

Draft

MINUTES

June 22, 2022

Executive Committee

Employee Trust Funds Board
State of Wisconsin



Location:

Department of Employee Trust Funds
This meeting was held via teleconference.

COMMITTEE MEMBERS PRESENT:

William Ford, Chair
John David, Vice Chair

COMMITTEE MEMBERS ABSENT:

Steve Wilding, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary:

John Voelker, Secretary
Shirley Eckes, Deputy Secretary

Pam Henning, Assistant Deputy
Secretary

OTHERS PRESENT:

ETF Division of Management Services:
Lisa Dally, Human Resource Director

ETF Office of the Secretary:
Cheryllynn Wilkins
Kathryn Young

Mr. Ford, Executive Committee (Committee) Chair, 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 March 23, 2022, Executive Committee meeting, as submitted by the Board Liaison. Mr. Ford seconded the motion, which passed unanimously on a voice vote.

Board	Mtg Date	Item #
EXC	9.21.22	1

ANNOUNCEMENTS

There are several new board members:

- Jen Flogel is replacing Malika Evanco as the new Division of Personnel Management administrator. She has been appointed to the Budget and Operations Committee.
- Angela Miller from the Department of Health Services and past Legislative Fiscal Bureau experience will fill the state employee representative vacancy on the Wisconsin Retirement (WR) Board.
- Christy Schwann will fill the non-Wisconsin Retirement System member vacancy on the WR Board. She comes recommended by the Association of Career Employees (ACE) with past employee benefits experience.

ETF has offered virtual meeting information for tomorrow's ETF Board meeting to accommodate ETF staff and board members who cannot attend in person.

GOVERNANCE MATTERS

Board Agenda Review

Mr. Voelker reviewed the ETF Board agenda. Some of the highlights will include the following:

- The Teachers Retirement (TR) and Wisconsin Retirement (WR) Board members are invited to attend the ETF Board meeting to listen specifically to the presentations by Gabriel, Roeder, Smith & Company (GRS) on the Annual Valuation of Active Lives and Gain/Loss Analysis and will be acknowledged by the ETF Board chair if any TR or WR Board members have questions.
- Active Lives Valuation – 2023 contribution rates are increasing primarily due to the change in assumed rate from 7.0% to 6.8%. Duty disability 2023 contribution rates recommended to be decreased by 50%.
- Discussion of reserve policy for the Duty Disability program and requesting the Board review and approve a reserve policy for this program.
- There will be a demonstration of the Secure Online Access tool by the business and project team.
- The Secretary's report theme is based upon the challenges facing the organization and the resource constraints due to some mandatory compliance projects for tax withholding, assumed rate system changes, and sequel server technology issues, to name a few. From a budget perspective, staff are using a new process to develop biennial budget requests. Kicked off a meeting of agency leadership to determine the most important needs of the agency to submit for ETF's biennial budget request in the fall. The new process is empowering leaders to be part of the decision-making process and be part of owning ETF's future. Insurance Administration System (IAS) update – reevaluating the project timeline and approach due to some delays with the vendor in realizing the complexity of our programs and staff turnover. The overall investment markets are declining. The State of Wisconsin Investment Board (SWIB) and ETF are monitoring market returns and potential impact to annuity adjustments.

WEA Trust will be ending its Group Health Insurance Program participation effective 2023. The Group Insurance Board will hold a special meeting on June 30 to discuss how to cover the current WEA geographic areas for members.

OBJECTIVES AND ACCOMPLISHMENTS

Department Quarterly Progress Report

Ms. Eckes discussed the Quarterly Accomplishments Report (Ref. EXC | 6.22.22 | 4A) and provided insight on how ETF is progressing through the challenges of ETF's transformation journey while performing necessary day-to-day work. She highlighted the following accomplishments:

- Engaging staff and managers in enterprise level discussions and decisions on business related items.
- Focusing on what customers need.
- Building our employer training and educating employers to avoid errors and incorrect information to members.
- Expanding online capabilities – need to add them when time allows since total modernization is five to seven years out.
- Making data driven decisions through greater utilization of dashboards. Providing a more holistic view especially for allocation of resources in Division of Retirement Services and supporting our North Star metrics.

PERSONNEL MATTERS

Human Resources Report

Ms. Henning provided an update on current vacancies and recent new hires. She also indicated that the construction is almost complete within ETF's suites on the 8th and 9th floors. Appropriate staff and equipment are scheduled to move in mid-July.

Secretary's Evaluation and Compensation and Pending Litigation Update

Mr. Ford announced that the Committee is going into closed session to discuss personnel matters regarding the ETF Secretary's Annual Evaluation and to consult with legal counsel on pending litigation involving a former software vendor.

Unless there is an objection, Mr. Ford, as the committee chair, will be the sole member to return to open session and announce the action taken on these items and adjourn the meeting. No objections were made.

MOTION: Mr. Ford moved to convene in closed session pursuant to the exemptions contained in Wis. Stats. § 19.85 (1) (c) and (g) to discuss the employment, promotion, compensation or performance evaluation data of

any public employee over which the governmental body has jurisdiction or exercises responsibility and to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. Mr. David seconded the motion, which passed on the following roll call vote:

Members Voting Aye: David, Ford

Members Absent: Wilding

Ms. Dally was invited to remain during closed session.

The Committee convened in closed session from 4:22 p.m. until 5:03 p.m. Mr. Ford returned to open session.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Mr. Ford announced the Committee took the following action during closed session:

The Committee met in closed session and Ms. Dally answered questions on the Secretary's annual evaluation and compensation memo. The Committee also consulted with legal counsel on pending litigation involving a former software vendor.

ADJOURNMENT

Mr. Ford adjourned at 5:04 p.m.

Date Approved: _____

Signed: _____

Steven Wilding, Secretary
Executive Committee