

November 13, 2001

To the Honorable Common Council
of the City of Milwaukee
City Hall, Room 205

Re: Pension Allowance – MMSD Board Members

Dear Members:

On July 26, 2001, the City Attorney's office issued an opinion to the Employees' Retirement System in the case of Vance Coleman. Mr. Coleman separated from service on September 28, 1987, and elected a deferred retirement allowance commencing at age 60 on May 22, 1990. Prior to retirement Mr. Coleman was appointed to the MMSD Board effective April 19, 1988. He continued to serve on the Board until July 8, 1996. At the time of retirement on May 22, 1990, Mr. Coleman was paid a service retirement allowance of \$1,362.67 per month based on an accrued pension as of September 28, 1987.

The opinion of July 26, 2001 stated that Mr. Coleman should not have been retired on a deferred retirement allowance on May 22, 1990, but rather should have been retired on a service retirement allowance on July 8, 1996, with his retirement allowance being computed on his total benefit accrued to that date. The opinion stated that under s. 36-11, Mr. Coleman's record should be corrected to reflect the fact that Mr. Coleman was not entitled to a retirement allowance from May 22, 1990 to July 8, 1996. Under s. 36-11 of the Charter, this would require a reduction in Mr. Coleman's monthly allowance going forward, from \$1,401.75 per month to \$400 per month.

The ERS has stated that it was unaware that Mr. Coleman's service on the MMSD Board prevented him from retiring. The ERS has further stated that it was unaware that additional service accrued while on the MMSD Board would be added to the accrued pension at the time of separation to calculate the service retirement allowance. At the September 24, 2001 board meeting the Annuity and Pension Board accepted the opinion of this office dated July 26, 2001 and proposed a charter ordinance under which Mr. Coleman and others similarly situated would

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be given an opportunity to elect not to receive service credit for the time served on the MMSD Board and in return be relieved of their liability to the system of pension payments received while serving on the MMSD Board. On behalf of the ERS Board we are submitting herewith a charter ordinance drafted to reflect the intent of the Annuity and Pension Board.

Very truly yours,

GRANT F. LANGLEY
City Attorney

THOMAS E. HAYES
Special Deputy City Attorney

c: Ms. Anne Bahr
1054-2001-2997
TEH/kef 47218