

City of Milwaukee  
Employees' Retirement System

Bernard J. Allen  
Executive Director

David M. Silber, CFA, CAIA  
Chief Investment Officer

Beth Conradson Cleary  
Deputy Director

February 11, 2016

Mr. Jim Owczarski  
City Clerk  
Room 205, City Hall

Dear Mr. Owczarski:

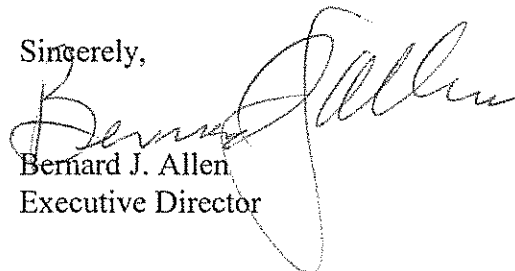
Please be advised that an Administration & Operations (A & O) Committee Meeting of the Annuity and Pension Board has been scheduled for **Thursday, February 18 at 9:00 a.m. in the Employees' Retirement System Conference Room at 789 N. Water Street, Suite 300.** If a quorum of the Board is present, this meeting will convene as a Special Board Meeting. The agenda is as follows:

- I. IT Projects Portfolio.
- II. Organizational/Personnel Update.
- III. Close out of 2015 Budget.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IV.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- IV. Claims Processing Contract Update.

Sincerely,



Bernard J. Allen  
Executive Director

BJA:jmw

NOTICE TO PUBLIC - Meetings of the City of Milwaukee Annuity and Pension Board are open to the public. Those in attendance wishing to address the Board on a specific agenda item may do so by registering in advance of the meeting with the Board Secretary.

PLEASE NOTE - Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aids. For additional information or to request this service, please call 414-286-3557.





**Administration and Operations Committee**

## **ERS IT Portfolio Report**

**February 18th, 2016**

- Information Technology Projects Summary
- Application Stats
- What's Next
- IT Portfolio

# Information Technology Projects

## Summary

- MERITS Optimization – BAA & PAP - Benefit Amount Adjustment and Payroll Processing (In Progress)
- FileNet P8 Upgrade - Implementation (In Progress)
- 2015 Firewall Review (In Progress)
- LAMP (In Progress)
- Windows Server 2008 R2 to Windows Server 2012 R2 Upgrades (In Progress)
- VMware Upgrade (Completed)
- MERITS Optimization – Refunds (Completed)
- Software Licensing Audit (In Progress)

# Application Stats

Category	High Priority	Low Priority	Total
Current Inventory	20	3	23
PIR	8	0	8
CCR	12	3	15
Pending/Hold	4	1	5
Deployed(Awaiting Next stage) /Ready for Production	6	0	6
Net Current Inventory	10	3	13

# What's Next...

- Continue Optimization: BAA & PAP - Benefit Amount Adjustment and Payroll Processing
- Continue FileNet P8 Upgrade: Implementation
- Continue 2015 Firewall Review
- Continue LAMP
- Continue Windows Server 2008 R2 to Windows Server 2012 R2 Upgrades
- Complete IT General Controls Audit
- IT Disaster Recovery Test

# Glossary of Terms

- *Applications/Acronyms Definitions:*

- **Perforce:** Primary application the development team uses to make code changes to MERITS. It provides the environments for testing, development and CCR/PIR deployments.
- **AccPac:** Accounting software that supports the general ledger
- **Altiris:** Asset management software the technical team uses to inventory and support all IT assets. This application manages updates to computers, imaging, and software distribution from a centralized console.
- **Websphere Application Server (WAS):** The application server that we use to connect Web site users to Member Self Service and other MERITS related web services.
- **JAVA:** The programming language that MERITS was developed in and is running.
- **PIR:** Problem Incident Report- A person reports a bug with the application and requests priority resolution
- **CCR:** Change Control Request- A person request a new feature, change or enhancement to MERITS
- **Retirement Application Processing (RAP):** Functional module in Merits that processes retirement applications through workflow
- **Merits Program Lifecycle Management (MPLM):** Process to upgrade, patch and keep current all of the MERITS related subsystems and ERS business applications
- **Storage Area Network (SAN):** Primary storage technology used to centrally store all ERS data and manages Disaster Recovery
- **Disaster Recovery Plan (DRP):** The technical planning, design and testing of all IT systems and staff to ensure that all technical systems can run at the off site location in Madison, WI called Femrite. IT staff does semi annually testing to ensure all applications and IT services are up and running within the designated service level objectives
- **Recovery Time Objective/Recovery Point Objective (RTO/RPO):** These are I.T. service level goals for the amount of time it takes to cutover I.T. services to the Femrite location and the point in time (per the last backup) where we recover at. Currently at 24 hours recovery time and 8 hours for any loss of data. I.T. currently exceeds this expectation based off the last 2 tests. 2014-2015 is to reduce the goal to 8 hours and 4 hours loss of data.
- **Business Continuity Plan (BCP):** The process that ensure the ERS can continue running its services and daily operations at the Remote Office in the event that the primary location is not accessible. We engage ERS business users to physically work at the Remote office location and document the results on a reoccurring basis.
- **Remote Office (RO):** Backup Remote work facility located at TPP 10850 W. Park Place. It is connected to both the 789 N. Water Street facility and the Femrite Data Center in Madison, and users can physically work there and connect to any needed data center.
- **MERITS Optimization:** Project approved in 2012 to go through all 17 application modules in MERITS and clean up code, ensure best practices are implemented, SQL stored procedures for faster performance, reporting and user experience. It is the clean up of any non ERS related code that may have been carried over from the original jClarety (HP software) implementation.
- **ARIS:** Web based software used for mapping legal opinions to MERITS workflow processes and procedures

