



City of Milwaukee
Employees' Retirement System

December 9, 2021

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

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 of the Employees' Retirement System has been scheduled for **Wednesday, December 15, 2021 at 9:00 a.m.** *Special Notice: Due to the COVID-19 pandemic, the meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.*

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

The agenda is as follows:

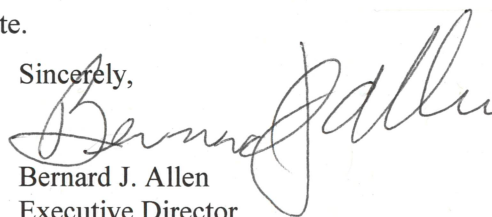
Please be advised that the Administration & Operations Committee may vote to convene in closed session on the following item (I.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting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

- I. Results of RFQ for Mailing Services.
- II. Approve Technical Correction to 2020 Expense Reimbursement Report.

Please be advised that the Administration & Operations Committee may vote to convene in closed session on the following item (III.), as provided in Section 19.85(1)(i), Wisconsin State Statutes, for considering all matters related to acts by businesses under s. 560.15 which, if discussed in public could adversely affect the business, its employees or former employees. The Committee may then vote to reconvene in open session following the closed session.

- III. Audit Reports.
- IV. IT Projects Portfolio.
- V. Organizational/Personnel Update.

Sincerely,



Bernard J. Allen
Executive Director

BJA:jmw



Memo



To: Jerry Allen
From: Mary Turk
Date: 12/6/2021
Re: Contract for Mailing Services

ERS has been contracting with United Mailing Services (UMS) for the printing and mailing of documents since 2012. The latest contract was from 5/1/17 and expired 4/30/20 when a contract amendment was executed to extend the contract to 4/30/22.

An RFQ was sent to 5 local firms in November with a due date for responses of December 1, 2021. Two of the firms responded that the services needed were not a good fit for their businesses and that they would not respond. Two firms failed to respond at all. United Mailing Services was the only firm to respond with a quote.

The prices quoted for UMS were nearly the same as we are currently paying. There was a slight increase for printing on colored paper and a slight decrease in printing in color. The increase was \$0.0035 per page. The decrease was approximately \$0.015 per page.

As staff reports that they are pleased with working with UMS, UMS was the sole responder to the RFQ and that prices are nearly static, I recommend that we extend our current contract with them for an additional 3 years.



Employees' Retirement System of the City of Milwaukee
December 6, 2021
Memorandum

To: Bernard J. Allen, Executive Director

From: Daniel Gopalan, CPA, ERS Chief Financial Officer

Re: Final 2020 Payment to the City and 2020 Budget to Actual Expenditures – Technical Correction

Previously, I had submitted a memo in February 2021 indicating the results of my analysis for our expenditure activity for fiscal year 2020. Upon review of the expenditures, we found an error with our spreadsheet that inadvertently overstated the non-trust portion of the total actual administrative expenses. We had previously reported that our non-trust expenses were \$630,121.45, when in fact our non-trust expenses were \$397,581.45. This error understated our final payment to the City by \$252,217.30.

We were able to correct this error prior to submitting the final payment to the City in March 2021, per the intergovernmental cooperation agreement with the City; however, we still will need the Annuity and Pension Board to approve the allocation of the final amounts. The final payment due to the City was \$940,052.41, since we had previously paid \$14,735,000 to the City in 2020. Please note per the chart below the amount of total expenses reimbursed to the City would not change.

	Original	Corrected	Difference
Trust Expenses – 2020	\$15,422,835.11	\$15,675,052.41	\$252,217.30
Non-Trust Expenses – 2020	\$ 630,121.45	\$ 397,581.45	<\$252,217.30>
Total Admin Expenses - 2020	\$16,072,633.86	\$ 16,072,633.86	\$ 0.00

In March 2021, the ERS fully reimbursed the City for \$15,675,052.41, which is the correct total amount of 2020 Trust Expenses incurred by the ERS.

