1999. Mr. Ecklund stated he worked over 2,040 hours per year for each of the last six years he was considered a seasonal employee. Mr. Ecklund asked that he be allowed to have a pension like other employees who have worked for the County and have been allowed to purchase service credit.

In response to questions from Mr. Huff, Mr. Ecklund alleged he would have made a lump sum payment as soon as he was told he could have made a lump sum payment. Mr. Ecklund further alleged that if he was told he could make a lump sum payment in 2008, he would have made a lump sum payment in 2008 by taking out a loan.

In response to a follow-up question from Mr. Huff, Mr. Ecklund confirmed he received correspondence from RPS, dated July 20, 2007, informing him that his next installment payment was due on or before June 14, 2008. However, Mr. Ecklund alleged that was also around the same time he was notified by ERS that his payments were being frozen because of the IRS review. Mr. Ecklund noted he does not have the letter with him today describing the freeze and does not recall the exact date he received such notification from ERS.

Mr. Huff then observed that the July 20, 2007 letter Mr. Ecklund received from RPS states his next installment is due on or before June 14, 2008. Mr. Huff also observed the July 20, 2007 letter does not reference any type of freeze or provide any information relative to Mr. Ecklund's 457 Plan account.

Mr. Ecklund indicated he would have made another installment payment from his 457 Plan account by June 14, 2008, but claimed he was advised he could not do so.

In response to a follow-up question from Mr. Huff, Mr. Ecklund clarified that he would have made a payment by June 14, 2008 either from his 457 Plan accounts or with cash via a loan. Mr. Ecklund reiterated that he wanted to make a lump sum payment but was allegedly told numerous times that ERS must first wait for the IRS to issue a ruling.

Mr. Hughes then explained that Mr. Ecklund made his first installment payment of just over \$7,000 with funds from his 457 Plan account. However, Mr. Hughes claimed when Mr. Ecklund attempted to make another installment payment from his 457 Plan account on June 14, 2008, he was told he could not do so. Mr. Hughes further alleged Mr. Ecklund was not offered the option to pay with cash in 2008, and Mr. Hughes claimed that making a lump sum cash payment at that time would have also violated Rule 207. Mr. Hughes stated Mr. Ecklund should have been offered the option to make cash payments going forward. Once Mr. Ecklund completed his remaining installment payments, Mr. Hughes argued he would have been in the same situation as the other approximately 200 retirees who were part of the situation recently corrected by certain retroactive Ordinance changes.

Mr. Ecklund reiterated that when he was told his 457 Plan account payments were suspended, he allegedly offered to take out a loan and sell stock to pay the remaining balance. Mr. Ecklund stated that he always intended to complete the purchase of service but was waiting for the IRS to issue a ruling. Mr. Ecklund again claimed he had called RPS and Mark Grady repeatedly to ask if the IRS has issued a ruling. Mr. Ecklund stated the time it took the IRS to finally issue a ruling was ridiculous. Mr. Ecklund stated as he was getting closer to retirement, he wondered whether the entire process would delay his retirement date. Mr. Ecklund concluded his remarks by asking that he have the same opportunity as other ERS members to purchase service and be granted a pension for the time he spent working for Milwaukee County.

The Chairman called for further questions and there were none. The Chairman then thanked Messrs. Ecklund and Hughes for appearing before the Board.

Following the open session discussions of appeals, Ms. Braun moved that the Pension Board adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(f) with regard to item 4 for considering the financial, medical, social or personal histories of the listed persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of those persons, and may adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(g) with regard to item 4 for the purpose of the Board receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation. At the conclusion of the closed session, the Board may reconvene in open session to take whatever actions it may deem necessary concerning these matters.

The Pension Board agreed by roll call vote 7-0 to enter into closed session to discuss agenda item 4. Motion by Ms. Braun, seconded by Mr. Gedemer.

Mses. Ninneman, Aikin, and Lausier recused themselves from and left the room during the closed session discussion of agenda item 4.

The Pension Board discussed agenda item 4 in closed session. After returning to open session, the Pension Board resumed its regular agenda schedule.

5. Investments

(a) American Realty Advisors

Scott Darling and Jon Lulu of American Realty distributed a booklet containing information on the real estate investment management services provided by American Realty for ERS. Mr. Lulu introduced himself as the Director of Client Service for American Realty. Mr. Lulu then introduced Mr. Darling as the President of American Realty who also serves as the Portfolio Manager for the American Core Realty Fund ("Core Realty Fund").

Mr. Lulu first provided an update of the firm. American Realty focuses solely on institutional real estate investments and has approximately \$7.3 billion in total assets under management ("AUM"). Approximately \$5 billion of AUM is in the Core Realty Fund. Continued strong interest from investors in the Core Realty Fund has resulted in moderate net growth relative to inflows and new clients. Mr. Darling has been managing the Core Realty Fund since its inception and the composition of the investment team remains stable. There have been no changes to senior management at the firm and no changes are anticipated. American Realty invests capital on behalf of 426 institutional investors from across the country, including ERS. American Realty has ten offices located nationwide and is headquartered in Los Angeles. American Realty avoids conflicts of interest with its clients and no litigation has resulted from any of its client relationships.

Mr. Lulu next discussed American Realty's fundamental investment principles. Income is the focus of the core real estate strategy. American Realty believes that two-thirds of returns should result from current cash flow from its operations. American Realty invests exclusively in high-quality offices, warehouses, retail and apartment buildings in major geographic markets across the United States. American Realty views its

portfolio construction as a collection of high-quality tenants as much as a collection of high-quality real estate assets. American Realty believes the greatest opportunities from a risk-adjusted perspective lie with tenants uniquely positioned in globally competitive industries in major metropolitan markets across the country.

Mr. Darling continued with a discussion of the Core Realty Fund. The Core Realty Fund is a large, diversified, open-end, comingled fund that invests directly in high-quality commercial real estate in major metropolitan areas across the U.S. The conservatively-managed Fund provides highly-diversified exposure to private market commercial real estate. American Realty views its Core Realty Fund as a data-oriented product that provides index-like exposure, with lower risk and volatility relative to the overall benchmark. American Realty employs a disciplined use of leverage and, as of March 31, 2016, its loan-to-value ratio was at 17.7%. Approximately 98% of the portfolio's assets are located within 23 top metropolitan markets across the U.S. American Realty adheres to very selective criteria relative to its property type and does not invest in riskier specialty properties such as hotels, senior housing and public storage. Attractive investment characteristics include high-quality credit tenants in dynamic markets that appeal to the broadest possible segment of American Realty's target tenant base.

Mr. Darling then summarized ERS's investment as of March 31, 2016. ERS made an initial commitment of \$30 million to the Core Realty Fund in 2011. Approximately \$25.5 million of that capital was drawn in 2011 and the remaining \$4.5 million in 2012. Over that relatively short period of time, ERS's investment has earned just under \$19 million in net income and appreciation. ERS elected to take approximately \$8.4 million in total cash distributions, resulting in an ending net asset value of approximately \$40.4 million. Mr. Darling noted the Fund's performance since inception has been well above average, in what has been an exceptional period for high-quality commercial real estate investing. Gross performance in the Fund has been near or above 13% since inception on January 3, 2011. The Fund's total net return since inception is at 11.92% and at 12.24% for the one-year period. However, Mr. Darling cautioned that American Realty expects returns to moderate within the year to more historical norms in the mid-to high single digits. Mr. Darling explained that performance in the Fund tends to track relatively close to the NFI-ODCE Index. However, the Fund's slight underperformance relative to the index can be almost exclusively attributed to the fact that the Fund is underleveraged to the index, in an effort to deliver index-like returns with decreased risk and volatility.

Mr. Darling next discussed the Core Realty Fund characteristics. As of March 31, 2016, the gross asset value of the Fund was \$5 billion and the net asset value \$4 billion. The difference between the Fund's gross and net asset values results from leverage at a ratio of approximately 17.7%.

Mr. Darling noted that American Realty recently completed its 2016 second quarter financing, which will raise the leverage ratio to approximately 20%. The Fund is 92.5% leased and is composed of 844 highly-diversified commercial tenants and 3,484 multi-family units. Per the Fund's mandate, the Fund will always have exposure to industrial, multi-family, retail and office properties in the northern, southern, eastern and western regions of the U.S. These exposure weightings will generally track within a few hundred basis points relative to the index. The largest percentage of the Fund's investments are in New York, Washington D.C., Seattle and Los Angeles. Debt is conservatively managed and is not a material risk in the Fund. American Realty staggers its debt maturity schedule and could repay any debt that matures annually from cash flows generated by the Fund. At 3.5%, the Fund has one of the lowest weighted average cost-to-capital ratios in the NFI-ODCE Index universe, which positions the Fund well from a debt standpoint going forward.

In response to a question from the Chairman, Mr. Darling reported that American Realty recently executed a \$150 million private placement bond offering for its most recent borrowing. Ten-year bonds were offered at 3.75% and twelve-year bonds at 3.85%.

Mr. Darling concluded with a general discussion of recent investments. The diversified portfolio will not be materially affected by the success or failure of any individual investment. Mr. Darling noted that American Realty anticipates an eventual economic slow-down or recession. Due to the large size of the Fund and its private market investments, it can take time to reposition the portfolio. Consequently, American Realty has been de-risking the portfolio over the last 18 months by focusing on assets with strong credit tenants with longer-term lease agreements. American Realty has started to exit its positions in its smaller credit tenants with shorter-term lease agreements. This should allow the Fund to maintain relatively strong performance during a possible future economic downturn.

In response to a question from Mr. Leonard regarding the Fund's investments in the Midwest, Mr. Darling stated Chicago is the predominant institutional investment market in the Midwest. American Realty focuses on the credit of its tenant and is not too concerned about the credit status of Cook County or the State of Illinois. Investing in institutional capital outside of Chicago tends to create pricing volatility and liquidity issues.

Mr. Darling noted that American Realty has invested in the Minneapolis area in the past and will continue to look to that area for future investment opportunities.

In response to a question from Mr. Byrne regarding the Fund's anticipated future income stream, Mr. Darling stated American Realty expects income returns to level out and change as valuations change. Based on current economic conditions, American Realty does not anticipate an increase in income return.

In response to question from Mr. Byrne regarding American Realty's source of valuations, Mr. Darling stated that American Realty removes itself from the valuation process and utilizes an independent third-party valuation manager, Altus Group.

In response to a question from Mr. Byrne regarding the anticipated impact of American Realty's leverage strategy on future returns, Mr. Darling first noted the Fund has historically outperformed the index in market downturns. Mr. Darling next stated that while there will be periods where the Fund is slightly over- or under-leveraged, he anticipates the Fund should be more closely aligned to the index in terms of leverage going forward.

(b) Marquette Associates Report

Brett Christenson of Marquette Associates distributed and discussed the June 2016 monthly report.

Mr. Christenson began with a review of manager status. J.P. Morgan Core Fixed Income remains on notice for organizational issues. Mr. Christenson noted that J.P. Morgan is a high-quality bond manager that has performed well for the Fund. However, following the departures of several senior team members and co-project managers in 2015 and 2016, three analysts also departed J.P. Morgan on July 14, 2016. One of those analysts transitioned to another investment team within J.P. Morgan. However, because of the number of new senior members on J.P. Morgan's bond team, Marquette recommends ERS maintain J.P. Morgan's on notice status and continue to rebalance assets to the fixed income index fund. The Fund's mid-cap growth managers, Artisan Partners and Geneva Capital, both remain on alert for performance issues. Fiduciary Management (now Mesirow) remains on alert for organizational issues due to its recently completed acquisition. GMO small-cap has been terminated for performance issues and replaced with Segall Bryant. Mr. Christenson stated he has the contracts today for Segall Bryant that he will submit once

executed by the Chairman. The transition to Segall Bryant should be completed in August 2016.

