



Retirement Plan Services Communicator

March 2017

No. 3

From the Desk of the Director

Dear Retirees,

The Annual Pension Board Meeting is approaching! This year, there is a change to note: the meeting will be held in May instead of April. With hopes of warmer weather and high attendance, the meeting is scheduled for **Wednesday, May 24, 2017**, at the Italian Community Center (631 E Chicago Street). Doors will open at 9 a.m. with refreshments available until the meeting begins at 9:30 a.m. Surface lot parking is available. This is your chance to hear from your Pension Board and other presenters regarding the status of the pension fund!

If you plan to attend, we need to hear from you. Please RSVP no later than Friday, May 19, 2017. You can:

- Call the RPS office (414-278-4207 or 877-652-6377); or
- Send an email to us at ers@milwaukeecountywi.gov

Amy Pechacek, Interim Director

NOTICE

Milwaukee County's Employees' Retirement System is undergoing a supplemental audit in 2017. Due to the extensive nature of the audit, Retirement Plan Services will not be taking individual requests for recalculation of pension benefits already in payment. If a correction to your payment is identified, you will be notified and the correction process will be explained. We appreciate your understanding.

HOUSEHOLD ELECTRICAL SAFETY

By Vivian Aikin We rely on electricity for so many things each day that it's almost impossible to imagine what life must have been like for our forefathers who had to get by without it. Along with tremendous convenience, however, comes the need for caution since electrical hazards are present in all our homes.

Here are some simple tips to help keep you and your home as safe as possible:

- Always have electrical work done by a qualified electrician. If the work requires a permit, be sure to get one so the work is inspected.
- If buying a new home or remodeling an existing home, have an electrical inspection done by a qualified person.
- Don't overload receptacle outlets.
- Your major home appliances (refrigerator, stove, washer/dryer, air conditioner) should be plugged directly into a wall receptacle outlet rather than an extension cord.
- Misuse of extension cords is a major cause of electric shocks and fires. Extension cords should not be used as a permanent substitute for additional outlets. Have a qualified electrician add more receptacle outlets so you won't overuse extension cords.

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2017 Check Disbursement Schedule

March 31	August 31
April 28	September 29
May 31	October 31
June 30	November 30
July 28	December 29

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- There are legitimate uses for extension cords. Just make sure they aren't running across doorways or under carpets or furniture.
- Use light bulbs that match the recommended wattage on your lamps and fixtures.
- Electricity and water form a dangerous combination. Never touch an outlet with wet hands. GFCI (Ground Fault Circuit Interrupters) outlets shut off an electrical circuit when it becomes a shock hazard and should be installed in all bathrooms and kitchens.

Always call a qualified electrician if:

- You get a tingling feeling when you touch an electrical appliance.
- You experience blown fuses or tripped circuit breakers frequently.
- You find discolored or warm wall outlets or see sparks coming from an outlet.
- You encounter dimming or flickering lights.

Congratulations to Our Newest Retirees!

James Anshus
Tammy Ayers
Joseph Czarnecki
Susan Devcich
Stephen Dziejczak
Joel Garry
Rae Gifford
Cynthia Hankins

Maryann Hoffman
Rolf Johnson
Kevin Jones
Holly Kafura
Michael Keegan
Julie Ann Kreuser
Robin Kurutz
Rochelle Landingham

Sandra Marquez
Brenda McCormack
Dianne McSwain
Karin Mueller
Theresa Navarrette
Gary Nell
Kathleen Nelson
Michael Sandvick

Linda Sheehan
Stephen Singleman
Jeffrey Sluzenski
Amy Smith
Jannette Steinke
Rochelle Turner
Robert Ziemann

In Memoriam

Please keep the families of these recently deceased retirees in your thoughts:

Robert Frankowiak
Philip Hung
Rose Anich
Richard Brefka
Carl Kjelgaard

Katherine James
Helene Cook
Le Roy Jaszowski
Marjorie Trentadue
Gladys Johnson

Wendell Lewis
William Kirchoff
George Palermo
Gail McClland
Emil Zortz

Market Value of Pension Fund: Period Ending January 31, 2017

Total Fund Composite	\$1,669,816,546
Fixed Income Composite	\$270,350,077
US Equity Composite	\$425,847,050
International Equity Composite	\$345,689,147
Hedged Equity Composite	\$154,747,650
Real Estate Composite	\$171,507,219
Infrastructure Composite	\$151,386,094
Private Equity Composite	\$120,964,751
Total Cash Equivalents	\$29,324,558

