

DRAFT

# MINUTES

September 24, 2015

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

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**ETF BOARD MEMBERS PRESENT:**

Wayne Koessler, Chair	Leilani Paul
John David, Vice Chair	Roberta Rasmus
Robert Niendorf, Secretary	Victor Shier
William Ford	Mary Von Ruden
Michael Langyel	David Wiltgen
Jon Litscher	

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**TR BOARD MEMBERS PRESENT:**

Robin Starck, Chair	Craig Hubbell
Tom Pedersen, Vice Chair	Jon Joslin
Brent Grochowski, Secretary	Dennis Murphy
Sandra Claflin-Chalton	Patrick Phair
Susan Harrison	David Wiltgen

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**WR BOARD MEMBERS PRESENT:**

Wayne Koessler, Chair	Ted Nickel
John David, Vice Chair	Herb Stinski
Mary Von Ruden, Secretary	Steven Wilding
Jamie Aulik	

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**BOARD MEMBERS NOT PRESENT:**

Danielle Carne, ETF Board	Kim Schroeder, TR Board
Gary Epping, TR Board	

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Board	Mtg Date	Item #
JM	12.10.15	1

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

Bob Conlin, Secretary  
John Voelker, Deputy Secretary  
Division of Retirement Services:  
Matt Stohr, Administrator  
Anne Boudreau, Deputy Administrator  
Office of the Secretary:  
Pam Henning, Assistant Deputy  
Secretary

Office of Communications:  
Mark Lamkins, Director  
Office of Policy, Privacy & Compliance:  
Lucas Strelow, Employee Benefit Plan  
Policy Advisor  
Tarna Hunter, Legislative Liaison  
Cherylynn Wilkins, Board Liaison

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**OTHERS PRESENT:**

ETF Division of Insurance Services:  
Gina Fischer  
ETF Division of Management Services:  
Kadi Mbanefo  
ETF Division of Retirement Services:  
Jim Guidry, Gene Janke, Julie Keal,  
Deb Roemer  
ETF Legal Services: David Nispel  
ETF Office of Internal Audit: Yikchau Sze

ETF Office of Policy, Privacy and  
Compliance: Steve Hurley  
ETF Office of the Secretary: Susan Faust  
CEM Benchmarking: Bruce Hopkins  
Department of Administration:  
Mickie Waterman  
Legislative Audit Bureau: Lisa Kasel  
State Engineering Association:  
Bob Schaefer  
General Public: Nora David

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Wayne Koessl, Chair, WR and ETF Boards, 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: Mr. Litscher moved to approve the June 25, 2015, minutes of the Joint Meeting of the ETF, WR and TR Boards, as submitted by the Board Liaison. Mr. David seconded the motion, which passed unanimously on a voice vote.***

**ANNOUNCEMENTS**

Mr. Stohr made the following announcements:

- There will be separate TR Board and WR Board meetings after the Joint Meeting.
- As announced in the September addition of the *WRS News Online*, three seats on the TR Board are open for nominations for an active teacher member of the Wisconsin Retirement System. The open seats are those currently held by Patrick Phair, Robin Starck and Jeff Zore. Nomination papers must be submitted by October 16. If there are multiple candidates, ETF will conduct an election in February 2016 with terms beginning May 1, 2016.

## **EDUCATIONAL TOPICS**

### Services and Cost Benchmarking Analysis

Mr. Hopkins noted that CEM Benchmarking compares pension plans to their peers and provides feedback to the plans. (Ref. JM | 9.24.15 | 3A) Mr. Hopkins reviewed the Executive Summary, which provides subjective judgement of relative service scores with regard to services and costs. When comparing ETF to the peer group of large public funds, of which ETF is in the middle in terms of size, ETF is a low-cost, high performing operation but is a very complex system in terms of programs, laws and services.

This report looks exclusively at the pension administration and excludes the cost of administering healthcare and third-party administered benefits. ETF's cost per member is \$24 below the peer average of \$90.

