



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

March 14, 2024

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that a Meeting of the Administration & Operations (A&O) Committee Meeting of the Annuity and Pension Board of the Employees' Retirement System has been scheduled for **Wednesday, March 20, 2024 at 9:00 a.m.** *Special Notice: 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.
- II. Approval of Close out of 2023 Budget.
- 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

Employees' Retirement System of the City of Milwaukee
 March 6, 2024
 Memorandum



To: Bernard J. Allen, Executive Director

From: Daniel Gopalan, CPA, ERS Chief Financial Officer

Re: Final 2023 Payment to the City and 2023 Budget to Actual Expenditures

I have completed my analysis for our expenditure activity for fiscal year 2023. Our expenditures for the year ended December 31, 2023 total \$18,348,432.30 of which \$516,089.47 relates to non-trust activities. The remaining \$17,832,324.83 represents amounts that are funded by the Trust for 2023 expenses.

We have previously advanced the City \$16,634,000 toward these costs in 2023, leaving a balance owed of \$1,198,342.83.

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 the Trust's 2023 expenses.

Below you will find the 2023 Budget to Actual Summary:

CATEGORY	BUDGET	ACTUAL	AVAIL. BALANCE
SALARIES	\$ 3,749,620.00	\$ 4,419,587.23	(\$ 669,967.23)
FRINGE	1,687,329.00	1,858,556.40	(171,227.40)
GENERAL OFFICE	211,000.00	194,722.19	16,277.81
OPERATING SUPPLIES	5,000.00	7,979.56	(2,979.56)
FACILITY RENT & PROPERTY SERVICES	653,000.00	594,272.80	58,727.20
EQUIPMENT RENTAL	25,000.00	14,713.27	10,286.73
PROFESSIONAL SERVICES	12,120,000.00	9,673,555.63	2,446,444.37
INFORMATION TECHNOLOGY	1,565,000.00	652,333.72	912,666.28
OTHER OPERATING SERVICE	1,293,400.00	684,950.18	608,449.82
EQUIPMENT	2,036,000.00	247,761.32	1,788,238.68
TOTAL	\$ 23,345,349.00	\$ 18,348,432.30	\$ 4,996,916.70

c David Silber
 Melody Johnson

2023 Final Expenditures

		Budget-Non Trust		Actual-Non Trust			
		Budget-Trust Activity	Activity	Total Budget	Actual-Trust Activity	Activity	Total Actual
Direct Salary	84.8%	\$ 3,015,800.00	\$ 163,900.00	\$ 3,179,700.00	\$ 3,503,196.89	\$ 167,868.00	3,671,064.89
Indirect Salary (21.36% of DS)	15.2%	540,568.87	29,351.14	569,920.00	710,836.62	37,685.72	748,522.34
Total Salary		3,556,368.87	193,251.14	3,749,620.00	4,214,033.51	205,553.72	4,419,587.23
Fringe Benefits Applied	45.0%	1,600,366.00	86,963.00	1,687,329.00	1,766,056.40	92,500.00	1,858,556.40
City Indirect Cost	4.2%	127,000.00		127,000.00	147,100.00	-	147,100.00
Other Operating Expenditures		15,782,100.00	1,300.00	15,783,400.00	11,543,391.60	132,035.75	11,675,427.35
Equipment		2,036,000.00		2,036,000.00	247,761.32	-	247,761.32
Sub Total		23,101,834.87	281,514.14	23,383,349.00	17,918,342.83	430,089.47	18,348,432.30
Indirect-Non Trust Activity*	20.0%	(56,300.00)	56,300.00		(86,000.00)	86,000.00	
Total O&M Activity		23,045,534.87	337,814.14	23,383,349.00	17,832,342.83	516,089.47	18,348,432.30
Fiduciary Liab Deductible		-					
Grand Total		\$ 23,045,534.87	\$ 337,814.14	\$ 23,383,349.00	\$ 17,832,342.83	\$ 516,089.47	\$ 18,348,432.30

* 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
Johnson Health	100%	46,529.00	46,529.00	55,911.18	42,327.27	55,911.18	42,327.00
Dollhopf - Life	100%	-	-	54,799.59	47,319.81	54,799.59	47,320.00
Jones - Life	100%	-	-	40,722.06	40,722.06	40,722.06	40,722.00
Hann Dental	100%	47,542.00	47,542.00	49,466.89	33,132.93	49,466.89	33,133.00
Gary Life	100%	47,543.00	47,543.00	-	-	-	-
Freeman Life	100%	47,542.00	47,542.00	-	-	-	-
Niemiec Health/LIS	2.0%	745.56	37,278.00	38,726.55	38,726.55	775.00	775.00
Niemiec PABF/FABF	5.0%	1,863.90	37,278.00	38,726.55	38,726.55	1,936.00	1,936.00
Bates Life	2.5%	1,485.68	59,427.00	77,703.51	66,210.76	1,943.00	1,655.00
		\$ 193,251.14	\$ 323,139.00	\$ 356,056.32	\$ 307,165.92	\$ 205,553.72	\$ 167,868.00

