

LRB – FISCAL REVIEW SECTION ANALYSIS

DECEMBER 17, 2003 AGENDA

ITEM 11, FILE 031023

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File No. 031023 is a resolution relating to an amendment to the indemnification agreement between the City and the Employees' Retirement System (ERS).

Background

1. The City entered into an agreement with ERS in 1992 which indemnifies the ERS Annuity and Pension Board, as a whole, and the individual members of the board while they are acting in their official capacity.
2. In 1999 the agreement was amended and extended through December 31, 2000. The 1999 amendment continued the 1992 agreement but added a provision indemnifying ERS against liability for the administration of the 1995 catch-up and annual cost of living adjustments to the pension benefits of certain retirees which resulted in an overpayment of \$11 million for which a group of retired firemen filed suit for the return of the overpayment to the fund (Edward Walsh, et al. vs. City of Milwaukee, et al., Case No. 99-CV-001419).
3. On January 16, 2001, the Common Council approved extending the agreement through December 31, 2001 (File#001300).
4. On November 21, 2001, the Common Council approved extending the agreement between the City and ERS through December 31, 2003 (File#010943).

Discussion

1. This resolution extends the current agreement between the City and ERS through December 31, 2005.

Fiscal Impact

This resolution does not have an immediate fiscal impact. The passage of the resolution has a potential financial impact if a board member or the board is sued while acting in their official capacity.

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