CONTACT INFORMATION

Retirement Plan Services

In the Milwaukee area: **414-278-4207**
Toll Free: **877-652-6377**
Email: ers@milwaukeecountywi.gov

Life & Health Benefits

Phone: **414-278-4198**
Email: benefits@milwaukeecountywi.gov



OFFICE OF THE COUNTY EXECUTIVE
Milwaukee County
CHRIS ABELE • COUNTY EXECUTIVE

Wednesday, March 15th, 2017

Dear retiree,

I am writing to you today to communicate a status update on our efforts to identify, analyze, and correct errors in our pension system.

I understand that the continued discussion around our flawed pension system can be upsetting and confusing. Please be assured that protecting your ability to enjoy the secure retirement you've earned is my top priority as we navigate this process. I also understand that despite my reassurances you may have very valid fears and concerns, which is why I am communicating with you our progress on this in an honest and transparent way.

As we communicated last month, the County is bringing in independent auditors from Baker Tilly to conduct a robust audit of the pension system. The auditors have previously been asked to examine a much narrower scope and scale that's in line with best practices of auditing other systems of similar sizes. Our current situation is unique due to both the complexities in the governance and administration of our system, as well as the number of errors that we have recently identified.

The auditors are beginning their work and we expect to have a report from them by the end of the summer, barring any significant changes in circumstances. What we have already come to understand about the pension system, even prior to the auditors beginning their work, is that despite six years' worth of improvements, Milwaukee County's pension system is still plagued with systemic deficiencies and complexities. This renders the current system unable to consistently provide clarity, transparency, and responsible management.

The system as currently designed is beyond repair. The only option to ensure future sustainability that protects retirees, employees, and taxpayers is comprehensive reform. We need to look at all options, including a possible transfer to the state. Anything short of that simply means more of the same.

The County's obligation to cover the pension system's annual unfunded liabilities has increased by 360 percent since I took office, from \$10.1 million in 2011 to an expected \$46.8 million in 2017. This number would have been much higher had there not been reforms.

In addition to the unfunded liability problem, decisions made long ago have resulted in a massively complicated system. There are 180 different pension benefit plan variations based on date of hire, length of service, and bargaining unit, many of which still require hand calculation. To put this in comparison, the state pension system, that every other county uses, has four variations; we have 180. We've paid out more than \$293 million in backdrops since 2002 and will likely have to pay out another \$100 million as

approximately 1,200 additional employees become backdrop eligible. The County has also worked with the IRS for nearly a decade to correct a number of errors made prior to 2008, some of which actually date back to the 1980s.

We need to explore a comprehensive overhaul, to include, among other things, studying a move to the state's pension system – all options must be on the table. The state's ERS is fully-funded and is the healthiest, most reliable pension system in the country. In 2010, a group of County Board supervisors, to include Sup. Theo Lipscomb, voted for a resolution sponsored by Sups. Marina Dimitrijevic and John Weishan that would transfer the County's system to the state. Editorial writers have also spoken in favor of the move. Whether or not a move to the state is the best solution, it is clear that we must make comprehensive changes. Our retirees, our employees, and the taxpayers all deserve better than the current system.

I am asking the County Board to partner with me in aggressively seeking solutions that will actually advance our shared goal, which is an effective and sustainable pension system on which employees and retirees can rely.

In the coming weeks I will engage with a diverse group of stakeholders to outline potential paths forward that protect the benefits our retirees -- and future retirees -- have earned through their lifetimes of public service. At the same time we also must balance these decisions with the County's ability to provide essential services that people rely on and make investments in transit, parks, and workforce development.

I am confident that comprehensive reform is the only viable decision we have. I wish I could tell you I had more definitive answers beyond that, but unfortunately I don't. What I can tell you is that I am committed to ensuring that our pensioners and employees can enjoy a secure retirement in the years to come – you deserve no less. Every action I take when it comes to reforming our pension system will be informed by that belief.

I would also like to thank the many County employees working on this issue, particularly the RPS staff who are working tirelessly day and night to help strengthen our pension system as we navigate the road ahead.

This is only an update and no action is required. We will follow up with additional updates as we have them.

Sincerely,

Chris Abele