

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

Minutes of the Administration and Operations Committee Meeting
held May 13, 2010

The meeting was called to order at 9:06 a.m.

Committee Members Present: John Barmore, Chair
 William C. Carey
 Larry Holland

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; and Jay Patel, S&S Consulting.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated May 13, 2010. Mr. Granger briefly talked about the ERS Special Projects Work Plan and updated the Committee on the organizational study activities. Mr. Patel indicated that all member services, payroll services and employer reporting were satisfactory. He noted that approximately 2,105 members have signed up for Member Self Service. 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 noted that the service level and batch performance for April was 100 percent.

Mr. Granger updated the Committee on the VPN services stating work was complete except for some final documentation. He stated the remote site is moving forward and we are hopeful we can make a June deadline, but a lot has to do with how much longer it takes to complete some of the punch list items. On disaster recovery services, the goal is to have Phase I of the co-location site out at Femrite operational for the file restoration capability by the end of June. Mr. Granger said that quotes were received for the office and modular furniture; ERS staff has done field inspection trips to four of the vendor's products. He stated that most will make a commitment to delivering and installing their products within four weeks of receipt of an order. Discussion ensued with respect to the furniture for the remote office. Mr. Granger reported that AT&T is performing the work on the wiring and voice/data hardware system; card access system is installed and ready to go; and staff is drafting the purchase orders for printer and desktop units.

Mr. Granger talked about the disaster recovery server services between 789 N. Water St. and 809 N. Broadway St. For the remote server site at the State (Femrite), he stated that ERS staff has met with Dell and Hewlett Packard, and a Dell storage expert will be coming in today to make sure we are looking at the very best solution when it comes to the ability to replicate or make copies of data between here and Madison on a high-speed basis. He briefly talked about security and background checks that will be done. Mr. Granger noted he has requested rate charts from the State's BadgerNet, AT&T and TW Telecom for the data communication services. Lengthy discussion ensued with respect to the business continuity planning for mass storage and mass storage investment options. Mr. Granger briefly talked about the custom automation budget.

Approval to Purchase Remote Office Furniture. Mr. Barmore asked if there were any further follow up questions regarding the remote office furniture. There being no further questions, it was moved by Mr. Carey, seconded by Mr. Holland, and unanimously carried, to approve the expenditure not to exceed the previously stated amount of \$66,000.

Approval of First Amendment to S&S Consulting Contract. As a matter of information, Committee members received a copy of the First Amendment to the Contract. After discussion, Mr. Barmore indicated this would be held over for the full Board.

Approval to Conduct a Request for Proposal for Financial Audit Services. Mr. Matson indicated that the Baker Tilly Virchow Krause contract actually expires at the end of 2010. They have been with ERS for a total of ten years. The contract was renewed the last time for five years without an RPF. He stated that since it has been ten years since ERS went out to the market, it is advisable to check out the market. After discussion, it was moved by Mr. Holland, seconded by Mr. Carey, and unanimously carried, to approve the request to conduct an RPF.

There being no further business, Mr. Barmore adjourned the meeting at 10:26 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.)