

DRAFT

MINUTES

September 28, 2016

Executive Committee
Employee Trust Funds Board
State of Wisconsin



Location:

Department of Employee Trust Funds
Executive Conference Room – CR 140
801 West Badger Road, Madison, WI

COMMITTEE MEMBERS PRESENT:

Wayne Koessler, Chair (via teleconference) Robert Niendorf, Secretary
John David, Vice Chair (via teleconference)

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary Pam Henning, Assistant Deputy
John Voelker, Deputy Secretary Secretary

OTHERS PRESENT:

Martin Schreiber & Associates:
Travis Theisen

Wayne Koessler, Chair, Executive Committee (Committee), called the meeting to order at 3:02 p.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

Motion: Mr. David moved to accept the open session minutes of the June 22, 2016, 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 June 22, 2016, Executive Committee meeting, as submitted by the Board Liaison. Mr. Niendorf seconded the motion, which passed unanimously on a voice vote.

Board	Mtg Date	Item #
EXC	12.14.16	1

GOVERNANCE MATTERS

The Committee reviewed the September 29, 2016 Joint Meeting of the Retirement Boards (JM) and ETF Board meeting agendas, highlighting the following:

- A presentation by CEM Benchmarking, Inc. at the JM, sharing comparisons of ETF's customer service capabilities and effectiveness to other pension plans;
- A Strategic Plan update with accomplishments to date and correlations to the CEM report;
- An overview of the Administrative Rule process by ETF's Legal Services, followed by a request to approve a clearinghouse rule on Technical and Minor Substantive changes under Chapter 40;
- The introduction of the Division of Retirement Services Customer Service Scorecard;
- A presentation by ETF's Disability Programs Director on a proposed plan for simplifying the Long-Term Disability Insurance (LTDI) and 40.63 Disability Retirement programs;
- A summary of the 2017-2019 biennial budget request to be submitted to the Department of Administration, and a request for the Board's support; and
- A request to Board members for educational topics to present at future meetings.

OBJECTIVES AND ACCOMPLISHMENTS

ETF's 2015-2019 Strategic Plan Update

Ms. Henning discussed the recently-updated 2015-2019 Strategic Plan, which has 26 objectives and 72 initiatives in progress for 2017 and beyond. The Leadership Team held an offsite SWOT (Strength, Weaknesses, Opportunities and Threats) analysis this summer and determined the three top priorities to be communicated to staff to assist in balancing strategic plan initiatives and important daily operational requirements.

Department Quarterly Progress Report

Mr. Voelker discussed the Quarterly Accomplishments Report (Ref. EXC | 9.28.16 | 4B), highlighting:

- A delayed Wisconsin Retirement System audit, due to the Governmental Accounting Standards Board (GASB) 68 reporting requirements and financial conversion issues with the State Transforming Agency Resources (STAR). Delays will affect school districts in meeting their deadline to DPI for state aid determinations.
- To measure the performance of ETF's customer services, the Division of Retirement Services created a scorecard, established standards and benchmarks and is tracking trends of improvement;
- Rollout 1.5 of the Benefits Administration System (BAS) project is scheduled to go live October 10, 2016; and
- ETF conducted an all-staff Engagement Survey that resulted in 91.7% participation and generated suggestions for more work flexibility, social interactions, increased pay and opportunities for career growth.

2017-2019 Biennial Budget Request

Ms. Henning summarized ETF's 2017-2019 biennial budget request, which proposes the following:

- Addition of 2.0 permanent accounting positions for GASB and financial reporting requirements;
- Conversion of 3.0 current project positions hired originally as BAS backfill with 2.0 as permanent Trust Funds Specialist positions and 1.0 as a new four-year accountant project position;
- Related moving expenses and other incidentals for the new building at Hill Farms; and
- \$90,000 in both years to comply with audits for GASB 74 & 75.

In addition, 2015 WI Act 201 required agencies to submit a zero based budget and a budget reduction of 5%, which for ETF is \$2,257,500 annually. This funding reduction would negatively affect our financial reporting, outreach and education efforts for members and employers, delay implementation of the modernization initiative, and reduce our annual training and travel budgets.

PERSONNEL MATTERS

Human Resources Report

Ms. Henning reviewed and responded to questions from the Committee regarding the Quarterly Human Resources Activities Report (Ref. EXC | 9.28.16 | 5A), highlighting:

- Recruitment efforts, including the hiring of Tim Duggan as the quality management section supervisor;
- Current vacancies, including a Financial Management Supervisor position responsible for GASB, GAAP and actuarial oversight; and
- The efforts by ETF's human resources staff in rewriting many policies and implementing new procedures to comply with WI Act 150 (Civil Service Reform) effective July 1, 2016. Act 150 changed how agencies recruit and hire personnel.

ETF Board Self-Assessment

Mr. Conlin reminded the Committee that he addressed the value of the self-assessment with the full Board during his evaluation and requested input from the Board if they wanted to learn more about this process. With limited response from the Board, the Committee decided to not proceed at this time and may revisit the topic again in another year.

ADJOURNMENT

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

The Committee adjourned at 3:55 p.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Executive Committee