

City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

March 11, 2022

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 **Thursday, March 17, 2022 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:

I. Election of Vice Chair.

Please be advised that the Administration & Operations Committee may vote to convene in closed session of the following item (II.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee 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 Administration & Operations Committee may then vote to reconvene in open session following the closed session.

II. Baker Tilly Financial Audit.

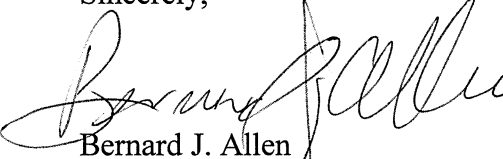
Please be advised that the Administration & Operations (A&O) Committee may vote to convene in closed session on the following item (III.), as provided in Section 19.85(1)(i), Wisconsin State



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. CliftonLarsonAllen (CLA) IT Vulnerability Audit Report Presentation – 2021.
- IV. CliftonLarsonAllen (CLA) Finance and Accounting Audit Report Presentation – 2021.
- V. Approval of Contract Amendment with United Mailing Services, Inc.
- VI. Results of RFQ for Disability Claims Processing Services.
- VII. Approval of Close out of 2021 Budget.
- VIII. IT Projects Portfolio.
- IX. Organizational/Personnel Update.

Sincerely,



Bernard J. Allen
Executive Director

BJA:jmw

**SECOND AMENDMENT
TO THE SERVICE AGREEMENT BETWEEN
THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
AND
UNITED MAILING SERVICES, Inc.**

THIS IS THE SECOND AMENDMENT ("Second Amendment") to the Service Agreement ("Agreement") beginning May 1, 2017, between the Employees' Retirement System of the City of Milwaukee ("ERS") and United Mailing Services, Inc. ("UMS");

WHEREAS, on May 1, 2017, the ERS and UMS entered into the Service Agreement; and

WHEREAS, the Agreement was amended via the First Amendment To The Contract For Services between the Employees' Retirement System and United Mailing Services, Inc. ("the First Amendment") in January of 2020; and

WHEREAS, in 2021, ERS completed a request for quotations and determined that UMS will remain the ERS's vendor for the services described herein; and

WHEREAS, ERS and UMS wish to amend the Agreement to extend it for three additional years:

NOW, THEREFORE, in consideration of the mutual covenants herein stated, ERS and UMS agree to amend the Agreement as follows:

1. The term of the Agreement, as set forth in paragraph 2.1 entitled "TIME OF PERFORMANCE" is amended to read: "upon April 30, 2025"; and, the "Time of Performance" on the head of the contract shall read: "May 1, 2017 – April 30, 2025."
2. The maximum compensation as set forth on the head of the contract entitled "Maximum Compensation Not to Exceed" is amended to read "\$501,000."
3. The Request for Proposal attached to the Agreement as Exhibit A is replaced with the new Request for Proposal attached to this Second Amendment as Exhibit 1.
4. The Scope of Work attached to the Agreement as Exhibit B is replaced with the new Scope of Work attached to this Second Amendment as Exhibit 2, with new prices which shall apply prospectively starting on April 1, 2022.
5. These changes constitute the entire Second Amendment to the Agreement. All other covenants, provisions, terms and conditions of the Agreement shall remain unchanged.

6. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original; all such counterparts shall, together, constitute only one instrument. PDFs shall be deemed the same as originals.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto execute this Second Amendment:

United Mailing Services, Inc.

Name: Date

Title:

THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

Name: Date

Title: Board Chair

Bernard J. Allen, Executive Director Date

Countersigned:

Assistant City Attorney Date
As to Form and Execution

EXHIBIT 1

Request for Quote For Mailing & Printing Services For the Employees' Retirement System (ERS) Of the City of Milwaukee

Quotes are due to Mary Turk **by:**

4:45pm, Wednesday, December 1, 2021

By e-mail: Mary.Turk@CMERS.com (required), or also at the following address:
Employees' Retirement System, 789 N Water Street, Suite 300, Milwaukee WI 53202

The ERS is seeking quotes for mailing and printing services to meet its business requirements in the following areas:

Monthly pension check/ACH advice mailings
Newsletter mailings
Board election mailings
Annual statement mailings
Occasional special mailings
Printing services for monthly newsletters or any other mailed communication.

Vendor to quote pricing for a three year term. Contract may be extended by mutual agreement of the parties for additional two-year terms.

Particular specifications are as follows:

Monthly Pension Check/ACH Advice Mailings

- 13,500-14,500 mailings, monthly, first class pre-sort postage using ERS window envelopes
- Will require folding and stuffing of a monthly newsletter
- Will require printing of the newsletter
- Newsletter will be standard 8 ½ x 11" paper or on occasion, 8 ½ x 14 legal size paper (black ink on colored paper)
- Requires pick-up at the ERS offices, on the fourth business day prior to month-end to be held in a secured file until mailing early on the second last business day of the month to result in local delivery on the last business day of the month
- Will require storage of ERS envelopes on site of at least a six month supply and as many as an 18 month supply. These envelopes are for this mailing only.
- On occasion may require a third document for stuffing.

Newsletter Mailings – Active (with Annual Member Statements)

- 14,000 to 15,000 active member newsletters
- Will require folding and stuffing – one or two pieces of standard size paper
- May require printing of the newsletter
- Newsletter will be standard 8 ½ x 11" paper, duplex printing, black ink on colored paper
- Standard letter size envelopes to be provided by ERS at the time of mailing (windowed envelopes)
- Pre-sort first class postage required
- Will require pick-up from ERS offices with mailing to occur within 3-5 business days

Board Election Mailings

- 13,500 to 14,500 either active or retired member letters announcing nominations for board election
- May require printing of announcement
- Will require folding of announcement and stuffing of announcement, ballot and a small return envelope in a standard ERS envelope
- Address file to be supplied along with envelopes at time of mailing
- Mailing to occur within 3 business days
- Pre-sort first class postage required
- Pick-up at ERS offices for all materials
- This process to be repeated using nomination forms that are 4 ¼" x 5 ¾" which may need to be printed, and will have to be stuffed. Process may occur twice if there is a run-off for the election.

