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June 2, 2011

To the Honorable Committee
on Finance & Personnel of the
Common Council of the
City of Milwaukee
Room 205 – City Hall

Re: CCFN 110174 – A substitute charter ordinance relating to member pension contributions for certain general city employees.

Dear Committee Members:

Enclosed is a substitute resolution establishing that the requirement of MCC sec. 36-08-7-m, that certain general city employees¹ participating in the combined fund shall contribute 1.6% of the member's pensionable earnings during the 8-year period immediately following their enrollment on or after January 1, 2000 ("1.6% member contributions"), shall not apply to general city employees required to contribute 5.5% of their earnable compensation ("5.5% employee-paid member contribution") under MCC sec. 36-08-7-a-1 and a-2.

Based on recent amendments to Chapter 36 involving member contributions, it appears that a precedent is being set that certain general city employees who are required to make the 5.5% employee-paid member contribution will no longer be required to make the 1.6% member contribution. As such, it is our understanding that the intent is to treat all other general city employees who are or who may be required to make the 5.5% employee-paid member contribution in a similar fashion. If this is an accurate understanding, the enclosed resolution would simplify the process of accomplishing such a goal. The purpose of such a

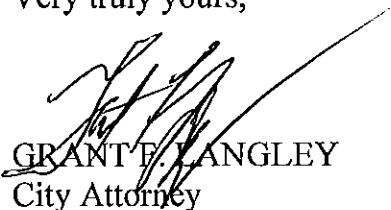
¹ Per the sec. 36-02-17, "General City Employee" is defined as follows: "GENERAL CITY EMPLOYEE shall mean: An employe of the city or a city agency who is not a policeman or fireman. For purposes of s. 36-05-1-h-5, general city employe shall include a person meeting this definition on January 1, 2000, even though the person was no longer employed by the city or city agency on January 19, 2001."

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streamlined change would be to avoid piecemeal legislation on this issue and the delay of numerous council files that would result.

As to the application of when this change would occur for certain general city employees, the specified dates of certain represented employees (*i.e.*, "hired on or after" the designated date as previously enumerated under sec. 36-08-7-m) would still apply. As to the application for other general city employees currently required to make both the 5.5% and 1.6% member contribution, the elimination of the 1.6% requirement would take place upon the effective date of the proposed amended ordinance change (in other words, this application would *not* be considered retroactive in nature). As for new general city employees hired in the future, the application of this change would be effective upon their enrollment as ERS members.

Very truly yours,



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enclosure