

DRAFT

MINUTES

March 22, 2017

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)
John David, Vice Chair

Robert Niendorf, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

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

Wayne Koessler, Chair, Executive Committee (Committee), called the meeting to order at 3:30 p.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

Motion: Mr. David moved to accept the open session minutes of the December 14, 2016, Executive Committee meeting, as submitted by the Board Liaison. Mr. Niendorf seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Jeannie Bauernhuber was hired to replace Sharon Walk as the new Executive Staff Assistant Supervisor providing services to the Executive Team.

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EXC	6.21.17	1

GOVERNANCE MATTERS

The Committee reviewed the agendas of the March 23, 2017, Joint Meeting of the Retirement Boards (JM) and ETF Board, highlighting the following:

- A presentation by Michael Williamson, Executive Director of the State of Wisconsin Investment Board;
- A presentation by the Board's actuaries, Gabriel, Roeder, Smith & Co. (GRS), providing an overview and requesting approval of the annuity adjustments at the ETF Board meeting (2% Core Fund and 4% Variable Fund);
- A presentation from the Chief Financial Officer, Cindy Klimke-Armatoski, discussing the Core Fund annuity adjustments and ETF's effective rate and annuity adjustment projections;
- A training provided by the Office of Legal Services, David Nispel, as part of the Governor's Sunshine Week requirement that all board members receive training on public records and transparency in government;
- Operational updates, including an update on legislative activity; the 2017-2019 biennial budget briefing scheduled before the Joint Committee on Finance; an overview of ETF's legislative priorities and strategy; and an introduction of the new brochure, *Our Wisconsin Retirement System: Strong for Wisconsin*.
- An update on the operations and compliance efforts of the Employee Reimbursement Accounts program and request for a contract extension;
- A progress update by ETF's Disability Program Director on the redesign of the Long-Term Disability Insurance program; and
- A presentation by Secretary Conlin and Cindy Klimke-Armatoski on the financial reporting efforts for the past 15 years, and a review of ETF's 2017-2019 biennial budget request and passive review submitted for additional security resources for the Benefits Administration System.

State Shared Services Proposal: Human Resources (HR)

The state budget proposal transfers all agency HR and payroll/benefits positions to the Department of Administration (DOA). This would affect more than 400 positions, including five positions at ETF. ETF's Office of Policy, Privacy & Compliance provided an analysis to DOA describing the effects this proposal would have on ETF (legal, policy and fiduciary). ETF was later informed that it would be exempt from these proposed budget provisions.

OBJECTIVES AND ACCOMPLISHMENTS

Department Quarterly Progress Report

Mr. Voelker discussed the Quarterly Accomplishments Report (Ref. EXC | 3.22.17 | 4A), highlighting:

- The reconciliation of the 2016 employer data is complete and was done quicker than in past years, with 36% fewer staff and with overcoming the challenges of the new STAR system.
- The Group Insurance Board and the Office of Strategic Health Policy are working on the following priorities:
 - Researching and preparing information on self-insurance options for submittal to the Legislature's Joint Committee on Finance;

- Onboarding the new data warehouse vendor, Truven Health Analytics, in the collection of new claims data with our health plans;
 - Finalizing the Request For Proposal for the pharmacy benefits manager.
- The change of walk-in service to “on-call” staff at the reception desk. The benefits as a result are:
 - More effective use of staff resources (e.g., 1,300 more retiree appointment slots);
 - Enhanced benefit counseling appointments, services and information for members;
 - Retention of service for members’ quick questions at the reception desk;
 - Virtual appointments for members in lieu of onsite appointments; and
 - Early adoption of customer service practices that will be in place at the new building headquarters. .
- Webinars on various topics of interest to our members are seeing a rise in attendance (400 signed up recently).

PERSONNEL MATTERS

Human Resources Report

Ms. Henning reviewed and responded to questions from the Committee regarding the Quarterly Human Resources Activities Report (Ref. EXC | 3.22.17 | 5A), highlighting:

- Recruitment efforts, including key hires and vacancies; and
- The new recruitment process required under WI Act 150 -- it provides more resumes to screen for each open recruitment, but does result in a better quality pool of candidates.

Secretary’s Evaluation and Timetable

Ms. Henning reviewed the evaluation and timeline (Ref. EXC | 3.22.17 | 5B) with the Committee.

FUTURE ITEMS FOR DISCUSSION

The Committee requested a review of the appointments to the ETF Board.

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 4:40 p.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Executive Committee