Annual Member Statement Mailings

- 15,000 active & deferred member statements (annually)
- folding and stuffing required – will require stuffing of an active newsletter mailing (see "Newsletter Mailings - Active" section above)
- Use of ERS window envelope
- Pre-sort first class postage required
- Pick-up at ERS offices of all materials, mailing to occur within 3-5 business days

Occasional Special Mailings

As the need arises, special mailings may be needed ranging in size from 500 to 25,000 pieces.

Will require folding and stuffing

May require use of supplied window envelopes, or alternatively we may supply an address file with envelopes

May require printing

Please quote charges for using colored paper and color printing.

Please quote charges for a second or third insert.

Vendor to exercise quality control over all mailings, paying attention to, among other things, placement of address in window envelopes.

Mailing times cited herein are essential deadlines.

ERS may maintain a postage advance equal of one to two months normal pension Check/ACH Advice mailing. Vendor to invoice not more than monthly for services. Such invoice to include actual postage charges to restore Postage advance
or

Vendor to front postage costs. Vendor to invoice not more than monthly for services. Such invoice to include actual postage charges.

The Employees' Retirement System (ERS) reserves the right to accept or reject any and all quotes or not proceed with any action. ERS will incur no liability for the cost of quote preparation.

An Excel spreadsheet is attached for use in quoting the services to be provided. Please submit in spreadsheet form.

In addition to the above quotation, the ERS is interested in retaining a back-up service provider in the event of an emergency where the primary service provider may be unable to process a monthly payroll. An additional tab for emergency services is included with the spreadsheet related to payroll processing.

Please note the following insurance requirements of the Employees' Retirement System.

INSURANCE REQUIREMENTS

A. General Requirements

A certificate of insurance acceptable to the Employees' Retirement System (ERS) and City evidencing the insurance requirements is to be provided. The certificate shall state that the issued insurance policies meet the requirements as outlined below. All certificates are to be provided within 30 days of final execution of this Contract. If such certificate is not received, the (ERS) and the City of Milwaukee has the authority to declare this Contract terminated. Certificates of Liability are to be submitted annually.

All policies shall state that the ERS and City shall be afforded a thirty (30) day written notice of cancellation, non-renewal or material change by any insurers providing the coverage required by the ERS and City for the duration of this Contract.

Insurance companies must be acceptable to the ERS and City and must have a current A.M. Best rating of A- VIII or better.

All policies shall be written on an occurrence form, other than professional liability as noted below.

If subcontractors are used, each must meet all requirements in sections A and B.

B. The minimum insurance requirements are as follows:

(1) Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

- Employer's Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of the ERS and City including their directors, officers, agents, employees and volunteers.

(2) Commercial General Liability

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate
Medical Expense	\$ 5,000 each person

- Coverage must be equivalent to ISO form CG0001 or better.
- The ERS and City of Milwaukee shall be added as additional insureds using ISO form CG2026 or its equivalent.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of the ERS and City including their directors, officers, agents, employees and volunteers.
- The policy shall include independent contractors (owners/contractors protective) and contractual liability.
- Coverage will apply on a primary and non-contributory basis. We suggest the following wording:

"If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in

force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance.”

- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.

(3) Auto Liability

Combined Single Limit \$1,000,000 each accident

Medical Expense \$ 10,000 each person

- If the Contractor owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of the ERS and City including their directors, officers, agents, employees and volunteers.
- The ERS and City of Milwaukee shall be added as additional insureds.
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.

(4) Umbrella (Excess) Liability

Umbrella (excess) Liability \$5,000,000 per occurrence

\$5,000,000 aggregate

- The Umbrella Liability insurance shall provide coverage excess of the Employer’s Liability, Commercial General Liability and Auto Liability Coverages, including the amendments stated above.

(5) Crime Insurance

Employee Dishonesty \$1,000,000 per loss

Forgery or Alteration 1,000,000 per loss

- The Crime Insurance shall provide coverage for Third Party Employee Dishonesty.

(6) Professional Liability (Printers Errors and Omissions)

Combined Single Limit \$1,000,000 each accident

- Coverage must remain in effect for a period of not less than two years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than two years, if the replacement insurer will not preserve the original retroactive date.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of the ERS and City including their directors, officers, agents, employees and volunteers.

(7) Cyber Insurance (if in possession of personally identifiable information)

Cyber Insurance \$1,000,000 each incident

- Coverage shall include liability coverage for all damages, claims expenses, costs, fines and penalties related to unauthorized disclosure of personally identifiable information.
- The ERS and City of Milwaukee shall be added as additional insureds.
- Coverage shall include cost of notification, cost of identity protection and repair insurance for affected individuals.

