January 19, 2016

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that an Administration & Operations (A & O) Committee Meeting of the Annuity and Pension Board has been scheduled for **Thursday, January 21 at 9:00 a.m.** in the Employes' **Retirement System Conference Room at 789 N. Water Street, Suite 300.** If a quorum of the Board is present, this meeting will convene as a Special Board Meeting. The agenda is as follows:

I.   IT Projects Portfolio.
II.   Organizational/Personnel Update.
III. Claims Processing RFP Update.
IV.   Approval of Experis Internal Audit Statement of Work #2

Sincerely,

Bernard J. Allen
Executive Director

BJA:jmw

Administration and Operations Committee

ERS IT Portfolio Report

January 21, 2016

- Information Technology Projects Summary

- What's Next

- Appendix: 2015 IT Metrics

- IT Portfolio

Information Technology Projects Summary

- FileNet P8 Upgrade - Implementation (In Progress)

- MERITS Optimization – Refunds (In Progress)

- MERITS Optimization – BAA & PAP - Benefit Amount Adjustment and Payroll Processing (In Progress)

- 2015 Firewall Review (In Progress)

- LAMP (In Progress)

Application Stats

Category	High Priority	Low Priority	Total
Current Inventory	13	7	20
PIR	5	0	5
CCR	8	7	15
Pending/Hold	2	4	6
Deployed(Awaiting Next stage) /Ready for Production	0	0	0
Net Current Inventory	11	3	14

What's Next...

- Continue FileNet P8 Upgrade: Implementation

- Continue Optimization: Refunds

- Continue Optimization: BAA & PAP - Benefit Amount Adjustment and Payroll Processing

- Continue Windows 2012 R2 Server Upgrades

- Complete Firewall Review 2015

- Software Licensing Audit

Appendix
2015 IT Metrics

Completed: 2013 - 2015
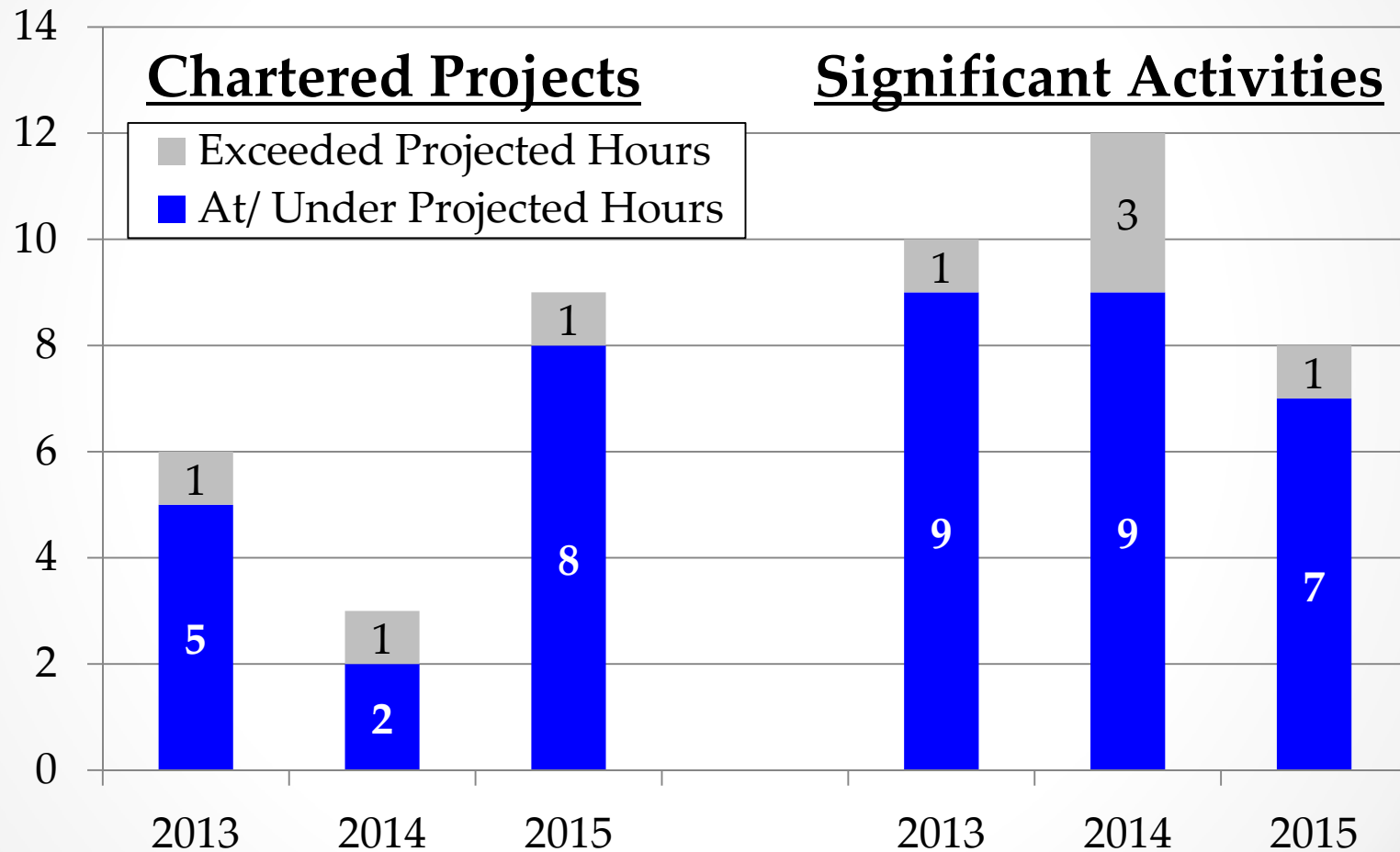
- For projects and activities that had hours projected.