Mr. Christenson next discussed policy differentials. The Fund's fixed income composite has a current allocation of 16.8%. A total of \$50 million in assets has been transferred from J.P. Morgan Core Fixed Income to the Mellon Index Fund since May 2016, leaving a remaining balance of \$175 million with J.P. Morgan. Mr. Christenson explained that if the Board should decide to terminate J.P. Morgan, liquidating the remaining \$175 million would be a significant transition to manage, as those remaining funds are allocated among a number of bonds. Mr. Christenson noted that Marquette will present an educational overview of the general issues involved with transition management at the next Investment Committee meeting. The Fund's U.S. equity composite is currently at 24.9% versus the 25% target allocation and is well-positioned. Mesirow and Silvercrest, the Fund's small-cap value U.S. equity managers, comprise 6% of the U.S. equity composite. Mr. Christenson noted the Fund's U.S. equity composite is overweight to small and mid-cap relative to the Wilshire 5000 benchmark. However, this overweight has been positive and small-cap has performed well year-to-date. The Fund's international equity composite is currently at 18.7%, with 11.7% of that allocated to the Northern Trust ACWI Ex-US fund ("NTGI ACWI"). Approximately 3.6% of the NTGI ACWI is allocated to emerging markets and the Fund also maintains a dedicated emerging markets manager, OFI, with a current allocation of 3.1%. Mr. Christenson noted the over allocation to emerging markets in international equity relative to the index have performed well for the Fund. The Fund recently shifted approximately half of its hedged equity assets to its newly-hired hedged equity manager, Parametric. Parametric is an S&P 500 put and call product and is performing well. ABS is struggling under hedged equity, and active managers in general continue to struggle with performance issues. The real assets in the portfolio under real estate, infrastructure and private equity remain bright spots in the portfolio.

Mr. Christenson continued with a discussion of net-of-fees performance as of June 30, 2016. The total Fund composite is up at 2% year-to-date, relative to the custom benchmark at 2.2%. Performance of the total U.S. equity composite is at 2.1% year-to-date, versus the Wilshire 5000 at 4%. Mr. Christenson noted that despite being well-positioned, returns under the U.S. equity composite have been disappointing as active managers continue to struggle with performance. Mr. Christenson suggested if all U.S. equity active managers were performing in line with the Wilshire 5000, the Fund's overall year-to-date return would likely be closer to 2.35%. Mesirow's year-to-date return is disappointing at 1%, versus the Russell 2000 Value

index at 6.1%. Boston Partners' year-to-date return is also disappointing at 1.3%, versus the Russell 1000 Value index at 6.3%. Silvercrest is performing relatively well year-to-date at 5.9%, versus the Russell 2000 index at 6.1%. Artisan Partners and Boston Partners each continue to struggle somewhat with performance. Boston Partners is a long-time manager for the Fund and has historically been one of the most consistent large-cap value managers. However, performance of Boston Partners is now also being affected by the extended challenging active management market environment. Mr. Christenson suggested that it may be advisable to transfer more assets to the index manager if active management underperformance continues. Mr. Christenson noted Marquette will continue to address this topic at future meetings.

The international equity composite is at -0.7% year-to-date, versus the MSCI ACWI index at -1.0%. Under the hedged equity composite, ABS underperformed in the first quarter of 2016 and continued to underperform through the volatile market downturn resulting from Brexit. ABS is down -8.3% year-to-date, versus the HFRX Equity Hedge Index at -3.9% and the Russell 3000 at 3.6%. Mr. Christenson noted that ABS tends to protect capital well in market downturns but miss significantly in market upswings. Marquette believes that hedged equity should earn approximately 80% of the long-only broad market benchmarks. With the MSCI ACWI benchmark up at 1.2% year-to-date, this would suggest to Marquette that ABS should have a return in the range of 0.8% to 1% year-to-date. Mr. Christenson recommended the performance issues relative to ABS be addressed in greater detail at future Investment Committee meetings. Marquette is very pleased with Parametric's performance, low fees and liquidity. Parametric is up at 3.3% year-to-date, versus the -3.9% HFRX Equity Hedge Index and the S&P 500 at 3.8%. The Fund's real estate composite is up at 3.9% year-to-date versus the 3.8% custom real estate benchmark. Mr. Christenson noted that ERS invested in American Realty, Morgan Stanley and UBS in 2008 and 2009, a time when independent appraisers were marking down real estate assets in these high-quality funds by 20% to 30% despite insignificant tenant defaults. When ERS was interviewing its real estate managers in 2008 and 2009, the more conservative manager in the core space, UBS, had the most favorable returns. As of June 30, 2016, Morgan Stanley has the highest four-year return at 13.9%, with UBS at 9.7% and American Realty at 11.1%. Marquette believes ERS should maintain a high-quality, portfolio that is well-positioned to withstand any type of market correction or recession. Mr. Christenson indicated he believes ERS has constructed a high-quality real estate portfolio over the last five years and is not taking on risk in fixed income.

Ms. Braun then questioned an apparent discrepancy between the net returns reported today by American Realty versus American Realty's net returns as reported in Marquette's June 2016 monthly update. Ms. Braun noted the net returns presented by American Realty are significantly higher.

Mr. Christenson noted that Marquette reconciles real estate returns quarterly. Mr. Christenson advised Ms. Braun he will research the matter further and provide a detailed response at the next Investment Committee meeting.

In response to a question from Mr. Byrne regarding any restrictions for liquidating the Fund's real estate assets, Mr. Christenson confirmed that ERS can exit these investments and receive the full amount of capital appreciation. However, ERS has quarterly full redemption rights and the Fund's real estate managers can opt to place a queue on outflows at any time. However, in the last 30 years, the 2008 financial crisis was the only time such queues went into effect with the Fund's real estate managers.

Mr. Christenson next reported that the former Chief Investment Officer and lead portfolio manager of Vontobel, Rajiv Jain, has partnered with Pacific Current Group to launch his own firm. Mr. Jain launched Global Quality Growth ("GQG") Partners on June 1, 2016 and began trading June 3, 2016. Mr. Jain has 100% voting control in GQG Partners and is responsible for all investments. GQG Partners currently employs a Chief Executive Officer, Chief Compliance Officer, general counsel and four analysts. Mr. Jain is offering the same three strategies and investment philosophy with GQG which he previously offered through Vontobel.

Mr. Christenson concluded with a discussion of asset allocation. After undergoing lengthy analysis and discussion with Marquette, the Pension Board approved changes to the Fund's asset allocation policy in December 2015. The changes adjusted fixed income to 18% and real estate to 8.5%. However, subsequent to the December 2015 approval, the Pension Board learned the Fund's investments in "common stock" must be limited to 75% of total assets per the Ordinances. The Fund's current asset allocation policy only provides a 1.5% buffer to the 75% equities limit. Therefore, ERS must now remain very close to its current targets in fixed income and real estate. After additional study, Marquette is recommending the Board approve a change to Portfolio Option A as described in its July 1, 2016 asset allocation analysis. Portfolio Option A would reduce the Fund's target allocation to hedged equity from 10% to 8.5% and increase the Fund's real estate target allocation from 8.5% to 10%. Portfolio Option A provides a 28% overall target to bonds and real estate, which Marquette believes is a comfortable threshold for maintaining the required 75% limit.

Mr. Christenson noted that according to Marquette's summary of portfolio characteristic analysis, a change to Portfolio Option A continues to improve the Fund's average annualized 10-year return, from 7.26% under the current policy, to 7.31% under Portfolio Option A. Mr. Christenson asked the Board to consider approving a change to Portfolio Option A today, and noted such change would slightly improve the Fund's overall risk/return profile from the current asset allocation.

In response to a question from Mr. Byrne regarding return projections referenced in Marquette's asset allocation analysis, Mr. Christenson explained that Marquette's projections are based on an internal simulation program. Marquette's projection model first performs a forward simulation of spreads of triple-B bonds to Treasuries, projecting where the 10-year Treasury rate will be.

In response to a follow-up question from Mr. Byrne, Mr. Christenson explained that Marquette's projection model runs a historical Monte Carlo simulation based on current interest rates and spreads. The projection model then runs each individual asset class against the outcome data to illustrate how each asset class has historically performed in similar current environments. Mr. Christenson noted he would distribute documentation detailing Marquette's projection modeling process to the Board members and can discuss additional questions relative to that information at a future meeting.

Ms. Braun and the Chairman observed that Portfolio Option A doubles the current 1.5% buffer and will require less monitoring of the Fund's asset allocation.

The Chairman called for additional questions and there were none.

The Pension Board unanimously approved changing ERS's current asset allocation to Portfolio Option A, as recommended and presented by Marquette Associates in its July 1, 2016 Asset Allocation Analysis. Motion by Mr. Byrne, seconded by Mr. Gedemer.

6. Investment Committee Report

There was no Investment Committee report because the July 11, 2016 Investment Committee meeting was cancelled.

7. Audit Committee Report

Ms. Westphal reported on the July 14, 2016 Audit Committee meeting. The Audit Committee began with discussions of 10-year certain beneficiaries and interest on overpayments due to death. Ms. Westphal explained RPS staff previously requested guidance from counsel and the Audit Committee on these matters. Ms. Westphal noted to the Pension Board that discussions on these topics are detailed in the July 14, 2016 Audit Committee meeting minutes. Ms. Westphal explained to the Board that the issues were resolved and conformed to ERS Rules and past practices.

The Audit Committee continued with a discussion of pensionable earnings for shift differential pay. RPS staff informed the Audit Committee that the County Payroll Department does not include shift differential pay in pensionable earnings when providing this information to RPS staff. The Audit Committee determined further investigation of the issue is required and will revisit the matter at future Committee meetings.

The Audit Committee then discussed possible appeal time limit discrepancies between Rule 1016 and Rule 1026. Ms. Westphal explained to the Pension Board that after further review of the matter, the Audit Committee determined there was no issue and County Ordinances were being properly followed. Ms. Westphal asked the Board members to direct further questions on the matter to Messers Carroll and Huff.

The Audit Committee next discussed non-vested deferred payments. RPS staff alerted the Committee to approximately 12 cases in which it appears non-vested deferred members may have been granted pension benefits in error. After further discussion of the matter, it was agreed that RPS staff will provide additional details for discussion at a future Audit Committee meeting.

The Audit Committee then discussed Internal Revenue Code ("Code") 415 limit determination methods. Mr. Huff described the requirement for qualified plans to test for limitations on benefits and contributions under Code Section 415. Prior to 2006, ERS's former actuary, Mercer, created charts for ERS to use for 415 testing purposes. In 2006, Buck Consultants ("Buck") replaced Mercer and Buck utilizes a different 415 testing method. Mr. Huff suggested the Pension Board may wish to consider creating a new Rule to clarify which method ERS should use for 415 testing. The Committee requested additional information before making a recommendation on the matter to the Pension Board.

The Audit Committee concluded with a discussion of administrative corrections. RPS staff alerted the Committee to a matter involving a retiree granted an ordinary disability retirement ("ODR") pension in 2012. However, after adjustments to the individual's service credits following the District Council 48 ("DC 48") furlough settlement, RPS staff discovered the member may not have the 15-years of service required to receive an ODR pension.

8. Request for Proposal—Application Development and Support Services

Ms. Ninneman discussed the application development and support services request for proposal ("RFP"). Ms. Ninneman indicated the Joxel Group has been providing application development and support services to ERS since January 2009. ERS recently extended its contract with the Joxel Group to a three-month statement of work extension. Ms. Ninneman stated she prepared a comprehensive RFP to perform a search for another firm that may be interested in providing application development and support services to ERS. However, after discussing the RFP with the County's Chief Information Officer, Ms. Ninneman was advised that the County's Information and Management Services Division ("IMSD") may have alternative solutions in mind. Ms. Ninneman advised the Board that the RFP has been put on hold while alternative solutions are explored by IMSD.

9. Actuarial Valuation—Approval on Updated Final Version

Ms. Ninneman discussed the updated final version of ERS's January 1, 2015 actuarial valuation report. Ms. Ninneman first noted that in 2015, ERS had to comply with certain financial reporting changes required under Governmental Accounting Standards Board ("GASB") Statement 67. The GASB 67 changes were incorporated in ERS's actuarial valuation. To comply with the GASB 67 changes, the Pension Board voted on January 21, 2015 to approve utilization of the roll forward method for its reporting method. Milwaukee County is now required to comply with certain financial reporting changes under GASB 68 for 2016. When the County began implementing GASB 68 changes, it determined it needed to use the non-roll forward method to complete its financial reporting. Ms. Ninneman then asked the Pension Board to reconsider its January 21, 2015 decision to use the roll forward method. Instead, Ms. Ninneman asked the Pension Board to consider approving the use of the non-roll forward method for completing ERS's 2015 actuarial valuation report and future financial reporting. Ms. Ninneman explained that under

the non-roll forward method, actual data will be used as of January 1, 2015 instead of budgeted data.

