

Mtg	Date	Item #
WR	9/25/2003	1

## MINUTES OF MEETING

### STATE OF WISCONSIN WISCONSIN RETIREMENT BOARD

Thursday, June 19, 2003

Sheraton Madison Hotel  
706 John Nolen Drive  
Madison, Wisconsin

#### BOARD PRESENT:

Marilyn Wigdahl, Chair  
John Brown, Vice Chair  
Barbara Ermeling  
Rick Gale  
Jorge Gomez  
Wayne Koessler

#### BOARD NOT PRESENT:

Ted Bauer  
Jefferson Davis, Secretary

#### PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary  
Dave Mills, Deputy Secretary  
Julie Reneau, Administrator, Division of Retirement Services

Linda Owen, Division of Retirement Services  
Pam Henning, Director, Office of Strategic Services  
Shelly Schueller, Office of the Secretary  
Christina Licari, Board Liaison

#### OTHERS PRESENT:

Bill Ford, Legislative Council  
Dave Hinrichs, Department of Employee Trust Funds  
Charlotte Gibson, Department of Justice  
Jane Hamblen, Department of Justice  
Nancy Ketterhagen, Department of Employee Trust Funds  
Peg Narloch, Department of Employee Trust Funds  
David Nispel, Deputy Counsel, Office of Legal Services  
Linda Owen, Department of Employee Trust Funds  
Mary Pierick, Department of Employee Trust Funds  
Bob Willett, Department of Employee Trust Funds

Marilyn Wigdahl, Chair, called the meeting to order at 1:25 p.m.

#### CONSIDERATION OF PREVIOUS MEETING MINUTES

***Motion: Mr. Brown moved approval of the minutes of the March 13, 2003, meeting as submitted by staff. Mr. Koessler seconded the motion, which passed without objection on a voice vote.***

## MISCELLANEOUS

**Pending Appeals Status Report.** (Included for the Board's information.) Ms. Reneau presented an update on pending appeals, noting that the number of appeals continues to go down.

**Wis. Statute 40.65 Duty Disability Program Annual Review.** Ms. Reneau noted that the § 40.65 Duty Disability Program Annual Review has been provided for the Board's information. The Employee Trust Funds Board will be asked to approve this report during their meeting on Friday, June 20, 2003.

## DISABILITY STATISTICS SUMMARY REPORT

(Included for the Board's information.) Ms. Schueller reviewed the *WRS Disability Benefit Annuity Statistical Report* that was included in the Board packet. In addition to Ms. Schueller, Peg Narloch, Disability Program Policy Advisor, was available to answer questions.

## ADMINISTRATIVE RULE

**Scope Statement: Dividend Distribution.** Ms. Owen presented draft language for the proposed rule amendment regarding annuitant dividends. In 2002, the rule was amended to change the annuitant dividend distribution date from April 1 to March 1. The amended rule became effective on October 1, 2002. However, due to poor fixed and variable investment returns and the concern annuitants expressed regarding the earlier distribution date, an emergency rule was promulgated to move the dividend distribution date back to April 1. Based on careful consideration of the alternatives and their potential consequences, the Department of Employee Trust Funds (DETF) proposed amending the permanent administrative rule to change the annual distribution effective date back to April 1.

Department staff stressed that if no further action is taken on the permanent rule, in 2004 the dividends, whether positive or negative, will become effective on March 1. Ms. Reneau noted that the Teachers Retirement Board had failed to adopt the proposed rule language recommended by staff, on a five to four vote.

The Board discussed with staff the advantages and disadvantages of changing the permanent rule back to April 1. Members expressed concerns regarding which approach constituted the best public policy.

***Motion: Mr. Gale moved to adopt the proposed rule language as recommended by DETF staff. Mr. Koessl seconded the motion, which passed without objection on a voice vote.***

***Members present and voting aye: J. Brown, B. Ermeling, R. Gale, J. Gomez, W. Koessl, M. Wigdahl***

## MOTION TO CONVENE IN CLOSED SESSION

Ms. Wigdahl announced that the Wisconsin Retirement Board would convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85(a) (f) and (g) for quasi-judicial deliberations, to consider disability annuity applications containing personal medical information and to confer with legal counsel. DETF staff members were invited to remain during consultation with legal counsel. Ms. Licari was invited to remain during quasi-judicial deliberations.

***Motion: Ms. Ermeling moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85(a), (f) and (g) for quasi-judicial deliberations, to consider disability annuity applications containing personal medical information and to confer with legal counsel. Mr. Gomez seconded the motion, which passed on a roll call vote.***

***Members voting aye: J. Brown, B. Ermeling, R. Gale, J. Gomez, W. Koessl, M. Wigdahl***

***Members voting nay: none***

The Wisconsin Retirement Board convened in closed session at 1:40 p.m. and reconvened in open session at 2:00 p.m.

### **ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION**

Ms. Wigdahl announced that the Board took the following action during the closed session:

- **Appeal 2002-092-WR.** The Board approved the Department's settlement agreement.
- **Appeal 99-005-WR.** The Board remanded the appeal to the DETF to determine if the doctor otherwise meets criteria and, if so, accept the medical report.
- **Appeal 2001-029-WR.** The Board rejected the hearing examiner's proposed decision and adopted an alternate decision finding the negative certification to be reasonable and correct.
- **Appeal 2001-043-WR.** The Board adopted the hearing examiner's proposed decision with minor formatting changes as discussed with legal counsel.

### **ADJOURNMENT**

***Motion: Mr. Gale moved adjournment. Mr. Brown seconded the motion, which passed without objection on a voice vote.***

The meeting of the Wisconsin Retirement Board adjourned at 2:05 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Jefferson Davis, Secretary  
Wisconsin Retirement Board