7

Completed Projects 2015:
Hours and Budget Reconciliation

| Projects	Estimated Hours	Actual Hours	Hours Variance = Estimates - Actuals	Budgeted Amount	Within Budget
Websphere 8 Upgrade/ SQL	5446	3535	1911	$313,022	Yes ($93,053)
Retirement Application Process (RAP) Optimization	1355	1079	276	N/A	N/A
Data Protection Software Replacement	240	208	32	$4,000	No ($320)
eXchange Upgrade	138	165	**-27**	$6,700	Yes ($45)
Desktop Rotation / Surface Pro 3	184	31	153	$26,298	Yes ($5,610)
FileNet P8 Analysis	1980	1524	456	$164,000	Yes ($60,268)
Enrollment & Demographics (E&D) Optimization	1620	1145	475	N/A	N/A
Automated Patching Solution	180	70	110	N/A	N/A
Domain Controller Upgrade	300	273	27	N/A	N/A
Total Projects	**11,443**	**8,030**	**3,413**		

"N/A" – No external vendors, hardware or software required.

Completed Activities 2015:
Hours and Budget Reconciliation

Activities	Estimated Hours	Actual Hours	Hours Variance = Estimates - Actuals	Budgeted Amount	Within Budget
Firewall Analysis	140	119	21	N/A	
Vulnerability Assessment	100	78	22	N/A	
Medicare Reimbursement	360	453	**-93**	N/A	
Business Continuity Test	None	79	N/A	N/A	
Power Outage Test	61	61	0	N/A	
Network Gear Upgrade	None	78	N/A	N/A	
Business Continuity Audit	40	40	0	$6,800	Yes
DR Test: RO to Femrite	None	37	N/A	N/A	
Total Activities	**701**	**907**	**-50**		

"N/A" – No external vendors, hardware or software required.

2015 – IT Team Effort by Areas of Focus
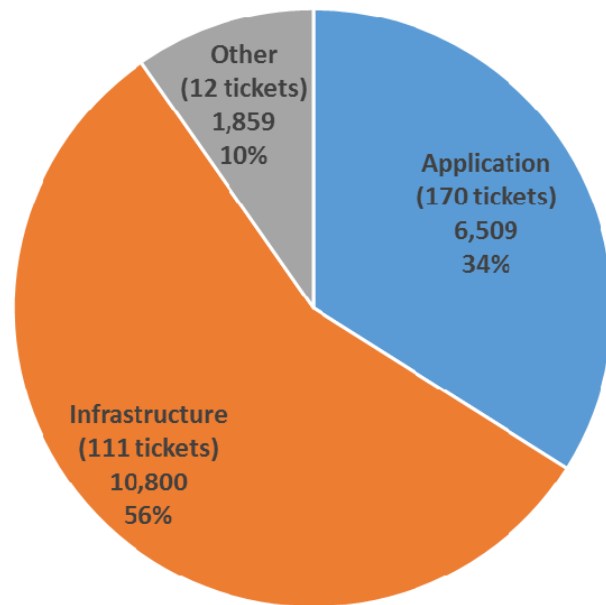
Effort in hours

Total Effort = 19,169 hours

Area / Category	Hours	Pct.	Ticket Count
Application	**6,509**	**34%**	**170**
Improvement	2,462	38%	104
Maintenance	555	9%	60
MPLM Upgrades	2,138	33%	4
User Support and Operations	1,355	21%	2
Infrastructure	**10,800**	**56%**	**111**
Disaster Recovery	199	2%	5
Improvement	247	2%	9
Maintenance	2,779	26%	93
MPLM Upgrades	4,184	39%	3
User Support and Operations	3,391	31%	1
Other	**1,859**	**10%**	**12**
Audit Related	278	15%	5
Other Administrative Tasks	1,581	85%	7

2015 – IT Team Effort by Category

Effort in hours — Total Effort – 19,169 hours
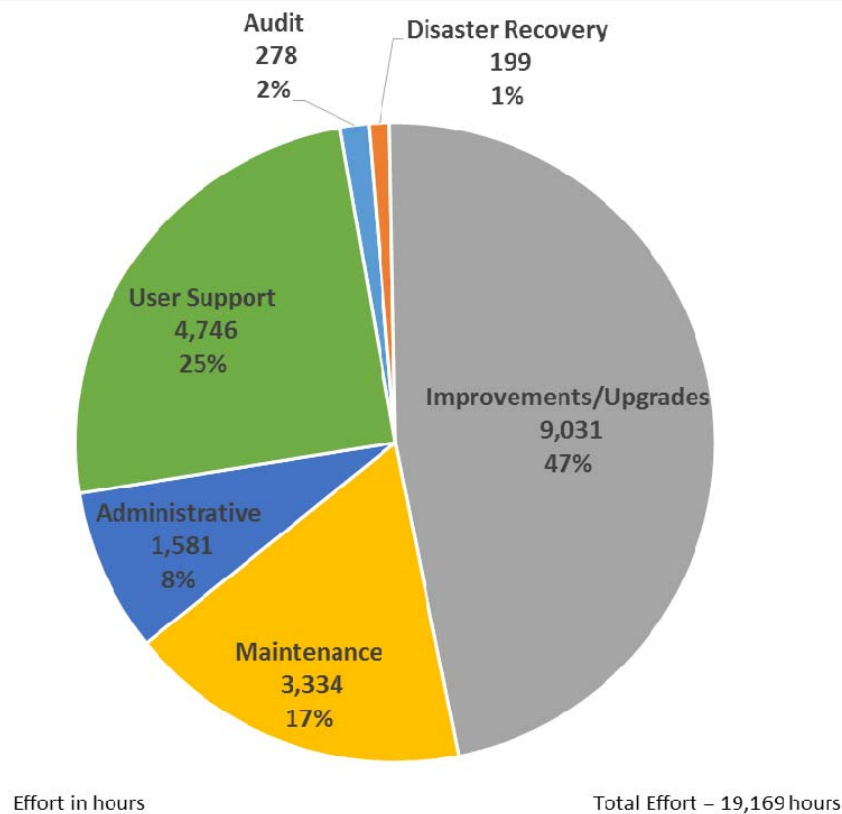
Descriptions:

Improvements / Upgrades: Includes application and infrastructure upgrades such as optimization, updates to the application, projects such as the WAS upgrade, installation of new SAN array, upgrades of network equipment and software, etc.

