

LRB – FISCAL REVIEW SECTION ANALYSIS
APRIL 5, 2001 AGENDA

ITEM 7, FILE 001566
ITEM 8, FILE 001565

FINANCE & PERSONNEL COMMITTEE

Hattie E. Billingsley

Files No. 001566 and 001565 relate to the Firemen and Policemen's Survivorship Fund dissolution. File No. 001566 is a charter ordinance to implement the global pension settlement as it relates to the firemen and policemen's survivorship fund. File No. 001565 is a memorandum of understanding between the City of Milwaukee and the Milwaukee Police Association (MPA), Milwaukee Police Supervisors Association (MPSO), Association of Retired Employees of the City of Milwaukee and the Milwaukee Professional Fire Fighters Association, Local 215, IAFF, relative to the firemen and policemen's survivorship fund.

Background

1. The City has reached a court approved global pension settlement with the members of the Employees' Retirement System (ERS) which took effect January 19, 2001.

Discussion

1. Consent by 100% of the firemen and policemen's survivorship fund membership was expected in reaching an agreement in the global pension's settlement for dissolution of the individual funds and establishment of one combined fund. This was not accomplished. Therefore, in consideration of the City waiving the 100% participation requirement the four organizations listed above have entered into an agreement with the City to dissolve the fund by means of a charter ordinance. The four organizations also agree that if the ordinance is challenged they will join with the City to support the legality and enforceability of the charter ordinance.
2. The charter ordinance directs ERS to purchase a single premium policy to provide survivorship benefits to non-consenting members of the survivorship fund. The charter ordinance authorizes the ERS Board to pay the premium from the assets of the survivorship fund. The ordinance also directs the Board to transfer all remaining assets in the survivorship fund to the combined fund.
3. This ordinance provides for the dissolution of the Survivorship Fund as required by the global pension settlement while providing a means for non-consenting members of the survivorship fund to continue to have survivorship fund benefits.

Fiscal Impact

1. There is no fiscal impact associated with this ordinance and resolution.

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LRB – Fiscal Review
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