In response to a question from the Chairman, Ms. Ninneman confirmed the roll forward method and non-roll forward methods are both allowed under GASB 67. However, for purposes of conforming with the County's financial reporting, the County has asked ERS to prepare its financial reports using the non-roll forward method. If the change to reporting method is not made, ERS must prepare two separate valuation reports annually.

In response to a request from Ms. Westphal and the Chairman, Ms. Lausier confirmed she would discuss the effect the changes the non-roll forward method will have on ERS's 2015 annual report in detail during today's Fiscal Officer Report.

The Pension Board voted unanimously to reverse its January 21, 2015 decision to use the roll forward method and approve utilization of the non-roll forward actual data method for financial reporting required under GASB 67 and in completing the updated final versions of ERS's January 1, 2015 actuarial valuation report and ERS's 2015 annual report. Motion by Mr. Gedemer, seconded by Mr. Leonard.

10. Disability Retirement Applications

The Chairman first invited any disability applicants present to address the Board in open session.

(a) Susan Born

In open session, Ms. Born asked whether she will receive a decision on her application today.

The Chairman and Mr. Carroll indicated that the Board intends to discuss Ms. Born's application later today in closed session. The Chairman explained it could take some time for the Board to complete its various discussion items and advised Ms. Born she would be notified in a timely manner of the Board's determination in writing if she did not wish to wait for the Board to return from closed session.

Ms. Born thanked the Chairman and Mr. Carroll for the information and had no additional questions or comments.

(b) Renee Cottier

Ms. Cottier addressed the Board in open session.

Ms. Cottier explained that she has been diagnosed with Stargardt disease, a hereditary disease causing progressive vision loss. Ms. Cottier stated she is working as a Utilization Review RN and noted her job requires a great deal of reading on the computer. Mr. Cottier indicated that her condition has dramatically affected her life and she has had to reinvent her way of living and working. Ms. Cottier noted she wears an eye patch on one eye so she can read what is directly in front of her. Ms. Cottier explained she also uses a 32 inch monitor with zoom text, but added her condition is progressing to the point where these modifications no longer help. Ms. Cottier asked the Board to consider her age and that her disease is hereditary and progressive.

The Chairman thanked Ms. Cottier for appearing before the Board.

In response to questions from Ms. Cottier regarding timing of the Board's decision, Mr. Carroll agreed to contact Ms. Cottier and any other applicant present via telephone within one day to communicate the Board's decision. Mr. Carroll explained that Ms. Cottier will still receive a written decision from the Board.

(c) David Gardison

Mr. Gardison addressed the Board in open session.

Mr. Gardison first noted he has experienced financial difficulties because he has not received a paycheck since undergoing back surgery in 2014. Mr. Gardison stated he has lost almost everything and is behind in various payments. Mr. Gardison observed that he physically gave everything he had in his 17 years of service as a Juvenile Correction Officer for Milwaukee County. Mr. Gardison stated he is only 43 years old and does not want to be disabled and unable to work. Mr. Gardison explained he is still experiencing a great deal of pain and noted the back surgery has affected his legs and nerves. Mr. Gardison indicated he feels the County has been treating him unfairly and felt it could do better for an exemplary employee that has served without any issues. Mr. Gardison also indicated that he waited as long as possible before filing for disability retirement. Mr. Gardison further indicated that he wants to work and still hopes the County can find him another suitable job. Mr. Gardison explained that his doctor has stated he cannot return to the type of work he was doing before. Mr. Gardison noted he has no prior experience in clerical positions but is

willing to learn how to do clerical work. Mr. Gardison reported that he failed a test in the County's return to work program for an Office Assistant II position. However, Mr. Gardison indicated he did not believe he would even qualify for an Office Assistant I position. Mr. Gardison remarked that he felt it was wrong and a "set-up" for the County to ask him to apply for Office Assistant positions. Mr. Gardison concluded his remarks by asking the Board to do what it could.

The Chairman thanked Mr. Gardison for appearing today and explained the Board may be in closed session for quite some time.

(d) Marquis Johnson

Mr. Johnson addressed the Board in open session.

Mr. Johnson introduced himself as a former Juvenile Correction Officer with Milwaukee County and noted he worked in that position for 14 years, 6 months and 1 day. Mr. Johnson stated he was appearing today to respond to what he claimed were "partial truths" in the independent medical examiner's ("IME") report from Managed Medical Review Organization, Inc. ("MMRO") regarding his ADR application. Mr. Johnson claimed he reported two separate injuries in his ADR application he filed on May 12, 2015. Mr. Johnson also claimed there were inaccuracies in the IME's report which "barely scratched the surface" of both reported injuries. Mr. Johnson explained that he sustained a patella tear in his left knee and also suffers from tarsal tunnel syndrome resulting from an injury he sustained on January 25, 2011 to his right ankle. Mr. Johnson indicated he has experienced consistent sharp, shooting and searing pain throughout the last five years due to his ankle injury. Mr. Johnson also indicated that he experiences pain in his knee from the patella tear if he puts too much weight on it. However, it is the pain from his ankle injury that is ongoing and constant. Mr. Johnson reported that he attended special sports physical therapy sessions at Next Level Fitness in Waukesha and wears special orthotics due to his ankle injury. Mr. Johnson indicated that the physical therapy allowed him to regain some flexibility in his ankle and it began to heal. However, Mr. Johnson reported he injured his knee while he was attending the physical therapy sessions for his ankle. Mr. Johnson then stated he then had to put his ankle therapy on hold while he concentrated on rehabilitating his knee. Mr. Johnson stated that he used all of his sick time while he was "fighting all the workers' comp battles." Mr. Johnson further stated he does not currently have a job or medical coverage and cannot afford to pay medical bills.

Mr. Johnson argued that the report from MMRO focuses primarily on the more recent injury to his knee while the 2011 ankle injury is causing him more pain. Mr. Johnson explained that he feels "slighted" whenever he is evaluated by a County-appointed physician because he believes the symptoms he describes during each physical exam are not reported in sufficient detail or are reported inaccurately in favor of the County's interest. Mr. Johnson noted that key doctors he has visited have been left out of the IME's report and that he has reported such exclusions to Mses. Ninneman, Bronikowski and Denise McCaskill before she retired. Mr. Johnson noted he has documentation from every doctor's appointment. Mr. Johnson argued there were inaccuracies in MMRO's report regarding Dr. Joav Kofman. Mr. Johnson explained that he did not see Dr. Kofman for his knee as described in MMRO's report. Mr. Johnson explained that Dr. Kofman is the neurologist who diagnosed his tarsal tunnel syndrome. Mr. Johnson again claimed the IME wrote "partial truths" and did not report his ankle injury in the same detail as his knee injury. Mr. Johnson concluded his remarks by reiterating that key information was excluded from MMRO's report and asked for questions from the Board.

In response to a question from Ms. Westphal regarding workers' compensation benefits, Mr. Johnson stated he received a settlement for his knee injury but noted that workers' compensation benefits for his ankle injury were denied.

Mr. Johnson then explained that he injured his ankle when he slipped and fell at work. Mr. Johnson noted his ankle injury was initially diagnosed as a severe sprain. However, as the years continued the pass, the sharp, searing pain he experienced from his Achilles tendon to his knee remained. Mr. Johnson admitted the pain in his ankle is not constant but occurs suddenly and at least five times a week. Mr. Johnson reported he lost over 50 pounds to help reduce the strain on his ankle. Mr. Johnson also reported he tried massage and acupuncture but the pain in his ankle remains.

Ms. Westphal then observed that the disability application Mr. Johnson completed and signed states he is incapacitated from the injury to his left knee, not his right ankle. Ms. Westphal questioned whether she was reading the application correctly.

Mr. Johnson then claimed he was advised by Ms. McCaskill to put both injuries on his ADR application

In response to a question from Mr. Westphal, Ms. Ninneman stated the individual applicants enter the information on their disability retirement applications and RPS staff does not complete that form.

In response to a follow-up question from Mr. Westphal, Ms. Ninneman confirmed that Mr. Johnson's ADR application is for a torn patella tendon in his left knee.

Mr. Johnson then argued that the injury to both his left knee and right ankle should be included on his ADR application. Mr. Johnson further argued that he listed every doctor he visited for all his injuries on his ADR application.

Ms. Westphal noted the application for disability retirement asks Mr. Johnson to describe his disabling injury and Mr. Johnson indicated on the form "torn patellar tendon in my left knee." Ms. Westphal further noted that Mr. Johnson's signature is on the application for disability retirement dated May 12, 2015.

Mr. Johnson then claimed he filled out another disability retirement application form which states his ankle was the disabling injury and suggested that RPS submitted the wrong paperwork to MMRO. Mr. Johnson further suggested there was some type of "mix up" with his application that occurred while Ms. McCaskill was retiring and ERS was transitioning medical review providers.

In response to a question from Ms. Braun, Mr. Johnson confirmed he believes there are two separate notarized versions of his application for disability retirement and one specifies his ankle injury is the disabling injury. Mr. Johnson also claimed that RPS asked him to resubmit his application for disability retirement. Mr. Johnson stated he would locate the other version of his disability application and submit it for review. Mr. Johnson also stated that RPS should have a copy of the other version of his disability application and asked RPS to review its records and locate a copy.

In response to questions from the Chairman and Ms. Braun, Mr. Johnson stated he believes the two separate versions of his disability retirement application were both filed on May 12, 2015. Mr. Johnson also reported that he has e-mails from Ms. McCaskill confirming she received everything related to his knee and ankle injury. Mr. Johnson noted the e-mail correspondence "may not be formal" but is timestamped and is evidence that Ms. McCaskill was aware there were two entries. Mr. Johnson also claimed that Ms. Bronikowski "knows that this was a two injury thing."

The Chairman called for additional questions and there were none.

The Chairman then thanked Mr. Johnson for appearing and indicated the Board may need to hear from additional applicants and could be in closed session for some time.

(e) Patrick Walker

Mr. Walker addressed the Board in open session.

Mr. Walker first explained that his condition is the result of an accident that occurred in 1996. Mr. Walker noted that although he has been in pain since that time, he has continued to work throughout the years to support his family. Mr. Walker then indicated he reviewed the disability documentation and did not understand certain information from the Medical Board. Mr. Walker noted that he was confused by certain sections referencing accidental and/or ordinary disability retirement that appeared to be highlighted and/or circled.

Mr. Carroll then explained to Mr. Walker the documentation from MMRO indicates the Medical Board recommends Mr. Walker should be denied an ADR pension, but approved for an ODR pension.

Mr. Walker then argued that his injuries and continuing pain result from an accident.

Mr. Carroll stated that is the recommendation of the Medical Board, and he understands Mr. Walker may not agree with the determination. Mr. Carroll noted Mr. Walker is free to explain his position to the Pension Board.

Mr. Walker indicated he was only seeking clarification. Mr. Walker then asked when he might begin to receive payments should the Board approve his application today.

Ms. Ninneman advised Mr. Walker she could not provide him with any estimated date since the Board has not yet voted to approve his disability retirement application. Ms. Ninneman provided general information, noting all checks are issued on the last business day of each month.

The Chairman thanked Mr. Walker for appearing before the Board.

The Chairman next asked if any other applicants wished to present comments to the Board and there were none.

Ms. Braun then moved that the Pension Board adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(f) with regard to item 10 for considering the financial, medical, social or personal

histories of the listed persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of those persons, and may adjourn into closed session under the provisions of Wisconsin Statutes section 19.85(1)(g) with regard to items 10 through 13 for the purpose of the Board receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation. At the conclusion of the closed session, the Board may reconvene in open session to take whatever actions it may deem necessary concerning these matters.

The Pension Board agreed by roll call vote 7-0 to enter into closed session to discuss agenda items 10 through 13. Motion by Ms. Braun, seconded by Mr. Byrne.

The Pension Board discussed all matters listed under agenda item 10, Disability Retirement Applications, in closed session. After returning to open session, the Pension Board made its motions relative to agenda item 10 as follows:

(1) Susan Born

The Pension Board voted unanimously to accept the Medical Board's determination to deny the accidental disability pension application and to accept the Medical Board's determination to approve the ordinary disability pension application. Motion by Mr. Leonard, seconded by Mr. Gedemer.

(2) Joel Castro

The Pension Board voted unanimously to accept the Medical Board's recommendation to deny the accidental disability pension application. Motion by Mr. Gedemer, seconded by Mr. Leonard.

(3) Renee Cottier

The Pension Board unanimously approved granting the ordinary disability pension application based on the Medical Board's determination. Motion by Mr. Leonard, seconded by Mr. Byrne.

