



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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CORRESPONDENCE MEMORANDUM

DATE: August 20, 2010
TO: Employee Trust Funds Board
FROM: Jon Kranz, Director
Office of Budget and Trust Finance
SUBJECT: Update on Employee Trust Fund Board Authorized Procurements

This memo is for informational purposes only. No Board action is required.

The purpose of this memo is to provide an update on the Board authorized procurements related to actuarial services and tax counsel.

Actuarial Services

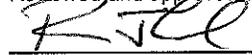
At the quarterly meeting held on March 18, 2010, the Board approved the two-year extension of the following contracts for actuarial services subject to successful negotiation by Department staff.

Gabriel Roeder Smith and Company	Wisconsin Retirement System
Deloitte Consulting LLP	Health Insurance Programs
Deloitte Consulting LLP	Other Insurance Programs

Department staff completed contract negotiations earlier this summer. These contracts are now extended through September 30, 2012, with the possibility for one additional two-year extension. The terms and conditions remain unchanged for the contracts with Gabriel Roeder Smith and Company (Wisconsin Retirement System) and with Deloitte Consulting LLP (Health Insurance Programs).

The contract extension with Deloitte Consulting used for other insurance programs (all insurance programs other than health) was modified to include the other post employment benefits (OPEB) valuation for the Duty Disability Program under s. 40.65 into the services covered under the annual retainer fee. This OPEB valuation is required under current accounting standards and was not included as a core service when these contracts were bid in 2007. It replaces the duty disability insurance

Reviewed and approved by Robert J. Conlin, Deputy Secretary.


Signature

8/30/10
Date

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valuation included in the original contract. This will increase efficiencies and better align financial reporting with the rate setting process. As a result of this modification, the annual retainer fee will increase by \$66,000. However, this increase will be partially offset by the elimination of having the duty disability OPEB valuation done on an ad-hoc basis (currently \$73,000 every two years).

Tax Counsel

At the meeting held on September 19, 2008, the ETF Board approved the hiring of tax counsel to advise the Department and Board regarding federal tax compliance matters. The Board additionally delegated authority to the Department Secretary to contract with a firm to provide these services based on the results of a request for proposal (RFP) process.

Based on the results of the RFP released in early 2009, the Department executed a contract with Ice Miller LLP for a one-year period with five additional one-year extensions possible. The initial contract expired on June 30, 2010, and the Department signed a one-year extension.

I will be available at the Board meeting should you have any questions. You can also contact me at (608) 267-0908 should you desire any additional information.