



Legislation Text

File #: 980850, Version: 1

980850
SUBSTITUTE 1

THE CHAIR

Substitute resolution to appropriate \$225,000 from the Common Council Contingent Fund to the City Clerk's Special Purpose Account Number 09-910-8438 to pay for actuarial work subcontracted by the law firm, Reinhart, Boerner, Van Dueren, Norris & Rieselbach, for purposes related to potential liability from pension lawsuits.

This substitute resolution appropriates \$225,000 from the Common Council Fund to the City Clerk's Special Purpose Account Number 09-910-8438 for the purpose of funding actuarial work subcontracted by the law firm Reinhart, Boerner, Van Dueren, Norris & Rieselbach. The purpose of the actuarial work is to provide information for policy makers relative to a potential 'global settlement' of pension lawsuits.

Whereas, The City of Milwaukee faces potential costs of several million dollars annually as a result of the various pension lawsuits; and

Whereas, There is no unfunded liability in the pension system taken as a whole and there are sufficient surplus reserves available in the pension system taken as a whole to pay the additional liabilities incurred by the system as a result of the losses in pension lawsuits; and

Whereas, The City of Milwaukee has expressed to union presidents, retiree representatives and pension board members that it believes there may be a legal basis to negotiate and enforce a binding agreement on pension litigation and other pension issues; and

Whereas, The City of Milwaukee has communicated to union presidents, retiree representatives and pension board members that it has begun to assemble the financial data needed before actual settlement discussions can begin; and

Whereas, The City of Milwaukee has communicated to union presidents, retiree representatives and pension board members that, as part of the financial gathering activities, it will retain an actuary firm to create a financial model that the city can use to evaluate the current status of the pension system and projected costs any settlement proposals that are presented; and

Whereas, These actuarial activities are being subcontracted by the law firm, Reinhart, Boerner, Van Dueren, Norris & Rieselbach, which is acting as a consultant to the city on pension-related matters; and

Whereas, The subcontracted actuarial activities involve expenses related to obtaining information from Buck Consultants, the system actuary; and

Whereas, Buck Consultants requires that payments for services related to providing information to the subcontracted actuary be made directly from the City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the sum of \$225,000 be appropriated from the Contingent Fund to the City Clerk's Special Purpose Account Number 09-910-8438 to fund actuarial work subcontracted by the law firm, Reinhart, Boerner, Van Dueren, Norris & Rieselbach and to fund charges from Buck Consultants associated with subcontracted actuarial work, for purposes related to settlement of pension lawsuits, such amounts to be expended upon the presentation of invoices to the City Clerk and meeting with the approval of the Budget Director in consultation with the City Clerk.

Budget and Management Division
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