(4) David Gardison

The Pension Board unanimously approved granting the accidental disability pension application with periodic review based on the Medical Board's determination. Motion by Mr. Harper, seconded by Mr. Leonard.

(5) Marquis Johnson

The Pension Board voted unanimously to accept the Medical Board's recommendation to deny the accidental disability pension application. Motion by Mr. Byrne, seconded by Mr. Gedemer.

(6) Steven May

The Pension Board unanimously approved granting the accidental disability pension application with periodic review based on the Medical Board's determination. Motion by Mr. Harper, seconded by Ms. Westphal.

(7) Nicole Owens

The Pension Board unanimously approved granting the accidental disability pension application based on the Medical Board's determination. Motion by Mr. Gedemer, seconded by Mr. Harper.

(8) Matthew Schoenherr

The Pension Board unanimously approved granting the accidental disability pension application based on the Medical Board's determination. Motion by Mr. Leonard, seconded by Mr. Gedemer.

(9) Anne Varick

The Pension Board voted unanimously to accept the Medical Board's determination to deny the accidental disability pension application and to accept the Medical Board's determination to approve the ordinary disability pension application. Motion by Mr. Gedemer, seconded by Mr. Leonard.

(10) Patrick Walker

The Pension Board voted unanimously to accept the Medical Board's determination to deny the accidental disability pension application and to accept the Medical Board's determination to approve the ordinary disability pension application. Motion by Ms. Westphal, seconded by Ms. Braun.

In open session, the Pension Board next made its motions relative to agenda item 4, Appeals, as follows:

(1) Clay Ecklund Appeal

The Pension Board denies the appeal by Clay Ecklund consistent with the discretion assigned to the Pension Board by Ordinance section 201.24(8.17) to interpret the Ordinances and Rules of the Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following facts and rationale:

Factual Background.

1. In a letter addressed to the Pension Board and received on December 13, 2005, Mr. Ecklund asked whether he would be permitted to purchase service credit under Rule 207 for his seasonal employment with Milwaukee County between 1987 and 2000.
2. In a letter dated February 7, 2006, Retirement Plan Services ("RPS") informed Mr. Ecklund that he could elect to purchase his service credit in four equal, annual installments. The letter stated that the first payment was due May 6, 2006, and equal payments were due on May 6 in the following three years. Mr. Ecklund did not make a payment in 2006.
3. In a letter addressed to the Pension Board and received on October 16, 2006, Mr. Ecklund asked for a current calculation of the amount required to purchase his service credit.
4. RPS sent an e-mail to Mr. Ecklund on December 19, 2006, confirming that Mr. Ecklund would retain the opportunity to purchase service credit because his request for recalculation was on file before the end of the year. Rule 207 was amended to prohibit applications to purchase service credit after January 1, 2007.
5. In a letter dated March 23, 2007, RPS provided Mr. Ecklund with a recalculation for the purchase of his service credit. The letter

informed Mr. Ecklund that the first payment was due in June 23, 2007, and equal payments were due each subsequent June until all four payments had been made. The letter reiterated that no ERS credit would be awarded until Mr. Ecklund made all the required payments.

6. With a check dated June 8, 2007, Mr. Ecklund made a payment with funds from his Milwaukee County Plan of Deferred Compensation ("457 Plan") account.
7. RPS sent Mr. Ecklund a letter dated July 20, 2007, informing him that his payment had been received and that the next payment was due on or before June 14, 2008. Mr. Ecklund did not make any additional payments toward the purchase of his service credit.
8. According to correspondence from RPS, in January 2008, Mr. Ecklund contacted RPS to inquire whether he could postpone his 2008 payment and make two payments in 2009. Mr. Ecklund told RPS that he would not have enough money from sources other than his 457 Plan account to purchase service credit, and RPS informed him that there was nothing they could tell him.
9. On March 10, 2015, RPS sent a letter to Mr. Ecklund informing him that he would not be able to complete his purchase of service credit because he did not complete the purchase within the time period required by the Ordinances and Rules.
10. According to correspondence from RPS, Mr. Ecklund contacted RPS on March 31, 2015 and claimed that RPS would not accept any additional payments from him after 2007. RPS staff reiterated that in 2008, Mr. Ecklund stated that the only funds that he had available for purchasing service credit were the funds in his 457 Plan account.
11. On April 24, 2015, RPS sent a letter to Mr. Ecklund informing him of his appeal rights. The letter stated that Mr. Ecklund made only one payment with 457 Plan funds and that RPS was not able to accept other payments from Mr. Ecklund's 457 Plan account. The letter also noted that because Mr. Ecklund did not make all required payments within four years, he could not complete the purchase of service credit.
12. On August 12, 2015, Mr. Ecklund sent a letter to RPS, requesting an appeal under Rule 1016.

13. In a letter dated August 31, 2015, the Pension Board informed Mr. Ecklund that his appeal would be heard at the September 16, 2015 Pension Board meeting.
14. However, Mr. Ecklund postponed his appeal and filed a document request in a letter that RPS received on September 8, 2015.
15. RPS sent a letter dated October 22, 2015 to Mr. Ecklund asking for clarification regarding Mr. Ecklund's open records requests. Mr. Ecklund's appeal was then scheduled for the November Pension Board meeting. However, he did not confirm that he would attend the meeting, so his appeal was postponed again.
16. Mr. Ecklund clarified his open records request in a fax to RPS on January 6, 2016.
17. RPS responded to the open records request with a number of documents and a letter dated January 26, 2016.
18. On June 23, 2016, the Internal Revenue Service ("IRS") issued a final compliance statement in connection with ERS's Voluntary Correction Program ("VCP") filing. One of the errors addressed in the compliance statement related to members who began purchases of service credit using 457 Plan funds but did not complete the purchase. The correction method for those errors requires ERS to either transfer the incomplete purchase amounts back to the 457 Plan if the member has a pre-existing account or refund the amounts directly to the affected member.
19. In a letter dated July 7, 2016, the Pension Board informed Mr. Ecklund that his appeal would be heard at the July 27, 2016 Pension Board meeting.
20. Mr. Ecklund appeared before the Pension Board at the July 27, 2016 meeting along with his representative, Dennis Hughes.
21. Mr. Hughes highlighted the history of the buy ins and buy backs and noted that there have been a number of changes to the Ordinances. He also noted that the IRS had been asked for approval to fix errors related to the buy ins and buy backs. Mr. Hughes further noted that there are 14 people in a situation similar to Mr. Ecklund.
22. Mr. Hughes asserted that Mr. Ecklund made his first payment using 457 Plan funds and that when he tried to make a second payment, he was told that would not be allowed to make the payment and was not

offered any other options to make the payment (such as a cash payment). Mr. Hughes stated that the County informed Mr. Ecklund that they needed to wait for guidance from the IRS before moving forward with any payments.

23. According to Mr. Hughes, Mr. Ecklund asked a former corporation counsel attorney, and the attorney said that Mr. Ecklund could not make a payment until the IRS told the County how to move forward. Mr. Hughes noted that the Ordinances were retroactively amended so that Mr. Ecklund would have been allowed to make the payment using his 457 Plan funds.
24. Mr. Hughes stated that Mr. Ecklund began investing 25% of his annual wages in the 457 Plan in order to make the required buy in payments. Mr. Hughes argued that Mr. Ecklund had a legal right to continue making payments and that he should be allowed to continue making payments in fairness and based on his contractual rights.
25. Mr. Hughes asked the Pension Board to come up with a solution to allow the 14 people in Mr. Ecklund's situation to have the option to either take the 5% interest on the money that they already paid toward the purchase of service credit or continue making their payments.
26. Mr. Ecklund asserted that he wanted to make a cash payment when he was not allowed to make a payment with his 457 Plan funds. He claimed that he was going to take out a loan to make the payments and alleged that a corporation counsel attorney told him that he would have to wait for the IRS to make a determination before completing the purchase of service credit. He noted that he would have had to take out a loan for the entire \$28,000 and that he would have done that even though he was making less than \$30,000 per year. He also said he would have sold stock to make the payment. Mr. Ecklund claimed that RPS personnel told him that he could not make any payments using any payment method. However, Mr. Ecklund admitted that he has no record of these conversations, which took place over the phone.
27. Mr. Hughes stated that there are other individuals in Mr. Ecklund's position and that the Pension Board should try to offer an equitable solution rather than just the 5% interest earned on the payments made toward the purchase of service credit.

Pension Board Conclusions.

1. At the time Mr. Ecklund began his purchase of service credit, Rule 207 provided that an employee may purchase service credit through the buy in program either by paying a lump sum or electing to pay the purchase amount "in up to four (4) equal, annual installments if the total buy in amount equals or exceeds two thousand five hundred dollars" In addition, Rule 207 provided, "Credit purchased through an installment schedule is contingent on the employee making all scheduled installment payments, and no credit is awarded until an employee makes all required payments."
2. Mr. Ecklund elected to pay in four equal installments, but he made only one payment in 2007. Because he did not make the required payments in 2008, 2009 and 2010, Mr. Ecklund failed to satisfy the requirements of Rule 207.
3. The letter from RPS informing Mr. Ecklund that he could purchase service credit clearly indicated that Mr. Ecklund must make four, annual payments. The letter stated, "You may elect to pay this amount in four (4) equal, annual installments of \$7,115.01. The first payment is due June 23, 2007 with three (3) annual amounts due each June 23rd thereafter."
 - a. The conventional understanding of "annual" would require consecutive payments.
 - b. ERS Ordinances routinely utilize "annual" or "annually" to mean every year. For example, Ordinance section 201.24(8.16) states that the Plan actuary "shall make an annual valuation of the assets and liabilities of the funds of the retirement system." This provision requires a valuation every year. Ordinance section 201.24(3.1) provides that the Pension Board "shall furnish to the committee on personnel and the committee on financial and audit of the county board, annually...a statement of the actual contribution required for the current year compared with the amount provided in the budget." The Pension Board is obligated to furnish a contribution statement each year.
 - c. The strict four-year limitation is also supported by the fact that the funds are necessary for investment purposes and to pay for the enhanced benefits. If payments are delayed, less time is available to accrue earnings.

4. At the time Mr. Ecklund's payments were due, the Rules and Ordinances did not allow the use of 457 Plan funds to purchase service credit. In 2007, RPS became aware of the prior errors in allowing the use of 457 Plan funds to purchase service credit and ceased the practice until further guidance from the IRS was available. Therefore, members were not allowed to use 457 Plan funds to purchase service credit. However, the correspondence from RPS suggests that Mr. Ecklund was given an opportunity to make a second payment with funds other than 457 Plan funds. If Mr. Ecklund did not have sufficient funds outside of his 457 Plan, he could have taken out a loan or pursued other options.
 - a. Although Mr. Ecklund contends that he was not allowed to make payments with other amounts, the communications from RPS at the time tell a different story.
5. Accordingly, the Pension Board finds that pursuant to the Ordinances and Rules, Mr. Ecklund was not eligible to complete his purchase of service credit after he failed to make his second payment as the purchase would be outside of the four-year limit that was required by Rule 207. The partial payment that he made toward his purchase of service credit will be refunded to him with 5% interest.
6. Mr. Ecklund's case is similar to a Milwaukee County Circuit Court case decided in December 2011. *See Crowley v. Pension Bd. of the Emps.' Ret. Sys. of the Cnty. of Milwaukee*, No. 11-CV-1094 (Dec. 7, 2011). In *Crowley*, an ERS member began making buy in payments and made the first payment in December 2006. Although the second payment was due on February 5, 2008, the ERS member did not attempt to make another payment until August 20, 2010. RPS returned the check to him and informed him that he could not complete the buy in because he did not complete the payments in the required four years. The Pension Board denied the member's appeal, noting that he did not complete all payments within four consecutive years as required by Rule 207. The member appealed the Pension Board's decision, and the Milwaukee County Circuit Court affirmed the Pension Board's decision.
 - a. As the court noted in the *Crowley* decision, the plain language of Rule 207 provides that members must make payments in consecutive years. Mr. Ecklund failed to make the required consecutive payments.