I ask that the Annuity and Pension Board approve the technical correction of the allocation of 2020 Trust Expenses of \$15,657,052.41, 2020 Non-Trust Expenses of \$397,581.45, and the final payment of \$940,052.41 to the City. Again, the amount of expenses reimbursed to the City would not change, only the allocation of expenses.

c David Silber
Melody Johnson



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

March 15, 2021

Ms. Aycha Sawa, Comptroller
200 East Wells St Rm 404
Milwaukee WI 53202

Re: ERS Revenue Billing

Dear Ms. Sawa:

We have completed our expenditure activity for the fiscal year ended December 31, 2020, on the City's system. We have incurred a total expense of \$16,072,633.86 of which we have determined \$397,581.45 relates to activities not associated with the Pension Trust Fund. The remaining \$15,675,052.41 represents amounts that should be funded by the Trust for 2020 expenses.

We have previously advanced the City \$14,735,000 toward these costs in 2020, leaving a balance owed of \$940,052.41. Please issue us an invoice for the final payment. Attached is a summary of amounts tied to the City's FMIS.

If you have any questions on the specifics of this amount, please contact Dan Gopalan, ERS Chief Financial Officer at 414-286-3708.

Very truly yours,

Bernard J. Allen
Executive Director

BJA:dg

cc Chris Wanty

Enclosures

Employees' Retirement System - City of Milwaukee
2020 Budget Vs. Actual Expenses
For the Year Ended December 31,2020

	Budget-Trust Activity	Budget-Non Trust Activity	Total Budget	Actual-Trust Activity	Actual-Non Trust Activity	Total Actual
Direct Salary	\$ 2,807,700.00	\$ 163,200.00	\$ 2,970,900.00	\$ 2,748,229.20	\$ 167,930.00	\$ 2,916,159.20
Indirect Salary (% of DS)	368,510.00	21,359.00	389,869.00	385,562.16	25,910.00	411,472.16
Total Salary	3,176,210.00	184,559.00	3,360,769.00	3,133,791.36	193,840.00	3,327,631.36
Fringe Benefits Applied	1,270,484.00	73,824.00	1,344,308.00	1,487,925.96	91,800.00	1,579,725.96
City Indirect Cost	109,000.00	-	109,000.00	115,900.00	-	115,900.00
Other Operating Expenditures	15,959,200.00	5,800.00	15,965,000.00	10,945,333.35	\$45,641.45	10,990,974.80
Equipment	144,000.00	-	144,000.00	58,401.74	-	58,401.74
Sub Total	20,658,894.00	264,183.00	20,923,077.00	15,741,352.41	331,281.45	16,072,633.86
Indirect-Non Trust Activity*	(52,800.00)	52,800.00	-	(66,300.00)	66,300.00	-
Total O&M Activity	20,606,094.00	316,983.00	20,923,077.00	15,675,052.41	397,581.45	16,072,633.86
Grand Total	\$ 20,606,094.00	\$ 316,983.00	\$ 20,923,077.00	\$ 15,675,052.41	\$ 397,581.45	\$ 16,072,633.86

* Management oversight, share of other operating expenditures

Salary Detail of Non-ERS

Activity	Non Trust Gross Salary Budget	Gross Salary Budget	Total Actual Gross Salary	Total Actual Direct Salary	Non Trust Gross Salary Actual	Non Trust Direct Salary Actual
Oby/Johnson Health	47,019.00	49,494.00	78,784.73	51,875.75	74,845.00	49,282.00
Hann Dental/Health	43,984.00	43,984.00	37,790.59	37,790.59	37,791.00	37,791.00
Gary Life	43,984.00	43,984.00	39,033.43	39,033.43	39,033.00	39,033.00
Freeman Life	43,984.00	43,984.00	38,449.93	38,449.93	38,450.00	38,450.00
Niemiec Health/LIS	1,350.00	67,504.00	34,344.27	29,381.98	687.00	588.00
Niemiec PABF/FABF	2,762.00	55,230.00	34,344.27	29,381.98	1,717.00	1,469.00
Priem Life	1,476.00	59,024.00	52,694.77	52,694.77	1,317.00	1,317.00
	-	-	-	-	-	-
\$	184,559.00	\$ 363,204.00	\$ 315,441.98	\$ 278,608.42	\$ 193,840.00	\$ 167,930.00

