

DRAFT

# MINUTES

June 19, 2024

## Executive Committee

Employee Trust Funds Board (Board)  
State of Wisconsin



### Location:

This meeting was held via teleconference.  
3:30 p.m. – 5:00 p.m.

### COMMITTEE MEMBERS PRESENT:

William Ford, Chair  
Steve Wilding, Vice Chair  
Chris Heller, Secretary

### PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

**Office of the Secretary:**  
John Voelker, Secretary  
Shirley Eckes, Deputy Secretary  
Pam Henning, Assistant Deputy Secretary  
Kimberly Schnurr, Board Liaison  
**Office of Legal Services:**  
Diana Felsmann, General Counsel

### OTHERS PRESENT:

**Office of the Secretary:**  
Erin Casper, Board Liaison  
Kathryn Young, Executive Staff Assistant  
Supervisor  
**Teachers Retirement Board:**  
Michael Abler  
Karl Morrin

Mr. Ford, chair, called the Executive Committee (Committee) meeting to order at 3:30 p.m.

### ANNOUNCEMENTS

Mr. Voelker announced the following:

- The Chief Benefits Officer (CBO) position, previously held by Matt Stohr, had been filled by Patti Epstein. She would be attending the Joint Meeting of the Retirement Boards (Joint Meeting) and introduced at that time.
- The Department of Employee Trust Funds' (ETF's) General Counsel, Diana Felsmann, joined the meeting to answer Mr. Wilding's previous question about

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whether non-Wisconsin Retirement System (WRS) employees of the City of Milwaukee could participate in the non-WRS benefits offered by ETF.

## **CONSIDERATION OF OPEN MINUTES OF MARCH 27, 2024, COMMITTEE MEETING ([Ref. EXC | 06.19.24 | 2](#))**

***MOTION: Mr. Wilding moved to approve the open minutes of the March 27, 2024, meeting, as submitted by the Board Liaison. Mr. Heller seconded the motion, which passed unanimously on a voice vote.***

## **GOVERNANCE MATTERS**

Mr. Voelker reviewed the agendas for the following day. He said that the Joint Meeting was heavy on educational topics, including an appeals refresher training by ETF's Peter Rank and the Department of Justice's Sarah Huck. However, Ms. Huck would likely not be attending due to her busy schedule. In addition, there would be information on the WRS's 43rd Annual Valuation of Active Lives and a Gain/Loss Analysis. Mr. Voelker shared that WRS contribution rates are slightly increasing, and that more information would be given during the Joint Meeting. Gabriel, Roeder, Smith and Company's (GRS's) Jim Anderson, State of Wisconsin Investment Board's (SWIB's) Todd Mattina, and New England Pension Consultants' (NEPC's) Joe Nankof would also be presenting an educational session regarding the impact of investment earnings actuarial assumptions on the WRS compared to SWIB's investment earnings assumptions as a precursor to the GRS WRS experience study scheduled to be presented in December.

The Wisconsin Retirement (WR) Board and Teachers Retirement (TR) Board would take place simultaneously with similar agendas, which included the election of officers and the appointment of new WR and TR members to the Employee Trust Funds Board (ETF Board). In addition, the WR Board would hear an appeal.

Mr. Voelker highlighted the following items on the ETF Board meeting agenda:

- A GRS recap and time for questions before the action item
- A GRS discussion of sick leave contribution rates
- A presentation on the Duty Disability (DD) Insurance Program Incurred But Not Reported claims experience studies
- Operational updates with a brief Secretary's Report
- Closed session for the Secretary's Annual Evaluation and Compensation.

## **OBJECTIVES AND ACCOMPLISHMENTS**

Executive Committee Accomplishments Report: March 2024 – May 2024 ([Ref. EXC | 06.19.24 | 4A](#))

Ms. Eckes highlighted the following items from the accomplishment report:

- Related to ETF's customer experience goal, ETF conducted a well-attended webinar that included presentations from the WRS, Wisconsin Deferred Compensation Program (WDC), and Social Security.
- While ETF was disappointed about pushing out the Insurance Administration System (IAS) timeline, it was necessary to enhance the customer experience and allowed ETF to put in place more governance oversight of its implementation effort.
- Related to security risks, this continues to be top of mind for ETF in light of bad actors targeting healthcare and financial industries. ETF planned to enhance its risk oversight and that there would likely be a related budget request.
- Healthcare costs continue to rise, directly impacting ETF members and employers. The Group Insurance Board and ETF are working on initiatives to manage costs.