EXHIBIT 2**ERS Price quote for Requested Mailing/Printing Service**

Estimated Volume	Description	Vendor price quote per unit
Monthly pension check/ACH advice mailings (Full First Class)		
	Produce copy of monthly newsletter or other document (quote to include cost of vendor supplied paper) to accompany check/ach advice	
14,000	Sized -8½x11 one-sided	<u>0.025</u>
14,000	Sized-8½x11 duplexed	<u>0.042</u>
14,000	Sized -8½x14 one-sided	<u>0.031</u>
14,000	Sized-8½x14 duplexed	<u>0.048</u>
	Fold and stuff supplied 8½x11 check/ach advice with one insert in supplied window envelopes to be stored at vendor location (inserts may be either letter or legal sized. Quote to cover either size.) and deliver for mailing.	<u>0.052</u>
14,000	Additional cost for second insert (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>
Newsletter mailings (Pre-Sort First Class)		
	Produce copy of newsletter or other document (quote to include cost of vendor supplied paper)	
15,000	Sized -8½x11 one-sided	<u>0.025</u>
15,000	Sized-8½x11 duplexed	<u>0.042</u>
15,000	Sized -8½x14 one-sided	<u>0.031</u>
15,000	Sized-8½x14 duplexed	<u>0.048</u>
15,000	Produce printed ballots sized	<u>.0175 per ballot</u>
	Print addresses on ERS supplied envelopes from supplied address file in order specified by ERS	<u>0.025</u>
	Fold and stuff single sheet newsletter (may be either letter or legal sized. Quote to cover either size.) and deliver for mailing.	<u>0.052</u>
15,000	Additional cost for second insert (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>
Board election mailings (Pre-Sort First Class)		
	Produce copy of narrative to accompany mailing (quote to include cost of vendor supplied paper)	
14,000	Sized -8½x11 one-sided	<u>0.025</u>
14,000	Sized-8½x11 duplexed	<u>0.042</u>
14,000	Sized -8½x14 one-sided	<u>0.031</u>
14,000	Sized-8½x14 duplexed	<u>0.048</u>
	Print 4¼x5½ ballots to be used for election mailing (quote to include cost of vendor supplied paper)	<u>.0175 per ballot</u>
	Print addresses on ERS supplied envelopes from supplied address file in order specified by ERS	<u>0.025</u>
	Fold and stuff narrative (may be either letter or legal sized. Quote to cover either size.) a 4¼x5½ ballot and a 6½x3¾ return envelope and deliver for mailing.	<u>0.081</u>
14,000	Additional cost for second insert (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>

Counts are approximate and are not guaranteed, not all services will be required for all mailings.

EXHIBIT 2**ERS Price quote for Requested Mailing/Printing Service**

Estimated Volume	Description	Vendor price quote per unit
Annual statement mailings (Full First Class)		
	Produce potential document to accompany mailing (quote to include cost of vendor supplied paper)	
15,000	Sized -8½x11 one-sided	<u>0.025</u>
15,000	Sized-8½x11 duplexed	<u>0.042</u>
15,000	Sized -8½x14 one-sided	<u>0.031</u>
15,000	Sized-8½x14 duplexed	<u>0.048</u>
15,000	Fold and stuff 8½x11 Annual Statement in ERS supplied window envelope and deliver for mailing.	<u>0.052</u>
15,000	Additional cost for second insert (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>
15,000	Additional cost for third insert (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>
Occasional special mailings (Postage class determined for each job)		
	Produce potential document to accompany mailing (quote to include cost of vendor supplied paper)	
500-3,000	Sized -8½x11 one-sided	<u>0.025</u>
500-3,000	Sized-8½x11 duplexed	<u>0.042</u>
500-3,000	Sized -8½x14 one-sided	<u>0.031</u>
500-3,000	Sized-8½x14 duplexed	<u>0.048</u>
500-3,000	Print addresses on ERS supplied envelopes from supplied address file in order specified by ERS	<u>0.025</u>
500-3,000	Fold and stuff single sheet (may be either letter or legal sized. Quote to cover either size.) and deliver for mailing.	<u>0.052</u>
500-3,000	Fold and stuff single sheet in ERS supplied window envelope and deliver for mailing.	<u>0.052</u>
500-3,000	Additional cost for second insert in either type envelope (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>
	Produce potential document to accompany mailing (quote to include cost of vendor supplied paper)	
3,001-12,000	Sized -8½x11 one-sided	<u>0.025</u>
3,001-12,000	Sized-8½x11 duplexed	<u>0.042</u>
3,001-12,000	Sized -8½x14 one-sided	<u>0.031</u>
3,001-12,000	Sized-8½x14 duplexed	<u>0.048</u>
3,001-12,000	Print addresses on ERS supplied envelopes from supplied address file in order specified by ERS	<u>0.025</u>
3,001-12,000	Fold and stuff single sheet (may be either letter or legal sized. Quote to cover either size.) and deliver for mailing.	<u>0.052</u>
3,001-12,000	Fold and stuff single sheet in ERS supplied window envelope and deliver for mailing.	<u>0.052</u>

Counts are approximate and are not guaranteed, not all services will be required for all mailings.

EXHIBIT 2

ERS Price quote for Requested Mailing/Printing Service

Estimated Volume	Description	Vendor price quote per unit
3,001-12,000	Additional cost for second insert in either type envelope (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>

Occasional special mailings (Postage class determined for each job) continued

	Produce potential document to accompany mailing (quote to include cost of vendor supplied paper)	
>12,000	Sized -8½x11 one-sided	<u>0.025</u>
>12,000	Sized-8½x11 duplexed	<u>0.042</u>
>12,000	Sized -8½x14 one-sided	<u>0.031</u>
>12,000	Sized-8½x14 duplexed	<u>0.048</u>
	Print addresses on ERS supplied envelopes from supplied address file in order specified by ERS	<u>0.025</u>
>12,000	Fold and stuff single sheet (may be either letter or legal sized. Quote to cover either size.) and deliver for mailing.	<u>0.052</u>
>12,000	Fold and stuff single sheet in ERS supplied window envelope and deliver for mailing.	<u>0.052</u>
>12,000	Additional cost for second insert in either type envelope (inserts may be either letter or legal sized. Quote to cover either size.)	<u>0.01 per piece</u>

Special Printing-Colors

Vendor will either be supplied an original document, Microsoft Word file, or PDF file when asked to copy/print. Where quoting printing, vendor should assume one color (black) printing on white paper. Indicate additional costs for colored Printing/Paper below. In particular, there may be instances where ERS desires a different color, such as a different color ballot in a run-off election. If color is specified, it is expected to be light enough to enable printing thereon to be easily read.

