

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

Minutes of the Administration and Operations Committee Meeting
held January 19, 2011

The meeting was called to order at 9:01 a.m.

Committee Members Present: John Barmore, Chair
 Larry Holland

Board Members Not Present: William C. Carey

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

Others Present: Connie McDonald, and Tony Popanz, Jefferson Wells; Jay Patel, S&S Consulting Group; and Jon Granger, PDG Consulting.

Jefferson Wells Internal Audit. As a matter of information, Committee members received copies of the Internal Audit Update, dated January 19, 2011; Contributions Internal Audit Report, dated January 14, 2010 (sic); Human Resources and Payroll Internal Audit Report, dated December 20, 2010; and Ethics and Governance Internal Audit Follow-Up Report, dated January 4, 2011. Mr. Popanz talked about the overall plan status for the contributions audit; and a limited scope of follow up audits for HR/Payroll and Ethics and Governance. He noted that on the IT side we have three IT audits currently under consideration for deferral, considering the work that was done in the vulnerability assessment and also the work done by the City Comptroller's Office for data backup. Mr. Popanz indicated that JW had completed the Contributions audit, which was a clean audit. As far as prior year follow up issues were concerned, those all were determined to be resolved appropriately in all three audits, and he briefly talked about those issues. Discussion ensued with respect to Board Training and a self-appraisal approach to training.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated January 19, 2011. Ms. Reid updated the Committee on the ERS Special Projects work plan; and organization study – action plan. Mr. Patel indicated that all member services, payroll services and employer reporting were satisfactory. He noted that approximately 2,636 members have signed up for Member Self Service. Mr. Patel 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. Lengthy discussion ensued with respect to the numbers of deficiencies versus enhancements. Mr. Patel noted that for the month of December there was a 20 minute outage for the on-line application due to some maintenance work going on at the 789 data center. He stated that for 2010, the on-line application was up 99.81 percent and the batch was delivered at 98.92 percent, which is remarkable. Mr. Patel also talked about some of the 2010 technical operations improvements. Mr. Granger updated the Committee on the Information Technology – Business Continuity Planning – Phase I and Phase II; Remote Business Services; Disaster Recovery Project and the Custom Automation Project budget. Discussion ensued throughout the presentation.

Approval to Contract for Additional Technical Resources. Mr. Allen handed out a copy of the job summary and job tasks. Ms. Reid indicated that the IT department is knee deep in some infrastructure projects with disaster recovery, the SAN implementation and the virtual network. She stated the handout shows a list of activities that this additional resource would be handling. Ms. Reid estimated this would last no more than six months or possibly as little as three months, and this person would come from Symphony. She noted that the 2011 budget has approximately \$216,000 for an additional IT resource and she requested using a portion of that money for this project. After discussion, it was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the request for an additional technical resource, with a not to exceed amount of \$120,000.

There being no further business, Mr. Barmore adjourned the meeting at 10:05 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.)