

LRB - FISCAL SECTION ANALYSIS

DECEMBER 19, 2001

ITEM 9, FILE 011100

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #011100 is a substitute ordinance relating to the Employee's Retirement System (ERS).

Background

1. This substitute ordinance pertains to Mr. Vance Coleman. When Mr. Coleman left the City, on September 28, 1987, he elected a deferred retirement allowance commencing at age 60. At age 60 (May 22, 1990), Mr. Coleman began receiving a service retirement allowance of \$1,362.67 per month. While receiving his service retirement allowance, Mr. Coleman continued to serve on the Milwaukee Metropolitan Sewerage District Board (MMSD) until July 8, 1996.
2. On July 26, 2001, the City Attorney issued an opinion that under s. 36-11 of the Milwaukee Charter because he was on the MMSD Board, Mr. Coleman should not have been able to retire with a deferred service allowance. Rather, Mr. Coleman should have retired on a service retirement allowance when he left the MMSD Board on July 8, 1996 with his retirement allowance being computed on his total benefit to that date.
3. The City Attorney's opinion stated that because under s. 36-11 of the Milwaukee Charter Mr. Coleman was ineligible for service allowance until July 8, 1996, Mr. Coleman's record should be corrected. This correction would reduce Mr. Coleman's monthly allowance from \$1,401.75 per month to \$400 per month.
4. The ERS and Mr. Coleman were unaware that service on the MMSD Board prevented him from retiring.

Discussion

The substitute ordinance permits Mr. Coleman to retire on a deferred retirement allowance, provided the right to receive credit for serving on the MMSD Board is waived. This allows Mr. Coleman to receive his monthly allowance without any reduction.

Fiscal Impact

There is no fiscal impact on the City tax levy.

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