CEM evaluates four categories based on the members' perspective of what ETF offers (capabilities), what members want (availability), the timeliness of the response and quality of the service to develop the score. Currently, ETF's lacks the capabilities to offer some services, such as online offerings that are provided by other public pension plans.

Mr. Stohr explained how ETF is making progress through the various projects like the Benefits Administration System (BAS), which should substantially raise ETF's service scores in future years. The BAS will be implemented in stages with Rollout 1, scheduled to go-live in November, being primarily in-house--focusing on imaging and workflow. Rollout 2 relates to employer reporting. Rollout 3 relates to self-service tools, such as calculators, for members.

### ETF's 2015-2019 Strategic Plan

Ms. Henning and Mr. Lamkins (Ref. JM | 9.24.15 | 3B) discussed ETF's Strategic Plan including the planning process used to create a Vision Statement and Strategic Goals. ETF's Vision is, "We will be a leader among public employee benefit systems by focusing on the well-being of our members through financial stewardship, high-quality and valued services, innovative solutions, and customer engagement." This Vision Statement directly includes ETF Values and ETF's Mission.

Starting with the Vision Statement and using four strategic focus areas: Financial Stewardship, Quality and Value, Customer Engagement and Innovative Solutions, ETF staff developed eight Strategic Goals. These eight goals equate to twenty-three objectives which were defined further into initiatives and tasks for individual business units. Ultimately, the accomplishment of the initiatives and tasks should produce the desired results and outcomes.

### Privacy Policy for Board Members

Mr. Strelow referred the Board to the memo (Ref. JM | 9.24.15 | 3C) and will be requesting acceptance of the Privacy of Personal Information Policy at each individual board meeting. This policy details and explains what personal information is and it includes examples. The policy is important to board members due to their fiduciary responsibility, the board members' connection to ETF and HIPAA regulations.

## **OPERATIONAL UPDATES**

### Legislative Update

Ms. Hunter discussed the memo (Ref. JM | 9.24.15 | 4A) and proposed legislation that effect ETF and its benefit programs.

The first bill allows municipalities to join the WRS and permits newly-hired employees to join the WRS while letting current employees finish their careers with their existing retirement plan. This bill could be utilized by the employers that do not participate in the WRS.

The second bill would eliminate sick leave for state representatives and senators. Elected legislators would be able to keep their already accumulated sick leave but no additional sick leave would accrue.

A third bill creates a private retirement security board and establishes a private retirement security plan. It would require ETF to conduct a study on the feasibility of establishing a retirement plan for private employers. This plan would be separate from the WRS.

A fourth bill would allow WRS participants to receive military service credits for any military service and eliminate the restriction on requiring the participant to return to the same employer.

### Retirement Services Update

Ms. Boudreau referred Board members to the Retirement Services Update memo (Ref. JM | 9.24.15 | 4B) and explained the materials in the packet and the customer service statistics. Ms. Boudreau provided retirement statistics, trends and customer service data.

### Communications Update

Mr. Lamkins shared the new design for the It's Your Choice health benefit program and the communication strategy that will be used. He discussed the renaming of the programs, the customized printed guides for recipients plus the expanded website resources. There has also been a new initiative to encourage health awareness and

wellness benefits through year-around education. Mr. Lamkins shared examples of how ETF is changing its website utilizing icons and four-color graphics. The new design relies heavily on information offered on ETF's website where individuals will find expanded web resources, searchable Frequently Asked Questions and an interactive health plan map by county.

Mr. Stohr referred the Board to the remaining operational update items (Ref. JM | 9.24.15 | 4D, 4E, 4F, 4G, 4H).

### **FUTURE ITEMS FOR DISCUSSION**

A request was made for information on how ETF is protecting its members' personal information with regard to cyberattacks, threats and ETF's response to the threats. Mr. Conlin encouraged all board members to attend the afternoon ETF Board meeting as this topic is on the agenda.

The Board also asked how to address the misconception that many participants take early retirement and doing so negatively affects the WRS and its employers. This topic will be a future agenda item.

### **ADJOURNMENT**

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

The meeting adjourned at 11:13 a.m.

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

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

Robert Niendorf, Secretary  
Employee Trust Funds Board