Maintenance: Includes application and infrastructure maintenance activities such as bug fixes, windows operating system patching, DNS and IP review and cleanup, disk space management, etc.
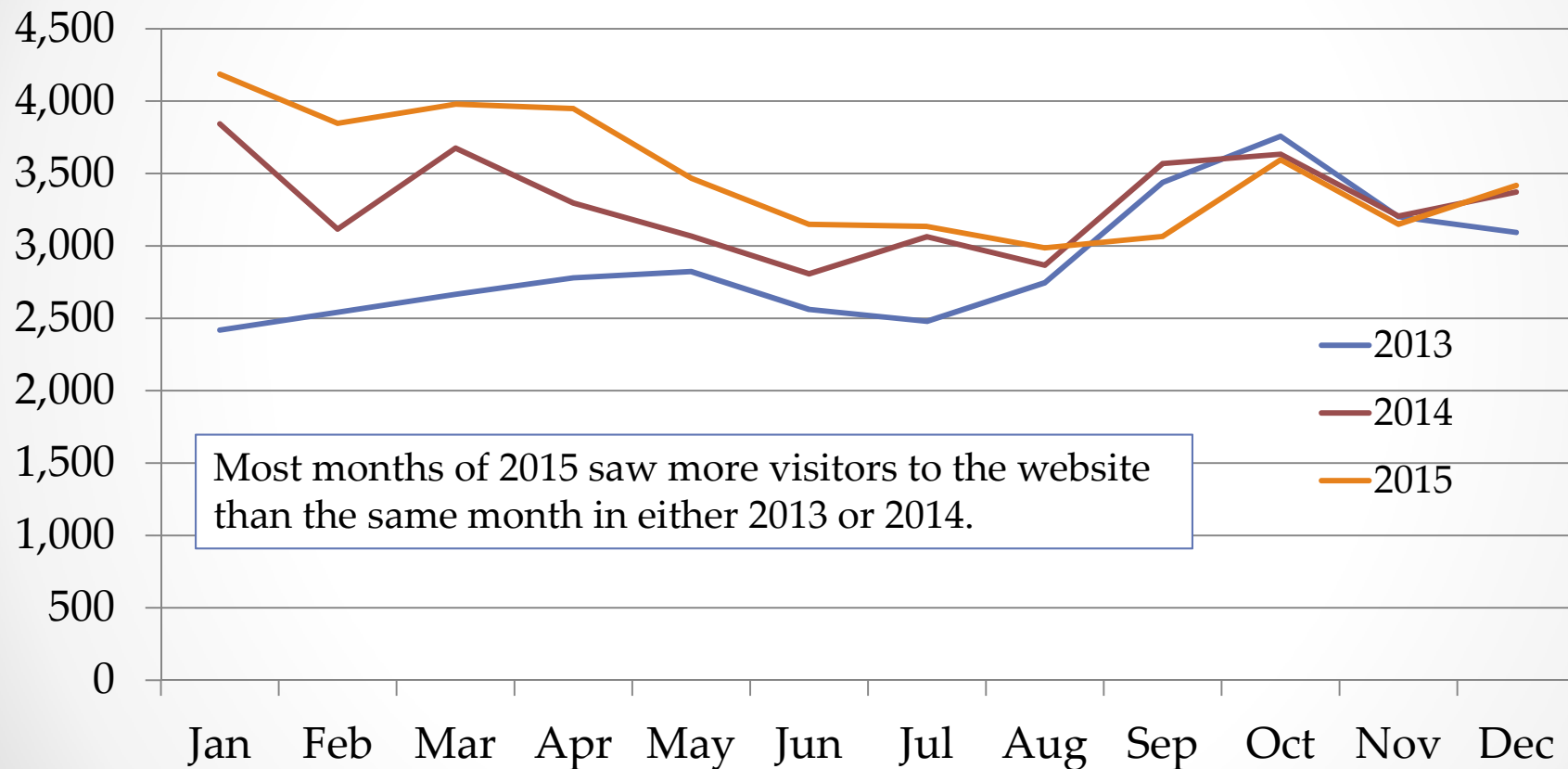
User Support: Includes assisting users with issues and questions related to the application as well as other hardware/software issues, and working with agencies related to contribution reporting

Disaster Recovery: Includes working with our backup and recovery environments, maintenance and upgrade of the equipment at the remote office, and the execution of disaster recovery and business continuity tests

Audit: Includes activities performed in conjunction with our internal and external auditors

Administrative: Includes administrative tasks performed by IT staff such as process updates, updates to the website, development of support plans, SPI documentation, reporting, etc.

# CMERS.com Increased Visits in 2015

Most months of 2015 saw more visitors to the website than the same month in either 2013 or 2014.

