MILWAUKEE
ERS
Employes' Retirement System

City of Milwaukee
Employes' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Beth Conradson Cleary
Deputy Director

February 10, 2017

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that an Administration & Operations (A&O) Committee Meeting of the Annuity and Pension Board has been scheduled for **Thursday, February 16, 2017 at 9:00 a.m. in the Employes' Retirement System Conference Room at 789 N. Water Street, Suite 300.** If a quorum of the Board is present, this meeting will convene as a Special Board Meeting. The agenda is as follows:
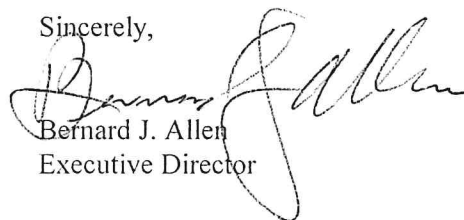
Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (I.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employe over which the governmental body has jurisdiction or exercises responsibility and in Section 19.85 (1)(f), when considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Board may then vote to reconvene in open session following the closed session.

    I.   Baker Tilly Financial Audit.
    II.   IT Projects Portfolio.
    III.   Organizational/Personnel Update.
    IV.   Close out of 2016 Budget.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (V.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

    V.   Approval of SSR Contract for Senior Network Administrator.

Sincerely,

Bernard J. Allen
Executive Director

BJA:jmw

NOTICE TO PUBLIC - Meetings of the City of Milwaukee Annuity and Pension Board are open to the public. Those in attendance wishing to address the Board on a specific agenda item may do so by registering in advance of the meeting with the Board Secretary.

PLEASE NOTE - Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aids. For additional information or to request this service, please call 414-286-3557.

Administration and Operations Committee

ERS IT Portfolio Report

February 16th, 2017

- Information Technology Projects Summary

- Application Stats

- What's Next

- IT Portfolio

Information Technology Projects Summary

- MERITS Optimization – HCP (Health Care Processing), BAA & PAP - Benefit Amount Adjustment, and Payroll Processing (In Progress)

- Struts 2 Upgrade (In Progress)

- 2016 Firewall and Active Directory Review (In Progress)

- 2017 Desktop Rotation (In Progress)

- SAN Firmware Upgrades (In Progress)

- IT Organizational Review/Staffing Assessment (In Progress)

- FileNet P8 Updates and Patches (Completed)

- Hired Network Administrator Xa Xiong

- Interviews for Sr. Network Expert Contract position

Application Stats

Category	High Priority	Low Priority	Total
Current Inventory	7	4	11
PIR	3	0	3
CCR	4	4	8
Pending/Hold	0	3	3
Deployed(Awaiting Next stage) /Ready for Production	2	0	2
Net Current Inventory	5	1	6

What's Next...

- Continue Optimization: BAA & PAP – Health Care Processing (HCP), Benefit Amount Adjustment, and Payroll Processing

- Continue Struts 2 Upgrade

- Complete 2016 Firewall and Active Directory Review

- Work with Budget Office for IT Organizational Plan

- Schedule and Prepare for 2017 IT Audits

- Member Education Videos POC (Proof of Concept)

Glossary of Terms

- Applications/Acronyms Definitions:

  - **Perforce:** Primary application the development team uses to make code changes to MERITS. It provides the environments for testing, development and CCR/PIR deployments.
  - **AccPac:** Accounting software that supports the general ledger.
  - **Altiris:** Asset management software the technical team uses to inventory and support all IT assets. This application manages updates to computers, imaging, and software distribution from a centralized console.
  - **Websphere Application Server (WAS):** The application server that we use to connect Web site users to Member Self Service and other MERITS related web services.
  - **JAVA:** The programming language that MERITS was developed in and is running.
  - **PIR:** Problem Incident Report- A person reports a bug with the application and requests priority resolution.
  - **CCR:** Change Control Request- A person request a new feature, change or enhancement to MERITS.
  - **Retirement Application Processing (RAP):** Functional module in Merits that processes retirement applications through workflow.
  - **Merits Program Lifecycle Management (MPLM):** Process to upgrade, patch and keep current all of the MERITS related subsystems and ERS business applications.
  - **Storage Area Network (SAN):** Primary storage technology used to centrally store all ERS data and manages Disaster Recovery.
  - **Disaster Recovery Plan (DRP):** The technical planning, design and testing of all IT systems and staff to ensure that all technical systems can run at the off site location in Madison, WI called Femrite. IT staff does semi annually testing to ensure all applications and IT services are up and running within the designated service level objectives.
  - **Recovery Time Objective/Recovery Point Objective (RTO/RPO):** These are I.T. service level goals for the amount of time it takes to cutover I.T. services to the Femrite location and the point in time (per the last backup) where we recover at. Currently at 24 hours recovery time and 8 hours for any loss of data. I.T. currently exceeds this expectation based off the last 2 tests.
  - **Business Continuity Plan (BCP):** The process that ensure the ERS can continue running its services and daily operations at the Remote Office in the event that the primary location is not accessible. We engage ERS business users to physically work at the Remote office location and document the results on a reoccurring basis.
  - **Remote Office (RO):** Backup Remote work facility located at TPP 1085C W. Park Place. It is connected to both the 789 N. Water Street facility and the Femrite Data Center in Madison, and users can physically work there and connect to any needed data center.
  - **MERITS Optimization:** Project approved in 2012 to go through all 17 application modules in MERITS and clean up code, ensure best practices are implemented, SQL stored procedures for faster performance, reporting and user experience. It is the clean up of any non ERS related code that may have been carried over from the original JClarety (HP software) implementation.
  - **ARIS:** Web based software used for mapping legal opinions to MERITS workflow processes and procedures.