7. In February 2015, the Ordinances were amended to correct certain errors. One amendment permitted the use of 457 Plan funds to purchase service credit, effective January 1, 2002 for payments made before July 1, 2007. Previously, the use of 457 Plan funds to purchase service credit was not permitted under the Ordinances and Rules. However, these Ordinance amendments do not allow Mr. Ecklund to use 457 Plan funds to complete his purchase of service credit at this time.
 - a. Ordinance section 201.24(11.11) corrects errors for members who purchased service credit with 457 Plan funds, but it specifically states that such purchases remain "subject to all other requirements contained within the Ordinances and Rules with regard to purchases of service credit." Thus, the amendment does not remedy errors such as failures to make payments in a timely manner as described above.
 - b. Moreover, the amendments permit the use of 457 Plan funds only for payments prior to July 1, 2007. Therefore, the amendments would not permit Mr. Ecklund to make additional payments with 457 Plan funds.
8. In addition, the VCP compliance statement agreed to by the IRS and dated June 23, 2016 provides that for ERS members who began purchases of service credit using 457 Plan funds but did not complete the purchases in the time required by the Ordinances and Rules, ERS must rescind the purchase and refund the purchase amount. ERS is required to comply with the requirements of the compliance statement. To do otherwise would subject ERS to potential disqualification by the IRS.

Mr. Ecklund's Arguments.

9. As stated above, Mr. Ecklund made his initial payment using 457 Plan funds, which was not permitted by the Rules and Ordinances at that time. This error was reported to the IRS in August 2007, and RPS was instructed prior to this reporting to cease accepting purchases with 457 Plan funds.
10. Mr. Ecklund now claims that he would have completed his purchase of service credit without using 457 Plan funds, but was told that RPS would not accept the payments before receiving IRS approval in connection with the VCP filing. It appears Mr. Ecklund is arguing that because he was not allowed to continue his purchase at the time,

he should be allowed to complete it now. Mr. Ecklund also argued that he should be allowed to complete his purchase of service credit based on fairness and his contractual right.

- a. However, as stated above, based on correspondence from RPS staff at the time, in conversations in 2007 and 2008, Mr. Ecklund represented that 457 Plan funds were the only funds he had available to complete the purchase. At one point, he mentioned that he was putting extra money in the 457 Plan in order to fund the purchase of service credit. Mr. Ecklund also asked if he could skip the 2008 payment and make two payments in another year because he would not have enough cash to make the 2008 payment. These communications all took place over the phone, so correspondence from RPS staff at the time is the only evidence of these conversations.
- b. The Pension Board is unaware of any evidence that supports Mr. Ecklund's contention that RPS refused to accept cash payments to satisfy Mr. Ecklund's 2008 payment obligation. Instead, it seems that Mr. Ecklund hoped to delay a payment in order to gather sufficient funds.

- 11. The Pension Board, as Plan fiduciary, is required to administer ERS benefits based on the Ordinances and Rules and is responsible for maintaining the tax qualified status of the Plan. Accordingly, the Pension Board cannot provide benefits to members if doing so would violate the Ordinances and Rules. The current Ordinances and Rules do not allow members to purchase service credit, and permitting Mr. Ecklund to complete his purchase is not part of the correction method under the VCP compliance statement. Accordingly, the Pension Board cannot allow Mr. Ecklund to continue his purchase of service credit.

Motion made by Mr. Gedemer and seconded by Mr. Leonard.

- (2) Scott Griffin Appeal

The Pension Board denies the appeal by Scott Griffin consistent with the discretion assigned to the Pension Board by Ordinance section 201.24(8.17) to interpret the Ordinances and Rules of the Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following rationale:

Factual Background.

1. Mr. Scott Griffin was enrolled in ERS on May 21, 1998.
2. Mr. Griffin was employed by the County as a deputy sheriff when he was involved in a motor vehicle accident on October 29, 2013. The accident occurred in the course of his employment.
3. Mr. Griffin applied in June 2014 to receive an accidental disability retirement pension ("ADR") based on a disability arising from the accident.
4. At its February 18, 2015 meeting, the Pension Board referred Mr. Griffin's application to the Medical Review Board and requested Mr. Griffin send all medical and disability information related to his application to the Medical Review Board.
5. In March 2015, Mr. Griffin submitted an amended ADR application with additional information.
6. On August 31, 2015, Mr. Griffin's wife, Jennifer Griffin, provided additional information to the Pension Board.
7. At its January 20, 2016 meeting, the Pension Board granted Mr. Griffin's ADR based on the Medical Review Board's determination that Mr. Griffin was disabled. During this meeting, Attorney Stanford, Mr. Griffin's attorney, stated that Mr. Griffin last received a paycheck from the County in April 2015. Mark Grady clarified that Mr. Griffin's pension would start on the later of the date of Mr. Griffin's pension application or the last day Mr. Griffin was on the County payroll. Mr. Grady further explained that under the Ordinances and Rules, Retirement Plan Services is unable to issue "double pay" by paying a retirement benefit to a member still on the County payroll. Mr. Grady presumed that Mr. Griffin's retirement start date would be April 2015 based on the information presented by Attorney Stanford.
8. On January 28, 2016, Mr. Griffin received his final paycheck from the County for the pay period dated January 3, 2016 through January 16, 2016.
 - a. According to Retirement Plan Services' records, Mr. Griffin's termination from County employment was effective on January 15, 2016.

- b. Based on the payroll records from the County, it appears that Mr. Griffin was considered a County employee through January 16, 2016. For his final pay period as a County employee, between January 2, 2016 and January 16, 2016, Mr. Griffin was entitled to and received compensation for eighty hours of vacation pay (\$2,533.05).
9. Due to an error, Mr. Griffin's retirement application was processed with a retirement effective date of April 9, 2015. On February 29, 2016, Mr. Griffin received a payment of \$39,230.69, which included his disability pension payments retroactive to April 2015.
10. In May 2016, Retirement Plan Services determined that Mr. Griffin's retirement date should have been January 16, 2016 rather than April 9, 2015. This error resulted in a total overpayment of \$33,753.02, plus interest in the amount of \$424.75.
11. On May 13, 2016, Retirement Plan Services notified Mr. Griffin of its error and requested that he pay the overpayment plus interest in an amount totaling \$34,177.77. Retirement Plan Services informed Mr. Griffin that if he could not repay the amount in a lump sum, Retirement Plan Services would offset his future benefit payments by \$225.00; a reduction of approximately 6% of his total benefit, until the total overpayment plus interest is recovered.
12. On May 16, 2016, Mr. Griffin appealed Retirement Plan Services' decision, arguing that his retirement date should be April 10, 2015, and he should not be assessed an overpayment. Retirement Plan Services scheduled Mr. Griffin's appeal to be heard at the June 15, 2016 Pension Board meeting.
13. On June 8, 2016, Attorney Peter Stanford, Mr. Griffin's attorney, requested in a letter that Retirement Plan Services provide a definition of the phrases "compensation for employment" and "compensation for employment with the county" as found in ERS Rule 1027(1). Attorney Stanford contended that "absent receiving such a definition, Mr. Griffin's pension benefits should begin the day after his injury pay ran out." Attorney Stanford also argued that Mr. Griffin's disability retirement should begin the date after Mr. Griffin's injury pay ceased based on the ERS definition of "Earnable Compensation."
14. On June 9, 2016, Retirement Plan Services informed Attorney Stanford that if he desired additional information related to Mr.

Griffin's appeal, the appeal must be postponed to allow sufficient time to analyze his questions and provide an adequate response.

15. On June 10, 2016, Attorney Stanford requested Mr. Griffin's appeal be postponed and asked Retirement Plan Services to provide the information requested in Attorney Stanford's June 8, 2016 letter, namely, the definition of "compensation for employment" or "compensation for employment with the County."
16. On June 27, 2016, Retirement Plan Services provided Attorney Stanford with information related to how it has interpreted the phrases "compensation for employment with the County" or "compensation for employment" in practice.
17. On June 29, 2016, Attorney Stanford requested Retirement Plan Services "produce an ordinance, statutory definition or some sort of written rule with precedent" providing a basis for the definition of "compensation for employment with the County" or "compensation for employment" used by Retirement Plan Services. Attorney Stanford also contended that because the Collective Bargaining Agreement between the County of Milwaukee and the Milwaukee Deputy Sheriffs' Association (the "CBA") distinguished between wage and non-wage compensation, which includes vacation pay, "Mr. Griffin's pension start date should be the date when injury pay ceased."
18. On July 15, 2016, Retirement Plan Services responded to Mr. Griffin's letter noting that its definition of "compensation for employment with the County" or "compensation for employment" is based upon past practice and reliance on information provided by the County.
19. The Pension Board reviewed Mr. Griffin's appeal at its July 27, 2016 meeting. Mr. Griffin appeared at the meeting and questioned whether his retirement effective date was calculated using the date of the last pay period in which he received compensation or the date he received his last paycheck. Attorney Huff informed Mr. Griffin that the deadline to request information from Retirement Plan Services had passed but the Pension Board would take his question under consideration. Mr. Griffin also attempted to argue that because he received his final paycheck from the County on January 28, 2016, after he had officially retired from employment, the County erred in issuing him vacation pay. Mr. Griffin provides that he was in the process of correcting the overpayment with the County using his

health insurance premium reimbursement to offset his vacation pay overpayment. However, according to Mr. Griffin, Ms. Ninneman instructed the County to halt its overpayment recoupment as Retirement Plan Services was in the process of recouping Mr. Griffin's disability retirement benefit overpayment from ERS.

Pension Board Conclusions.

20. Pursuant to Rule 1027, a member's disability retirement effective date is the later of: (1) the date of the member's disability application; or (2) the day after the last day the member is entitled to compensation for the member's employment with the County.
 - a. Retirement Plan Services interprets "compensation for employment" to mean an employee's right to receive any amounts for employment with the County.
 - b. Mr. Griffin received vacation pay as a result of his employment status with the County, thus he continued to receive compensation from the County until January 2016.
 - c. Mr. Griffin continued to receive compensation from the County after his disability application was submitted. Rule 1027 requires a member's disability retirement effective date to be the day after he ceases to receive compensation, which is January 17, 2016. Therefore, the Pension Board finds Mr. Griffin's retirement effective date to be January 17, 2016.

21. Pursuant to Rule 1019, the Pension Board must rely on compensation and service information provided by the County and shall not independently verify this information.
 - a. Mr. Griffin submitted his disability application in June 2014. However, based on the information received, the County considered Mr. Griffin an employee until January 2016, and Mr. Griffin received compensation as a result of this status.
 - b. Because County records provide that Mr. Griffin was employed and received compensation until January 16, 2016, the Pension Board must use that date in determining Mr. Griffin's retirement effective date. As a result, the Pension Board finds that Mr. Griffin's retirement effective date to be the date after the date Mr. Griffin last received compensation, which is January 17, 2016.

22. Due to the error in processing Mr. Griffin's disability pension, Retirement Plan Services issued a lump sum payment to Mr. Griffin reflecting the retroactive retirement date of April 2015. Because this was an incorrect retirement date, the Pension Board finds that Mr. Griffin received an overpayment.
23. Rule 1050 provides the procedures for Retirement Plan Services and the Pension Board to follow when it determines that a member was paid a benefit in error and the member has received an overpayment.
24. Rule 1050(1) provides that upon discovery of an erroneous payment, Retirement Plan Services must determine whether the benefit should have been paid, and if so, in what amount.
 - a. When Mr. Griffin's retirement was processed, his retirement date was erroneously entered as occurring in April 2015 rather than January 17, 2016.
 - b. Mr. Griffin received a one-time lump-sum payment reflecting his retroactive retirement benefit from April 2015 through February 2016.
 - c. In May 2016, Retirement Plan Services discovered that Mr. Griffin's ADR benefit was calculated using an incorrect retirement date and his retirement effective date should have been in January 2016.
25. When a payment has been made in the wrong amount, Rule 1050(1)(b) requires Retirement Plan Services to recalculate the member's benefit and pay the correct benefit amount.
 - a. Retirement Plan Services recalculated the amount of Mr. Griffin's lump-sum payment based upon his correct retirement date. Based upon the recalculation, Retirement Plan Services overpaid Mr. Griffin \$33,753.02, plus interest.
26. In accordance with Rule 1050(2)(c), Retirement Plan Services notified Mr. Griffin of its error in writing and explained the nature and amount of the overpayment. Retirement Plan Services then requested Mr. Griffin repay the entire overpayment, plus interest, in a lump-sum payment. Retirement Plan Services explained it would reduce Mr. Griffin's monthly pension benefit payment until the entire overpayment amount, plus interest, is recovered.