Salary Additives for 2020

Indirect as % of Direct	13.15%	Indirect as % of Gross	11.6%
Fringe as % of Direct	40.00%		

Employees' Retirement System - City of Milwaukee
 2020 Budget Vs. Actual Expenses
 For the Year Ended December 31,2020

Non Salary Direct Costs PABF:	Budget	
Actuary	-	PABF is PAYGO for 2018 and beyond
NT Processing	1,300.00	2017 Actual was \$960.30
	<u>\$ 1,300.00</u>	

Est % of PABF Portfolio	PABF no longer has any assets
Budgeted Manager & Callen	N/A
Approximate Budget	N/A

List any non-trust expenses

Date	Group/ Source	Vendor	Descr	Non-Trust	PABF
3/31/2020	0000449320	Cavanaugh Macdonald	File #191455 Resolution relating to studying impacts of EE t/o	2,397.25	
4/30/2020	0000453231	Cavanaugh Macdonald	Analysis for MPA collective bargaining File #191455	3,033.75	
5/31/2020	0000454452	Cavanaugh Macdonald	Analysis for MPA collective bargaining File #191455	13,138.00	
6/30/2020	0000456750	Cavanaugh Macdonald	Analysis for MPA collective bargaining File #191455	6,300.00	
7/31/2020	0000466777	Cavanaugh Macdonald	Analysis for MPA collective bargaining File #191455	6,164.50	
12/31/2020	0000466777	Cavanaugh Macdonald	Progress billing for City of Milwaukee modeling	14,104.75	
3/13/2020	0000448724	NORTHERN TRUST	2019 4TH QTR PABF 19		127.60
6/11/2020	0000453596	NORTHERN TRUST	1ST QTR PABF 2020		132.45
9/16/2020	0000459795	NORTHERN TRUST	2ND QTR PABF 2020		149.30
12/8/2020	0000465606	NORTHERN TRUST	3RD QTR PABF 2020		93.85
				<u>\$45,138.25</u>	<u>\$503.20</u>
Total Non-Trust Expenses					<u><u>\$45,641.45</u></u>

IT Projects and Ticket Statistics

- Major Projects/Initiatives:

- Desktop PC Upgrade (In Progress)
- Printer Firmware Upgrade (In Progress)
- Network Infrastructure Upgrade (In Progress)
- Vulnerability Assessment – 2021 (In Progress)
- Implement Security Incident and Event Management Capabilities (In Progress)
- VMware Upgrade (Completed)
- WUG Upgrade (Completed)
- Symantec Endpoint Protection Upgrade (Completed)
- Implement Multi-Factor Authentication Capabilities (Completed)
- Proof Of Concept (POC) for FileNet to BAW Upgrade (In Progress)
- Upgrade Struts and Modernize MERITS Website (In Progress)
- MERITS & FileNet Databases Patching (Completed)

- Application Statistics

Category	High Priority	Low Priority	Total
Current Inventory	7	0	7
PIR's	0	0	0
CCR's	7	0	7
Pending/Hold	0	0	0
Deployed(Awaiting Next stage) /Ready for Production	2	0	2
Net Current Inventory	5	0	5