Legend: 2013, 2014, 2015

Member Self-Service

- Several updates were made to our Member Self-Service site in 2015, including:
  - o Listing information about beneficiaries
  - o Providing COLA information for retirees
  - o Making pre-populated forms available

- Additional items for updating the site are in-progress:
  - o Security enhancements
  - o Electronic submission of some documents

- As of January 1, 2016, our user group includes the following demographics:

Actives	2,206
Retirees	2,254
Deferred	491
Survivors	547
Total	**5,498**

Application Tickets Activity in 2015
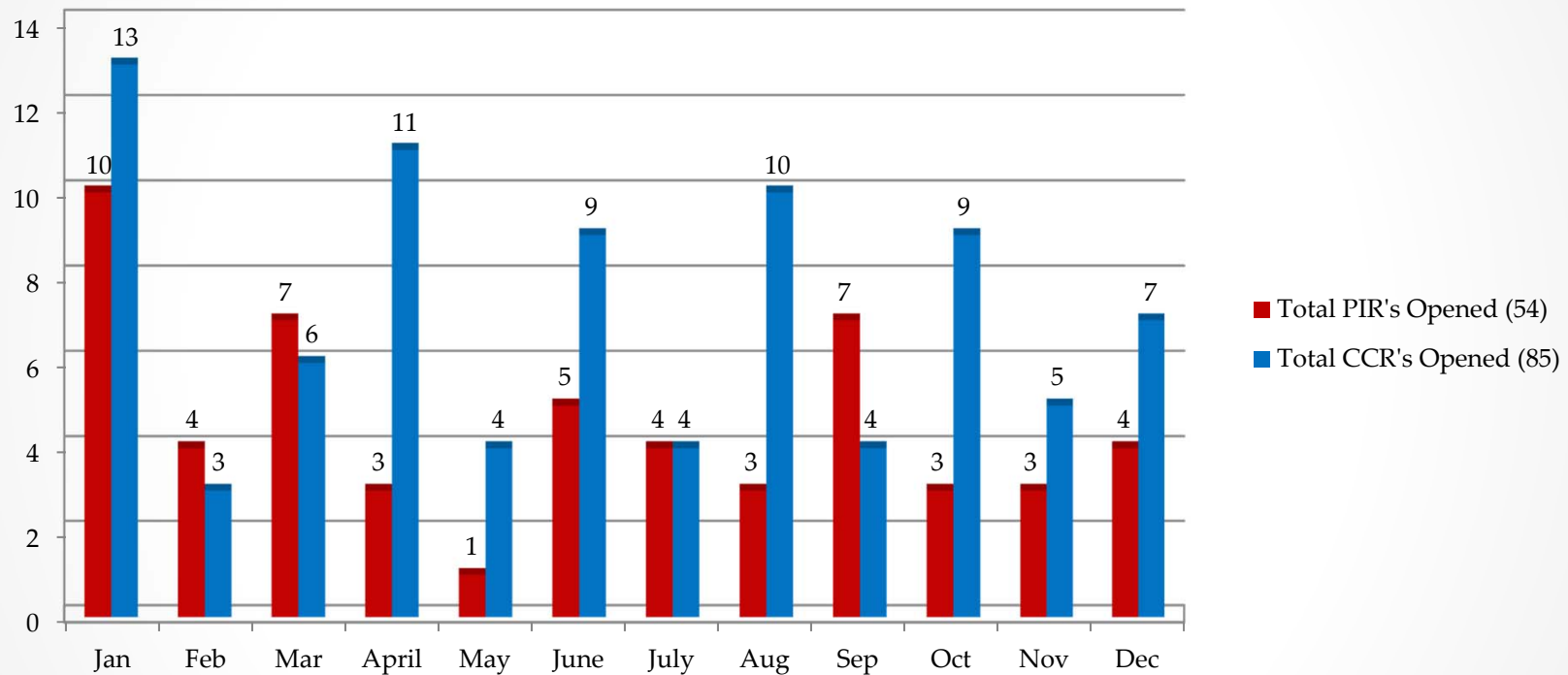
A total of 139 tickets were opened for enhancements/fixes;
Overall, staff has closed more tickets this year than were opened.

- Closed   - 142
- Canceled   -   8

Infrastructure Tickets Activity in 2015

Legend:
- Total PIR's Opened (19)
- Total CCR's Opened (90)
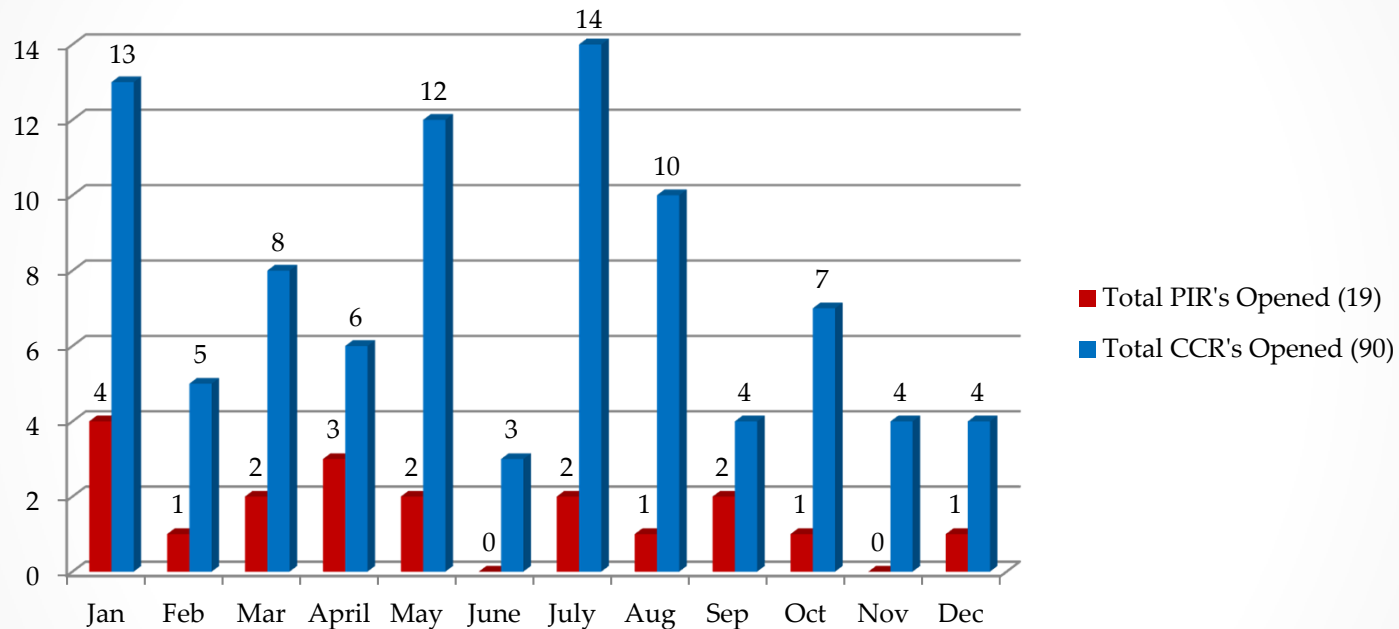
A total of 109 tickets were opened for Infrastructure related tasks
       90 were for upgrades, disaster recovery, and improvements
       19 were for maintenance activities