Any Premium charged per print job for used of color paper per 8½x11 sheet.	<u>0.01</u>
Any Premium charged per print job for used of color paper per 11x14 sheet.	<u>0.01</u>

If vendor is capable of printing in colors, indicate premium for printing in color below.

Any Premium charged per print job for printing in color one-sided on 8½x11 ea.	<u>0.04</u>
Any Premium charged per print job for printing in color duplexed on 8½x11 ea.	<u>0.08</u>
Any Premium charged per print job for printing in color one-sided on 11x14 ea.	<u>0.04</u>
Any Premium charged per print job for printing in color duplexed on 11x14 ea.	<u>0.08</u>

Memo



To: Jerry Allen
From: Mary Turk
Date: 3/2/2022
Re: Responses to RFQ for Disability Claims Processing

ERS has been contracting with Managed Medical Review Organization (MMRO) for the processing of disability claims since 2016. The latest contract was from 3/1/16 and expired 3/1/19 when a first contract amendment was executed to extend the contract to 8/31/19. In 2019 a second amendment was executed to extend the contract to 8/31/22.

An RFQ was sent to 3 firms in January with a due date for responses of February 22, 2022. The RFQ was also posted on both the ERS website and the City of Milwaukee website. One of the firms responded that they could not provide all the services needed and that they would not respond. Two of the firms responded with a quote. MLS and MMRO. There were no responses from firms not sent the RFQ by us.

Summary:

- The response from MMRO included price increases of \$100 per claim which is 21% over current prices. The proposed rate is the same as the rate that was originally contracted in 2016 when MMRO was first brought in. The rate was reduced in 2019 for a renewal period, but now is proposed to go back to the original rate from 2016.
- The response from MLS was incomplete and they reported that they are unable to provide all required services.
- Cost Comparison: Due to the incomplete response from MLS, it was only possible to get a rough cost comparison. MLS responded with an hourly rate rather than the requested per claim rate as was stated in the RFQ and quoted their rate as \$195 per hour. ERS cases can have thousands of pages and the average time to complete a single claim is likely to cost out higher than the rate MMRO is quoting (for the two to be equal implies that a review of all medical records, sorting, and summarization takes about 3½ hours which appears to be a low number).

As staff reports that they are pleased with working with MMRO, MMRO was the sole responsive responder to the RFQ and that price increases do not seem out of line, I recommend that we extend our current contract with them for an additional 3 years.



Employees' Retirement System of the City of Milwaukee
March 11, 2022
Memorandum

To: Bernard J. Allen, Executive Director

From: Daniel Gopalan, CPA, ERS Chief Financial Officer

Re: Final 2021 Payment to the City and 2021 Budget to Actual Expenditures

I have completed my analysis for our expenditure activity for fiscal year 2021. Our expenditures for the year ended December 31, 2021 total \$16,278,228.76 of which \$436,286.99 relates to non-trust activities. The remaining \$15,841,941.77 represents amounts that are funded by the Trust for 2021 expenses.

We have previously advanced the City \$15,220,100 toward these costs in 2021, leaving a balance owed of \$621,841.77.

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 will be provided to the City with a cover letter requesting the City to prepare an invoice for this amount to be approved by the Board for final payment in settlement of 2021 expenses.

Below you will find the 2021 Budget to Actual Summary:

CATEGORY	BUDGET	ACTUAL	AVAIL. BALANCE
SALARIES	\$ 3,570,428.00	\$ 3,415,177.43	\$ 155,250.57
FRINGE	1,642,397.00	1,394,387.40	247,009.60
GENERAL OFFICE	195,000.00	186,823.62	8,176.38
OPERATING SUPPLIES	5,000.00	1,979.48	3,020.52
FACILITY RENT & PROPERTY SERVICES	658,000.00	533,752.73	124,247.27
EQUIPMENT RENTAL	26,000.00	19,770.01	6,229.99
PROFESSIONAL SERVICES	11,021,000.00	8,929,249.74	2,091,750.26
INFORMATION TECHNOLOGY	1,517,000.00	778,735.66	738,264.34
OTHER OPERATING SERVICE	1,155,000.00	637,669.72	517,330.28
EQUIPMENT	875,000.00	379,682.97	495,317.03
TOTAL	\$20,664,825.00	\$16,278,228.76	\$ 4,870,120.44

c David Silber
Melody Johnson

Employees' Retirement System - City of Milwaukee

2021 Budget vs. Actual Expenses

For The Year Ended December 31, 2021

			Budget Trust		Budget Non-Trust		Actual Trust		Actual Non-Trust	
			Activity		Activity	Total Budget	Activity		Activity	Total Actual
Direct Salary	86.8%	\$	2,929,800.00	\$	170,000.00	\$ 3,099,800.00	\$ 2,786,152.35	\$	162,320.00	\$ 2,948,472.35
Indirect Salary (15.18% of DS)	13.2%		444,864.00		25,764.00	470,628.00	442,119.41		24,585.67	466,705.08
Total Salary			3,374,664.00		195,764.00	3,570,428.00	3,228,271.76		186,905.67	3,415,177.43
Fringe Benefits Applied	46.0%		1,552,346.00		90,051.00	1,642,397.00	47% 1,306,887.40		88,500.00	1,395,387.40
City Indirect Cost	4.2%		121,000.00			121,000.00	4.2% 117,000.00			117,000.00
Other Operating Expenditures			14,456,000.00		-	14,456,000.00	10,882,799.64		88,181.32	10,970,980.96
Equipment			875,000.00			875,000.00	379,682.97			379,682.97
Sub Total			20,379,010.00		285,815.00	20,664,825.00	15,914,641.77		363,586.99	16,278,228.76
Indirect-Non Trust Activity*	20.0%		(57,200.00)		57,200.00	20.0%	(72,700.00)		72,700.00	
Total O&M Activity			20,321,810.00		343,015.00	20,664,825.00	15,841,941.77		436,286.99	16,278,228.76
Grand Total		\$	20,321,810.00	\$	343,015.00	\$ 20,664,825.00	\$ 15,841,941.77	\$	436,286.99	\$ 16,278,228.76

