

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

Minutes of the Administration and Operations Committee Meeting
held November 19, 2009

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

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

Committee Members Not Present: Angela Henschel (excused)
 Thomas Fischer (excused)

Retirement System Staff Present: Bernard J. Allen, Executive Director
 Martin Matson, Deputy Director
 Tom Rick, Chief Investment Officer
 Suzanne Fortier, Board Stenographer

Others Present: Beth Cleary, City Attorney; Jon Granger, Sagetic Solutions; Jay Patel, S&S Consulting.

Mr. Barmore noted for the record that per Board Rules and Regulations, Mr. Morics has appointed himself to the Committee for today's meeting in order to have a quorum present.

Mr. Barmore stated there has been a request to take items II. and III. out of order. There being no objections, items II. and III. were taken up at this time.

Approval of Saber Contract. As a matter of information, Committee members received a copy of the Saber contract. Mr. Allen stated this is still in negotiations, but ERS is asking for authority to sign the agreement subject to finalization with the City Attorney's Office. Ms. Cleary discussed the various issues in the negotiations. After discussion, it was moved by Mr. Morics, seconded by Mr. Carey, and unanimously carried, to authorize staff to enter into the agreement, subject to City Attorney's review and approval.

Approval of S&S Consulting Group Contract. As a matter of information, Committee members received a copy of the S&S Consulting Group contract. Mr. Allen stated that ERS is asking for authority to extend this contract for five years. After discussion, it was moved by Mr. Morics, seconded by Mr. Carey, and unanimously carried, to approve the contract extension with S&S Consulting Group.

(Mr. Morics left the meeting at 10:25 a.m.)

The meeting convened as a sub-committee at 10:25 a.m.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated November 19, 2009. Mr. Granger briefly talked about the ERS Special Projects Work Plan and updated the Committee on the organizational study activities. He talked about the MERITS 2.0

Project – Risk Management Perspective; project planning horizon; RFI process update; and procurement options and costs. Lengthy discussion ensued.

Mr. Patel talked about the Request for Information process. He indicated that ten vendors have responded and staff has gone through a review of their responses. Mr. Patel talked about the variety of solutions submitted by those vendors. Presentations have been held with Nvisia, Accenture and HP EDS. Brief discussion ensued. Mr. Patel reported that vendor presentations are being scheduled and will continue throughout December; staff will analyze the findings and bring them back to the A & O Committee. Lengthy discussion ensued with respect to the DC 48 contract settlement provisions. Mr. Patel indicated that all member services, payroll services and employer reporting were satisfactory. He noted that approximately 1,684 members have signed up for Member Self Service. Staff has also started the testing for annual processing jobs for 2009-2010.

He 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 also noted that for October the on-line application was 100 percent. Mr. Granger reported that the HVAC replacement is now complete at 789 data center and the ceiling tiles will be replaced next week. Some of the action items for the 809 data center (HVAC, power) have been done, but more changes are forthcoming. He indicated that DPW is preparing a proposal for a Tier II CRAC installation with an estimated cost of \$50,000; staff is looking to see if that makes any business continuity sense and will report back to the A & O Committee. Mr. Granger briefly talked about the Virtual Private Network (VPN) Services. Discussion ensued. He indicated a draft lease for Two Park Plaza is being reviewed by the City Attorney's Office for a remote office site. Staff is also reviewing the various AT&T agreements submitted related to their products and services. Mr. Granger updated the Committee on the disaster recovery action items and financial reports. Discussion ensued.

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.)