- Closed   - 95
- Canceled   - 11

Batch Jobs

- A total of 5,573 application batch jobs were run in 2015:
  - 5,566 completed successfully
  - 7 failed and were successfully remediated (no critical jobs failed)
- Examples of batch jobs:
  - Payroll
  - Reports for users
  - Monthly COLA job
  - Wage and contribution reports
  - Eligibility reports for retirement
  - Open enrollment
  - Interest posting
  - Health care policy updates
  - Tax updates and 1099 reporting
  - Member statements
  - Actuarial extracts
  - Work queue reports
 - Disability reports
  - Ad hoc reports

Physical\Virtual Machines 2015

2015 - 789 Data Center					
Month	Total Physical Servers	Total VMware Host Servers	Total VM Images	Avg Host Utilization - CPU	Avg Host Utilization - Mem
Jan-15	5	4	44	5%	53%
Feb-15	5	4	45	6%	54%
Mar-15	5	4	45	9%	55%
Apr-15	5	4	42	5%	54%
May-15	5	4	42	7%	54%
Jun-15	5	4	42	4%	54%
Jul-15	5	4	43	5%	54%
Aug-15	5	4	42	5%	54%
Sep-15	5	4	42	7%	53%
Oct-15	5	4	49	5%	53%
Nov-15	5	4	42	7%	54%
Dec-15	5	4	42	6%	54%

2015 - 809/BRIE					
Month	Total Physical Servers	Total VMware Host Servers	Total VM Images	Avg Host Utilization - CPU	Avg Host Utilization - Mem
Jan-15	3	3	15	2%	17%
Feb-15	3	3	19	2%	26%
Mar-15	3	3	19	1%	22%
Apr-15	3	3	15	2%	19%
May-15	3	3	15	5%	19%
Jun-15	3	3	15	3%	19%
Jul-15	3	3	9	1%	10%
Aug-15	3	3	14	2%	20%
Sep-15	3	3	17	4%	21%
Oct-15	3	3	22	6%	19%
Nov-15	3	3	21	3%	24%
Dec-15	3	3	22	10%	22%

2015 - FEM Data Center					
Month	Total Physical Servers	Total VMware Host Servers	Total VM Images	Avg Host Utilization - CPU	Avg Host Utilization - Mem
Jan-15	4	3	40	1%	17%
Feb-15	4	3	33	1%	13%
Mar-15	4	3	33	1%	14%
Apr-15	4	3	30	1%	14%
May-15	4	3	53	3%	54%
Jun-15	4	3	56	3%	53%
Jul-15	4	3	67	6%	51%
Aug-15	4	3	61	1%	19%
Sep-15	4	3	62	3%	50%
Oct-15	4	3	57	5%	53%
Nov-15	4	3	29	1%	15%
Dec-15	4	3	31	3%	18%

