

DRAFT

MINUTES

December 15, 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

ETF BOARD MEMBERS PRESENT:

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

TR BOARD MEMBERS PRESENT:

Robin Starck, Chair	Chris Heller
Tom Pedersen, Vice Chair	Jon Joslin
Sandra Claflin-Chalton	Dennis Murphy
Gary Epping	Dave Schalow
Brent Grochowski	Kim Schroeder

WR BOARD MEMBERS PRESENT:

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

BOARD MEMBERS NOT PRESENT:

Craig Hubbell, TR Board	Allison Pratt, TR Board
Scott Nordstrand, WR Board	Stacey Rolston, ETF Board

Board	Mtg Date	Item #
JM	3.23.17	1

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary:

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

Bureau of Information Technology
Services: Steve Mueller, Chief
Information Officer

Division of Retirement Services:

Matt Stohr, Administrator
Anne Boudreau, Deputy Administrator

Office of Legal Services:

David Nispel, General Counsel

Office of the Secretary:

Cherylynn Wilkins, Board Liaison

OTHERS PRESENT:

ETF Division of Management Services:

Ryan Perkins, Dana Perry

ETF Division of Retirement Services:

Jim Guidry, Gene Janke, Julie Keal,
Deb Roemer

ETF Division of Trust Finance:

Rick Onasch, Bob Willett

ETF Office of Communications:

Nancy Ketterhagen, Mark Lamkins

ETF Office of Internal Audit:

Amelia Slaney, Yikchau Sze

ETF Office of Legal Services:

Diana Felsmann, Dan Hayes

ETF Office of Policy, Privacy &
Compliance: Steve Hurley

ETF Office of the Secretary:

Tarna Hunter, Vicki McFall

ETF Office of Strategic Health Policy:

Sara Brockman

Baraboo Ambulance: Troy Snow

Gabriel Roeder Smith & Company

(GRS): Jim Anderson, Mark Buis,
Brian Murphy

Legislative Audit Bureau: Lisa Kasel

State Engineering Association:

Bob Schaefer

Wisconsin Coalition for Retirement

Security: Claiborne Hills

Robin Starck, 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. VonRuden moved to approve the September 29, 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.

ANNOUNCEMENTS

Mr. Stohr made the following announcements:

- There will not be separate TR Board and WR Board meetings.

- Governor appointed Scott Nordstrand as the non-WRS participant seat on the WR Board.
- There will be an election for two public school teacher seats on the Teachers Retirement Board in 2017. The open seats are those currently held by Jon Joslin and David Wiltgen. Three candidates have submitted nomination forms.
- The voting for this election will be January 23 through February 28, 2017. The voting format will be online.
- Two volunteers are needed from the TR Board for the Election Certification Committee. Mr. Pedersen and Ms. Claflin-Chalton volunteered to serve on the committee.
- ETF's Chief Trust Finance Officer, Bob Willett, is retiring after more than 40 years of state service. Sharon Walk, in the Secretary's Office, is also retiring with more than 35 years of state service.

EDUCATIONAL TOPICS

Hill Farms Facility Update

Ms. Henning provided an update on the Hill Farms Facility construction that kicked off in December 2015. (Ref. JM | 12.15.16 | 3A) This \$177 million project will be a 600,000 gross square foot facility built on 14 acres. The building will consist of two towers, with ETF in the north tower occupying the 8th and 9th floors and part of the 7th floor. ETF will share occupancy with 9 other agencies. Ms. Henning shared several photos of the buildings in mid-construction and rendering pictures detailing views, floor layouts and the parking structure. Ms. Henning discussed the multiple types of communication provided to ETF staff and provided a project schedule for 2017 – 2018.

ETF Information Technology Update

Mr. Mueller, ETF's Chief Information Officer, discussed cyber security challenges and ETF's efforts in protecting its information. Mr. Mueller reminded the Board of the breach that happened recently with Yahoo email addresses and other organizations that had newsworthy cyber security breaches in the past couple of years. He said the average cost is \$2.2 million per hack.

The State of Wisconsin blocks 2 million spam emails a day which equals 95% of the email being spam and only 5% of emails being legitimate business. The state receives 1,000-30,000 vulnerability scans a day. As technology improves and evolves, the level of vulnerability also evolves and increases.

Gartner is the leading IT advisory firm in the U.S. ETF can access Gartner research in any IT area through an arrangement with the Division of Enterprise Technology (DET).ETF underwent a Gartner assessment and ETF's scores were better than the benchmarks. Mr. Mueller shared the top Gartner recommendations for ETF as well as the security initiatives ETF has been working on exclusively and in collaboration with DET to increase improve the organization's security maturity.

Open Meetings Law Update

Mr. Nispel explained that in July 2016, the Wisconsin Department of Justice sent a letter to Winnebago County regarding possible violations of the Open Meetings Law (Ref. JM | 12.15.16 | 3B) and how this situation could affect ETF governing boards and corresponding committee members.

Mr. Nispel explained that a governmental body includes members of a board (i.e. TR Board, WR Board or ETF Board) and the corresponding committees. To define a meeting, two requirements must be satisfied 1) there must be a purpose to engage in governmental business and 2) the number of members present must be there to make a decision. The open meetings law requires notice, which must include time, date, place and purpose of the meeting. If there is the presence of a quorum of another Board in attendance, the meeting notice needs to reflect the attendance of the secondary board.

To ensure proper meeting notice, staff request board members notify the board chair or the board liaison at the earliest possible date, if your intention is to attend a secondary meeting. This will allow time for a revised Agenda/Notice of the meeting to be provided to the public.

OPERATIONAL UPDATES

Retirement Services Update

Ms. Boudreau referred Board members to the Retirement Services Update memo (Ref. JM | 12.15.16 | 4A). She explained the materials in the packet and the customer service statistics. Ms. Boudreau discussed call volume and trends, with the third quarter generally being the slower time of the year compared to other quarters. The statistics of in-person interactions with members (quick service, small group and individual retirement sessions and field presentations) and webinars were also provided.

Ms. Boudreau reviewed the Retirement Services Scorecard showing trends of how well ETF is meeting its performance standards.

Communications Update

Mr. Lamkins referred Board members to the new displays set up in the room. These are used by ETF's Outreach Staff for promotional purposes. He also shared the new myETF logo that will brand the benefits administration system portal for members. Mr. Lamkins discussed the engagement metrics of ETF's Twitter account and ETF E-mail Updates, touching on how these improve the member experience by increasing engagement and providing effortless access to information.

ETF has recently won two awards. The 2016 Challenger Level of the Wisconsin Forward Award is a milestone in ETF's multi-year journey to applying for the Malcolm Baldrige National Quality Award. He also acknowledged contributions of Kristin Gunther in this effort. The Empower Campaign, thanks to Tarna Hunter and Shelly Schueller, will receive the 2016 Lloyd D. Gladfelter Award for Government Innovation. They were selected for developing the statewide Empower Campaign which was held in 2015. This campaign raised awareness about the retirement savings gap facing women, increased financial literacy and promoted financial security in old age. Preliminary results of this campaign show that women who participated in the Wisconsin Deferred Compensation program increased their pre-tax saving by 3% and post-tax savings by 10%. This is the fourth award for the Empower Campaign.

Mr. Stohr referred the Board to the remaining operational update items (Ref. JM | 12.15.16 | 4C, 4D, 4E, 4F, 4G).

ADJOURNMENT

MOTION: Mr. Langyel moved to adjourn the meeting. Ms. Rasmus seconded the motion, which passed unanimously on a voice vote.

The meeting adjourned at 11:02 a.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Employee Trust Funds Board