

DRAFT

# MINUTES

June 20, 2013

JOINT MEETING OF THE  
Employee Trust Funds (ETF),  
Teachers Retirement (TR),  
and Wisconsin Retirement (WR) Boards  
State of Wisconsin



Location:  
State Revenue Building – Events Room  
2135 Rimrock Road, Madison, WI

**ETF BOARD MEMBERS PRESENT:**

- |                        |                |
|------------------------|----------------|
| Wayne Koessler, Chair  | Jon Litscher   |
| John David, Vice Chair | Roberta Rasmus |
| William Ford           | Victor Shier   |
| Kimberly Hall          | Mary Von Ruden |
| Michael Langyel        |                |

**TR BOARD MEMBERS PRESENT**

- |                           |                |
|---------------------------|----------------|
| Michael Langyel, Chair    | Mary Jo Meier  |
| Robin Starck, Vice Chair  | Dennis Murphy  |
| Susan Harrison, Secretary | Tom Pedersen   |
| Sandra Claflin-Chalton    | Patrick Phair  |
| Jon Joslin                | Roberta Rasmus |
| Betsy Kippers             |                |

**WR BOARD MEMBERS PRESENT:**

- |                           |   |
|---------------------------|---|
| Wayne Koessler, Chair     | Dan Schwartzter (representing Ted Nickel) |
| John David, Vice Chair    | Herb Stinski                              |
| Mary Von Ruden, Secretary | Steven Wilding                            |
| Jamie Aulik               |   |

**BOARD MEMBERS NOT PRESENT:**

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| Jessica O'Donnell, ETF Board    | Robert Niendorf, Secretary, ETF Board |
| David Wiltgen, ETF and TR Board |                                       |

Board	Mtg Date	Item #
JM	9.26.13	1

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

Bob Conlin, Secretary	Legal Services: David Nispel
Rob Marchant, Deputy Secretary	Office of Communications and Legislation:
Cherylynn Mullins, Board Liaison	Mark Lamkins, Director
Division of Retirement Services:	Tarna Hunter, Legislative Liaison
Matt Stohr, Administrator	
Anne Boudreau, Deputy Administrator	
Pam Licht, Trust Funds Supervisor	

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**OTHERS PRESENT:**

ETF Division of Management Services: Jack Loman, Liz Jones-Queensland, Pam Henning	ETF Office of Policy, Privacy and Compliance: Steve Hurley, Director Gene Janke, Policy Analyst
ETF Division of Retirement Services: Diana Felsmann	Department of Administration: Mickie Waterman
ETF Legal Services: Daniel Hayes, Office of Budget and Trust Finance: Bob Willett, Chief Trust Financial Officer	Gabriel Roeder Smith & Company: Jim Anderson, Mark Buis, Brian Murphy
ETF Office of Communications and Legislation: Kathryn Fields, Nancy Ketterhagen	Legislative Audit Bureau: Brian Geib University of Wisconsin System Administration: Kara Webber Schiro
ETF Office of Internal Audit: John Vincent	

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Michael Langyel, Chair, TR Board, called the Joint Meeting of the ETF Board, TR Board, and WR Board to order at 9:00 a.m.

**CONSIDERATION OF MINUTES OF PREVIOUS MEETING**

***MOTION: Ms. Von Ruden moved to approve the March 7, 2013, minutes of the Joint Meeting of the ETF, WR and TR Boards, as submitted by the Board Liaison. Ms. Rasmus seconded the motion, which passed unanimously on a voice vote.***

**ANNOUNCEMENTS**

Mr. Stohr made the following announcements:

- He introduced Dennis Murphy, who was elected to the annuitant teacher seat on the TR Board.
- Betsy Kippers will become the President of the Wisconsin Education Association Council Board of Directors on August 1, 2013.
- Board members now have the option of being reimbursed electronically for board-related expenses. Interested board members should see the board liaison.
- ETF Staff updates: Nicole Sankey filled the Training Director vacancy.