Salary Additives for 2023

Indirect as % of Direct	17.88%	Indirect as % of Gross	15.2%
Fringe as % of Direct	50.92%		

PABF O&M Budget for actuary:

NT Processing	1,300.00
	<u>\$ 1,300.00</u>

Document Number	Group/ Source	Vendor	Descr	Actuals	Non-Trust Exp	PABF
02060648	0000519668	NORT TRUS-001	4TH QTR PABF 2023	39.60		39.60
02107044	0000534939	NORT TRUS-001	2ND QTR PABF 2023	32.40		32.40
02059459	0000517658	CAVA MACD-001	FEB 22 RETAINER FEES	47,337.00	42,087.00	-
02063409	0000520549	CAVA MACD-001	MARCH 23 RETAINER FEES	45,250.00	-	-
02070267	0000522670	CAVA MACD-001	APRIL 23 RETAINER FEES	15,250.00	-	-
02078917	0000525436	CAVA MACD-001	MAY 23 RETAINER FEES	29,497.50	9,202.25	-
02085194	0000527411	CAVA MACD-001	JUNE 23 RETAINER FEES	11,275.00	5,287.50	-
02090083	0000529156	CAVA MACD-001	JULY 23 RETAINER FEES	10,343.50	4,503.50	-
02098665	0000532155	CAVA MACD-001	AUG 23 RETAINER FEES	46,679.50	41,429.50	-
02103010	0000533726	CAVA MACD-001	SEPT 23 RETAINER FEES	21,460.00	16,210.00	-
02103007	0000533723	DS CONS-001	09/01/2023 THROUGH 09/	25,800.00	3,440.00	-
02109657	0000535968	DS CONS-001	10/01/2023 THROUGH 10/	28,208.00	3,440.00	-
02117924	0000538561	DS CONS-001	11/01/2023 THROUGH 11/	26,488.00	3,440.00	-
02121605	0000539809	DS CONS-001	12/01/2023 THROUGH 12/	23,134.00	2,924.00	-
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				330,794.50	131,963.75	72.00

IT Projects and Ticket Statistics

- Major Projects/Initiatives:
 - Third Party Review Of Network Architecture (In Progress)
 - IT Vulnerability Audit (In Progress)
 - Domain Controller Upgrade (In Progress)
 - Network Infrastructure Firmware Upgrade (In Progress)
 - IP Address Review and Cleanup 2023 (In Progress)
 - DNS Review and Cleanup 2023 (In Progress)
 - AD Review and Cleanup 2023 (In Progress)
 - Firewall Review and Cleanup 2023 (In Progress)
 - Storage Area Network Firmware Upgrade (In Progress)
 - Titan Upgrade for CMERS.com (In Progress)
 - Server Firmware Upgrade (Completed)
 - PC Firmware Upgrade (Completed)
 - Backup Exec Upgrade (Completed)
 - Struts Upgrade and Modernize MERITS Website (In Progress)
 - Log4j Upgrade (Completed)
 - Change Our Bank from Wells Fargo to US Bank (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	0	0	0
Net Current Inventory	7	0	7

