



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

October 12, 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, October 19, 2017 at 9:00 a.m. in the Employees' 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:

I. Approval of Baker Tilly Contract Amendment.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (II.), 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.

II. Approval of the DS Consulting Contract Renewal.

III. IT Projects Portfolio.

IV. Organizational/Personnel Update.

Sincerely,

A handwritten signature in black ink that reads "Bernard J. Allen".

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.



**Fourth Amendment to Agreement
between
The Employees' Retirement System of the City of Milwaukee
and
Baker Tilly Virchow Krause LLP**

This Fourth Amendment to the Agreement made January 15, 2013 by and between the Employees' Retirement System of the City of Milwaukee (ERS) and Baker Tilly Virchow Krause (Baker Tilly), effective September 23, 2017, is as follows:

WHEREAS, On January 15, 2013, the ERS and Baker Tilly entered into an agreement for financial audit services (the Agreement), which was subsequently amended; and

WHEREAS, Baker Tilly has been conducting the financial audits in coordination with the annual actuarial valuation of the ERS since 2006; and

WHEREAS, the Agreement has been previously amended in the First, Second, and Third Amendments;

WHEREAS, the parties desire to further amend the Agreement to reflect this change;

NOW, THEREFORE, inconsideration of the mutual covenants hereinafter stated, the parties do hereby agree to further amend the Agreement as follows:

1. The Total Rate under IV.A. "Compensation of Contractor," which includes all out-of-pocket expenses paid by Contractor, is amended to \$468,143.00, to reflect the additional fees of \$6,000 for associated research and consultation with GASB related to the 2016 audit.

2. This change constitutes the entire Fourth Amendment to the Agreement. All other covenants, provisions, terms, and conditions of the Agreement and the First, Second, and Third Amendments shall remain in force.

IN WITNESS WHEREOF, the ERS and Baker Tilly have set their hands:

EMPLOYEES' RETIREMENT SYSTEM

BAKER TILLY VIRCHOW KRAUSE,
LLP

By: _____
Date: _____

By: _____
Date: _____

JOHN BARMORE, President
Annuity and Pension Board

Title:

By: _____
Date: _____

By: _____
Date: _____

BERNARD J. ALLEN
Executive Director
Employes' Retirement System

Countersigned:

MARTIN MATSON
City of Milwaukee Comptroller

Approved as to form and execution:

Assistant City Attorney Date



Administration and Operations Committee

ERS IT Portfolio Report

October 19th 2017

- Information Technology Projects Summary
- Application Stats
- What's Next
- IT Portfolio

Information Technology Projects Summary

- ERS-IT Reorganization Plan DER (Completed Interviews)
- MERITS Optimization (In Progress)
- ERS Network Re-Architecture (In Progress)
- Struts 2 Upgrade (In Progress)
- Business Continuity Test (Completed)
- ERS-IT Strategic Plan FY2018-2022 (In Progress)

Information Technology Projects Summary

- CMERS Website Upgrade (In Progress)
- SAN Upgrade Planning (In Progress)
- Altiris Upgrade - Asset Management Software (In Progress)
- Laptop Asset Management Program (LAMP)(In Progress)
- Network Firmware Upgrades (Completed)

Application Stats

Category	High Priority	Low Priority	Total
Current Inventory	14	5	19
PIR	4	2	6
CCR	10	3	13
Pending/Hold	0	1	1
Deployed(Awaiting Next stage) /Ready for Production	0	0	0
Net Current Inventory	14	4	18

What's Next...

- Continue All "In Progress" Items on Pages 3 & 4
- Purchase Storage Area Network Array (SAN) for 789
- Test a Controlled Patch Deployment Methodology for Desktops using Altiris
- Order network equipment for end-of-life Cisco products
- Social Engineering Audit and Network Vulnerability Audit

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.
- **Ahhis:** 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 October 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	10%	1	L	SAN Upgrade & Replacement	Raynal	Design and analysis phase	G7	IP	Y	5/19/17	6/4/21	342	106	236	\$720,609	\$0	\$720,609
G	40%	2	M	CMERS.com Upgrade & Redesign	Zaffiro	Move to Titan 6.9, Responsive Design, and an Intranet	G4	IP	Y	6/1/17	10/27/17	146	71	75	\$22,080	\$22,080	\$0
G	5%	3	L	2018 Network Re-Architecture	Benedict	Create a more resilient network with all gear under support.	G7	NS	N		7/31/18	642	277	365	\$374,118	\$0	\$374,118
G	34%	4	L	Struts 2 Upgrade (functional areas besides MAM)	Manchu	Software development upgrade all other functional areas	G7	IP	Y	10/17/16	8/15/19	11,438	3,060	8,379	\$730,290	\$153,403	\$576,887
G	99%	5	L	HCP Optimization	Manchu	Evaluate, assess and implement MERITS Optimization and Clean-up	G7	IP	N	10/26/16	9/22/17	1,406	958	448	N/A	N/A	N/A
G	45%	6	L	OSC Optimization	Manchu	MERITS optimization & clean-up of Optional Service Credit	G7	IP	N	5/4/17	4/12/18	1,331	504	827	N/A	N/A	N/A
G	75%	7	M	IT Strategic Planning @	Reid	Create a 5 year plan for IT	G1	IP	N	5/15/17	8/31/17	100	8	92	N/A	N/A	N/A
G	30%	8	M	Altiris Upgrade	Raynal	Software tracks our IT assets	G6	IP	Y	6/6/17	2/9/18	657	90	567	\$4,500	\$4,500	\$0

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
Windows 2012 Server Upgrade @ (Raynal)	9/21/2016	876 hrs / \$8,434
IT Network Vulnerability Audit @ (Reid)	10/20/2016	140 hrs (Expiris Only)/ \$23,100
IT Disaster Recovery Test @ (Dugan / Rogers)	10/21/2016	111 hrs / N/A
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
2017 Desktop Rotation (Powell)	5/8/2017	269 hrs / \$39,520
Member Education Videos [POC] (Zaffiro)	5/19/2017	67 hrs / \$1,889

	Finished	Hours / \$ Spent
Websphere Server Patching @ (Manchu)	5/26/2017	81 hrs / \$8,762
VMware vSphere Upgrade @ (Raynal)	6/15/2017	73 hrs / N/A
IT General Controls Audit @ (Reid)	6/20/2017	39 hrs / \$13,320
Printer Maint. Contract @ (Zaffiro)	6/21/2017	64.5 hrs / N/A
BAA / PAP Optimization (Manchu)	7/7/2017	3,129 hrs / N/A
DR Test (IT Only) @ (Dugan)	7/11/2017	67.5 hrs / N/A
Install Print Monitoring Software @ (Xiong/Zaffiro)	9/21/2017	57.7 hrs / N/A
Upgrade Network Infrastructure Firmware @ (Benedict)	9/22/2017	48 hrs / N/A
BCP Test (Siddiqui)	9/28/2017	17 hrs / N/A

Organizational/Personnel Update

Administration and Operations Committee

Thursday, October 19, 2017

- ERS is working with DER to fill the following vacancies: Pension Accounting Manager and Chief Financial Officer.
- ERS is working with DER to reclassify two IT positions: a Pension Accounting Specialist position and a Disability Manager position.
- Proposed IT Reorganization is pending DER classification study.

