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**CORRESPONDENCE MEMORANDUM**

**DATE:** November 6, 2009

**TO:** Employee Trust Funds Executive Committee  
Employee Trust Funds Board  
Teachers Retirement Board  
Wisconsin Retirement Board

**FROM:** Bob Conlin, Deputy Secretary  
Steve Hurley, Director, Office of Policy, Privacy and Compliance

**SUBJECT:** Board Communication Policy

**The Boards are asked to consider the attached Communications Policy.**

As noted at the September meeting, it is our intention to periodically develop Board-related policies with the goal of enhancing the Board's governance foundation. The attached Communications Policy is the first such policy offered for your consideration.

A communications policy is a good place to begin because of the heightened need for communication with stakeholders during turbulent economic times. For example, stakeholders often ask, "How are my retirement benefits affected by the erratic stock market?" We know that Board members want to be as helpful as possible when they are asked such questions. A sound communications policy will guide Board members in formulating responses that are consistent with their fiduciary duty to represent the interest of all members and beneficiaries.

The attached policy is based upon communications policies of retirement boards around the country, including the State of Wisconsin Investment Board. The policy contains basic principles for Board members in different communications scenarios, to assist in complying with open meetings laws, to avoid inadvertent generation of conflicts of interest, and to promote decorum during Board meetings. The policy helps to ensure that stakeholders in the Wisconsin Retirement System (WRS) receive accurate,

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JI	12/3/09	4B
WR	12/3/09	3B
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consistent information from the Boards and the Department of Employee Trust Funds, while helping Board members operate within their legal and fiduciary bounds. We believe it to be a good template and a good starting point for discussions.

If the Boards are supportive of the policy as written, or with amendments, it can be formally adopted and included within the Governance Manual distributed at the September Board meetings.

Attachment: Board Communication Policy

## **Communications Policy**

*Adopted: XX/XX/XXXX*

*Last Revised: XX/XX/XXXX*

This communications policy is intended to ensure that communications by Board members are handled appropriately and in a manner that best serves the Wisconsin Retirement System (WRS). Board members are expected to be professional and courteous in all communications. Communications by Board members shall be consistent with their fiduciary duty to represent the interests of all WRS participants.

### **Communication between Board Members at Board Meetings**

Board members should communicate in an open and constructive manner during meetings of the Board and committees. Board members must conduct meetings according to Wisconsin's Open Meetings law when discussing WRS business. When a quorum of the Board or a committee of the Board meets and discusses WRS business, the meeting must be open to the public and held only after proper notice is given, and be recorded with proper minutes. However, the Board may conduct certain business in closed session in accordance with Wisconsin's Open Meetings laws.

Informal gatherings of Board members for social purposes are not considered public meetings under the Wisconsin Open Meetings law or this policy.

### **Communication between Board Members Outside of Board Meetings**

Any Board member may contact the Chair, or in his or her absence, the Vice-Chair, regarding issues of interest or concern about the WRS. Board members are to contact the Board Chair or the ETF Secretary if they wish to have specific issues discussed by the Board so that these items can be added to the Board meeting agenda.

Board members must not engage in mass or sequential e-mail exchanges with other Board members relating to WRS business. The Wisconsin Attorney General strongly discourages governmental bodies from using electronic mail to communicate about issues within the body's realm of authority, because of the risk of conducting a "meeting" in violation of the Open Meetings laws.

### **Communication between the ETF Secretary (or Designee) and the Board**

Notice and information for special and regularly scheduled quarterly Board meetings will be sent to all Board members before the meetings. The Board may meet at any other time by unanimous mutual consent. The ETF Secretary shall communicate with the Board between meetings when issues arise that require their immediate attention and consideration and may communicate other issues of interest to the Board.

### **Communication between a Board Member and ETF Staff**

If a Board member needs WRS information, the primary contacts are the ETF Secretary or Deputy Secretary. Board members may contact ETF Board Liaisons directly regarding meeting schedules, travel arrangements, reimbursements, and other administrative matters.

### **Communication between a Board Member and a Service Provider or Third Party**

If a Board member is contacted by anyone with a future interest in doing business with the WRS, the Board member should refer the individual to the ETF Secretary. The Secretary may refer the matter to the appropriate ETF staff or other advisors to evaluate the business inquiry or solicitation.

When a Board member discusses WRS business with a vendor outside of a Board meeting, that Board member's independence may be perceived as compromised and could result in the board member's disqualification from formal consideration of the any related matters by the Board.

### **Communication between a Board Member and an External Party**

If a Board member is asked to make a presentation to external groups, the Board member must indicate that he or she is not speaking on behalf of the Board, unless the board member has specifically been authorized to do so by the Board. Board members shall be respectful of the Board, its policies, and its decisions in all external communications, even if the Board member disagrees with the Board's decision. The Board should speak with a single voice on WRS issues for the benefit of all WRS participants.

To ensure accuracy of materials prepared by Board members for publication or general distribution, related to the WRS, and to ensure the WRS is not inadvertently placed at risk, Board members are encouraged to provide such materials to the ETF Secretary for review prior to distribution or publication.

### **Communication between a Board Member and WRS Member**

Board members are discouraged from counseling WRS members, retirees, or beneficiaries about their eligibility or benefits. When a Board member discusses WRS business with a member outside of a Board meeting, that Board member's independence may be compromised and could result in the member's disqualification from subsequent formal consideration of any related matters by the Board. Counseling and providing specific benefit information to members is generally outside the scope of Board member duties and responsibilities. Board members should either relay the member's inquiry to the ETF Secretary or encourage the member to contact ETF directly to talk to expert staff.

### **Communication between a Board Member and the Media**

The ETF Secretary and the Board Chair are the only two individuals authorized to speak on behalf of the WRS or the Board. The primary media contact for the WRS is the ETF Secretary or the Secretary's designee. The ETF Secretary may designate another staff person as a spokesperson, depending on the topic of inquiry by the press. When a statement from the Board is required, the Board Chair will serve as the spokesperson for the WRS. If the Board Chair is unavailable the Vice-Chair will serve as the spokesperson.