SAN Utilization 2015
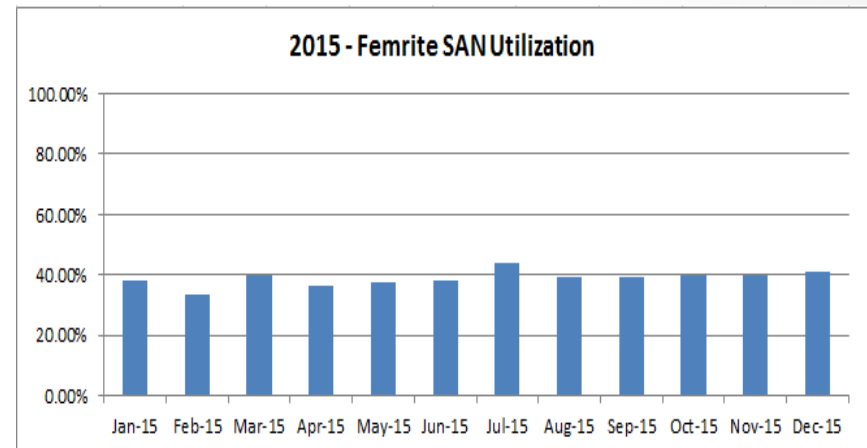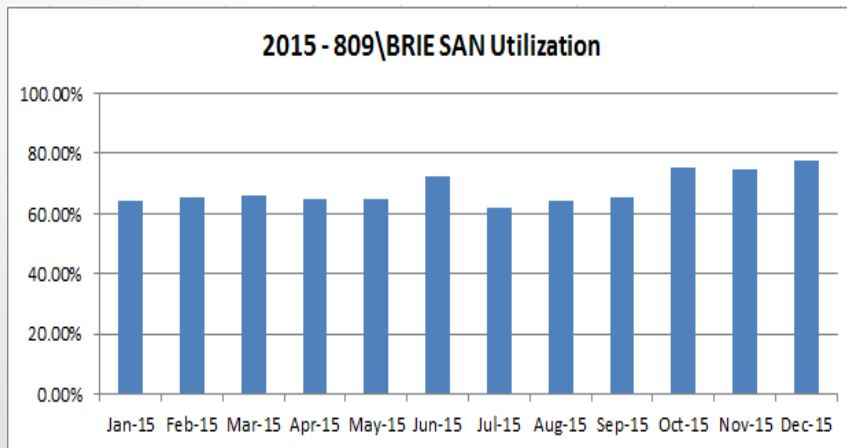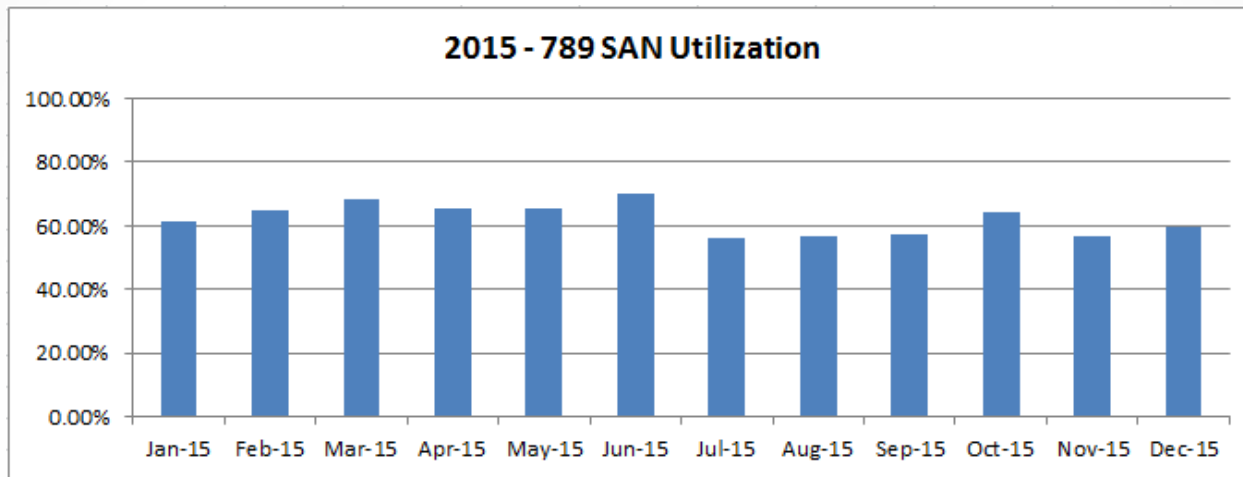
2015 Uptime

ERS Uptime Percentage 2015
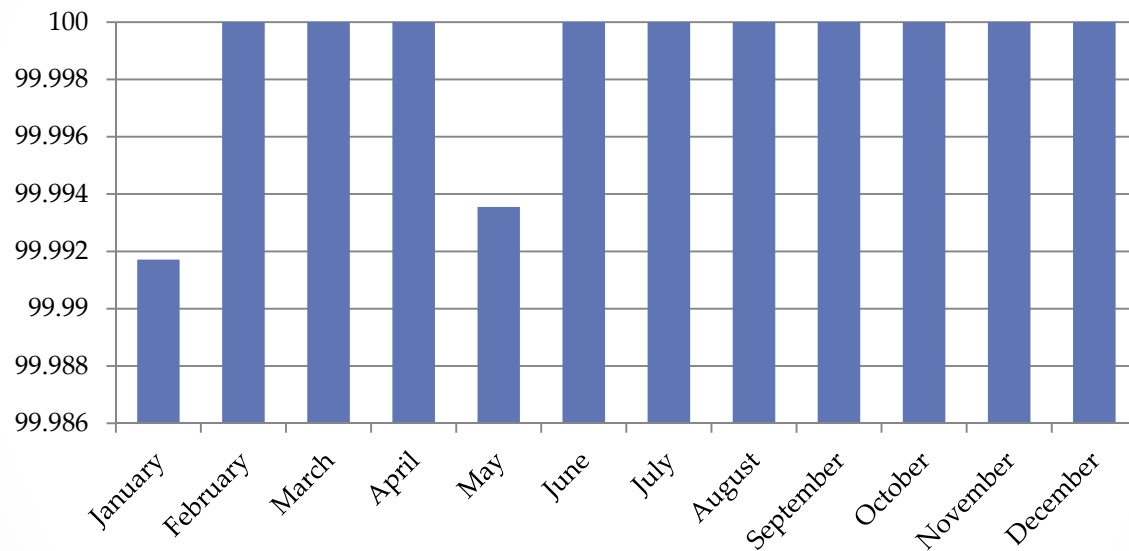
ERS = 99.9987% (2 outages)　　vs

Amazon = 99.9985% (18 outages)
Google = 99.9797% (59 outages)
IBM = 99.9875% (65 outages)
Microsoft = 99.9773 (435 outages)
RackSpace = 99.9812 (23 outages)