* 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
L Johnson Health/Dental	100%	51,479.00	51,479.00	45,000.22	38,769.44	45,000.22	38,769.00
Freeman Life	100%	45,303.00	45,303.00	43,815.20	36,568.84	43,815.20	36,569.00
Gary Life	100%	45,303.00	45,303.00	45,900.54	40,023.42	45,900.54	40,023.00
Hann Life/Dental	100%	45,303.00	45,303.00	44,152.24	39,981.37	44,152.24	39,981.00
Niemiec Health/LIS/P/FABF	5%	3,817.00	76,346.00	3,434.42	60,592.14	3,434.42	3,030.00
Langenohl PABF/FABF	5%	3,024.00	60,471.00	2,957.99	54,140.75	2,957.99	2,707.00
Priem/Bates Life	2.5%	1,535.00	61,391.00	1,645.06	49,621.39	1,645.06	1,241.00
Assistance for Fire Annuity		-		-		-	-
		\$ 195,764.00	\$ 385,596.00	\$ 186,905.67	\$ 319,697.35	\$ 186,905.67	\$ 162,320.00

Employees' Retirement System - City of Milwaukee
2021 Budget vs. Actual Expenses
For The Year Ended December 31, 2021

Non-Trust Operating Expenditures

Vendor	Descr	Non-Trust	ERS Costs	City	Total invoiced
United Mailing Services	July Payroll & DER Special Mailing	818.40	16,422.32	818.40	17,240.72
Cavanaugh Macdonald	JAN ACTUARY FEES	17,588.00	5,250.00	17,588.00	22,838.00
Cavanaugh Macdonald	FEB ACTUARY FEES	17,725.75	5,250.00	17,725.75	22,975.75
Cavanaugh Macdonald	AUG ACTUARY FEES	21,560.75	5,250.00	21,560.75	26,810.75
Cavanaugh Macdonald	SEPT ACTUARY FEES	18,259.00	5,250.00	18,259.00	23,509.00
Cavanaugh Macdonald	OCT ACTUARY FEES	566.75	5,250.00	566.75	5,816.75
Cavanaugh Macdonald	Nov ACTUARY FEES	2,024.50	5,250.00	2,024.50	7,274.50
Cavanaugh Macdonald	Dec ACTUARY FEES	9,288.00	5,250.00	9,288.00	14,538.00
Northern Trust	PABF FEES	350.17	-	350.17	350.17
Total Non-Trust		<u>88,181.32</u>	<u>53,172.32</u>	<u>88,181.32</u>	<u>141,353.64</u>

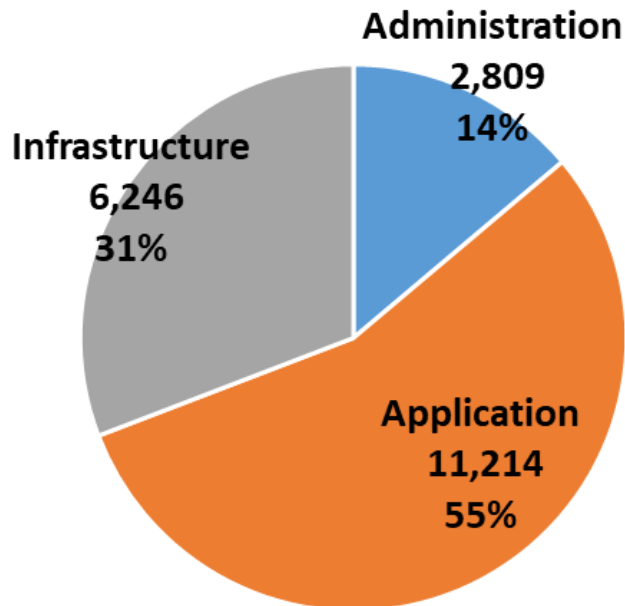
IT Projects and Ticket Statistics

- Major Projects/Initiatives:
 - IP Address Review and Cleanup – 2021 (In Progress)
 - DNS Review and Cleanup – 2021 (In Progress)
 - AD Review and Cleanup – 2021 (In Progress)
 - Firewall Review and Cleanup – 2021 (In Progress)
 - SAN Firmware and DSM Upgrade (In Progress)
 - Backup Exec Upgrade (In Progress)
 - PC Firmware Upgrade (In Progress)
 - Network Infrastructure Upgrade (In Progress)
 - Vulnerability Assessment – 2021 (In Progress)
 - Implement Security Incident and Event Management Capabilities (Completed)
 - Desktop PC Upgrade (Completed)
 - Printer Firmware Upgrade (Completed)
 - Video Conferencing System Upgrade (Completed)
 - Proof Of Concept (POC) for FileNet to BAW Upgrade (In Progress)
 - Upgrade Struts and Modernize MERITS Website (In Progress)
 - Perforce Upgrade (In Progress)
 - WebSphere Application Server Upgrade (In Progress)

- Application Statistics

Category	High Priority	Low Priority	Total
Current Inventory	10	0	10
PIR's	3	0	3
CCR's	7	0	7
Pending/Hold	0	0	0
Deployed(Awaiting Next stage) /Ready for Production	0	0	0
Net Current Inventory	10	0	10

