

DRAFT

MINUTES

April 1, 2015

Executive Committee
Employee Trust Funds Board
State of Wisconsin



Location:

Department of Employee Trust Funds
801 West Badger Road, Madison, WI

COMMITTEE MEMBERS PRESENT:

Wayne Koessl, Chair (via teleconference)
John David, Vice Chair

Robert Niendorf, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
John Voelker, Deputy Secretary

Sharon Walk, Executive Staff Assistant

Wayne Koessl, Chair, Executive Committee (Committee), called the meeting to order at 4:00 p.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

Motion: Mr. David moved to accept the open session minutes of the December 9, 2014, Executive Committee meeting, as submitted by the Board Liaison. Mr. Niendorf seconded the motion, which passed unanimously on a voice vote.

Motion: Mr. David moved to accept the closed session minutes of the December 9, 2014, Executive Committee meeting, as submitted by the Board Liaison. Mr. Niendorf seconded the motion, which passed unanimously on a voice vote.

EXECUTIVE COMMITTEE CHARTER CHANGE:

Mr. Conlin reminded the Committee that, according to the Committee charter, the Chair of the Employee Trust Funds (ETF) Board serves as the Chair of the Committee. Each year an election is held to fill the positions of Vice-Chair and Secretary on the Committee. Staff recommends that the Vice-Chair and Secretary serve in the same

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capacity on the Committee as they do on the ETF Board and that the charter be revised to reflect this change, thereby eliminating the need for an annual election.

Motion: Mr. David moved to adopt the changes to the Charter as recommended by staff. Mr. Niendorf seconded the motion which passed on a voice vote.

GOVERNANCE MATTERS

The Committee reviewed the April 2, 2015, Joint Meeting of the Boards (JM) and ETF Board meeting agendas.

Mr. Conlin shared the results of the recent ETF Board elections. He noted that this was the first election in which voting was conducted electronically.

The following items were also reviewed:

- ETF Board annual election of officers;
- Update on the new building;
- Tax reporting update;
- Secretary's settlement authority

OBJECTIVES AND ACCOMPLISHMENTS

Mr. Conlin updated the Committee on the status of the BAS project. Rollout 1, which had originally been set to go live in May, encountered some technical issues. This resulted in testing delays. In addition, the written documentation provided by Vitech was inadequate for our needs. ETF staff invested significant time providing feedback to ensure that the documents would meet our requirements. These internal factors along with the statewide STAR project meant the May go-live date was no longer feasible. Staff recommended two alternate dates: June 29 or July 20. The TIM Steering Team discussed the recommendations and approved the July 20 rollout date.

Mr. Conlin discussed the rollout date for Rollout 2 which has been moved from August 1, 2016 to January 1, 2017.

The following internal moves and reorganization are occurring at ETF:

- The Office of Strategic Health Policy will replace the Division of Insurance Services. Lisa Ellinger will lead this office. Mike Bormett will become the Deputy Director and Bill Kox, who has announced he is retiring at the end of 2015, will act as the Senior Advisor.
- The Disability Unit will become part of the Division of Retirement Services (DRS), and Deb Roemer will now be the bureau director for the Benefit Services Bureau in DRS.
- Dana Perry will become the Administrator of the Division of Management Services. Steve Mueller, who starts at ETF on April 20, will take over the Chief Information Officer duties and the Bureau of Information Technology Services.

- The Office of Trust Finance will become the Division of Trust Finance with a focus on protecting the integrity of the Trust Fund. Bob Willett will lead this Division.

Mr. Voelker discussed the report prepared by Segal Consulting for the Group Insurance Board (GIB). The GIB contracted with Segal in November 2014 to provide benefits consulting expertise. The report was the first deliverable and discusses benefit changes and self-insurance. Segal reported that self-insurance in 2016 was not feasible. However, it may be possible for 2017. Segal acknowledged that much more work needs to be done by November, when the second report is due. The second report should have more details about the self-insurance possibilities. The report also talked about the 2018 Affordable Care Act excise tax and the changes necessary in order to avoid this tax.

In the pending budget proposal, there is language that directs the GIB to save \$25 million general purpose revenue during the biennium. Segal recommended possible changes to out-of-pocket costs, tiering, bids, etc.

The GIB asked Segal to continue their work and bring the formal recommendations to the board in May. Mr. Voelker asked staff to create an average state employee model which would detail what he looks like today and what he will look like with the proposed changes.

Comments received from our members will be collected and shared with the GIB so the board members understand the impact of the changes.

PERSONNEL MATTERS

The vacancy rate continues to hold at 24 vacancies.

FUTURE ITEMS FOR DISCUSSION:

The Secretary evaluation will be discussed in June.

ADJOURNMENT

Motion: Mr. David moved to adjourn the meeting. Mr. Niendorf seconded the motion, which passed unanimously on a voice vote.

The meeting adjourned at 5:00 p.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Executive Committee