

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

Minutes of the Administration and Operations Committee Meeting
held July 20, 2011

The meeting was called to order at 8:35 a.m.

Committee Members Present: John Barmore, Chair
 Larry Holland

Committee 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
 Melody Johnson, ERS Financial Officer
 Suzanne Fortier, Board Stenographer

Others Present: Jay Patel, S&S Consulting Group, and Jon Granger, PDG Consulting.

ERS Special Projects Report. As a matter of information, Committee members received a copy of the ERS Special Projects Report, dated July 20, 2011. Ms. Reid talked about the organization study indicating the Civil Service Commission approved the reclassifications for the Plan Administration Officer (Member Services Manager), Network Manager (Net Coordinator), ERS Chief Financial Officer (ERS Financial Officer), and the Deputy Director. She noted 14 other positions remain to be reclassified. She updated the Committee on the MERITS Project Status – Executive Summary; MERITS product life-cycle management; current information technology projects. Discussion ensued with respect to the Request for Quotation Staff Augmentation Services MERITS Optimization. Ms. Reid briefly talked about the defect and deficiency inventory; year-to-date. Mr. Patel talked about the PIR/CCR comparisons, and the service level agreement performance. Ms. Reid updated the Committee on the business continuity program schedule and detailed status.

Approval of S & S Consulting Contract for Optimization Services. As a matter of information, Committee members received a copy of a Contract for Optimization Services. Mr. Matson talked about the contract and whether or not ERS should move forward with the RFQ. After discussion, it was moved by Mr. Barmore, seconded by Mr. Holland, and unanimously carried, that staff have a contract ready for approval at the September Administration and Operations Committee meeting.

Approval to Extend Symphony Contract. As a matter of information, Committee members received a copy of the existing Symphony Contract. Ms. Reid indicated this extension would allow more time to finish up the virtualization side of disaster recovery. She stated there was still quite a bit of documentation to be done to finish the DR work plan and finish testing. Ms. Reid said she wanted to extend the contract for this person until the end of the year to assist with our drilling, testing and to finish up the documentation portion of what was done. Mr. Matson noted that the contract before the Committee was the existing contract. ERS would add six more months to the existing contract, through January of 2012, and for another \$113,400. After

discussion, it was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the extension of the Symphony Contract.

Approval to Amend Wells Fargo Contract, Exhibit A, Services Provided. As a matter of information, Committee members received a copy of Exhibit A (Amended). Ms. Johnson stated that on July 12, 2011, she, Mr. Matson, along with three of the accounting section employees, met with representatives of Wells Fargo. She said that the representatives from Wells Fargo felt there were services that would serve ERS better and protect our ERS accounts. Ms. Johnson talked about the services Wells Fargo was offering and stated ERS staff was in agreement that these services would be beneficial to ERS. After discussion, it was moved by Mr. Holland, seconded by Mr. Barmore, and unanimously carried, to approve the changes to the Wells Fargo Contract, Exhibit A.

Discussion on Internal Audit Consulting Work. Mr. Matson said this is before the Committee for their thoughts of our Internal Auditor doing consulting work for ERS. He indicated that ERS' financial auditor is prohibited by law from doing consulting work, but our internal auditor is not prohibited. Mr. Matson talked about the proposal for having Experis doing documentation that needs to be done on processes and procedures. After discussion, the Committee consensus was to decline Experis' offer.

There being no further business, Mr. Barmore adjourned the meeting at 11:00 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.)