

LRB-RESEARCH AND ANALYSIS SECTION

FINANCE AND PERSONNEL COMMITTEE

ITEM 29, FILE 070957

November 7, 2007

MARY E TURK

File 070957 is a resolution amending the Intergovernmental Cooperation Agreement between the City of Milwaukee and the Employees' Retirement System (ERS) and the Annuity and Pension Board for indirect service charges. It also establishes that the Executive Director of ERS will be a direct employee of ERS with city management employe benefits.

Background

1. An Intergovernmental Cooperation Agreement between the City of Milwaukee and the Employees' Retirement System and the Annuity and Pension Board, dated February 18, 2003, was agreed to for the period from January 19, 2001 forward, providing for an indirect charge of 9.2%, including the use for City Hall space.
2. At this time, the ERS Executive Director position is a city service management employe position.

Discussion

1. As of August 1, 2007, the ERS has moved outside of City Hall to leased offices.
2. As a result of this move, the City and the ERS agree that the new indirect charge should be reduced from 9.2% to 4.2%.
3. It has been determined by the Annuity and Pension Board that the Executive Director will be a direct employee of ERS with the equivalent of a city management employe's benefits. The salary of the ERS Executive Director is to be determined by the Annuity and Pension Board.

Fiscal Effect

1. The resolution results in a fiscal loss to the City of \$39,300 for the remainder of 2007, due to changes in indirect charges.
2. There is no fiscal effect related to the Executive Director salary since it will be self-funded by ERS.

Cc: Marianne Walsh
W. Martin Morics
Mark Nicolini
Martin Matson

Prepared by: Mary E. Turk, X8680
LRB-Research and Analysis Section
2007