Portfolio as of January 1, 2016

Project Health:	% Complete	Project Priority	Complexity (S / M / L)	Project Name	Project Mgr	Description	Strategic Goal: G1 - G7	Status:	External Vendor Required: Y/N	Actual Start Date	Target Completion Date	Estimates (Hours)	Actuals (Hours)	Hours Variance = Estimates - Actuals	Total Hardware/Software & Labor Budget ($)	Actual Spent-to-Date on Hardware /Software & External Labor ($)	Estimate to Completion (ETC) (of Hardware/ Software & External Labor Costs)	$ Variance = Total Budget - (Actual + ETC)
G	60%	1	L	FileNet P8 Implementation	Manchu/ Zaffiro	Upgrade FileNet and de-couple from Clarety	G7	IP	Y	7/1/15	5/13/16	8,194	3,157	5,037	$667,789	$290,572	$377,217	$377,217
G	89%	2	L	Refunds Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	3/16/15	2/3/16	951	705	247	N/A	N/A	$0	N/A
G	30%	3	L	Windows 2012 Server Upgrade @	Raynal	Upgrade a variety of servers to Windows 2012	G7	IP	N	10/1/14	10/1/16	2,500	419	2,081	$8,934	$8,434	$0	$500
G	22%	4	L	BAA / PAP Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	8/3/15	9/5/17	4,343	842	3,501	N/A	N/A	$0	N/A
		5	S	Software Licensing Audit @	Reid		G3	NS	Y	1/5/16					$0	$0	$0	
		6	S	Desktop Rotation	Rogers	Annual rotation of devices	G7	NS	N	2/15/16	6/30/16				$0	$0	$0	

Green = On Target - No Significant Issues
Yellow = On Watch List – Issues Being Addressed
Red = Project cannot move forward as planned without management attention or approval.

NS = Not Started
IP = In Process

OH = On Hold
C = Complete

@ = Activity (no charter)

Completed Projects & Tasks in 2015

	Finished	Hours / $ Spent
Websphere 8 Upgrade/ SQL - (Manchu)	1/9/15	3,535 hrs / ~ $300,000
Firewall Analysis @ - (Roemer)	2/3/15	119 hrs / N/A
Application Optimization (RAP) - (Manchu)	3/16/15	1,076 hrs / N/A
Vulnerability Assessment @ (Reid)	3/31/15	94.75 hrs / ?
DR Test: RO to Femrite	4/1/15	31 hrs / N/A
Medicare Reimbursement @ (Siddiqui)	4/24/15	453 hrs / N/A
Data Protection Software Replacement (Roemer)	5/4/15	209 hrs / $4,320
eXchange Upgrade (Collins)	5/5/15	165 hrs / $6,655
Desktop Rotation (Rogers)	5/22/15	184 hrs / $20,688

	Finished	Hours / $ Spent
FileNet P8 Analysis (Manchu / Zaffiro)	6/9/15	1524.3 hrs / $103,732
Enrollment & Demographics Optimization (Manchu)	6/30/15	1144.75 hrs / N/A
Automated Patching Solution (John)	8/28/15	70 hrs / N/A
Business Continuity Test @ (Siddiqui)	10/15/15	78.5 hrs / N/A
Power Outage Test @ (Siddiqui)	11/4/15	61 hrs / N/A
Network Gear Upgrade @ (Roemer)	11/10/15	77.5 hrs / N/A
Domain Controller Upgrade (John)	12/11/15	273.45 / N/A
Business Continuity Audit @ (Reid)	12/14/15	40 / $6,800

Organizational/Personnel Update

Administration and Operations Committee
Thursday, January 21, 2016

- **ERS Reclasses and Reorgs still in progress**
- **Request to fill the Accounting Assistant II position was approved at the 1/13/16 F&P Committee meeting**
- **Recent Promotion:**
  - Jeremy Zemlicka (ERS staff) has received a promotional transfer into the Management Accountant Sr position, effective 1/17/16
- **Current Vacancies:**
  - Accountant Assistant II
- **Upcoming Vacancies:**
  - Pension Specialist Sr.

MILWAUKEE **ERS** Employes' Retirement System

**First Amendment
to the Contract Between
The Employes' Retirement System
of the City of Milwaukee
and Experis**

This First Amendment to the Contract made January 1, 2015, by and between the Employes' Retirement System of the City of Milwaukee (ERS), a body politic and corporate organized and existing under the laws of the State of Wisconsin and Chapter 36 of the charter ordinances of the City of Milwaukee, and Experis (CONTRACTOR).

WHEREAS, On January 1, 2015, the ERS and the CONTRACTOR entered into an agreement for the furnishing of Internal Audit Services (the Contract); and

WHEREAS, The parties desire to further amend the Agreement by appending a 2016 Statement of Work to Exhibit A;

NOW, THEREFORE, In consideration of the mutual covenants hereinafter stated, the parties do hereby agree to amend the Contract dated January 1, 2015, as follows:

1.   The Statement of Work (Exhibit A) shall be appended with the enclosed Statement of Work #2, to reflect the 2016 rates, hours and estimated costs.

2.   This change constitutes the entire amendment to the Contract between the parties made January 1, 2015. All other covenants, provisions, terms, and conditions of the Contract shall remain in force until further amended by mutual agreement of the parties.

IN WITNESS WHEREOF, the ERS and CONTRACTOR have hereunto set their hands this _____ day of _____, 2016.