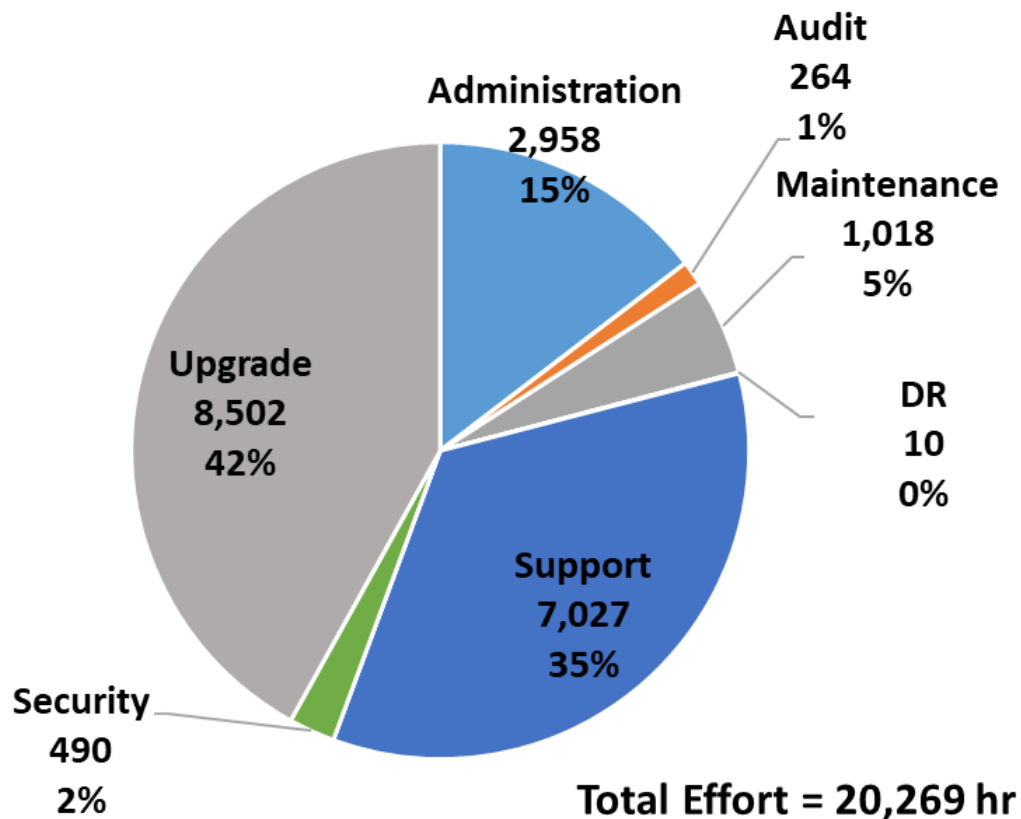
2021 – IT Team Effort (by Area of Focus)



Total Effort = 20,269 hr

Category / Area	Effort (hr)	
Administration		2,809
General	2,799	
DR	10	
Application		11,214
General	160	
Maintenance	293	
Security	64	
Support	2,609	
Upgrade	8,088	
Infrastructure		6,246
Audit	264	
Maintenance	725	
Security	426	
Support	4,418	
Upgrade	414	
Grand Total		20,269

2021 – IT Team Effort (by Category)



Descriptions:

Improvements / Upgrades: Includes application and infrastructure upgrades such as optimization, updates to the application, projects such as the reporting tool migration, upgrades of network equipment and software, etc.

Maintenance: Includes application and infrastructure maintenance activities such as bug fixes, windows operating system patching, DNS and IP review and cleanup, disk space management, etc.

User Support: Includes assisting users with issues and questions related to the application as well as other hardware/software issues, and COVID-related responses

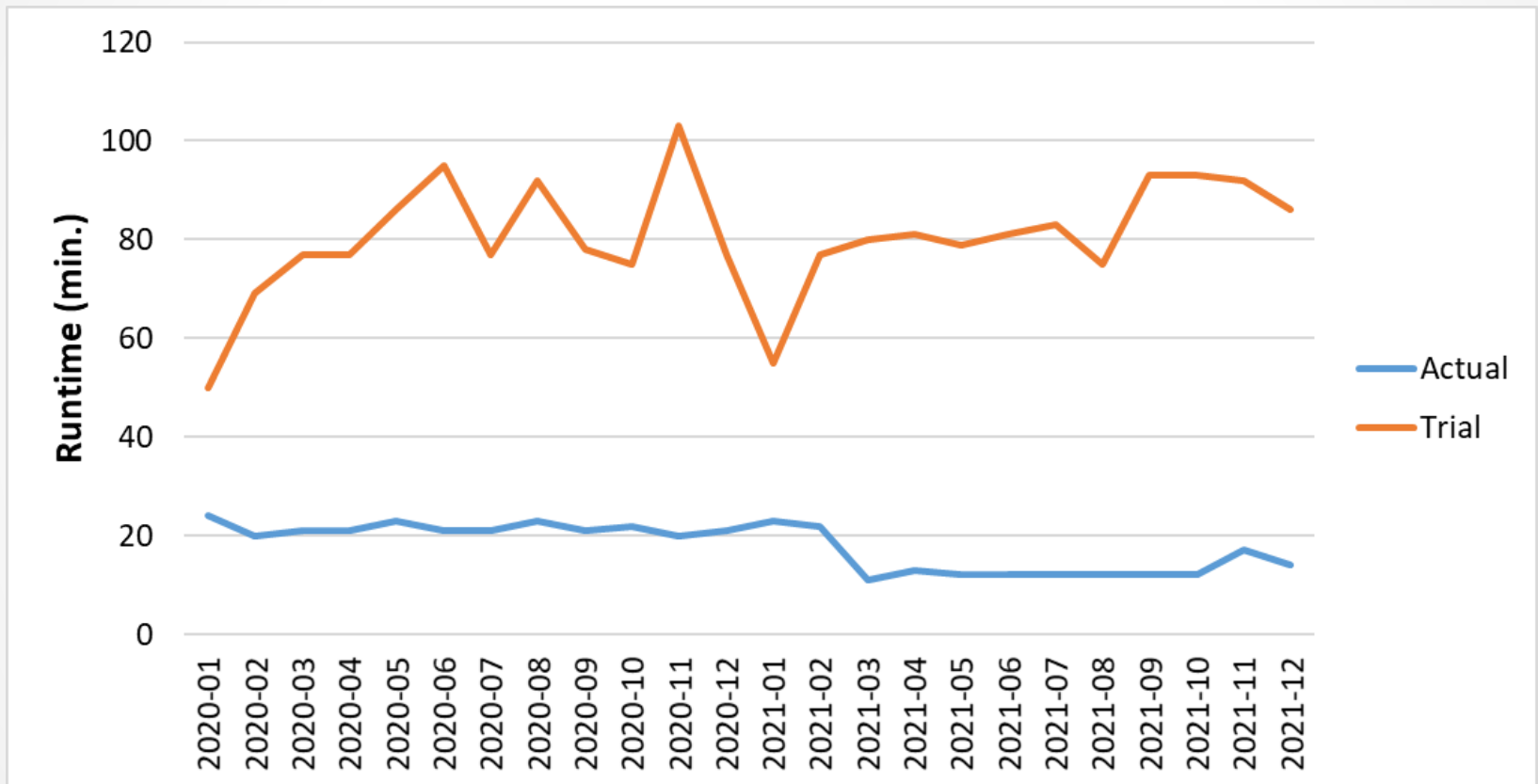
Disaster Recovery: Includes working with our backup and recovery environments, maintenance and upgrade of the equipment at the remote office, and the execution of disaster recovery tests