Portfolio as of March 12, 2024

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	70%	1	M	Upgrade Domain Controllers (cmers and ersom) @	John	Upgrade Domain Controllers for (cmers and ersom)	G1	IP	N	5/2/23	3/31/24	300	115	185
G	98%	2	M	IT Vulnerability Audit @	Zampino	Vulnerability Testing by CLA for 2023	G1	IP	Y	11/15/23	4/30/24	100	63	37
G	57%	3	M	Upgrade Network Infrastructure Firmware/OS @	Zampino	Upgrade Network Infrastructure Firmware/OS to Latest Stable Version	G1	IP	N	10/17/23	4/30/24	100	67	33
G	2%	4	M	Microsoft Windows Desktop and Laptop OS Upgrade @	Powell	Upgrade the OS for Desktops and Laptops to the Latest Stable Version	G2	IP	N	2/1/24	12/31/24	100	2	98
G	30%	5	M	Titan Upgrade for CMERS.com to Latest Stable Version @	Zaffiro	Upgrade Website Management System	G7	IP	Y	2/23/24	5/31/24	100	15	85
G	25%	6	M	Upgrade SAN Firmware and DSM @	Raynal	Upgrade the 809, 789, and Femrite SANs' Firmware and DSM to the Latest Stable Version	G8	IP	N	2/28/24	5/31/24	100	6	94
G	1%	7	M	IP Address Review and Cleanup 2023 @	Powell	Review IP Addresses In Use and Update Related Documentation	G3	IP	N	2/1/24	8/31/24	100	2	99
G	1%	8	M	DNS Review and Cleanup 2023 @	Powell	Review DNS Entries In All DNS Servers Against the Up-To-Date IP Addresses	G4	IP	N	2/1/24	8/31/24	100	1	99
G	1%	9	M	AD Review and Cleanup 2023 @	Powell	Review Entire AD Forest and Related Objects	G5	IP	N	2/1/24	8/31/24	100	2	98
G	1%	10	M	Firewall Review and Cleanup 2023 @	Powell	Complete the Yearly Firewall Review for 2023	G6	IP	N	2/1/24	8/31/24	100	1	100
G	65%	11	L	Upgrade Struts and Modernize MERITS Website	Manchu	Upgrade Struts Framework and Modernize MERITS Web Application	G1	IP	N	6/10/21	12/31/25	18,850	14,229	4,622

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

@ = Activity (no charter)

NS = Not Started OH = On Hold
 IP = In Process C = Completed

Completed Projects & Tasks in Last 12 Months	Finished	Hours
Upgrade Change Auditor to the Latest Stable Version @ (John)	3/1/2023	16 hours
Implement VMware Workspace ONE for MDM @ (Zampino)	4/12/2023	57.15 hours
Upgrade Symantec Endpoint Protection Mgr and Clients to the Latest Stable Versions @ (John)	4/5/2023	50.25 hours
IT General Controls Audit @ (Siddiqui)	4/5/2023	16.25 hours
BCP Audit @ (Siddiqui)	4/5/2023	10.1 hours
IT Vulnerability Audit @ (Zampino)	4/3/2023	73.25 hours
IP Address Review and Cleanup 2022 @ (Prosser)	4/12/2023	66.25 hours
Upgrade Microsoft Exchange @ (Zampino)	4/12/2023	112.25 hours
SQL Server Patching - MERITS & FileNet Databases @ (John)	4/20/2023	50 hours
Upgrade Network Infrastructure Firmware/OS @ (Zampino)	5/30/2023	43 hours
Upgrade SAN Firmware and DSM @ (Raynal)	5/9/2023	30.75 hours
Upgrade Perforce @ (John)	5/31/2023	22 hours
DNS Review and Cleanup 2022 @ (Prosser)	6/2/2023	24 hours

Completed Projects & Tasks in Last 12 Months	Finished	Hours
AD Review and Cleanup 2022 @ (Prosser)	8/31/2023	89.75 hours
Upgrade Splunk @ (Zampino)	8/9/2023	24.5 hours
Upgrade Planet Press @ (John)	8/16/2023	51.75 hours
Upgrade VMware Host Servers @ (Prosser)	9/27/2023	467.5 hours
Upgrade Tape Libraries and Tape Media at Femrite and 789 @ (Prosser)	9/27/2023	49.75 hours
Upgrade Microsoft Office @ (Powell)	9/28/2023	19.5 hours
Disaster Recovery Test @ (Siddiqui)	9/30/2023	40 hours
Firewall Review and Cleanup 2022 @ (Prosser)	10/31/2023	112.25 hours
Deployment of Endpoint Detection and Response (EDR) @ (Zampino)	10/19/2023	82.25 hours
Upgrade 789 and RO PC Firmware @ (Powell)	12/31/2023	19 hours
Upgrade Printer Firmware @ (Powell)	12/31/2023	10 hours
Change Our Bank from Wells Fargo to US Bank @ (Manchu)	1/18/2024	112 hours
Upgrade Backup Exec and Agents to Latest Stable Release on PDBKDR2 and PDBK2 @ (Prosser)	1/12/2024	10.5 hours
Upgrade Server Firmware @ (Prosser)	2/9/2024	129.75 hours

Organizational/Personnel Update

Administration and Operations Committee

Wednesday, March 20, 2024

ERS is working with DER to fill the following positions:

- Pension Investment Analyst – Sr.
- ERS Fiscal Services Assistant