

Jean Burnside, President, Milwaukee Retiree Association.

Thank you for giving me the opportunity to speak before you this morning.

As outlined in our December 7, 2013 letter to the Honorable Common Council, the MRA is very concerned about the sudden presentation of CCFN 131162, changing the makeup of the A&P Board and updating the portions concerning Mr. Jerry Allen, Executive Director.

This ordinance change was first filed on November 26th, when it failed to be assigned to the Finance & Personnel Committee. Coincidentally, CCFN 131162 was prepared after the A&P Board had met on November 25th and before the Thanksgiving break on November 28th.

On December 6th, I was notified by Legistar of a news release in which Alderman Murphy commented "he is proud of the work he's done as chair of the Investment Committee for the pension board" and "...those investments have consistently performed in the top echelon of pension systems in similar size and have outperformed many other large public funds." Our pension system has been recognized as one of the best in the country, for which we are very thankful.

As a public record, I was able to print the proposed ordinance change on December 1st but by the following weekend, the content of the proposed ordinance change could not be opened on my computer nor that of our Vice-President. On December 9th I met with Alderman Dudzik's assistant and she also was unable to open that portion of the file. It still is not available December 10th. Therefore, I have no way of knowing whether any changes have been made to this proposed revised ordinance

I have read Mr. Nicolini's correspondence of December 10th and do not believe he has adequately explained why three additional members need to be appointed to the A&P Board by the Mayor. The "Municipal Public Employee Retirement System (PERS): Composition of Boards of Trustees" report shows that the listed municipalities' boards are often shown as almost equally divided between the municipality and its employee/retiree representatives.

The latest addition to this file is a report from the Legislative Reference Bureau. The subject of this report is "Pension Board Composition in Comparable U.S. Cities." Unfortunately, all this report seems to do is to compare the number of active and retired participants in each city with the numbers of board members. I do not see anything that reviews how effective they are in operating their individual pension plans in a fiscally responsible manner.

If the Mayor is able to add three appointments to the Pension Board, the result would be 7 for the municipality and 4 for the employees/retirees. That ratio is totally unacceptable and does not correspond with the PERS composition report.

I am, however, pleased to see the attempt to provide one active Fireman representative elected by active Fire Department employees, one active Police representative elected by active Police employees, and one active general city representative elected by active general city employees. Following that arrangement, I would suggest you consider establishing at least two retiree representatives: one from the Protective Services retirees and one from the general city retirees. In that way, you would better be able to reflect a full range of retiree perspectives.

Finally, the MRA watched the Pension Task Force offer a variety of potential changes to the City's pension system, covering primarily new hires. I do not recall a recommendation that the A&P Board be increased by Mayoral appointments.

The MRA stands ready to work with you but we recommend an impartial commission consisting of qualified independent resources be appointed to review CCFN 131162. This commission should consist of highly qualified persons without connection to the City of Milwaukee or its pension system. Therefore, we are asking you to hold this file until such report is received and reviewed by those involved in ensuring the safety and quality of the pension system we have all worked so hard to improve and maintain.

Thank you for your consideration.