

DRAFT

MINUTES

December 11, 2024

Executive Committee

Employee Trust Funds Board (Board)
State of Wisconsin

Location:

This meeting was held via teleconference.
3:30 p.m. – 4:01 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
Pam Henning, Assistant Deputy
Secretary
Kimberly Schnurr, Board Liaison

Office of Legal Services:

Diana Felsmann, incoming Deputy
Secretary

Division of Benefits Administration:

Patti Epstein, Chief Benefits Officer

OTHERS PRESENT:

Office of the Secretary:

Erin Casper, Board Liaison
Kathryn Young, Staff Services Supervisor

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

ANNOUNCEMENTS

Mr. Voelker announced the following:

- ETF staff are analyzing the potential implications of the Act 10 court case but there did not appear to be an impact on the Wisconsin Retirement System (WRS).
- Deputy Secretary Shirley Eckes is retiring from ETF in February 2025.
- Diana Felsmann was appointed as the next ETF Deputy Secretary. Ms. Felsmann would formally begin her new role on February 9, 2025.

CONSIDERATION OF OPEN AND CLOSED MINUTES OF SEPTEMBER 18, 2024, COMMITTEE MEETING ([Ref. EXC | 12.11.24 | 2](#))

MOTION: Mr. Wilding moved to approve the open and closed minutes of the September 18, 2024, meeting, as submitted by the Board Liaison. Mr. Heller seconded the motion, which passed unanimously on a voice vote.

GOVERNANCE MATTERS

Board Agenda Review

Mr. Voelker reviewed the agendas for the committees and Employee Trust Funds Board (Board). He said that the Board would be asked to vote to accept changes to the Audit Committee Charter that were approved by Audit Committee members at the September meeting. The changes to the Audit Committee Charter were prompted by changes that were made to the national standards of internal auditors, and the revised charter ensures compliance with these new standards. The Board also received the annual presentation from the appointees to the State of Wisconsin Investment Board (SWIB) from Mr. Schalow of the Teachers Retirement Board, and Mr. Voelker of the Wisconsin Retirement Board.

Actuarial valuation audits would also be presented at the Board meeting, which requires action from the Board to accept. Mr. Voelker said that these audits were important aspects of the Board's role as fiduciaries in ensuring consulting actuaries contracted with the Board were providing the highest quality of service and following established industry standards. Jack Chmielewski from Milliman would be presenting the "Sick Leave Conversion Credit (SLCC) Programs Actuarial Valuation Audit" with representatives from Gabriel, Roeder, Smith & Company (GRS) available to respond to Milliman's findings. Additionally, Robert Burrell and Ben Kirkland from Segal would be reporting on the "Duty Disability Insurance Program Actuarial Audit" that examined Milliman's actuarial services. Like GRS, representatives from Milliman would be available to respond to questions Board members had regarding Segal's findings.

Afterwards, GRS will present a Three-Year Experience Study on the WRS and a Three-Year Experience Study on the SLCC Program. Both of these three-year studies spanned from January 1, 2021, to December 31, 2023. The Board would need to vote to accept both of the three-year experience studies.

Mr. Voelker said that there would be the standard written reports available for the Board's consideration and ETF staff would be available to respond to questions. He noted that one of these items was Tarna Hunter's 2025-2027 Biennial Budget Update. The remainder of the Board meeting would consist of two closed sessions. The first closed session would be the annual presentation on ETF Informational Security Updates. The second would be for the Board to hear and consider two appeals.

OBJECTIVES AND ACCOMPLISHMENTS

Executive Committee Accomplishments Report: September 2024 – November 2024 ([Ref. EXC | 12.11.24 | 4A](#))

Ms. Felsmann provided the following updates:

- ETF offered employer outreach opportunities in preparation for Annual Reconciliation and scheduled 18 live webinars to help employers achieve a successful reconciliation of member data.
- ETF customized information sent to survivors depending on eligibility for a lump sum or a monthly annuity.
- The member call tree was updated to add an option for members calling about their health insurance, which would provide more accurate data about the number of calls that are primarily about health insurance.
- ETF deployed the Employer Transaction Application for end-to-end testing with agency partners and vendors to report demographic and insurance eligibility information required to provide their employees with insurance benefits.
- ETF released the Pension Administration System Request for Proposal and received responses from vendors.
- ETF conducted a successful Proof of Concept identifying the benefits of using a Generative AI tool for ETF developers and middleware technical staff, which increased productivity in several areas, including code documentation and code generation.
- ETF's Call Center has improved metrics for 2024 Open Enrollment, which included a decrease in the average speed of answer by 30% (partly due to the limited health plan changes taking place and a slight increase in staffing, leading to shorter talk times) and a 2% increase in answered calls compared to 2023.

PERSONNEL MATTERS

Executive Committee Quarterly Human Resources Report: December 2024

Ms. Henning highlighted the various recent recruitments. She noted that Gene Janke was hired as the Benefit Services Bureau Director since Jim Guidry was retiring in November. She said that ETF was working to fill other key vacancies in the agency, such as the Chief Legal Counsel in the Office of Legal Services. She said that ETF was successful with changing recruitment methodology for several project manager positions, which resulted in qualified candidate results.

ETF also partnered with Edgewood College to hire three students with data analytical experience. The students would begin in February and assist with the IAS program.

Ms. Henning said that ETF staff completed all mandatory trainings of the year, including topics on Gen AI, workplace violence, IT security awareness, and public records.

Finally, she said that the staff engagement survey completed in November had a 91% response rate, which was down slightly from last year's 94% response rate. ETF would analyze the results and provide more information with the Committee at a future meeting.

FUTURE ITEMS FOR DISCUSSION

Mr. Ford addressed disability benefit claims and/or appeals relating to process, information, etc. and what ETF could do to help members in these situations. Mr. Voelker stated that ETF was having internal discussions on this matter and additional information would be shared with the Committee at the March meeting.

ADJOURNMENT

MOTION: Mr. Wilding moved to adjourn the meeting. Mr. Heller seconded the motion, which passed unanimously on a voice vote.

The Committee adjourned at 4:01 p.m.

Date Approved: _____

Signed: _____
Chris Heller, Secretary
Executive Committee