Non-WRS-Eligible Employees of WRS Employers and Participation in Other ETF-Administered Benefits ([Ref. EXC | 06.19.24 | 4B](#))

Ms. Felsmann shared what ETF determined pertaining to whether non-WRS employees of the City or County of Milwaukee could participate in the non-WRS benefits offered by ETF. She said eligibility would depend on the plan. The analysis would be the same for any employer that came under the WRS pursuant to [Wis. Stat. § 40.21\(7\)](#).

With respect to the WDC Program, an Internal Revenue Code Section 457(b) plan, federal and state law provide that a local employer may resolve to offer the WDC to all of its employees. While the city and county already offer 457(b) plans, federal law would allow them to offer more than one.

Ms. Felsmann also stated that when it comes to life insurance, the city or county could resolve to offer ETF's Life Insurance Program to all of their employees covered by a retirement system, whether that system was their respective frozen pension plans or the WRS. It becomes more complicated with the Group Health Insurance Program (GHIP), since current state law and administrative code divide employers into WRS and non-WRS employers when determining which employees are eligible for the GHIP. Therefore, Ms. Felsmann's recommendation was to update the administrative code if ETF wanted a more universal determination.

She said that the Income Continuation Insurance (ICI) program was only for WRS employees and that the concern with changing this was regarding the collection of overpayments. Overpayments are common in the ICI based on how the program is structured. If non-WRS employees were allowed to participate in ICI, ETF may not be

able to collect on those overpayments. As a result, Ms. Felsmann did not recommend a change to the law to allow non-WRS-eligible employees to participate in ICI.

Mr. Wilding asked whether protective service employees could collectively bargain for the right to participate in WDC. Ms. Felsmann responded that if they were to bargain over the right to participate in the WDC, the city or county would still have to formally resolve to participate in WDC for their employees to be eligible.

## **PERSONNEL MATTERS**

### Executive Committee Quarterly Human Resources Report: June 2024

Ms. Henning provided an overview of recent human resource developments. ETF had filled several vacancies, which included:

- Internally hiring the Pension Administration System (PAS) product owner
- Hiring a new learning and development officer in the Office of Talent Management (OTM)
- Hiring a new employee programs coordinator in OTM
- Hiring a new CBO.

Ms. Henning and Ms. Eckes had interviews scheduled the following week for the new human resources director and the new director of the Office of Strategic Health Policy. In addition, ETF had some vacancies in Information Technology (IT) but were making headway.

Ms. Henning said that roughly 50 merit adjustments (primarily with lump-sum payments) were made and well-received. This was the last grouping for the fiscal year. She also said that the Division of Personnel Management with the Department of Administration were implementing an IT Class Survey, and some staff in IT classifications may receive base building increases as a result.

Ms. Henning reported that the final evaluations of the performance management process were wrapping up, and she hoped ETF would have 100% completion by next week.

Mr. Voelker mentioned that the second general wage adjustment (2%) due to the final 2023-25 Biennial Budget would go into effect at the end of the month.

## **FUTURE ITEMS FOR DISCUSSION**

No further items for discussion were brought forth.

## **MOVE TO CLOSED SESSION**

Mr. Ford announced that the Committee would meet in closed session to discuss personnel matters regarding the ETF Secretary's annual evaluation. The Committee would vote to reconvene in open session following the closed session.

Mr. Ford also stated that unless there was any objection, he, as the Committee chair, would be the sole member that would return to open session. He would announce the business deliberated during the closed session discussion and adjourn the meeting. No objections were made.

***MOTION: Mr. Heller moved to approve moving to closed session pursuant to the exemption contained in Wis. Stats. § 19.85 (1) (c) to discuss employment, promotion compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. Mr. Wilding seconded the motion, which passed on the following roll call vote:***

***Ayes: Ford, Heller, Wilding.***

***Nays: None.***

Ms. Henning was invited to remain during closed session.

The Committee convened in closed session at 4:12 p.m.

Mr. Ford returned to open session at 4:58 p.m.

#### **ANNOUNCEMENT OF BUSINESS DELIBERATED DURING CLOSED SESSION**

Mr. Ford announced the Committee met in closed session and Ms. Henning answered questions about the ETF Secretary's evaluation.

#### **ADJOURNMENT**

Mr. Ford adjourned the meeting at 5:00 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Chris Heller, Secretary  
Executive Committee