



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

Thomas A. Rick, CFA
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June 25, 2014

Jim Owczarski
Milwaukee City Clerk
200 E. Wells Street, Room 205
Milwaukee WI 53202

Dear Mr. Owczarski,

The Annuity & Pension Board by action duly taken at its June 23, 2014 meeting proposes MCC 350-219 be amended to provide for paid release from duty of up to for 300 hours annually for employee elected Annuity & Pension Board members. Accordingly, please open a Common Council file by the Chair for this purpose. Attached is a statement outlining the need for the proposed amendment.

Sincerely,

Bernard J. Allen
Secretary & Executive Director

Paid Release Time for Employee Elected Board Members MCC 350-219

Problem Statement

Current Code provisions under section 350-219 are impractical to apply to employees serving in a fiduciary capacity. Fiduciary responsibilities apply to members of the Annuity and Pension Board. Members of this Board have responsibilities for meeting attendance and due diligence that regularly exceed the 32-hour limitation.

The application of the current Code provisions to employees who serve as fiduciaries is at cross purposes with Board responsibilities for management of funds under 36-09 of the Charter, as well as several other Charter provisions. In addition, the Common Council acting through legislation has established its policy intent that employees be enabled to serve on the Annuity & Pension Board as a result of providing for the direct election of three active members of the plan.

“Finally, 350-219-1 refers to the objective of time off with pay as enabling the ‘... purposes of performing public service and to enhance their job performance and thereby improve the efficiency of city operations.’ Fiduciary responsibility involves a higher standard of care than that related to most public service, and is not related to the efficiency of city operations. Therefore, the current limitations are directed toward circumstances that differ considerably from the operations of the Annuity & Pension Board.