Audit: Includes activities performed in conjunction with our internal and external auditors

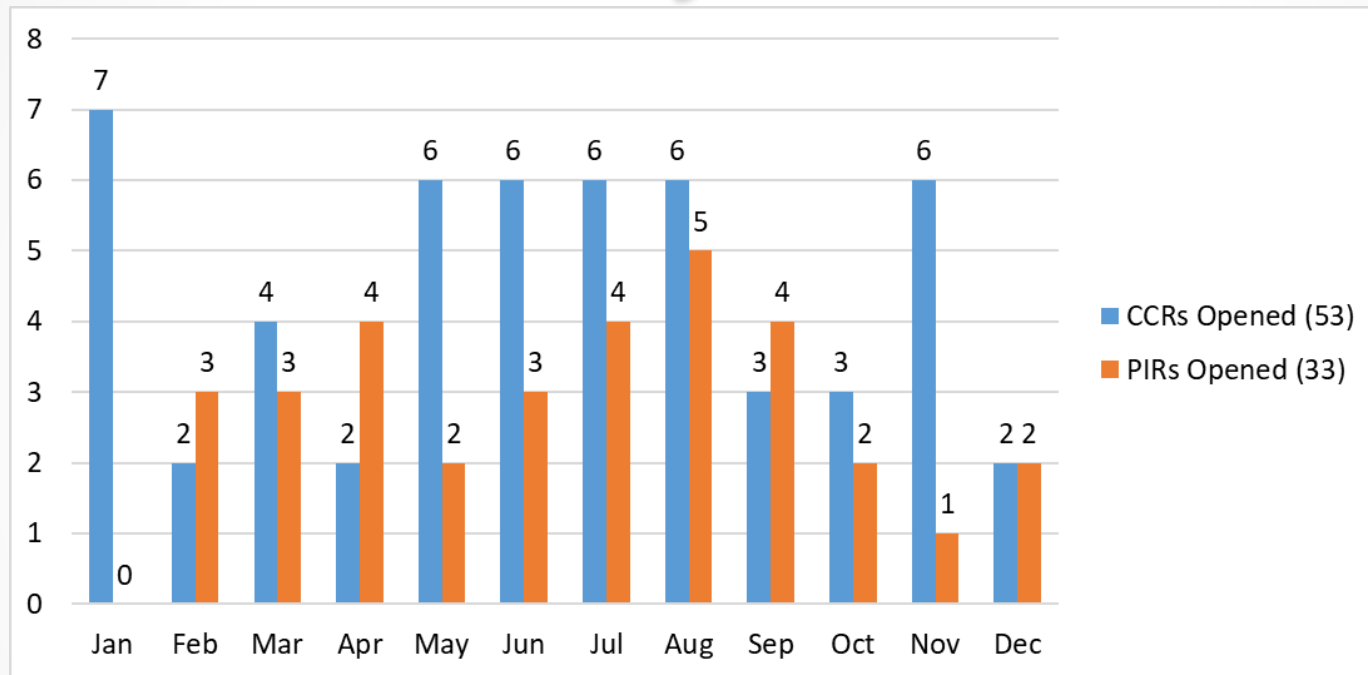
Security: Includes items related to monitoring and hardening our environment against security threats.

Administrative: Includes administrative tasks performed by IT staff such as process updates, updates to the website, development of support plans / SPLs, updates and review of security awareness policies, updates and review of standard operating guidelines, reporting, etc.