Portfolio as of February 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	70%	1	L	FileNet P8 Implementation	Manchu/ Zaffiro	Upgrade FileNet and de-couple from Clarety	G7	IP	Y	7/1/2015	7/1/2015	5/13/2016	3,656	4,538	\$ 667,789	\$ 346,569	\$ 321,220	\$ 321,220
G	5%	2	M	IT General Controls Audit @	Reid	Experis IT Audit	G3	IP	Y	2/10/2016	2/10/2016	3/10/2016	-	-	\$ 13,600	\$ 0	\$ 0	
G	90%	3	S	Software Licensing Audit @	Reid	Experis IT Audit	G3	IP	Y	1/25/2015	1/25/2016	2/15/2016	37	3	\$ 6,800	\$ 6,290	\$ 510	\$ 510
G	33%	4	L	Windows 2012 Server Upgrade @	Raynal	Upgrade a variety of servers to Windows 2012	G7	IP	N	10/1/2014	10/1/2014	10/1/2016	480	2,020	\$ 8,934	\$ 8,434	\$ 500	\$ 500
G	24%	5	L	BAA / PAP Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	8/3/2015	8/3/2015	9/5/2017	985	3,358	N/A	N/A	\$ 0	N/A
G	99%	6	L	Refunds Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	3/16/2015	3/16/2015	2/3/2016	748	204	N/A	N/A	\$ 0	N/A
G	0%	7	M	IT Disaster Recovery Test	Roemer/Rogers	Semi Annual Femrite Test (IT Only)	G3	NS	N	3/28/2016								
<b>Pipeline Projects (Next 6 months)</b>																		
			M	Desktop Rotation	Rogers	Annual rotation of devices	G7	NS	N						\$ 34,950			
			S	Social Engineering Audit	Reid	Experis	G3	NS	Y									

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      OH = On Hold      @ = Activity (no charter)  
 IP = In Process      C = Complete

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

Completed Projects & Tasks in 2015	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, February 18, 2016

- ERS Reclasses and Reorgs still in progress
- Request to fill the Records Technician II and Pension Specialist Senior positions was approved at the 2/3/16 F&P Committee meeting



February 11, 2016  
Memorandum

To: Bernard J. Allen, Executive Director

From: Melody Johnson, ERS Chief Finance Officer *mj*

Re: Final 2015 Payment to the City and 2015 Budget to Actual Expenditures

I have completed my analysis for our expenditure activity for fiscal year 2015. Our expenditures for 2015 total \$19,802,109.93 of which \$638,771.35 relates to non-trust activities. The remaining \$19,163,338.58 represents amounts that are funded by the Trust for 2015 expenses.

We have previously advanced the City \$18,798,000.00 toward these costs in 2015 leaving a balance owed of \$365,338.58.

The final amount payable to the City is primarily comprised of costs incurred since the middle of December, the last time the Trust reimbursed the City for expenses and for amounts accrued to close out the fiscal year.

This analysis was provided to the City with a cover letter requesting the City to prepare an invoice for this amount to be approved by the Board for final payment in settlement of 2015 expenses.

Below you will find the 2015 Budget to Actual Summary.

	BUDGET	ACTUAL	BALANCE
SALARIES	2,737,992.00	2,637,663.01	100,328.99
FRINGE	1,232,096.00	1,076,400.00	155,696.00
GENERAL OFFICE	197,000.00	164,958.06	32,041.94
OPERATING SUPPLIES	7,000.00	3,329.32	3,670.68
FACILITY RENT & PROPERTY SERVICES	667,000.00	575,388.62	91,611.38
EQUIPMENT RENTAL	16,000.00	12,305.53	3,694.47
PROFESSIONAL SERVICES	19,801,000.00	13,202,165.22	6,598,834.78
INFORMATION TECHNOLOGY	2,121,000.00	1,623,828.76	497,171.24
OTHER OPERATING SERVICE	1,149,000.00	443,768.84	705,231.16
EQUIPMENT	469,000.00	62,302.57	406,697.43
<b>TOTAL</b>	<b>28,397,088.00</b>	<b>19,802,109.93</b>	<b>8,594,978.07</b>