EMPLOYES' RETIREMENT SYSTEM   EXPERIS

By: _____   By: _____
W. John Barmore, President
Annuity and Pension Board

Date: _____   Date: _____

1

By: _____
Bernard J. Allen, Secretary
Employes' Retirement System

Date: _____

Examined and approved as to form and execution:
By: _____
Office of the City Attorney

Date: _____

CONSULTING SERVICES AGREEMENT – STATEMENT OF WORK #2

Experis   AND   **Employes' Retirement System**
100 Manpower Place   City of Milwaukee
Milwaukee, WI 53212   789 N Water Street, Suite 300
Hereinafter referred to as CONTRACTOR   Milwaukee, WI 53202
                                                                                         Hereinafter referred to as ERS

Contractor and ERS hereby agree to the following:

1.   CONTRACTOR shall provide ERS with the following agreed upon SPECIALIST(s) at the designated hourly billing rate for such SPECIALIST(s) with a start date of January 1, 2015 and end date of December 31, 2017:

Team Member	Rate 2016	Est. Hours	Est. Cost
Internal Audit			
Director • Connie McDonald	$195	20	$3,900
Engagement Manager • Daniel Ludwig	$155	105	$16,275
Audit Professional • Andrea Klubertanz • Al Day	$113	320	$36,160
IT Audit/IT Security			
IT Director • Glenn Harkabus • John Hainaut	$195	10	$1,950
IT Security Professional • Tom Schleppenbach	$165	180	$29,700
IT Engagement Manager • Kyle Johnson	$155	65	$10,075
IT Audit Professional • Don Groth	$144	130	$18,720
Total Hourly Billings		830	$116,780
Additional Hours/Dollars Per Contract		120	$19,800
Grand Total 2016 Est. Hours/Dollars		**850**	**$136,580**

2.   This phase of the engagement will consist of executing the 2016 portion of the three year (2015 – 2017) audit budget developed by CONTRACTOR for ERS. The CONTRACTOR team will complete the following:

    a.   Perform process walkthroughs with key ERS personnel to understand the activity level risks and mitigating controls.
    b.   Develop audit test scripts and evaluation criteria.
    c.   Perform testing and document findings.

    d.   Report findings and review with management to determine corrective actions.
    e.   Review and refresh the audit plan to incorporate any changes in circumstances, procedures, risks and objectives.

In connection with CONTRACTOR'S provision of the services, ERS will perform the tasks, furnish the personnel, provide the resources, or undertake the responsibilities specified below ("ERS Responsibilities").

ERS will designate a competent and authorized employee or employees within its senior management who will make all management decisions with respect to this engagement. To the extent that CONTRACTOR'S deliverables include surveys, analyses, reports, evaluations, recommendations or other management consulting services, ERS' management shall be responsible for all implementation decisions and for any future action with respect to the matters addressed in the deliverables. In conjunction with ERS acceptance, ERS' management will evaluate the adequacy and results of the design and implementation of CONTRACTOR'S deliverables.

ERS shall remain responsible for:

- any content contributed by ERS or a third party in connection with this engagement; and

- accuracy and completeness of information supplied to CONTRACTOR; and

- any misuse by ERS of the Deliverables which is illegal, unlawful, or infringes another's intellectual property rights.

ERS acknowledges that ERS and/or its affiliates (i) are the controller(s) of any ERS, affiliate, or third party data or databases accessed and/or processed by CONTRACTOR in the course of performing the services, including, but not limited to, data relating to individuals (the "Data"), and (ii) will be solely responsible to third parties for such Data, including, but not limited to, the individuals to whom the Data relate and ERS and affiliate personnel. ERS represents and warrants to CONTRACTOR that all Data processing and transfers between ERS and its affiliates on the one hand and CONTRACTOR on the other hand have been and will be conducted in full compliance with any laws or regulations applicable to the protection of data.

ERS is responsible for providing CONTRACTOR with directions and instructions relating to any laws or regulations applicable to the protection of data, upon which directions and instructions CONTRACTOR will rely exclusively when accessing and processing Data in performing the services

Engagement Assumptions:

The services, fees and delivery schedule for this engagement are based upon the following assumptions, representations or information supplied by ERS ("Assumptions").

- ERS personnel will make themselves available for meetings and interviews in a timely manner
- Risk assessments, documentation and other requested information will be made available in a timely manner

CONTRACTOR'S delivery of the services and the fees charged are dependent on (i) ERS' timely and effective completion of the ERS Responsibilities, (ii) the accuracy and completeness of the Assumptions, and (iii) timely decisions and approvals by ERS' management. ERS shall be responsible for any delays, additional costs incurred, or non-compliance caused by or associated with ERS' failure to uphold its Responsibilities or lack of providing appropriate Assumptions.

3.   CONTRACTOR and ERS agree that hours of service each week will not exceed 40 hours for any CONTRACTOR Specialist. Contractor will not work on holidays of the City of Milwaukee. Any hours above and beyond the first 40 hours will be billed at the stated hourly rate.

4.   CONTRACTOR shall submit biweekly time sheets to the assigned ERS supervisor for review and approval.

5.   CONTRACTOR shall report to the ERS Board and the A&O Committee, and may also operationally report to an ERS executive that the Board designates.

6.   CONTRACTOR is responsible for completing the work described in item 2.

7.   The CONTRACTOR Project Manager for this engagement is Connie McDonald, Director – Risk Advisory Services.

8.   CONTRACTOR may be required, within the scope of this engagement, to assist the Executive Director of the Employes' Retirement System in his preparation of written reports required of him by the Administration & Operations (A&O) Subcommittee of the Annuity and Pension Board.

9.   CONTRACTOR may be reasonably requested at mutually convenient times to participate in internal ERS conferences with such personnel of the ERS as shall be designated by the Executive Director or Deputy Director of the ERS to review the progress made and discuss aspects of performance of the services as specified herein.

10.   This Statement of Work incorporates the terms and conditions of the Agreement between the ERS and CONTRACTOR dated January 1, 2015.

Experis

EMPLOYES' RETIREMENT SYSTEM
CITY OF MILWAUKEE

BY: Brian Van Swol

BY: Bernard J. Allen

SIGNED: _____
TITLE: Lead Business Development Manager

SIGNED: _____
TITLE: Executive Director

DATE: _____

DATE: _____