27. In determining the amount of Mr. Griffin's offset, Retirement Plan Services considered the following factors as recommended by Rule 1050(2)(a): the reason for the overpayment, the life expectancy of the individual, the amount of the benefit versus the overpayment, and the financial resources available to the individual to satisfy the amount of the overpayment, from resources other than the individual's ERS benefit. Retirement Plan Services determined that the appropriate amount of offset was 6%, or \$225.00 per month.
28. Rule 1050(2) provides that on appeal, the Pension Board should also consider the factors recommended in Rule 1050(2)(a). Following its review of the recommended factors, the Pension Board determined that the offset as determined by Retirement Plan Services is appropriate.

Mr. Griffin's Arguments.

29. In letters to Retirement Plan Services, Attorney Stanford appears to argue that because the phrase "compensation for employment with the County or "compensation for employment," as used in Rule 1027(1), is not defined in the Ordinances and Rules, the Pension Board should substitute the term "earnable compensation" (as defined in Ordinance section 201.24(2.7)) into Rule 1027(1). Attorney Stanford argues that "at no time from [the date of Mr. Griffin's injury] has he received any 'earnable compensation' as defined by the Milwaukee County Ordinances." Therefore, "Mr. Griffin takes the position his pension start date should be the date after his injury pay ceased."
 - a. The phrase "earnable compensation" is not used in Rule 1027(1). If the Pension Board intended a member's retirement effective date to be determined based on earnable compensation as that term is used in the Ordinances, the Pension Board would have used the term earnable compensation in Rule 1027. It did not. Therefore, the Pension Board finds that the term compensation as used in Rule 1027(1) is not the same as the term earnable compensation as defined in the Ordinances. The Pension Board also finds that the definition of earnable compensation does not affect the determination of Mr. Griffin's retirement effective date.

- b. The Pension Board finds Retirement Plan Services' past practice of interpreting "compensation for employment with the County" and "compensation for employment" to mean "an employee's right to receive any amounts for employment with the County" to be acceptable.
 - c. Mr. Griffin received vacation pay based upon his employment status with the County; therefore, the Pension Board finds Mr. Griffin received "compensation for employment with the County" until January 2016.
30. Attorney Stanford also argued that Mr. Griffin's retirement start date should be the day after the day Mr. Griffin's injury pay ceased due to the classification of payments in the CBA. Attorney Stanford contends that the CBA distinguishes between wage and non-wage compensation. Under the CBA, vacation pay is classified as non-wage compensation. Attorney Stanford argues that "because CBA separates wages from non-wage compensation, then Mr. Griffin's pension start date should be the date when injury pay ceased."
- a. The Ordinances and Rules do not distinguish between wage and non-wage compensation for purposes of determining retirement effective date. Additionally, the CBA does not provide information on how to determine a member's retirement effective date. Therefore, the Pension Board finds that the CBA's differentiation of wage from non-wage compensation to not affect the determination of Mr. Griffin's retirement effective date.
 - b. Under the CBA, all employees receive vacation pay as compensation. An employee is defined as an employee of the County of Milwaukee. Therefore, under the CBA, an individual would receive vacation pay as compensation for employment with the County of Milwaukee.
 - c. Rule 1027(1) uses the term "compensation for employment" to determine retirement effective date.
 - d. Because Mr. Griffin received vacation pay for employment with the County on January 16, 2016, the Pension Board finds Mr. Griffin's retirement effective date to begin the day after that date.

31. Before the Pension Board, Mr. Griffin requested additional information related to the determination of his disability retirement effective date. Mr. Griffin questioned whether his disability retirement effective date was determined using the last date he received compensation or the date on which his last paycheck was issued.
 - a. Rule 1027(1) provides that a member who is eligible to receive a disability retirement benefit is entitled to receive the benefit effective as of the date of the member's disability application, or if later, the day after the last day for which the member is entitled to receive compensation for employment with the County.
 - b. Mr. Griffin was last entitled to receive compensation for employment with the County on January 16, 2016. Therefore, the Pension Board finds that Mr. Griffin's retirement effective date is January 17, 2016.
32. Before the Pension Board, Mr. Griffin also argued that he was retired on January 22, 2016, prior to his receipt of his final paycheck of January 28, 2016. Therefore, the County erroneously issued a paycheck for his vacation compensation.
 - a. According to County records, Mr. Griffin was considered a County employee until January 16, 2016, and was compensated as such.
 - b. Pursuant to Rule 1019, the Pension Board must rely on compensation and service information provided by the County. The Pension Board finds that because Mr. Griffin was considered a County employee until January 16, 2016, Mr. Griffin's retirement effective date was January 17, 2016.

Motion made by Mr. Byrne and seconded by Mr. Harper.

(3) David Stokes Appeal

The Pension Board denies the appeal by David Stokes consistent with the discretion assigned to the Pension Board by Ordinance section 201.24(8.17) to interpret the Ordinances and Rules of the Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following facts and rationale:

Factual Background.

1. In May 1987, David Stokes was hired as an employee for the Opportunities Industrialization Center of Greater Milwaukee ("OIC-GM"). In an email to Retirement Plan Services ("RPS"), Mr. Stokes noted that he "was considered a 'contract' employee" and performed service for Milwaukee County as a "Project Architect" after interviewing with Milwaukee County officials for the position.
2. The County Board subsequently directed that the practice of hiring "contract employees" cease.
3. After the County Board's decision, on May 2, 1988, Mr. Stokes became an employee of Milwaukee County and a member of the ERS. On the ERS enrollment form, there is a question that asks, "Were you ever employed by Milwaukee County before?" The answer on Mr. Stokes' form states, "No."
4. In a letter dated June 22, 2016, RPS informed Mr. Stokes that he was not entitled to service credit for the period during which he was an employee for OIC-GM. The letter noted that to earn service credit, individuals must be employees of Milwaukee County or subject to another provision that would provide for service credit, and OIC-GM employees do not fall under either category for service credit eligibility.
5. On June 30, 2016, Mr. Stokes informed RPS that he would like to appeal the decision to deny him service credit for the period during which he was an OIC-GM employee.
6. In a letter dated July 6, 2016, the Pension Board informed Mr. Stokes that his appeal would be heard at the July 27, 2016 Pension Board meeting.
7. Mr. Stokes appeared before the Pension Board at the July 27, 2016 meeting. He described his work for OIC-GM and noted that he never met anyone at OIC-GM and instead was supervised by Milwaukee County staff. Mr. Stokes argued that he was in the same position as the individuals who may receive service credit in connection with their work for Emergency Employment Act ("EEA") or Comprehensive Employment and Training Act ("CETA") programs. He also pointed out that there were opinions by legal counsel and actions by courts regarding Milwaukee County's practice of hiring "contract employees."

8. Mr. Stokes stated that he is six months short of being eligible for health insurance and asked the Pension Board to grant him a year of service credit for the time that he worked for OIC-GM.
9. Mr. Stokes also admitted that he received the annual employee statement showing how many service credits he had earned. He stated that initially, he did not know whether he would eventually be credited with a year of service credit for his work with OIC-GM. In addition, he asserted that a number of individuals went to corporation counsel and County Board members to discuss the issue of receiving service credit for their work. Mr. Stokes also noted that he understood why he was not given credit for the year of service with OIC-GM.

Pension Board Conclusions.

1. Ordinance sections 201.24(2.4) and (2.5) provide that to be a member of ERS and to earn service credit, an individual must be an employee of Milwaukee County.
2. In general, under Ordinance section 201.24(2.4), an employee is "any person regularly employed by the county at an annual wage or salary...." If there is a question regarding an individual's classification as an employee, the Pension Board's decision is final.
3. Under Rule 307, employees also include individuals who first were employed by Milwaukee County under CETA or EEA and then became members of ERS.
4. Because Mr. Stokes was employed by OIC-GM and not the County, he does not meet the definition of "employee" in the Ordinances and Rules. While Mr. Stokes argues that his position with OIC-GM was similar to positions with CETA or EEA, the Ordinances and Rules allow for service credit only for those individuals actually employed in CETA or EEA positions.
5. Accordingly, Mr. Stokes cannot earn ERS service credit based on his work for OIC-GM.

Mr. Stokes' Arguments.

6. Mr. Stokes argues that because employees of EEA and CETA receive service credit, he should also receive service credit for his time at OIC-GM as they were in "identical arrangements as 'contracted' employees."

- a. The Pension Board finds that Rule 307 specifically applies only to CETA and EEA employees and does not provide service credit for other individuals who were not employed by Milwaukee County.
 - b. The Pension Board previously considered repealing Rule 307 to no longer award pension service credit to CETA and EEA employees but decided to leave the rule in place. The discussion focused only on CETA and EEA employees and not other contract employees, which further demonstrates that CETA and EEA employees are distinct from other types of contract employees. Thus, the fact that CETA and EEA employees receive pension service credit does not mean that other contract employees should also receive service credit.
7. Mr. Stokes also argues that Milwaukee County's arrangement with "contract employees" was found to be illegal, which resulted in the hiring of these "contract employees" by Milwaukee County.
- a. In 1987, the Milwaukee County Board of Supervisors adopted a resolution to evaluate all "contract employees" to determine whether the employees were independent contractors or employees of Milwaukee County. All departments and agencies of Milwaukee County were required to provide a list of persons under contract. In addition, all inappropriate contract relationships were to be terminated, and departments needed approval from Corporation Counsel before entering or renewing contracts to ensure that independent contractor status was demonstrated.
 - b. However, the fact that Milwaukee County reviewed the circumstances of "contract employees" and subsequently hired some employees who were formerly "contract employees" does not demonstrate that Mr. Stokes' work for OIC-GM made him an employee of Milwaukee County as defined in the Rules and Ordinances.
 - c. Historically, the Pension Board has not allowed individuals in these types of contract positions to receive ERS service credit unless the individuals were employed by Milwaukee County, CETA or EEA. In 2002, the Pension Board reviewed whether individuals who did not work for the County (other than CETA and EEA employees) were eligible to earn service credit. At the October 9, 2002 Pension Board meeting, the Pension Board denied requests of a number of individuals

who were not Milwaukee County employees to receive service credit for ERS.

- d. Accordingly, the Pension Board's historical practice is consistent with the decision that Mr. Stokes may not receive ERS service credit for his year of service with OIC-GM.

Motion made by Mr. Gedemer and seconded by Mr. Byrne.

(4) Janice Reed Appeal

The Pension Board denies the appeal by Janice Reed regarding her request that interest on her overpayment be waived and grants the appeal in part to reduce the offset amount from 50% to 25% consistent with the discretion assigned to the Pension Board by Ordinance section 201.24(8.17) to interpret the Ordinances and Rules of the Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following facts and rationale:

Factual Background.

1. Janice Reed retired from Milwaukee County employment on January 24, 2015.
2. Ms. Reed selected a single life annuity and a backDROP date of February 19, 2011.
3. In a letter dated March 27, 2015, Retirement Plan Services ("RPS") informed Ms. Reed that her monthly pension amount was \$1,582.32, and her backDROP amount was \$84,610.29.
4. Ms. Reed's first pension check, which included payments retroactive to the effective date of her retirement, was sent on March 31, 2015. Ms. Reed's backDROP check was also sent on March 31, 2015.
5. However, due to an error, Ms. Reed received nearly double the backDROP amount and nearly double the monthly benefit to which she was entitled.
6. On December 14, 2015, RPS sent an Account Correction Request form to Empower Retirement seeking recoupment of the excess backdrop amount from Ms. Reed's account.
7. In a letter dated December 17, 2015, RPS informed Ms. Reed that she received an overpayment from ERS. The letter focused on the backDROP overpayment and informed Ms. Reed that she must

return the backDROP amount by December 31, 2015, or RPS would report the overpayment amount as taxable income.