Portfolio as of December 1, 2021

Project Health	% Work Complete	Priority	Complexity (S / M / L)	Project Name	Project Mgr	Description	Strategic Goal	Status	Additional Vendor Required: Y/N	Actual Start Date	Target Completion Date	Estimates (Hours)	Actuals (Hours)	Hours Variance = Estimates - Actuals
G	60%	1	M	Upgrade Desktop PC's @	Powell	Upgrade desktop PC's that are going end-of-life with new replacements	G1	IP	N	11/27/20	12/31/21	100	76	25
G	2%	2	M	Upgrade Printer Firmware @	Powell	Update printer firmware for all printers at 789 and RO	G1	IP	N	11/30/21	3/15/22	200	3	197
G	65%	3	M	POC - FileNet P8 to IBM BAW Upgrade @	Manchu	Replace FileNet with IBM BAW	G1	IP	N	4/5/21	3/31/22	220	161	59
G	85%	4	M	Vulnerability Assessment @	Raynal	Internal Audit - Vulnerability Assessment	G1	IP	N	10/6/21	4/30/2022	100	80	20
G	3%	5	M	Upgrade Network Infrastructure Firmware/OS @	Powell	Upgrade of the operating systems for our network equipment	G1	IP	N	9/30/21	4/24/22	200	3	197
G	10%	6	M	Implement Security Incident and Event Mgmt Capabilities @	Zampino	Implementation of SIEM	G1	IP	N	8/31/21	1/31/22	100	23	77
G	12%	7	L	Upgrade Struts and Modernize MERITS Website	Manchu	Upgrade Struts framework and Modernize MERITS Web Application	G1	IP	N	6/10/21	3/29/24	18,850	2,768	16,082

Green =	On Target / No Significant Issues / All Updates Approved	@ = Activity (no charter)	NS = Not Started	OH = On Hold
Yellow =	On Watch List – Issues Being Addressed		IP = In Process	C = Completed
Red =	Project cannot move forward as planned without management attention or approval.			

Completed Projects & Tasks in Last 12 Months	Finished	Hours
FileNet - WebSphere App Server Patching @ (Manchu)	11/12/2020	40 hours
Upgrade System Galaxy Security System @ (Powell)	11/12/2020	6.5 hours
Audit of IT Processes and Controls @ (Siddiqui)	12/17/2020	12 hours
MERITS - New Deduction Types for vision @ (Manchu)	12/30/2020	272.75 hours
SQL Monitoring Tool @ (John)	1/15/2021	21 hours
Upgrade Network Infrastructure/OS @ (Zampino)	2/11/2021	72 hours
Upgrade SAN Firmware and DSM/SANHQ @ (Raynal)	2/24/2021	17 hours
Vulnerability Assessment - 2020 @ (Raynal)	3/17/2021	45 hours
IP Address Review and Cleanup 2020 @ (Powell)	3/24/2021	80 hours
Upgrade Change Auditor @ (John)	3/30/2021	7 hours
DNS Review and Cleanup 2020 @ (Powell)	5/5/2021	22.5 hours
AD Review and Cleanup 2020 @ (Powell)	5/5/2021	13 hours
SSRS Report Migration (Manchu)	5/5/2021	10,014 hours

Completed Projects & Tasks in Last 12 Months	Finished	Hours
Upgrade Symantec Endpoint Protection @ (John)	5/12/2021	34 hours
Femrite SAN Upgrade/Replacement @ (Raynal)	5/25/2021	96 hours
POC - Upgrade Struts and Modernize MERITS @ (Manchu)	6/2/2021	669.5 hours
Upgrade Titan Content Management System @ (John)	6/4/2021	36 hours
Upgrade PDBK1, PDBKDR & Supporting SW/HW @ (Zampino)	6/30/2021	166.8 hours
Firewall Review and Cleanup 2020 @ (Powell)	6/24/2021	34.5 hours
MERITS - WebSphere Application Server Patching @ (Manchu)	7/30/2021	36 hours
Planet Press Upgrade @ (John)	8/30/2021	31 hours
VMware Upgrade @ (Zampino)	9/22/2021	13hours
Investigate & Implement Multi-Factor Authentication @ (Zampino)	11/10/2021	129 hours
MERITS & FileNet Databases Patching @ (John)	11/10/2021	48 hours
WUG Upgrade @ (John)	11/10/2021	6 hours
Symantec Endpoint Protection Upgrade @ (Zampino)	12/1/2021	15.5 hours

Organizational/Personnel Update

Administration and Operations Committee

Wednesday, December 15, 2021

ERS is working with DER to fill the following positions:

- Network Administrator
- Program Assistant II