

MINUTES OF MEETING
STATE OF WISCONSIN
WISCONSIN RETIREMENT BOARD

Thursday, September 21, 2006

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

DRAFT

BOARD PRESENT:

Marilyn Wigdahl, Chair
John David
Rick Gale, Secretary
Dennis McBride
Herb Stinski
Mary VonRuden

BOARD NOT PRESENT:

Jorge Gomez
Wayne Koessl, Vice-Chair
Nan Kottke

PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary
Dave Stella, Deputy Secretary
Sari King, Administrator, Division of Retirement Services
Diane Poole, Division of Insurance Services
Linda Esser, Board Liaison

OTHERS PRESENT:

John Brown, Employee Trust Funds Board
Bob Conlin, Office of the Secretary
Rhonda Dunn, Office of the Secretary
Charlotte Gibson, Department of Justice
Jean Gilding, Division of Retirement Services
Linda Owen, Division of Retirement Services
Debra Roemer, Division of Insurance Services
Sharon Walk, Office of the Secretary
David Wiltgen, Teachers Retirement Board

Marilyn Wigdahl, Chair, called the meeting of the Wisconsin Retirement Board (Board) to order at 1:20 p.m.

Board	Mtg Date	Item #
WR	12/14/06	1

CONSIDERATION OF MINUTES

Motion: Ms. VonRuden moved approval of the open and closed session minutes of the June 22, 2006, meeting as submitted by the Board Liaison. Mr. David seconded the motion, which passed without objection on a voice vote.

DISABILITY STATISTICS SUMMARY REPORT

Wisconsin Retirement System (WRS) Disability Benefit Annuity Statistical Report (June through August 2006) Ms. Poole referred to the report that was provided to the Board. She pointed out trends that are noted in the cover memo of the report. There has been very little change over the past three years. The number of annuities that have been started varies little. The most popular annuity option remains "100% continued to named survivor with 180 payments guaranteed." Females remain the predominant user of the benefit. The majority of applications are approved. The predominant age group is 50-55 years. There is no prevalent disability type.

Ms. Poole stated that workload is heavy in the Disability Programs Bureau and approximately 1½ years is necessary to fully train a Trust Fund Specialist in the complex disability programs. Backlogs continue to occur in such areas as the \$40.65 Duty Disability Program. The Bureau and the Department are analyzing staff needs to address these issues.

In the meantime, priorities are set to review applications as quickly as possible and to maintain existing disability accounts. Both require extensive follow-up with outside parties.

Ms. Poole will continue to share this information at future Board meetings.

CONSULTATION WITH LEGAL COUNSEL

Ms. Gibson reported on two circuit court cases and one case in the Supreme Court.

The first case is 06-CV-2746, Kindschuh v. WR Board, et al. The Board never directly decided this appeal. Mr. Anderson, hearing examiner, decided the appeal as it was clearly untimely. Ms. Gibson stated that the appeal to the circuit court was deficient, and she has filed a motion to dismiss. Ms. Gibson will continue to update the Board on this case.

The second case is 05-CV-2642, Hopkins v. WR Board, et al. Ms. Gibson summarized the case. The main issue in the Hopkins case is the offsetting of his lump sum worker's compensation settlement from his duty disability annuity. Mr. Hopkins felt his employer was at fault in the occurrence of these events and therefore, there should be no offset. The judge agreed with the Board in that it cannot condition whether an offset applies based on the equities of a particular case. The time to appeal this decision has expired so the decision is final.

Ms. Gibson reported on 2005AP2636, Scinto-Reinertson v. WR Board. This case challenged the effective date rule for duty disability. The court of appeals felt this case was so clearly controlled by the Kuester decision that it decided on summary disposition.

Ms. Scinto-Reinertson sought review by the Supreme Court. Review by the Supreme Court is

discretionary and the Court takes only the cases that it thinks meet certain important criteria for review. The Supreme Court denied the petition for review.

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 (1) (a) for quasi-judicial deliberations. Ms. Gibson, Ms. Walk, and Ms. Esser were invited to remain for discussion of appeals.

Motion: Mr. David moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) for quasi-judicial deliberations. Ms. VonRuden seconded the motion, which passed on a roll call vote.

Members voting aye: J. David, R. Gale, D. McBride, H. Stinski, M. VonRuden, M. Wigdahl

Members voting nay: none

The Wisconsin Retirement Board convened in closed session at 1:30 p.m. and reconvened in open session at 2:40 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 2005-040-WR**, the Board rejected the hearing examiner's proposed decision and held that light duty was not assigned and was not performed.

ADJOURNMENT

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

The meeting of the Wisconsin Retirement Board adjourned at 2:45 p.m.

Date Approved: _____

Signed: _____

Rick Gale, Secretary
Wisconsin Retirement Board