8. In response to the Account Correction Request form that RPS sent to Empower Retirement, RPS received a check from Empower Retirement dated December 24, 2015 in the amount of \$62,340.06, representing the remaining balance of the backDROP in Ms. Reed's account.
9. In a letter dated February 5, 2016, RPS informed Ms. Reed that her monthly benefit would be offset by 50% until she repaid her overpayment, plus interest, in the amount of \$39,784.16.
10. After the 50% offset, Ms. Reed's monthly benefit was \$806.09. The 50% offset was applied to Ms. Reed's normal monthly pension benefit of \$1,612.18.
11. In a letter dated May 18, 2016, Ms. Reed appealed the decision to offset her benefit and requested information regarding the calculation of her overpayment. She also demanded a waiver of any interest on the overpayment. Ms. Reed stated that she is able to repay the overpayment at a rate of \$100 per month, plus retirement death benefits.
12. In a letter dated June 2, 2016, Ms. Reed's attorney requested that the appeal be postponed due to a scheduling conflict. Accordingly, the appeal was rescheduled for July 27, 2016.
13. In a letter dated June 17, 2016, Ms. Reed's attorney confirmed that Ms. Reed's appeal date was changed at his request to July 27, 2016.
14. In a letter dated June 30, 2016, RPS provided an update of the amount that Ms. Reed owes and also provided the calculation.
15. Ms. Reed appeared at the July 27, 2016 Pension Board meeting with her attorney, Louis Elder.
16. Mr. Elder stated that Ms. Reed is mainly seeking relief from the amount of the monthly offset from her pension benefit. Ms. Reed is willing to repay the overpayment in full but would like the offset amount to be reduced. Mr. Elder stated that after the offset, Ms. Reed's net monthly pension benefit is \$629.01. Mr. Elder suggested that it would be difficult for Ms. Reed to pay for rent, food, clothing and other necessities out of \$629.01 per month, and she has no other

income. Mr. Elder suggested that Ms. Reed was relying on friends and family to supplement her living expenses.

17. By Mr. Elder's calculation, it would take no more than five years to pay off the overpayment at the offset rate of 50%. Mr. Elder reiterated that Ms. Reed can afford to pay only \$100 per month. Ms. Reed has considered using her life insurance policy to pay the overpayment, and Mr. Elder suggested that it may be possible to assign the policy to the County.
18. Ms. Reed has had surgery on both knees, and Mr. Elder indicated that it would be difficult for her to go back to work to make enough money to supplement the \$629.01 per month.
19. In response to a question from the Pension Board as to why Ms. Reed did not notify RPS when she received almost double the amount to which she was entitled, Ms. Reed stated that she did notice that she received more than the amount she should have. However, she said that she did not report the overpayment because she had done nothing wrong and had filed all the necessary paperwork.
20. Mr. Elder also argued that Ms. Reed should not have to pay interest because the overpayment was the result of the County's mistake.

Pension Board Conclusions.

Interest.

1. Rule 1050 requires that RPS recover the full amount of the overpayment, plus 5% interest.
2. Additionally, RPS is required to recover the overpayment plus interest under the Internal Revenue Service's ("IRS") Employee Plans Compliance Resolution System ("EPCRS"). Because Ms. Reed received a benefit that is not allowed under the Ordinances and Rules, an error occurred that must be corrected in accordance with EPCRS. The IRS has published pre-approved correction methodologies to correct these types of errors, which require recovering interest. For plan benefits being distributed in periodic payments, EPCRS provides that plans can correct by reducing future payments to the recipient "to recoup the Overpayment (over a period not longer than the remaining payment period) so that the actuarial

present value of the additional reduction is equal to the Overpayment plus interest...." EPCRS, Appendix B, section 2.04(1)(a)(ii).

3. Based on the Rules and EPCRS, the Pension Board finds that Ms. Reed must pay 5% interest on the overpayment amount.

Overpayment and Offset.

4. The Pension Board considered the facts and circumstances to determine the appropriate offset amount, including the following factors in Rule 1050:
 - a. Reason for the overpayment;
 - i. The reason for the overpayment was an administrative error, but Ms. Reed also failed to bring the error to RPS's attention.
 - ii. As noted above, Ms. Reed received a letter that informed her of her estimated benefit payments. When she received payments that were almost double the estimated amounts, she did not alert RPS that she received roughly twice the amount to which she was entitled. At the Pension Board meeting, Ms. Reed noted that she realized that she received an overpayment but did not alert RPS because she had not done anything wrong.
 - b. Life expectancy of the individual;
 - i. Ms. Reed's life expectancy as of January 1, 2016 is 26 years and 3 months.
 - ii. Because Ms. Reed's life expectancy is longer, a smaller offset amount could allow RPS to recover the overpayment over a longer period of time.
 - c. The amount of the benefit versus the amount to be recovered;
 - i. As of June 30, 2016, Ms. Reed owed ERS \$37,037.66, and her correct monthly benefit was \$1,612.18 (without the offset).
 - ii. Ms. Reed owes a substantial amount of money to ERS. This factor supports imposing a larger offset to make it

more likely that the full amount, plus interest will be recovered.

- d. The financial resources available to the individual to satisfy the amount of the overpayment from resources other than the individual's ERS benefit.
 - i. As noted above, Ms. Reed has indicated that she is able to pay \$100 per month.
 - ii. At the Pension Board meeting, Mr. Elder indicated that Ms. Reed's net monthly pension amount is \$629.01 and that Ms. Reed does not have other income. He also stated that Ms. Reed is relying on family and friends to supplement her living expenses, and knee surgeries would make it difficult for her to return to work.
 - iii. This factor weighs in favor of a lower offset amount, given Ms. Reed's financial situation.
5. The Pension Board has considered the factors listed in Rule 1050 and determined that a 25% offset, rather than a 50% offset, is appropriate. Accordingly, the Pension Board has decided to reduce Ms. Reed's offset amount to 25% of her monthly pension benefit.

Ms. Reed's Arguments.

6. Ms. Reed objected to RPS's inclusion of interest in the calculation of her overpayment because the overpayment resulted from RPS's own administrative error. Regardless of why the error occurred, Rule 1050 requires that RPS recover the full amount of the overpayment, plus interest at 5%.
7. In addition, while a mistake was made in calculating Ms. Reed's retirement benefit, Ms. Reed failed to alert RPS to the error. As noted above, Ms. Reed was given an estimate of her monthly payment and backDROP. When she received payments of almost double those amounts, she made no effort to contact RPS and confirm that the payments were correct. Had Ms. Reed asked RPS to confirm the amounts of her payments, the error likely would have been discovered earlier, and Ms. Reed's interest payment would be significantly lower. Regardless of why the error occurred, RPS is

required to recover interest under the Ordinances and Rules and under EPCRS.

8. Ms. Reed objected to the amount of the offset. She stated that she would be able to repay the overpayment at a rate of \$100 per month, plus retirement death benefits. However, because she chose to receive her pension benefit in the form of a single life annuity, there are no death benefits. After reviewing Ms. Reed's situation, the Pension Board has determined that the offset should be reduced to 25% of her monthly pension benefit.

Motion to deny made by Mr. Leonard and seconded by Mr. Byrne.

Motion to reduce offset amount made by Mr. Leonard and seconded by Ms. Westphal.

(5) Andrew Wendt Appeal

The Pension Board denies the appeal by Andrew Wendt consistent with the discretion assigned to the Pension Board by Ordinance section 201.24(8.17) to interpret the Ordinances and Rules of the Employees' Retirement System of the County of Milwaukee ("ERS"), based on the following facts and rationale:

Factual Background.

1. Andrew Wendt enrolled in ERS on April 13, 2001.
2. Mr. Wendt was employed by the County as a deputy sheriff when he was involved in a motor vehicle accident in December 2012. The accident occurred as a result of his employment.
3. Mr. Wendt applied in October 2013 to receive an accidental disability retirement pension ("ADR") as a result of the accident.
4. At its February 17, 2016 meeting, the Pension Board granted Mr. Wendt's ADR based on the Medical Board's determination that Mr. Wendt was disabled.
5. On February 25, 2016, Mr. Wendt received his final paycheck from the County for the pay period dated January 31, 2016 through February 13, 2016.
 - a. Based on the payroll records from the County, it appears that Mr. Wendt was considered a County employee until his termination on February 5, 2016. During this time, Mr.

Wendt was paid for vacation time, sick time, personal time and holidays and received education and hazardous pay.

- b. In 2015 and early 2016, the County paid Mr. Wendt over \$14,000. For his final pay period as a County employee, between January 31, 2016 and February 13, 2016, Mr. Wendt was entitled to and received compensation for eight hours of vacation pay (\$253.31), eight hours of sick pay (\$253.30), and twenty-four hours of personal leave pay (\$759.91).
6. When the Retirement Plan Services completed Mr. Wendt's retirement application, it listed his retirement date as February 6, 2016. Mr. Wendt objected to this date as he stated that the last day he ran out of time was in February 2014.
7. Mr. Wendt appealed the Retirement Plan Services' determination of his retirement date to the Pension Board on February 26, 2016. On March 10, 2016, Mr. Wendt emailed Retirement Plan Services asking about the appeal process and a number of other questions related to County issues (e.g., Risk Management, injury pay and the payment of his medical bills through worker's compensation). Assistant Corporation Counsel Jim Carroll sent a letter to Mr. Wendt dated March 11, 2016 notifying him that the Pension Board can only make a decision about his retirement benefits and cannot address his issues with Risk Management or other matters handled by the County.
8. Mr. Wendt responded to Mr. Carroll's letter arguing that Risk Management's actions delayed his disability application and objecting to his vacation and personal days prohibiting him from receiving an earlier retirement date. After further discussion, Mr. Wendt's appeal was postponed as Mr. Wendt wanted to provide additional documents for consideration by the Pension Board.
9. Mr. Wendt's appeal was then scheduled for the May 18, 2016 Pension Board meeting. While Mr. Wendt appeared at the meeting, he had to leave before his appeal could be heard by the Pension Board. Therefore, his appeal was postponed to the June Pension Board meeting.
10. At the May meeting, the Pension Board briefly discussed Mr. Wendt's appeal and questioned how often members are kept on the County payroll while their disability applications are pending. The County confirmed that the current practice is to keep a disability

applicant on the payroll until the applicant terminates employment or the applicant's disability application is approved. An individual still on the payroll continues to accrue vacation, paid holiday and sick time. Also by keeping applicants on the payroll, the applicants continue to remain participants in the County health plan.

11. Mr. Wendt's appeal was again rescheduled for the June 15, 2016 Pension Board meeting. On June 14, 2016, Mr. Wendt emailed Mr. Carroll to notify him that he would be unable to attend the meeting. As part of his email, Mr. Wendt asked Mr. Carroll four questions. Two of these questions related to the delay in the processing of his disability application, one question related to his retirement effective date, and the final question was with regard to receiving a light duty position with the Sheriff's department.
12. Mr. Carroll explained to Mr. Wendt that he was unable to present these questions to the Pension Board in Mr. Wendt's absence. Mr. Carroll further noted that the Pension Board would consider Mr. Wendt's appeal and any materials timely submitted.
13. At its June 15, 2016 meeting, the Pension Board discussed Mr. Wendt's appeal and decided to lay over the appeal until the July 27, 2016 meeting to allow Mr. Carroll and Retirement Plan Services to address Mr. Wendt's most recent questions. Mr. Carroll sent Mr. Wendt a letter dated June 22, 2016 notifying him that his appeal was laid over. Mr. Carroll further informed Mr. Wendt that he would direct his questions to the parties who would best be able to respond.
14. On June 22, 2016, Mr. Wendt confirmed to Mr. Carroll that he would be present at the July 27, 2016 Pension Board meeting to speak with the Pension Board about his appeal.
15. On July 26, 2016, Mr. Carroll sent a letter to Mr. Wendt addressing his questions included in his June 14, 2016 email. Mr. Carroll explained that Retirement Plan Services received surveillance footage of Mr. Wendt in early 2014 and a doctor needed to review such footage. However, at the time, ERS was in the process of finding a new Medical Board. ERS believed it had located a new Medical Board but the provider did not work out. ERS then retained MMRO as its Medical Board. Once MMRO was retained, it reviewed Mr. Wendt's application and provided its opinion at the end of January 2016. Mr. Carroll further explained that the Ordinances and Rules provide that a member's retirement effective date is the later of the date of the disability application or the day

after the last day the member is entitled to compensation from the County. Mr. Carroll noted that because Mr. Wendt was terminated from County employment effective February 5, 2016, his retirement effective date was February 6, 2016. In response to Mr. Wendt's question about light duty, Mr. Carroll stated that these issues are beyond the scope of the Pension Board's review as the Pension Board can only apply the Ordinances and Rules to determine whether Retirement Plan Services correctly determined Mr. Wendt's retirement effective date.

16. Mr. Wendt appeared before the Pension Board at the July 27, 2016 meeting. He stated he was requesting that his disability benefit commence as of February 6, 2014 instead of 2016. Mr. Wendt argued that he did not work in 2014 and 2015, so he should not have been paid vacation or personal time as his understanding is that an employee must work a day during the year in order to receive such amounts. Additionally, Mr. Wendt expressed his concern that he had to wait a long time for his disability application to be resolved. He further noted that had he known the process would take so long, he would have pursued workman's compensation further.