Portfolio as of February 1, 2017

Project Health	% Complete	Project Priority	Complexity (S / M / L)	Project Name	Project Mgr	Description	Strategic Goal: G1 - G7	Status:	External Vendor Required: Y/N	Actual Start Date	Target Completion Date	Estimates (Hours)	Actuals (Hours)	Hours Variance = Estimates - Actuals	Hardware/Software & External Labor Budget ($)	Actual Spent-to-Date on Hardware /Software & External Labor ($)	Estimate to Completion (ETC) (of Hardware/ Software & External Labor Costs)
G	74%	1	L	BAA / PAP Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	8/3/15	9/5/17	4,343	2,624	1,719	N/A	N/A	N/A
G	7%	2	L	Struts 2 Upgrade (Not MAM)	Manchu	Software development upgrade all other functional areas	G7	IP	Y	10/17/16	8/15/19	11,438	755	10,683	$730,290	$44,408	$685,883
G	19%	3	L	HCP Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	10/26/16	9/22/17	1,406	243	1,163	N/A	N/A	N/A
G	10%	4	S	2017 Desktop Rotation	Powell	Swap out old PCs and iPads for newer, better models	G7	IP	N	1/20/17	5/1/17	193	16	178	$34,425	$24,521	$9,904
G		5	S	Member Education Videos POC @	Zaffiro	Produce video for website		NS	N						$6,000	$0	$6,000

Green = On Target - No Significant Issues
Yellow = On Watch List – Issues Being Addressed
Red = Project cannot move forward as planned without management attention or approval.

NS = Not Started	OH = On Hold	@ = Activity (no charter)
IP = In Process	C = Complete	

Special Note: Struts 2 Upgrade costs are part of the 3-year HP maintenance contract.

Completed Projects & Tasks in Last 12 Months	Finished	Hours / $ Spent
Refund Optimization (Manchu)	2/3/2016	760.5 hrs / N/A
Software Licensing Audit @ (Reid)	2/15/2016	60 hrs / $6,800
IT General Controls Audit @ (Reid)	2/15/2016	117 hrs / $13,600
IT Disaster Recovery Test (Roemer / Raynal)	3/22/2016	29.25 hrs / N/A
Legal Opinions on cmers.com @ (Zaffiro)	4/1/2016	30 hrs / $3,480
Desktop Rotation (Rogers)	5/11/2016	117.75 hrs / $32,267
FileNet P8 Implementation (Manchu / Zaffiro)	5/12/2016	5,363 hrs / $459,085
Vendor Management Application (Siddiqui)	5/31/2016	68.25 hrs / N/A

	Finished	Hours / $ Spent
IT Social Engineering Audit @ (Reid)	6/2/2016	40 hrs / $6,600
VMware Host Upgrades (Roemer)	8/1/2016	101 hrs / $190,337
Windows 2012 Server Upgrade @ (Raynal)	9/21/2016	876 hrs / $8,434
IT Disaster Recovery Test @ (Dugan / Rogers)	10/21/2016	111 hrs / N/A
IT Network Vulnerability Audit @ (Reid)	10/20/2016	140 hrs (Expiris Only)/ $23,100
Physical Inventory @ (Rogers)	12/20/2016	10 hrs / $265
FileNet P8 Patching @ (Manchu)	1/7/2017	87 hrs / $13,330
MAM Struts 2 Upgrade (Manchu)	1/25/2017	967 hrs / $33,294

Organizational/Personnel Update

Administration and Operations Committee
Thursday, February 16, 2017

- ERS Reclasses and Reorgs still in progress.

- ERS is working with DER to fill the Disability Specialist Sr. position and is currently interviewing candidates for the Pension Accounting Specialist position.

- The Network Administrator position has been filled by Mr. Xa Xiong. Mr. Xiong holds an MBA (IT Management) and a BA (IT) from UW-Whitewater.

MILWAUKEE **ERS** Employes' Retirement System

February 09, 2017
Memorandum

To: Bernard J. Allen, Executive Director

From: Melody Johnson, Interim Deputy Director ᴍᒍ

Re: Final 2016 Payment to the City for 2016 Expenditures

I have completed my analysis for our expenditure activity for fiscal year 2016. Our expenditures for 2016 total $17,875,289.89 of which $500,313.38 relates to non-trust activities. The remaining $17,374,976.51 represents amounts that are funded by the Trust for 2016 expenses.

We have previously advanced the City $16,411,734.50 toward these costs in 2016 leaving a balance owed of $963,242.01.

The final amount payable to the City is primarily comprised of costs incurred since the middle of December, the last time the Trust reimbursed the City for expenses and for amounts accrued to close out the fiscal year.

An analysis was provided to the City with a cover letter requesting the City to prepare an invoice in the amount of $963,242.01 to be approved by the Board for final payment in settlement of 2016 expenses.

c David Silber
  Pat Kennebeck