Payroll Runtimes (2020/2021)



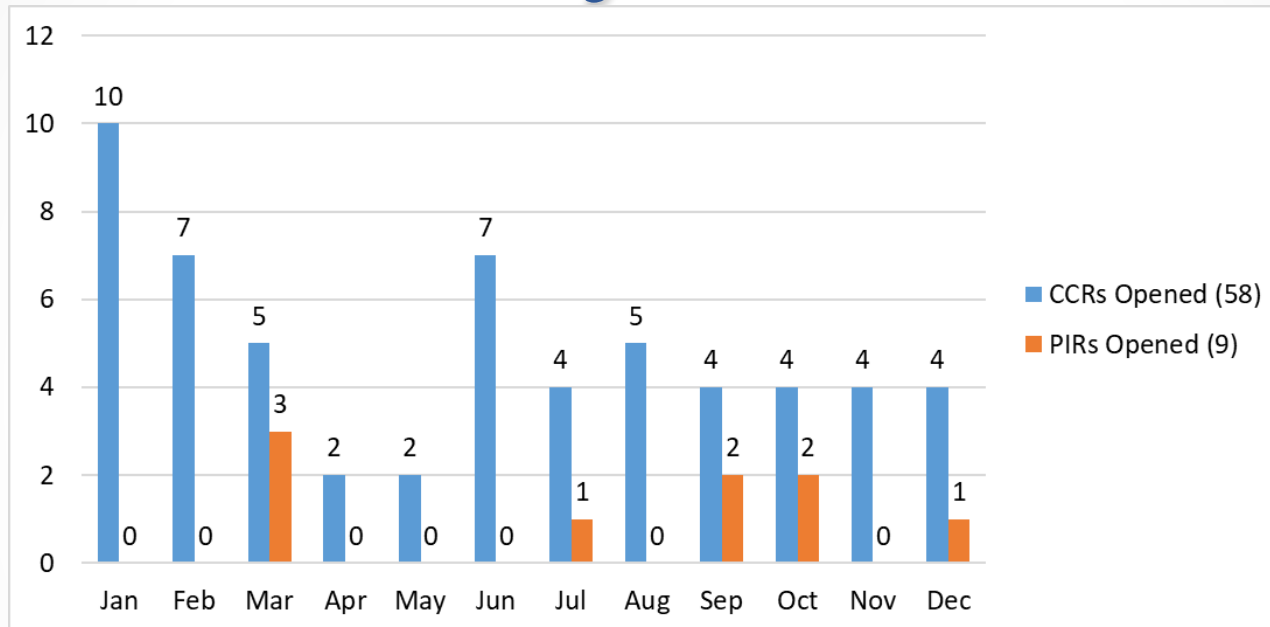
Application Tickets Activity in 2021



A total of 86 tickets were opened for upgrades, enhancements/fixes:
53 were for upgrades and enhancements
33 were for fixes

• Closed - 78

Infrastructure Tickets Activity in 2021



A total of 67 tickets were opened for Infrastructure related tasks:
58 were for upgrades, disaster recovery, and improvements
9 were for fixes

- Closed - 68

Batch Jobs

- A total of 6,315 application batch jobs were run in 2021:
 - 6,305 completed successfully
 - 10 failed and were successfully remediated (no critical jobs failed)
- Examples of batch jobs:
 - Payroll
 - Reports for users
 - Monthly COLA job
 - Wage and contribution reports
 - Eligibility reports for retirement
 - Open enrollment
 - Interest posting
 - Health care policy updates
 - Tax updates and 1099 reporting
 - Member statements
 - Actuarial extracts
 - Work queue reports
 - Disability reports
 - Ad hoc reports

Portfolio as of March 1, 2022

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	96%	1	M	POC - FileNet P8 to IBM BAW Upgrade @	Manchu	Replace FileNet with IBM BAW	G1	IP	N	4/5/21	3/31/22	220	223	(3)
G	99%	2	M	Vulnerability Assessment @	Raynal	Internal Audit - Vulnerability Assessment	G1	IP	N	10/6/21	4/30/22	100	135	(35)
G	25%	3	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	25	176
G	1%	4	M	Upgrade Backup Exec and Agents to Latest Stable Release on PDBKDR2 and PDBK2 @	John	Upgrade software to latest stable version	G1	IP	N	3/4/22	6/30/22	70	2	68
G	9%	5	M	Upgrade 789 and RO PC Firmware @	Powell	Upgrade Firmware for 789 and RO PC's	G1	IP	N	3/2/22	6/30/22	100	9	91
G	1%	6	M	IP Address Review and Cleanup 2021 @	Zampino	Internal Audit of our IP Addresses	G1	IP	N	1/4/22	7/30/22	100	1	99
G	1%	7	M	DNS Review and Cleanup 2021 @	Zampino	Internal Audit of our DNS Entries	G1	IP	N	1/4/22	7/30/22	100	1	99
G	2%	8	M	AD Review and Cleanup 2021 @	Zampino	Internal Audit of our AD Objects	G1	IP	N	1/4/22	7/30/22	100	3	97
G	1%	9	M	Firewall Review and Cleanup 2021 @	Zampino	Internal Audit of our Firewall Configurations	G1	IP	N	1/4/22	7/30/22	100	1	99
G	15%	10	M	Upgrade SAN Firmware and DSM @	Raynal	Upgrade of Storage Area Network Equipment & Management Tools	G1	IP	N	1/4/22	5/30/22	100	11	89
G	1%	11	M	MERITS - WebShpere Application Server Patching @	Manchu	Periodic Security Patches and Fixes	G1	IP	N	3/1/22	6/30/22	100	1	99
G	16%	12	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	4,133	14,717

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
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
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

Completed Projects & Tasks in Last 12 Months	Finished	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)	11/4/2021	6 hours
Symantec Endpoint Protection Upgrade @ (Zampino)	11/30/2021	15.50 hours
Upgrade Desktop PC's @ (Powell)	12/11/2021	101 hours
Implement Security Incident and Event Mgmt Capabilities @ (Zampino)	1/28/2022	99 hours
Upgrade Printer Firmware @ (Powell)	2/15/2022	13 hours
Upgrade Perforce @ (John)	2/11/2022	18 hours

Organizational/Personnel Update

Administration and Operations Committee

Thursday, March 17, 2022

ERS is working with DER to fill the following positions:

- ERS Network Security Administrator
- Pension Investment Analyst – Sr.
- Records Technician II