Pension Board Conclusions.

1. Pursuant to Rule 1027, a member's disability retirement effective date is the later of: (1) the date of the member's disability application; or (2) the day after the last day the member is entitled to compensation for the member's employment with the County.
2. Based on the information received from the County, the Pension Board finds that the County considered Mr. Wendt an employee until February 2016, and Mr. Wendt received compensation as a result of this status.
3. Mr. Wendt's disability application was submitted in October 2013. However, Mr. Wendt was receiving compensation from the County as an employee up until February 2016.
4. Because Mr. Wendt was continuing to receive compensation from the County after his disability application was submitted, the Pension Board finds that Rule 1027 requires his disability retirement effective date to be the day after he ceased receiving compensation from the County, which is February 6, 2016.

Mr. Wendt's Arguments.

5. In his emails sent prior to the July meeting, Mr. Wendt argued that the County's Risk Management failed to address the issues with his accident on a timely basis and caused him to lose injury pay. Mr. Wendt further notes that the County is responsible for the payment of his medical bills as part of worker's compensation. He also argues that Risk Management worked in conjunction with ERS to postpone his disability application. Mr. Wendt has offered to repay his vacation and personal days to have an earlier retirement effective date for his ADR.
 - a. The Pension Board finds that the County, not the Pension Board, is responsible for addressing Mr. Wendt's complaints related to his injury pay and payment of his medical bills. Mr. Wendt was advised of this as part of Mr. Carroll's letter to him in March.
 - b. The County confirmed that disability applicants generally remain on the payroll until the applicant terminates employment or his or her application is approved. Therefore, the retention of Mr. Wendt as an employee is part of the County's routine procedures for disability applicants.
 - c. There was no evidence presented to the Pension Board that ERS intentionally postponed a decision on Mr. Wendt's ADR application.
 - d. The Pension Board is required to distribute benefits in accordance with the Ordinances and Rules. Rule 1027 requires a member's disability retirement effective date to be the day after the day the member ceases to receive compensation from the County. As stated above, Mr. Wendt continued to receive some form of compensation from the County up until February 2016.
6. Mr. Wendt argued to the Pension Board at the July meeting that he did not work a day in either 2014 or 2015 and therefore should not have received any vacation or personal time. Rule 1019 provides that the Pension Board will rely on the compensation and service information provided by the County and shall not independently verify a member's earnable compensation or service.
 - a. The County provided information to Retirement Plan Services that shows that Mr. Wendt received compensation from the

County until February 2016. Pursuant to Rule 1019, the Pension Board finds that it must rely on this compensation information as received from the County. Based on this information, as stated above, the Pension Board finds that Mr. Wendt's retirement effective date was properly determined to be February 6, 2016.

Motion made by Mr. Harper and seconded by Mr. Byrne.

11. Pending Litigation

(a) Tietjen v. ERS

The Pension Board took no action on this item.

(b) Trapp, et al v. Pension Board

The Pension Board took no action on this item.

(c) Mecouch v. ERS

The Pension Board discussed the matter in closed session.

After returning to open session, the Pension Board voted unanimously to authorize the Chair or the Vice Chair of the Pension Board to execute a settlement agreement to end the litigation. Motion by Mr. Leonard, seconded by Mr. Gedemer.

(d) Walker v. ERS

The Pension Board took no action on this item.

(e) Baldwin v. ERS

The Pension Board took no action on this item.

(f) Milwaukee District Council 48 v. Milwaukee County

The Pension Board took no action on this item.

12. Actuarial Valuation Error

The Pension Board took no action on this item.

13. Report on Compliance Review

The Pension Board took no action on this item.

14. Reports of Director-Retirement Plan Services & Fiscal Officer

(a) Retirements Granted—June 2016

Ms. Ninneman presented the Retirements Granted Report for June 2016. Twenty-one retirements from ERS were approved, with a total monthly payment amount of \$40,429.72. Of those 21 ERS retirements, 18 were normal retirements, 2 were deferred and 1 was an ordinary disability retirement. Thirteen members retired under the Rule of 75. Eight retirees chose the maximum option. Eight retirees elected backDROPs in amounts totaling \$1,546,995.04.

Ms. Lausier then reported an error on the June 2016 Retirements Granted Report. The backDROP amount on line 11 for Lynn Lauters should read \$288,541.37, not \$388,541.37. The correct total backDROP amount issued for June 2016 is \$1,546,995.04.

In response to a question from Ms. Ninneman, Ms. Lausier confirmed the incorrect amount was a typographical error only and stated Ms. Lauters received the correct her backDROP payment amount of \$288,541.37.

(b) Retirement Plan Services Update

Ms. Ninneman reported RPS is continuing to look for ways to automate its operations and has been working with the Joxel Group to create a central tracking database that also includes call logs. The two recently-hired retirement analysts have been trained, and RPS will have three retirement analysts conducting appointments by August 2016. All retirement analysts will also receive training on the deferred retirement process, and RPS continues to cross-train its staff for increased efficiency.

(c) Retiree Election Update

Ms. Ninneman reported that the retiree communicator has been distributed announcing the retiree election will occur on August 22-29, 2016. The communicator included instructions for telephonic voting and a link for online voting. Because there are only two candidates, the primary election will serve as the final election. The retiree election results will first be communicated to the Chair and Vice Chair of the Pension Board followed

by the candidates. Retirees will receive notification of the election results in the September communicator.

(d) Compliance Progress Report

Ms. Ninneman reported the Pension Study Commission approved the technical corrections for the buy-in/buy-back errors. The corrections will next be considered by the full County Board for final approval the next day. Once approved, RPS can begin processing the corrections. Ms. Ninneman noted that RPS is waiting to hear from Great West to ensure that funds can be transferred back into members' 457 Plan accounts. RPS hopes to automate the required calculations for the affected individuals and is currently writing the automated scripts. Ms. Ninneman explained that RPS must first test the automated scripts to ensure accuracy. If necessary, RPS has an alternative plan in place to complete the calculations manually.

(e) Administrative Corrections

Ms. Ninneman reported that RPS is waiting on a legal opinion for calculating workers' compensation relative to the administrative correction Ms. Westphal discussed in today's Audit Committee meeting report. If counsel determines an error has occurred with the individual, RPS will proceed with any necessary correction.

(f) Fiscal Officer

Ms. Lausier first presented the May and June 2016 Portfolio Activity Reports. Disbursements in June were funded by withdrawals of \$3.8 million from fixed income, \$10 million from U.S. equity and \$10 million from cash overlay. Ms. Lausier noted there was a net realized gain of approximately \$15 million and a net unrealized loss of \$19 million in the month of June. However, with slightly over \$5 million in interest, dividends and other income factored in, the portfolio was slightly ahead at the end June.

Ms. Lausier next presented the May and June 2016 Cash Position Reports. Approximately \$900,000 in capital calls were received from Adams Street, Mesirow and Siguler Guff in May. In June, capital calls were received from Adams Street for \$3 million and Siguler Guff for approximately \$7.6 million. Ms. Lausier reported she has been working with Marquette to determine where to pull the funds for the capital calls. Ms. Lausier noted that she expects the pace of capital calls from Siguler Guff and Mesirow to increase in the near future.

Ms. Lausier then discussed the funds approved by the Board for disbursements. The Board approved \$53 million for the 2016 third quarter funding at its July 2016 meeting. Of that amount, \$19 million was transferred to fund August 2016 disbursements. Ms. Lausier reported the backDROP total for July 2016 is expected to be slightly over \$2.5 million.

Ms. Lausier next presented the 2016 second quarter check register.

In response to questions from Ms. Westphal regarding expenses paid to the Joxel Group for the period of April 1, 2016 to June 30, 2016, Ms. Lausier explained the Joxel Group is one of ERS's top ten vendors. Ms. Lausier then indicated she would provide an updated list of ERS's top ten vendors to the Board at its next meeting.

Ms. Lausier concluded with a discussion of updates to ERS's 2015 annual report. Ms. Lausier explained the updates to the 2015 annual report result from recent changes made to ERS's 2015 actuarial valuation report. The first change is to the funded ratio in the fourth bullet point on page 4 of the annual report under the section entitled *Additions and Deductions to Fiduciary Net Position*. The funded ratios were initially stated at 77.26% as of December 31, 2015 and 81.37% as of December 31, 2014. The funded ratios now read 75.84% as of December 31, 2015 and 82% as of December 31, 2014.

The second change is in the first paragraph of page 10 and relates to the protected survivorship option ("PSO"). Members could previously choose from a 50% or 100% PSO. However, Mr. Huff noted the 50% PSO option was eliminated as a result of an amendment to Ordinance section 201.24(7.1) approved by the County Board on December 17, 2015. Ms. Lausier indicated the paragraph at the top of page 10 was revised accordingly and includes a note regarding the Ordinance amendment.

The third change relates to 2014 and 2015 information relative to the OBRA Plan on page 19 under the section entitled *(9) Net Pension Liability*. The changes to the summary data on page 19 for years 2014 and 2015 reflect similar changes made to the schedules on pages 22 and 23 of the annual report. In response to a question from Mr. Byrne, Ms. Lausier confirmed that the change does not affect anything prior to 2014.

Ms. Lausier continued, explaining the fourth change is to the section at the top of page 20 entitled *Actuarial Assumption*. The verbiage in this section has been revised to delete the reference to the roll forward method ERS is no longer utilizing. The valuation date has also been changed under this section to read December 31, 2015 instead of January 1, 2015. Changes

were also made to discount rate schedule in the table on page 21 under the section entitled *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*.

The final changes are on pages 22 and 23 of the annual report. The information on page 22 relates to ERS and the information on page 23 relates to the OBRA Plan. Changes on page 22 were made to the section entitled *Total Pension Liability* under the entry for *differences between expected and actual experience* for years 2014 and 2015. Previously, no data was provided under this section for 2014 due to use of the roll forward method. The data in this section now reflects an amount of (\$17,331,161) for 2014 and the amount for 2015 was revised to read \$41,648,688 instead of (\$17,331,161). This results in further changes to ERS's total pension liability and net pension liability as a percentage of covered-employee payroll. Ms. Lausier explained that similar changes occurred on page 23 relative to the data for the OBRA Plan.

Ms. Lausier concluded by explaining that Baker Tilly has reviewed all changes made to ERS's 2015 annual report and acknowledged they comply with GASB 67 and 68 standards. Ms. Lausier confirmed the updated information from ERS's 2015 annual report has been provided to the County to complete its Comprehensive Annual Financial Report. Ms. Lausier indicated she would also send an e-mail to the Board members detailing the changes to the annual report discussed today.

In response to a question from Ms. Braun, Ms. Lausier explained the changes to ERS's 2015 annual report were made following a request by Mr. Manske. For the County to meet its financial reporting requirements under GASB 68, Mr. Manske indicated the County needed the actuarial data to be based on the non-roll forward method. Buck Consultants then prepared a revised actuarial valuation utilizing non-roll forward data. To avoid the need to complete two separate valuations annually, ERS revised its prior decision to utilize the roll forward method which also resulted in required changes to the annual report.

In response to a question from the Chairman, Ms. Lausier confirmed sufficient funds remain for adequate funding of 2016 third quarter benefits and expenses.

15. Administrative Matters

The Pension Board first discussed the August 2016 Pension Board meeting. The Chairman noted the Pension Board does not typically meet in the month of August. In response to a question from the Chairman, the Board

members agreed to cancel its August 2016 meeting. The Pension Board will next meet on September 28, 2016.

The Pension Board concluded with a discussion of additions and deletions to the Pension Board, Audit Committee and Investment Committee future topic lists. Mr. Leonard requested the Pension Board discuss the sequencing of its agenda relative to appeals and disabilities. Mr. Leonard expressed concern that appellants and disability applicants must sometimes wait at Pension Board meetings for hours before presenting to the Board. Mr. Leonard observed that ERS's consultants are compensated for attendance at Board meetings. However, appellants and disability applicants must come on their own time and sometimes must leave before being heard because the Board runs out of time. Mr. Leonard suggested the Board consider scheduling future appeals and disability matters earlier in its meetings.

16. Adjournment

The meeting adjourned at 2:10 p.m.

Submitted by Steven D. Huff,
Secretary of the Pension Board