

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

Minutes of the Administration and Operations Committee Meeting  
held March 25, 2019

The meeting was called to order at 8:15 a.m.

Committee Members Present:       James Campbell  
  Thomas Klusman, Chair  
  Martin Matson

ERS Staff Present:                    Bernard Allen, Executive Director  
  Daniel Gopalan, Chief Financial Officer  
  Melody Johnson, Deputy Director  
  Erich Sauer, Deputy Chief Investment Officer  
  Venkat Manchu, Functional Applications Manager  
  Manny Raynal, Senior Systems Administrator  
  Mary Turk, Business Operations Analyst  
  Lisa Ory, Administrative Assistant II  
  Jan Wills, Board Stenographer

Others Present: Jim Carroll, City Attorney's Office; Molly King, Eric Pearson, Budget Office;  
Terry Siddiqui, DS Consulting Partners, Inc.

**Election of Vice Chair.** Mr. Matson nominated Mr. Campbell for Vice-Chair. Mr. Campbell said he would accept the nomination. It was moved by Mr. Matson and seconded by Mr. Klusman to approve Mr. Campbell as Vice Chair of the Administration and Operations Committee.

**Close out of 2018 Budget.** As a matter of information, Committee members received the "Final 2018 Payment to the City and 2018 Budget to Actual Expenditures" document. Mr. Gopalan noted the ERS and the City have an intergovernmental cooperative agreement where the City of Milwaukee issues payments on ERS' invoices and once all expenses are reconciled, the ERS reimburses the City for its expenses. He commented that one-twelfth of the used budget is paid in January and actual expenses are paid from February through December. Mr. Gopalan said that at the end of the year, the amount the ERS or the City owes is paid. He said ERS expenditures in 2018 were \$18 million with \$339,000 relating to non-trust expenses and \$17.7 million for trust expenses. Mr. Allen commented the non-trust expenses are for administering the retiree health and life insurance plans for the whole city. He added that those costs, under the internal revenue code, cannot come out of the pension trust fund. Mr. Allen added that the City bears the cost for that. Mr. Gopalan said the amount the ERS owes the City for payment of 2018 ERS expenses is \$1,081,333.03. Discussion ensued. It was moved by Mr. Matson, seconded by Mr. Campbell, and unanimously carried, to approve the Close out of the 2018 Budget.

**Approval of Perspecta Contract Extension.** Mr. Allen noted Perspecta was formerly known as Hewlett-Packard and Perspecta does IT maintenance for the ERS offshore. Mr. Manchu said the two offshore employees work on application enhancements, software upgrades, and bug fixes. Mr. Allen commented the contract is an extension of a three-year contract to a five-year contract. Mr. Manchu added that the extension was negotiated for a flat rate at the current rate levels for the next

five years. Mr. Manchu added the compensation amount stated in the contract does not exceed \$3,844,160. Discussion ensued. Mr. Manchu said that usually only 120 hours per year are utilized. Mr. Allen commented that IT projects currently in development include replacing social security numbers with person ID or masking the ID, improving general ledger processes, adding warning about retirement eligibility to non-workflow process, as well as healthcare rate changes. It was moved by Mr. Campbell, seconded by Mr. Matson, and unanimously carried, to approve the Perspecta Contract Extension.

**Approval of Reinhart Professional Services Contract.** Mr. Carroll discussed the Reinhart Professional Services Contract and noted the contract is for certain projects. Mr. Allen added Reinhart is on retainer but is currently working with the City Attorney and ERS offices regarding negotiating a new agreement with Northern Trust for custodial, securities lending, and ancillary services. Discussion ensued. It was moved by Mr. Campbell, seconded by Mr. Matson, and unanimously carried, to approve the Reinhart Professional Services Contract.

**IT Projects Portfolio.** As a matter of information, Committee members received the ERS IT Portfolio Report dated March 25, 2019. Mr. Raynal and Mr. Manchu updated the Committee on the technology projects and a snapshot of the IT portfolio as of March 25, 2019. Discussion ensued.

**Organizational/Personnel Update.** As a matter of information, Committee members received a copy of the Organizational/Personnel Update dated March 25, 2019. Ms. Johnson said that the ERS is working with DER to fill the vacancies for the Accounting Assistant II, Network Administrator, and Pension Investment Analyst – Sr. positions.

There being no further business, Mr. Klusman adjourned the meeting at 8:40 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.)