CC-170 (REV. 6/86)

CITY OF MILWAUKEE FISCAL NOTE

A) DATE September 16, 2002

FILE NUMBER: 020598

Original Fiscal Note [X] Substitute [ ]

SUBJECT: Charter Ordinance relating to involuntary separation-immediate allowance

B) SUBMITTED BY (Name/title/dept./ext.): Michael J. Haley, Finance Officer, Employes' Retirement System 3689

C) CHECK ONE:
- [ ] ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
- [ ] ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
- [X] NOT APPLICABLE/NO FISCAL IMPACT. No fiscal impact to the City, see attached letter from ERS Actuary.

D) CHARGE TO:
- [ ] DEPARTMENT ACCOUNT(DA)
- [ ] CONTINGENT FUND (CF)
- [ ] CAPITAL PROJECTS FUND (CPF)
- [ ] SPECIAL PURPOSE ACCOUNTS (SPA)
- [ ] PERM. IMPROVEMENT FUNDS (PIF)
- [ ] GRANT & AID ACCOUNTS (G & AA)
- [ ] OTHER (SPECIFY) Pension Trust
- x No Fiscal Impact

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:	This amendment provides for the payment				
	of a lump sum to a member who has been				
	separated from service involuntarily in the				
SUPPLIES:	event the monthly allowance otherwise				
	payable is less than the minimum benefit				
MATERIALS:	provided under Chapter 36. The lump sum				
	amount is actuarially determined, and is				
NEW EQUIPMENT:	essentially the present value of the annutiy				
	otherwise payable, so this provision is				
EQUIPMENT REPAIR:	cost neutral. There would be some cost				
	savings administratively since the ERS				
OTHER:	would no longer have to maintain such a	N/A			
	member in deferred status, but these				
	savings are difficult to quantify.				
TOTALS			0	0	0

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY.**

[ ] 1-3 YEARS	[ ] 3-5 YEARS	N/A
[ ] 1-3 YEARS	[ ] 3-5 YEARS	
[ ] 1-3 YEARS	[ ] 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

See attached letter form ERS Actuary for assumptions and further details.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE [ ]

BUCK CONSULTANTS

A Mellon Financial Company℠
One North Dearborn, Suite 1400
Chicago, Illinois 60602-4336

September 12, 2002

Ms. Anne M. Bahr
Executive Director
Milwaukee Employes' Retirement System
City of Milwaukee
200 E. Wells St.
Milwaukee, Wisconsin 53202-3515

Re: Amendment to Sections 36-05-1-a and 36-05-6-b-3 (Minimum Benefit Provision)

Dear Ms. Bahr:

As requested, we have reviewed the proposed amendment to Chapter 36 that extends the minimum benefit provision of §36-05-1-a to the immediate allowance payable after an involuntary separation. If the immediate allowance falls below the minimum benefit, the employe will be paid a lump sum which is the actuarial equivalent of the allowance.

It is our opinion that this change will have no fiscal impact on the Employes' Retirement System.

Please call if you have any questions or need additional information.

Sincerely,

S. Lynn Hill

S. Lynn Hill
Associate Principal, Retirement Consulting

SLH:pl
12736-0001/C1317RET21-AmendSec36-05.doc

cc: Mike Haley