

DRAFT

MINUTES

December 6, 2012

Budget and Operations Committee
Employee Trust Funds Board
State of Wisconsin



Location:
State Revenue Building – Room 1N-04
2135 Rimrock Road, Madison, WI

COMMITTEE MEMBERS PRESENT:
Mary Von Ruden, Chair
David Wiltgen, Vice Chair

COMMITTEE MEMBERS ABSENT:
Jessica O'Donnell, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:
Rob Marchant, Deputy Secretary Bob Willett, Office of Budget and Trust
Division of Retirement Services: Finance
Matt Stohr, Administrator

Ms. Von Ruden, Chair, called the Budget and Operations Committee (Committee) to order at 8:01 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Mr. Wiltgen moved to accept the minutes of the September 20, 2012, Budget and Operations Committee meeting, as submitted by the Board Liaison. Ms. Von Ruden seconded the motion, which passed unanimously on a voice vote.

BIENNIAL BUDGET UPDATE

- Mr. Marchant provided an update on the Department of Employee Trust Funds (ETF) 2013–2015 biennial budget request.
- The Governor’s budget will be introduced in early 2013.
- The Department of Administration (DOA) has recommended that ETF consider using a “master lease” to fund a portion of the transformation, integration and modernization (TIM) initiative. The Committee expressed concern that any such

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arrangement be in the best interest of the Trust. ETF fiscal staff and legal counsel will review the master lease option.

ADMINISTRATIVE COST OVERVIEW

Mr. Marchant provided an overview of current Public Employee Trust Fund administrative costs.

OPERATIONS UPDATE

Mr. Stohr provided an update on the distribution of the 2011 Annual Statement of Benefits and shared third quarter retirement statistics:

- Estimates are up 12.8% when compared to the same quarter in 2011.
- Applications down 17.4% when compared to the same quarter in 2011.

ACTUARIAL INFORMATION

- Mr. Willett discussed the Wisconsin Retirement System's (WRS) assumed rate of return.
- 7.2% assumed rate of return; 5% for retirees; 5.5% blended rate for all members.
- Mr. Willett said that after conversations between ETF, DOA and Moody's staff, Moody's now has a better understanding of WRS's blended rate.

ADJOURNMENT

MOTION: Mr. Wiltgen moved to adjourn the meeting. Ms. Von Ruden seconded the motion, which passed unanimously on a voice vote.

The Committee adjourned at 8:55 a.m.

Date Approved: _____

Signed: _____
Jessica O'Donnell, Secretary
Budget and Operations Committee