## **EDUCATIONAL TOPICS**

### Wisconsin Retirement System 32<sup>nd</sup> Annual Valuation of Active Lives and Gain/Loss Analysis

Brian Murphy, Mark Buis, and Jim Anderson of Gabriel, Roeder & Smith (GRS) (Ref. JM | 6.20.13 | 3A) presented the Wisconsin Retirement System 32<sup>nd</sup> Annual Valuation of Active Lives and the Gain/Loss Analysis to the Boards. Mr. Buis discussed the increased contribution rates, which were primarily due to the large asset losses in 2008.

The total contribution rates for 2014 are as follows:

General	14.0%
Executive & Elected	15.5%
Protective with Social Security	17.1%
Protective without Social Security	21.0%

Mr. Anderson explained the Gain/Loss Analysis and the reasons for the contribution rate changes. He detailed how the economic and demographic losses equate to contribution rate increases. This study, together with the 2013 and 2014 results, will form the basis for the next experience study.

### Customer Service Delivery: Retirement Services

Ms. Boudreau referred the Board to the statistical material in their binders (Ref. JM | 6.20.13 | 3B). She noted that ETF's Outreach Services program has the following goals:

- 1) Increase the number of group retirement sessions in the field
- 2) Develop more specialized presentations
- 3) Offer more online training/webinars

ETF's online training has expanded by serving over 1,000 members this spring. Pie Charts (Ref. JM | 6.20.13 | 3B1) show the details of how positively the webinars were received by members.

Ms. Licht walked the Board members through a retirement packet (Ref. JM | 6.20.13 | 3B2), application, and appointment. She explained the detailed process of what a member can expect as they prepare for retirement. She stressed how specialists never tell members what to choose, but instead inform members of their options and help them understand how various situations can affect them.

Ms. Boudreau discussed how ETF attempts to educate members regarding the effects of taking a separation benefit (Ref. JM | 6.20.13 | 3B3). She explained the safeguards currently in place and how staff discusses the potential consequences of taking a separation benefit.

Ms. Boudreau discussed the customer telephone survey results. From March 6 until the end of May, the Call Center received 41,000 calls with 21,500 completing the survey system (a 46% response rate). ETF's customer service received a 98.8% positive rating.

The Board took a break at 10:49 a.m. and reconvened at 10:58 a.m.

## **OPERATIONAL UPDATES**

### Legislative Update

Ms. Hunter provided a legislative update (Ref. ETF | 6.20.13 | 5B). The Joint Committee on Finance (JCF) took action on the following provisions of the Governor's Budget Bill (Assembly Bill 40) regarding the Department of Employee Trust Funds (ETF):

- o Included funding and resources for ETF's Transformation, Integration and Modernization (TIM) initiative.
- o Changed the minimum break-in service requirement from 30 to 75 days for rehired annuitants and made other changes regarding rehired annuitants as outlined in the memo.

### Communication Update

Mr. Lamkins referred the Board members to memo (Ref. JM | 6.20.13 | 4B). He discussed ETF's modernization initiative and the focus on internal communications with regard to the new Benefits Administrative System (BAS). There are plans to increase awareness about new online self-service tools, functionality, and BAS portals to our external stakeholders.

Mr. Stohr referred the Board to the remaining operational update items Ref. (JM | 6.20.13 | 4C, 4D).

## **FUTURE ITEMS FOR DISCUSSION**

Mr. Stohr informed the Board that CEM, a benchmarking firm, will be in attendance at the September Board meeting. CEM will discuss ETF's customer service levels compared to its peers across the nation.

Mr. Phair suggested having the State of Investment Board (SWIB) discuss its connection with investment in Wisconsin.

## **ADJOURNMENT**

***MOTION: Mr. Ford moved to adjourn the meeting. Mr. Starck seconded the motion, which passed unanimously on a voice vote.***

The meeting adjourned at 11:35 a.m.

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

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

Robert Niendorf, Secretary  
Employee Trust Funds Board