

**MINUTES OF MEETING**  
**STATE OF WISCONSIN**  
**WISCONSIN RETIREMENT BOARD**

**Thursday, September 25, 2003**

**Sheraton Madison Hotel**  
**706 John Nolen Drive**  
**Madison, Wisconsin**

**BOARD PRESENT:**

Marilyn Wigdahl, Chair  
John Brown, Vice Chair  
Ted Bauer  
Jefferson Davis, Secretary  
Rick Gale  
Jorge Gomez

DRAFT

**BOARD NOT PRESENT:**

Barbara Ermeling  
Wayne Koessl

**PARTICIPATING ETF STAFF:**

Eric Stanchfield, Secretary  
Dave Mills, Deputy Secretary  
Julie Reneau, Administrator, Division of Retirement Services  
Linda Owen, Division of Retirement Services  
Christina Licari, Board Liaison

**OTHERS PRESENT:**

Charlotte Gibson, Department of Justice  
Ms. Grandzielwski  
Jane Hamblen, Department of Justice  
Pam Henning, Department of Employee Trust Funds  
Peg Narloch, Department of Employee Trust Funds  
Shelly Schueller, Department of Employee Trust Funds  
Vicki Poole, Department of Employee Trust Funds

Marilyn Wigdahl, Chair, called the meeting to order at 2:18 p.m.

**CONSIDERATION OF PREVIOUS MEETING MINUTES**

***Motion: Mr. Gomez moved approval of the minutes of the June 19, 2003, meeting as submitted by the Board Liaison. Mr. Gale seconded the motion, which passed without objection on a voice vote.***

**APPOINTMENT TO EMPLOYEE TRUST FUNDS BOARD**

Ms. Licari explained that the Wisconsin Retirement Board, by statute, appoints four of its members to serve on the Employee Trust Funds (ETF) Board for staggered four-year terms. She reported that, while these appointments normally occur in March of each year, there is currently one vacancy that the Board could elect to fill. If the vacancy were filled, the expiration date of the term would be May 1, 2005. Ms. Licari noted that the only member eligible for appointment who is not already serving a term on the ETF Board is Rick Gale.

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**Motion: Mr. Davis moved to appoint Mr. Gale to serve on the Employee Trust Funds Board. Mr. Brown seconded the motion, which passed without objection on a voice vote.**

## 2004 MEETING DATES

Ms. Licari presented the 2004 meeting dates. She noted that dates were determined by the timing requirements of the quarterly Board meetings, executive staff availability and conference center and lodging availability. The dates for the 2004 meetings are:

Thursday, Friday	March 25 & 26, 2004
Thursday, Friday	June 17 & 18, 2004
Thursday, Friday	September 16 & 17, 2004
Thursday, Friday	December 9 & 10, 2004

## 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. The Wisconsin Retirement Board currently has 29 appeals pending.

**Senate Bill 260.** Secretary Stanchfield, Deputy Secretary Mills and Ms. Reneau discussed the Department's concerns regarding SB 260 with Board members. The main areas of concern discussed were pension policy, investment policy and administrative costs. Deputy Secretary Mills noted that the Joint Survey Committee on Retirement Systems is likely to hold a hearing on the issue early next week. Secretary Stanchfield recommended that the Department draft a letter of opposition to be approved and signed by the Board Chair as well as issue a press release and communicate the Department's concerns to active employee groups, as the Department feels appropriate.

***Motion: Mr. Gale moved to authorize Department of Employee Trust Funds staff to write a letter on the Board's behalf opposing Senate Bill 260 and use any methods of communication deemed appropriate to officially oppose the bill. Mr. Brown seconded the motion, which passed with one objection on a voice vote.***

## DISABILITY STATISTICS SUMMARY REPORT

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

## ADMINISTRATIVE RULES

**Final Language: Dividend Distribution.** Ms. Owen presented proposed final language for the rule amendment regarding annuitant dividends. After careful consideration by DETF staff and the input of all three Boards at the June 2003 meetings, staff proposed final language that would amend the rule to return to the April 1 dividend effective date (May 1 payment date).

***Motion: Mr. Davis moved to adopt the final rule language as recommended by DETF staff. Mr. Brown seconded the motion, which carried with one objection on a voice vote.***

**Draft Language: Medical Reports and Processes.** Ms. Koehn presented proposed draft language for amendments to the administrative rule that defines the medical reports and processes under § 40.63 Disability Retirement and Wis. Administrative Code Chap. ETF 50.40 Long-Term Disability Insurance.

Ms. Koehn discussed the need for clarification of the rule in response to the difficulty interpreting the existing rule and administering benefits in a fair and equitable manner. The Board discussed possible alternative language that would further clarify the processes. Staff stated that before final language would be presented to the Board, input would be requested of the Board's counsel to ensure that revisions reflect the Board's past decisions and interpretations.

***Motion: Mr. Delwiche moved to approval of the Department moving forward in the rule revision process with input as to the revised rule language from the Board's counsel. Mr. Gomez seconded the motion, which carried without objection on a voice vote.***

***Note: Mr. Gale abstained from the vote.***

#### **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) and (f) for quasi-judicial deliberations and to consider disability annuity applications containing personal medical information. DETF staff members were invited to remain during consultation with legal counsel. Ms. Licari was invited to remain during quasi-judicial deliberations.

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

***Members voting aye: T. Bauer, J. Brown, J. Davis, R. Gale, J. Gomez, M. Wigdahl***

***Members voting nay: none***

The Wisconsin Retirement Board convened in closed session at 2:50 p.m. and reconvened in open session at 3:40 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 99-005-WR.** The Board remanded the appeal to the DETF, instructing the Department to accept the medical report.
- **Appeal 2001-029-WR.** The Board denied the petition for rehearing.
- **Appeal 2000-025-WR.** The Board amended the final decision to include holiday pay differential.
- **Appeal 2002-027-WR.** The Board adopted the hearing examiner's proposed decision, with amendments as discussed with counsel, affirming the Department's determination and instructed the DETF to issue a letter to the employer regarding the appeal.

- **Appeal 2000-022-WR.** The Board adopted the hearing examiner's findings of fact and conclusions of law.

*Note: No disability applications were presented for discussion*

## **ADJOURNMENT**

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

The meeting of the Wisconsin Retirement Board adjourned at 3:42 p.m.

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

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

Jefferson Davis, Secretary  
Wisconsin Retirement Board