

MINUTES OF MEETING
STATE OF WISCONSIN
JOINT INFORMATIONAL MEETING
TEACHERS RETIREMENT, WISCONSIN RETIREMENT,
AND EMPLOYEE TRUST FUNDS BOARDS

Thursday, June 23, 2005

Sheraton Madison Hotel
706 John Nolen Drive
Madison, Wisconsin

DRAFT

BOARD PRESENT:

Ted Bratanow, TR Board
John Brown, Vice-Chair, ETF Board
Suzanne Doemel, TR Board
Theron Fisher, ETF Board
Rick Gale, WR Board and ETF Board
Kathleen Kreul, ETF Board
Michael Langyel, TR Board
Irena Macek, ETF Board
Dennis McBride, WR Board
Lon Mishler, TR Board
Dan Nerad, TR Board
Dennis Panicucci, TR Board
Tom Pedersen, TR Board
Roberta Rasmus, TR Board
Herb Stinski, WR Board
Nancy Thompson, ETF Board
Cynthia Van Bogaert, ETF Board
Mary VonRuden, WR Board
Marilyn Wigdahl, Chair, ETF Board and Chair, WR Board
David Wiltgen, TR Board

BOARD NOT PRESENT:

John David, WR Board
Jorge Gomez, WR Board
Wayne Koessler, Vice-Chair, ETF Board, and WR Board
Nan Kottke, WR Board
Wayne McCaffery, Chair, ETF Board and TR Board
Robert Niendorf, Secretary, ETF Board
Robert Shaw, TR Board
Gary Sherman, ETF Board
Karen Timberlake, ETF Board
James Tripp, TR Board

PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary
Dave Stella, Deputy Secretary
Sari King, Administrator, Division of Retirement Services
Sharon Walk, Board Liaison
Robert Weber, Chief Legal Counsel

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OTHERS PRESENT:

Mark Buis, Gabriel, Roeder, Smith & Company
Bonnie Cyganek, Division of Retirement Services
Jerry Dietzel, Division of Trust Finance and Retirement Services
Rhonda Dunn, Executive Assistant
Kendra Eppler, Legislative Audit Bureau
Linda Esser, Division of Management Services
Bill Ford, Legislative Council
Jean Gilding, Division of Retirement Services
Dan Hayes, Wisconsin Law Enforcement Officers Association
Norm Jones, Gabriel, Roeder, Smith & Company
Nancy Ketterhagen, Office of the Secretary
Audrey Koehn, Division of Retirement Services
Jon Kranz, Office of Budget and Deferred Compensation
Tony Mason, Legislative Fiscal Bureau
Peg Narloch, Division of Insurance Services
Linda Owen, Division of Retirement Services
Mary Pierick, Division of Insurance Services
Diane Poole, Division of Insurance Services
Mel Sensenbrenner, State Engineering Association
Julie Schraufnagel, Division of Trust Finance and Employer Services
Ken Stelzig, Wisconsin Education Association Council – Retired
Gretchen Wegner, Legislative Audit Bureau
Steve Werner, Wisconsin Professional Police Association
Robert Willett, Division of Trust Finance and Employer Services
Art Zimmerman, Legislative Fiscal Bureau

Marilyn Wigdahl, Chair, Wisconsin Retirement Board (Board), called the meeting to order at 9:41 a.m.

CONSIDERATION OF MINUTES

Ms. Wigdahl noted that there were several changes to the March 17, 2005, draft minutes. Dennis McBride and Mary VonRuden were inadvertently left off the list of Board members present at the meeting. The appropriate revisions have been made.

Motion: Ms. Thompson moved approval of the minutes of the March 17, 2005, meeting with the corrections as noted. Mr. Gale seconded the motion, which passed without objection on a voice vote.

INTRODUCTIONS

New Board Member. Ms. King introduced Michael Langyel. Mr. Langyel is a new member of the Teachers Retirement Board.

New Staff Members. Ms. King introduced the following new Department of Employee Trust Funds (ETF) staff members: Bonnie Cyganek, Benefit Services Director, Division of Retirement Services; Diane Poole, Disability Programs Director, Division of Insurance Services; and Linda Esser, Board Liaison, Division of Management Services. Ms. King also announced that John

Vincent had been appointed as Administrator of the Division of Trust Finance and Employer Services.

BUDGET UPDATE

Mr. Kranz summarized the ETF 2005-2007 Biennial Budget Request. The budget has been reviewed by the Joint Committee on Finance and approved by the Assembly. A written summary was provided to Board members.

Legislative Report. Ms. King noted that a legislative update memo was provided to the Board by Vicki Poole.

WISCONSIN RETIREMENT 24TH ANNUAL VALUATION OF ACTIVE LIVES – DECEMBER 31, 2004

Ms. Wigdahl introduced Norm Jones and Mark Buis of Gabriel, Roeder, Smith & Company, actuaries for the Department. They presented a PowerPoint presentation in conjunction with the report, *Wisconsin Retirement System 24TH Annual Actuarial Valuation of Active Lives – December 31, 2004*. The valuations reflect the actuarial experience, trends and projections for non-retired participants covered by the WRS. The valuations establish contribution rates for the 2006 calendar year in conformance with Chapter 40 of the Wisconsin Statutes.

The Board took a break at 10:43 a.m.

EDUCATIONAL TOPIC: DEPARTMENT OF EMPLOYEE TRUST FUNDS ANNUAL FINANCIAL REPORT – DECEMBER 31, 2004

Mr. Stanchfield introduced Bob Willett, ETF Controller. Mr. Willett presented a Powerpoint presentation titled "Financial Report, December 31, 2004." Mr. Willett stressed the importance of making continual progress in the funding of our system. The presentation contained information regarding the year-end balances of the market recognition account, annual WRS contributions and annuity payments, new annuities begun annually, post-retirement increases compared to cost of living, unfunded actuarial accrued liabilities, fixed and variable fund investment income, fixed and variable fund reserves, and the funded status of WRS insurance programs and other benefit plans.

MISCELLANEOUS

Solie/Baxter Court Decision. Mr. Stella discussed the Wisconsin Supreme Court (Court) decision in *Solie and Baxter v. Employee Trust Funds Board*. The Court ruled that Ms. Solie and Ms. Baxter are eligible to have previously forfeited years of creditable service restored to their WRS accounts without cost to them. As a result of this decision, other teachers may also be eligible for this service credit. ETF will use a self-identification process to ascertain who is eligible for this credit.

Benefit Payment System Update. Mr. Stella reported that the Benefit Payment System is in the construction phase. It is anticipated that system implementation will occur at the end of January 2006.

2003 Comprehensive Annual Financial Report (CAFR). The 2003 CAFR was distributed at the Board meeting. The 2004 CAFR will be available before the end of 2005.

Pending Appeals Report. Ms. King reported that progress continues to be made on the backlog of appeals.

ADJOURNMENT

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

The Joint Informational Meeting adjourned at 11:43 a.m.

Date Approved: _____

Signed: _____

Rick Gale, Secretary
Wisconsin Retirement Board