

DRAFT

# MINUTES

September 29, 2016

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 Koessl, Chair	Leilani Paul
John David, Vice Chair	Roberta Rasmus
Robert Niendorf, Secretary	Victor Shier
William Ford	Mary Von Ruden
Michael Langyel	David Wiltgen
Paul Ostrowski	Bob Ziegelbauer

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**TR BOARD MEMBERS PRESENT:**

Robin Starck, Chair	Chris Heller
Tom Pedersen, Vice Chair	Jon Joslin
Sandra Claflin-Chalton	Allison Pratt
Gary Epping	Dave Schalow
Brent Grochowski	

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**WR BOARD MEMBERS PRESENT:**

Wayne Koessl, Chair	Julie Wathke
John David, Vice Chair	Steven Wilding
Mary Von Ruden, Secretary	David Wiltgen
Ted Nickel	

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**BOARD MEMBERS NOT PRESENT:**

Craig Hubbell, TR Board	Kim Schroeder, TR Board
Dennis Murphy, TR Board	Herb Stinski, WR Board

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Board	Mtg Date	Item #
JM	12.15.16	1

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

Office of the Secretary:

Bob Conlin, Secretary  
John Voelker, Deputy Secretary  
Pam Henning, Assistant Deputy  
Secretary

Division of Retirement Services:

Matt Stohr, Administrator  
Anne Boudreau, Deputy Administrator

Office of Communications:

Mark Lamkins, Director

Office of Legal Services:

Dan Hayes, Attorney

Office of the Secretary:

Tarna Hunter, Legislative Liaison  
Cherylynn Wilkins, Board Liaison

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**OTHERS PRESENT:**

ETF Division of Management Services:

Ryan Perkins

ETF Division of Retirement Services:

Roger Fletcher, Jim Guidry,  
Gene Janke, Julie Keal, Deb Roemer,  
Ann Suchomel

ETF Division of Trust Finance:

Cindy Klimke, Michelle Mattox

ETF Office of Communications:

Nancy Ketterhagen

ETF Office of Internal Audit:

Amelia Slaney, Yikchau Sze

ETF Office of Legal Services:

Jen Bizzotto, Diana Felsmann,  
David Nispel

ETF Office of Policy, Privacy &  
Compliance: Steve Hurley

ETF Office of the Secretary:

Kristin Gunther, Sharon Walk

ETF Office of Strategic Health Policy:

Sara Brockman

Baraboo Ambulance: Troy Snow

CEM Benchmarking: Bruce Hopkins

Department of Administration, Division of

Personnel Management (DOA-DPM):

Christy Plautz

Legislative Audit Bureau: Lisa Kasel

Wisconsin Coalition for Retirement

Security: Claiborne Hills

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Wayne Koessl, Chair, ETF and WR 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. David moved to approve the June 23, 2016 minutes of the Joint Meeting of the ETF, WR, and TR Boards, as submitted by the Board Liaison. Ms. Paul seconded the motion, which passed unanimously on a voice vote.***

## **EDUCATIONAL TOPICS**

### Services and Cost Benchmarking Analysis

Mr. Hopkins noted that CEM Benchmarking, Inc. compares pension plans to peers and provides relative scores on services and costs. He referred to his presentation and the benchmarking results included in the Board packet. (Ref. JM | 9.29.16 | 3A) When comparing ETF to its peer group, ETF is very low cost and the most complex plan.

Total pension administration cost per member is \$21 below the peer average of \$90. Mr. Hopkins detailed the reasons for ETF being low cost.

ETF's service scores are below peer average, but are increasing due to investments in business operations. Due to the weighting of each customer service activity, the impact on the bottom line of the service score is amplified. The two activities most heavily impacted by weighting were call center and website. In 2015, ETF's call center was especially challenged, due to five vacancies at the same time there was an unusually high call volume in the call center. Currently, ETF is fully staffed in the call center. ETF's website has fewer features and functions than that of its peers. Example: a member cannot access personal information. The Benefit Administration System (BAS) project should resolve some of ETF's service-related shortcomings. Positively, ETF received a 94% for the first contact resolution which was higher than the peer average. A large number of ETF members take advantage of the one-on-one counseling.

ETF's total service score has been rising over the last couple of years; back office and productivity are affected by system complexity. ETF's total relative complexity score of 100 was above the peer average of 72. The service score is not a qualitative score. Rather, it is a level of service delivery capability.

Mr. Hopkins reviewed global trends: Pension funds are moving toward improved efficiencies and better communication; they are operating more like businesses and believe that online service can be the optimal service which requires system upgrades.

### ETF's 2015-2019 Strategic Plan Update

Ms. Henning and Mr. Lamkins discussed ETF's Vision Statement and eight Strategic Goals. (Ref. JM | 9.29.16 | 3B) 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's Mission and four core values/focus areas which lead to 26 objectives and 72 initiatives.

This multiyear plan regularly requires all levels of management to stay on track with daily operational efforts. Ms. Henning explained how ETF's strategic plan aligns with CEM

benchmarks. She detailed the initiatives for the website, the call center, one-on-one counseling and disaster recovery.

Mr. Lamkins highlighted the recent accomplishments for each of the four focus areas and eight goals. He also highlighted the initiatives for fiscal year 2017.

The top priorities for Fiscal Year 2017 include:

1. BAS/myETF Rollout 2 with a go live the first quarter of 2018
2. Vendor procurements for the Group Health Insurance Program
3. STAR system – health benefits administration for state employees

### The Administrative Rule Process

Mr. Hayes (Ref. JM | 9.29.16 | 3C) reviewed the required steps for changing an administrative rule.

### Clearinghouse Rule # CR 16-033: Technical and Minor Substantive Changes in Existing ETF Administrative Rules

Mr. Hayes explained the reason for the five proposed changes, two of which (Ref. JM | 9.29.16 | 3D) were presented to the Group Insurance Board and three to the retirement boards. Mr. Hayes detailed the three proposed changes that he will be requesting approval for at the separate board meetings.

- Remove references to specific dates for reporting and remittance due;
- Adds “named survivor” to whom the department may release individual personal information when a WRS member dies or suffers a disabling injury; and
- Deletes obsolete language.

## **OPERATIONAL UPDATES**

### Retirement Services Update

Ms. Boudreau referred Board members to the Retirement Services Update memo (Ref. JM | 9.29.16 | 4A). She explained the materials in the packet and the customer service statistics. Ms. Boudreau discussed call volume (approximately 16,000 calls per month) and member attendance at the retirement sessions. There is a new grouping, “Quick Service,” for individual retirement sessions. Quick Service is for members who do not have an appointment but come into the office with a question that does not require a full session. ETF now makes available a Trust Funds Specialist who can answer the member’s question immediately. Ms. Boudreau noted, for greater member access to webinars, ETF recently expanded its bandwidth.

Mr. Stohr explained the purpose of the new DRS Scorecard. ETF hopes to compare itself year after year, as projects like BAS are rolled out. The scorecard will be added to the

Retirement Services update on a quarterly basis. This will allow ETF to provide quantitative and quality review of service.

Mr. Stohr referred the Board to the remaining operational update items (Ref. JM | 9.29.16 | 4B, 4C, 4D, 4E, 4F).

#### **FUTURE ITEMS FOR DISCUSSION**

Mr. Stohr explained how ETF used the Education Survey in the past and solicited education topics to be considered for future board meetings.

#### **ADJOURNMENT**

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

The meeting adjourned at 11:17 a.m.

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

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

Robert Niendorf, Secretary  
Employee Trust Funds Board