



Legislation Text

File #: 100416, **Version:** 2

100416

SUBSTITUTE 2

ALD. MURPHY

Substitute resolution creating a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

This substitute resolution creates a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

This Pension Task Force shall be chaired by the Chair of the Finance and Personnel Committee and staffed by the City Clerk's Office. The 7-member Pension Task Force shall include:

1. Chair of the Finance and Personnel Committee or the Chair's designee.
2. The City Comptroller or the Comptroller's designee.
3. 3 members appointed by the Mayor.
4. 2 members appointed by the Common Council President.

The Pension Task Force shall report its findings by June 30, 2011, and be automatically dissolved.

Whereas, The Milwaukee Employees' Retirement System is managed consistent with the highest and best practices of pension fund management, and was cited in 2007 as the best funded public retirement system in the nation by R. V. Kuhns & Associates; and

Whereas, The fiscal strength and vitality of even the best managed pension fund can be suddenly and seriously eroded by investment market factors beyond the control of fund managers as evidenced by the recent, precipitous and persistent downturn of the U.S. economy which triggered a decrease of over \$1 billion, or 21.5%, in actuarial value of Milwaukee's pension fund assets from January, 2008, to January, 2009; and

Whereas, The lengthening life expectancies of City retirees and other factors continues to put upward pressure and increase the overall long-term liabilities of the pension fund;

and

Whereas, Fiduciaries responsible for pension fund management must be constantly vigilant and plan far into future to calculate the full extent of the fund's emerging, long-term liabilities, and to indentify and develop promising funding and benefits options to fully meet projected liabilities; and

Whereas, It is in the City's best interest to proactively gather and assess the full spectrum of pension funding and benefits options now, with pension liabilities fully funded and the fund in sound fiscal condition, before the fund veers into unforeseen or unanticipated difficulties; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a Pension Task Force is created to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources; and, be it

Further Resolved, This Pension Task Force shall be chaired by the Chair of the Finance and Personnel Committee and staffed by the City Clerk's Office; and, be it

Further Resolved, The Pension Task Force membership shall consist of the following 7 members:

1. Chair of the Finance and Personnel Committee or the Chair's designee.
2. The City Comptroller or the Comptroller's designee.
3. 3 members appointed by the Mayor.
4. 2 members appointed by the Common Council President.

; and, be it

Further Resolved, That members appointed to the Pension Task Force by the Mayor and the Common Council President shall have expertise in employee benefits systems, actuarial science, finance, or related disciplines, or have senior private-sector management experience with responsibilities in retirement, pension and benefits management, wealth and asset management, actuarial services, finance or other relevant field; and, be it

Further Resolved, The Mayor and the Common Council President shall make all reasonable efforts to coordinate appointments to ensure the Pension Task Force includes a cross-section of scholarship and experience so it can effectively evaluate the full range of issues affecting retirement and pension programs; and, be it

Further Resolved, All departments are directed to assist the Pension Task Force as requested to complete its mission; and, be it

Further Resolved, The Pension Task Force shall report its findings to the Common

Council by June 30, 2011, and be automatically dissolved.

LRB #10355-1

ANC

09/20/10