

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

Minutes of the Administration and Operations Committee Meeting
Held January 28, 2008

The meeting was called to order at 9:00 a.m.

Committee Members Present: John Barmore
 William C. Carey
 W. Martin Morics, Chair
 Sebastian Raclaw

Board Members Present: Michael J. Murphy

Retirement System Staff Present: Martin Matson, Acting Director
 Tom Rick, Chief Investment Officer
 Alva Coleman, Information Systems Manager
 David Silber, Pension Investment Analyst
 Bruce Thomas, Pension Investment Analyst
 Suzanne Fortier, Board Stenographer

Others Present: Beth Cleary, City Attorney's Office; Jon Granger, Consultant, Jay Patel, S&S Consulting.

Selection of Executive Director. Mr. Morics indicated that this will be taken up at the full Board meeting, which is scheduled for immediately after this Committee meeting.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated January 15, 2008. Mr. Granger said there are still issues of defects and deficiencies that are being reported, but ERS staff, contractors and Saber are able to fix those in a timely manner. He said ERS' annual processing activities were on track. Mr. Granger talked about the program incident reports, change requests and defect and deficiency tracking. He said the drop in overall inventory of problems that need to be solved is dropping at a slower rate than previously expected, and forecasting for the six months will continue to decline, but slowly. Using the same forecast for the next six months, predicated on the past six months, suggests that the high priority tickets will only drop slightly. Mr. Granger said the team has a couple of initiatives that we are kicking off to see if we can make some changes in the programs, and they have some other steps to take to deal with quality assurance and testing that will get us to a lower number. He reviewed the past year regarding new defect and deficiency tracking. Mr. Patel stated that for December, ERS' on-line application was up over 99 percent. He talked about the technical accomplishments for 2007 and coming attractions for 2008. Mr. Granger talked about the budget stating he put draft on this as ERS needs to do reconciliation between PeopleSoft Financials and this special tracking system that we have for the numbers. He said he took a look in December, and the good news is the PeopleSoft balance on this Special Purpose account is higher than his expenditures indicate. Discussion ensued throughout the presentation.

Approval of the Agreement with Deloitte & Touche. As a matter of information, Committee members received a copy of the agreement. Mr. Matson stated that this is a draft agreement with Deloitte & Touche for 2008 which will bring individuals from that organization to assist ERS with the continued updates of the ARIS maps. This is a regular maintenance type of contract so

this will be an annual item going forward. He said the City Attorney needs to complete her review of the contract and they will be making a couple of small changes. Mr. Matson asked the Committee to approve this contract pending the City Attorney's review. It was moved by Mr. Carey, seconded by Mr. Barmore, and unanimously carried, to approve the agreement with Deloitte & Touche subject to review by the City Attorney's Office.

Approval of the Agreement with Jefferson Wells, Inc. As a matter of information, Committee members received a copy of a Contract for Services. Mr. Matson said Jefferson Wells did use the standard ERS contract, and as requested by the City Attorney, ERS only made a slight update regarding record retention. He said ERS is adjusting the first statement of work to be more accurate. Mr. Matson asked for approval of the contract pending review by the City Attorney's Office. It was moved by Mr. Carey, seconded by Mr. Barmore, and unanimously carried, to approve the contract subject to review by the City Attorney's Office.

There being no further business, Mr. Morics adjourned the meeting at 9:20 a.m.

Martin Matson
Acting 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.)