Milwaukee County Employees' Retirement System (ERS)
July 29, 2026, Appeals and Rules Committee Meeting
MINUTES

Call to Order
Committee Chair Adam Abelson called the Appeals and Rules Committee meeting to order at 8:33 a.m. on Wednesday, July 29, 2026. The meeting was held virtually.

Committee Members Present:
Adam Abelson
Mark Grady
Montrell Hobbs

Others Present:
Erika Bronikowski, Retirement Plan Services
Attorney Jessica Culotti, Reinhart Boerner Van Deuren s.c.
Attorney Jennifer Pickett, Office of Corporation Counsel

Other Pension Board Members Present:
Paula Johnson-Boorse

1. **Topic: Chairperson's Report**

   Chair Abelson welcomed everyone to the meeting and noted he did not have anything else to add for this meeting's Chairperson's report.

2. **Topic: Meeting Minutes – May 6, 2026**

   A motion to approve by Trustee Grady, seconded by Chair Abelson, was made to approve the May 6, 2026, Appeals and Rules Committee Meeting minutes. The motion passed unanimously by voice vote.

3. **Topic: Pension Board Rule Review Regarding Benefit Suspensions for Earned Income Reporting Non-Compliance**

   a) **Rule 1010**
   b) **Rule 1026**

   Ms. Bronikowski explained that at the June Board meeting, the Board reviewed the annual process for confirming compliance with the earned income reporting requirement for members receiving Accidental Disability Retirement (ADR) pensions. She explained that the Retirement Plan Services (RPS) team contacts ADR pensioners three times each year to collect information on earnings from outside employment, as there is a limit on how much they may earn. It is common for a few members not to respond. Currently, Rule 1010(c) allows the Pension Board to suspend ADR benefits for non-responders until the required information is submitted, after which RPS reinstates the benefit along with any missed payments. At its June meeting, the Board inquired whether this process must come before the Pension Board each year or whether authority could be delegated to RPS. In response, updates to Rules 1010 and 1026 were prepared. Rule 1010, section 1(c), was revised to permit the Director of RPS to suspend pensions directly rather than bringing each case to the Board. Rule 1026 was updated to reflect that the RPS Director now holds this delegated authority and that any member whose benefit is suspended under Rule 1010 retains the right to appeal under Rule 1026.

   In response to a question from Trustee Grady, Attorneys Culotti and Pickett indicated they were comfortable with the delegation as the RPS Director already holds delegated authority to approve disabilities and that members would still retain appeal rights.

   Trustee Grady moved to recommend approval of the Rule amendments, Trustee Abelson seconded, and the motion received unanimous approval.

4. **Topic: Education on the ERS's Legislative Framework (Governance Roles and Responsibilities)**

   Ms. Bronikowski explained that this education is on the Board's strategic agenda for this year. At its March meeting, this Committee asked to proceed with education on the broad legislative landscape, including applicable sections of the Internal Revenue Code, Wisconsin Statutes, and Milwaukee County Ordinances.

That educational session occurred in May and there was a request to follow it up with a session on the Plan's Authority and Governance Structure, which would include Plan Sponsor responsibilities, fiduciary Board responsibilities, and administrator responsibilities.

Attorney Culotti provided the educational overview emphasizing that strong governance depends on clearly defined roles among the plan sponsor, fiduciary Pension Board, and plan administrator. She explained that the sponsor (the County Board and County Executive) establishes and amends the benefit structure but does not engage in administering benefits or managing investments. The Pension Board serves as the fiduciary body, overseeing administration and investments, ensuring compliance and documentation, and monitoring service providers without performing day-to-day operational tasks. The administrator, through the RPS Director and staff, handles daily operations, maintains records, and identifies issues. Culotti noted that because the RPS Director reports to the County Executive rather than the Pension Board, adhering closely to governance boundaries is especially important. She also clarified that the administrator may act as a fiduciary, depending on whether discretion is exercised and whether final decision-making authority rests with the Pension Board. Her discussion also touched on common operational risks and noted that investment consultants and managers are typically fiduciaries, while actuaries and attorneys generally are not.

Chair Abelson remarked that operational realities can be ambiguous because the County Board controls the Ordinances but is not the fiduciary, and courts may not fully appreciate the governance nuances being discussed. Attorney Culotti acknowledged this challenge, explaining that although the Pension Board can clearly articulate its processes, many aspects of public plans ultimately depend on legislative bodies, and the fiduciary board cannot resolve every concern independently.

Trustee Grady added that tension is inevitable, citing past situations such as staffing needs the Pension Board identified but could not secure from the County Board. He noted that boundaries can blur, particularly around Pension Board oversight of day-to-day operations. Attorney Culotti reaffirmed that the Pension Board has delegated operational authority to the RPS Director and emphasized that maintaining clarity in roles is critical to effective governance.

5. **<u>Topic:</u> Pension Board Structure Review**

Ms. Bronikowski explained that this item is in response to a request at the April Board meeting. She noted that the structure of the Pension Board is set by the County Board and County Executive via Ordinance.

She noted ongoing challenges such as extended vacancies, competing priorities, short term lengths, and shrinking ERS active membership, which will make filling the seats on the Pension Board as currently provided increasingly difficult. No formal steps have been taken to advance policy changes, but the goal is to bring a proposal to the County Board later this year, with the Pension Board given an opportunity to comment. The intent is also to provide a structured transition plan, so no trustee loses their position due to the Ordinance change.

Trustee Hobbs supported extending terms to nine years and allowing retired MDSA members to serve as the MDSA Board member.

Trustee Grady agreed with the initiative and suggested being more aggressive, acknowledging difficulties in securing appointees and the largely administrative nature of the Plan due to the freeze. He suggested a streamlined Board composition, asked whether appointed members could be compensated, supported three three-year terms, and advised limiting holdover periods to one year. He also noted the need to confirm whether the MDSA wishes to retain its seat and cautioned against appointing WRS-covered employees due to potential fiduciary conflicts. Trustee Hobbs noted that he will confirm with MDSA leadership, but he anticipates that MDSA would like to retain a seat on the Pension Board.

Chair Abelson asked whether proposed changes affected conflict-of-interest rules; Ms. Bronikowski clarified they did not, though appointing authorities should seek diverse candidates without conflicts. Chair Abelson supported a more aggressive timeline, warned against reducing seats too quickly due to current employee interest, confirmed whether the Comptroller had been notified, and endorsed three three-year terms with holdover guardrails.

Ms. Bronikowski will update the memo and return it to the Pension Board in September.

6. **<u>Topic</u>: Adjournment**

The meeting adjourned at 9:42 am.

Erika Bronikowski
Director of Retirement Plan Services and Secretary to the Milwaukee County Pension Board
Minutes to be reviewed at the Meeting on September 9, 2026