

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Administration and Operations Committee Meeting
held December 15, 2010

The meeting was called to order at 10:02 a.m.

Committee Members Present: John Barmore, Chair
 Larry Holland

Board Members Not Present: William C. Carey

Retirement System Staff Present: Bernard J. Allen, Executive Director
 Martin Matson, Deputy Director
 Tom Rick, Chief Investment Officer
 Kelly Reid, Chief Technology Officer
 Mary Jane Stoffel, Member Services Manager
 Suzanne Fortier, Board Stenographer

Others Present: Connie McDonald, Tony Popanz and Paul Rozek, Jefferson Wells; Jay Patel, S&S Consulting Group.

Jefferson Wells Internal Audit. As a matter of information, Committee members received copies of the Internal Audit Update, dated December 15, 2010; and Enrollment and Member Services Internal Audit Report, dated October 2010. Ms. McDonald talked about the 2010 audit plan status. She reported that the enrollment and member services audit had no issues to report; controls are generally adequate and function as intended by management. There was good quality of user documentation, timeliness of processing member inquires and changes, and active monitoring and communication of plan changes. Brief discussion ensued.

Jefferson Wells Internal Audit and Comptroller's Datacenter Audit. Mr. Barmore advised that the Administration and Operations Committee of the Annuity and Pension Board may vote to convene in closed session on items I. and II., as provided in Sections 19.85 (1) (i), Wisconsin State Statutes, considering any and all matters related to acts by businesses under s. 560.15 which, if discussed in public, could adversely affect the business, its employees or former employees. The Committee may then reconvene in open session following the closed session. It was moved by Mr. Holland and seconded by Mr. Barmore, that the Committee convene in closed session. The motion prevailed by the following roll call vote: AYES: Messrs. Holland and Barmore. NOES: None.

The Committee convened in closed session at 10:12 a.m. and reconvened in open session at 10:24 a.m.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated December 15, 2010. Ms. Reid updated the Committee the ERS Special Projects work plan; and organization study – action plan. Mr. Patel indicated that all member services, payroll services and employer reporting were satisfactory. He noted that approximately 2,554 members have signed up for Member Self Service. Mr. Patel talked about the Program Incident and Change Request Activity; defect and deficiency trends and inventory, and the year-to-year high priority PIR/CCR comparisons. Mr. Patel noted that for the month of November there was an outage that basically brought the service level on-line application was 98 percent and he talked about the outage. Discussion ensued. Ms. Reid updated the Committee on the Information Technology – Business

Continuity Plans; Remote Business Services; Disaster Recovery Project and the Custom Automation Project budget. Discussion ensued throughout the presentation.

Approval of TW Telecom Contract. As a matter of information, Committee members received a copy of the Contract for Services. Mr. Matson stated the City Attorney's Office is still working out some differences in the contract with TW Telecom's attorney, but requested the Committee approve pending City Attorney approval. He briefly talked about the contract provisions. It was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the TW Telecom contract pending City Attorney approval.

Approval of Symphony Contract and Statement of Work. As a matter of information, Committee members received a copy of the Contract and Statement of Work. Mr. Matson said this contract is for Vamsi Lolugu, who is one of ERS' developers and is filling the role of the vacancy we have been unable to fill. There is a three percent increase in the contract, and staff recommends approval. After discussion, it was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the contract and statement of work.

Approval of Deloitte & Touche Contract. As a matter of information, Committee members received a copy of the contract. Mr. Matson stated this is the annual contract with Deloitte to assist ERS in updating our process maps. He noted that ERS does not typically reach the hours and dollar amount of this contract. After discussion, it was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the contract.

Death Processing Presentation. As a matter of information, Committee members received a copy of a presentation book, "Search for Deceased Members". Ms. Stoffel stated that the receptionist goes through the obituaries in the Milwaukee Journal/Sentinel on the daily basis and check names against MERITS system and also the PABF list of members. This way staff is able to find members who have died but were not reported to our office. She said this includes retirees, survivors on payroll, active members, beneficiaries and related persons. Ms. Stoffel said that staff also uses LexisNexis Accurint by annually checking against returned member statements; even months – check against pension payroll, check against PABF and FABF lists; and quarterly – check against deferred members list. She stated this service is not very expensive; they charge \$.35 for every address found

There being no further business, Mr. Barmore adjourned the meeting at 11:10 a.m.

Bernard J. Allen
Secretary and Executive Director

(NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)