

LRB – FISCAL REVIEW SECTION ANALYSIS

JANUARY 15, 2003 AGENDA

ITEM 5, FILE 021328

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File No. 021328 is a substitute charter ordinance relating to administration and operation expenses of the Employee's Retirement System (ERS).

Background

1. The Global Pension Settlement (File #991585) enacted major changes to Chapter 36 of the City Charter effective January 19, 2001. Changes included both enhancements to pension benefits and a major change in the funding of the expenses of the retirement system. The changes facilitated the dissolution of separate funds within the system and the establishment of one combined fund from which all administration and operation expenses (from January 1, 2000 forward) of the ERS are to be paid.
2. On December 20, 2002, the Common Council approved an Intergovernmental Cooperation Agreement between the City of Milwaukee and the Employees' Retirement System/Annuity and Pension Board.
3. The Agreement includes a provision regarding the processing of contingency requests through the adoption of an amendment to s. 36-08-3-a of the City Charter. Under the amendment, the Annuity and Pension Board may authorize the payment of contingency expenses from the combined fund, if the payment of the expenses is authorized by a resolution adopted by a three-quarters vote of the Common Council.

Discussion

1. This charter ordinance amends s.36-08-3-a of the City Charter to implement a provision of the Intergovernmental Cooperation Agreement between the City of Milwaukee and the Employees' Retirement System/Annuity and Pension Board regarding the payment of contingency expenses from the combined fund. (See Background #3)

Fiscal Impact

The ordinance has no fiscal impact.

Cc: Marianne C. Walsh
Grant Langley
Laura Engan
W. Martin Morics
Anne Bahr

Prepared by James Carroll
LRB – Fiscal Staff
January 10, 2003