

MINUTES OF MEETING
STATE OF WISCONSIN
TEACHERS RETIREMENT BOARD

Thursday, December 13, 2007

Sheraton Madison Hotel
706 John Nolen Drive
Madison, Wisconsin

BOARD PRESENT:

Wayne McCaffery, Chair
Lon Mishler, Vice-Chair
Dennis Panicucci, Secretary
Ted Bratanow
Mike Langyel
Dan Nerad
Tom Pedersen
Patrick Phair
Roberta Rasmus
Steve Scheible
Robert Shaw
Robin Starck
David Wiltgen

PARTICIPATING ETF STAFF:

Dave Stella, Secretary
Bob Conlin, Deputy Secretary
Sari King, Administrator, Division of Retirement Services
Diane Poole, Director, Disability Programs Bureau
Rob Weber, Chief Legal Counsel
Ann McCarthy, Board Liaison

OTHERS PRESENT:

John Brown, ETF Board
Rhonda Dunn, Executive Assistant
Jean Gilding, Division of Retirement Services
Dennis McBride, WR Board
Carol Mishler
Linda Owen, Division of Retirement Services
Diane Poole, Division of Insurance Services
Deb Roemer, Division of Insurance Services
Mary Von Ruden, WR Board
Sharon Walk, Division of Management Services

| Board | Mtg Date | Item # |
|-------|----------|--------|
| TR | 3/13/08 | 1 |

Wayne McCaffery, Chair, called the meeting of the Teachers Retirement Board (Board) to order at 1:00 p.m.

CONSIDERATION OF MINUTES

Motion: Mr. Shaw moved approval of the minutes of the September 13, 2007, meeting as submitted by the Board Liaison. Mr. Starck seconded the motion, which passed without objection on a voice vote.

ELECTION COMMITTEE

Election Update Sari King updated the Board members on the Board elections. She reported that two elections will take place, one for the annuitant teacher seat and one for the participating technical college teacher seat.

Appoint Two Members to Committee Ms. King indicated that two Board members are needed for appointment to the Election Committee. The duties of the Election Committee are to review invalid ballots, resolve any discrepancies, and certify and accept the election report that will be prepared by an outside vendor.

The Election Committee will meet prior to the March 2008 Board meetings. Mr. Starck and Mr. Panicucci volunteered and were appointed to the Committee.

DISABILITY STATISTICS SUMMARY REPORT

Diane Poole reviewed the disability summary report provided to the Board. She provided an overview of quarterly trends for disability statistics and noted that there has been little change for this quarter in the past four years. The number of new disability annuities has decreased slightly. The most popular annuity option is "Life Annuity with 180 payments guaranteed." Females remain the predominant users of the benefit. The majority of applications are approved. The predominant age group is 51-55 years. Cancer and mental illness are the most prevalent disability types.

Ms. Poole noted that an additional Trust Fund Specialist position was allocated in the 2007-2009 biennial budget. Recruitment for the position is a priority of the division as the additional resources will help address workload backlogs.

VARIABLE FUND ASSET ALLOCATION

Dave Stella discussed the performance of the variable trust fund with the Board. He reported that after a uniform audit, the Legislative Audit Bureau (LAB) recommended that the State of Wisconsin Investment Board (SWIB) reevaluate policies and procedures for making allocation and investment decisions regarding the variable fund. This recommendation was due to continual lower than expected performance returns of the variable fund and the investment

limitations included in the Wisconsin statutes. Mr. Stella asked the Board members to share concerns and suggestions on the issue. The Board members discussed the issue.

Mr. Stella noted that the variable fund topic will be discussed again at future Board meetings.

PROPOSED SCOPE STATEMENT CONCERNING AMENDMENTS TO WISCONSIN ADMINISTRATIVE CODE ETF 11.11, RELATING TO APPOINTMENT OF BOARD COUNSEL

A memo was provided to the Board that outlined changes to ETF 11.11. Bob Conlin discussed the changes with the Board and asked for approval of the scope statement. He reported that this scope statement relates to appointment of legal counsel for the Board. Mr. Conlin advised that this rule change would allow the Board more flexibility in the process of obtaining and utilizing legal counsel, but would still include the Department of Justice in the process as needed.

Motion: Mr. Nerad moved approval of the Scope Statement concerning amendments to Administrative Code ETF 11.11. Mr. Mishler seconded the motion, which passed without objection on a voice vote.

CONSIDERATION OF ADMINISTRATIVE RULE

Rob Weber updated the Board on the progress of Administrative Rule 07-066, relating to hearsay evidence in administrative appeal hearings, and reported that this rule has been sent to the Legislature for review.

Mr. Weber discussed Clearinghouse Rule 07-068, regarding death and late reported termination, with the Board and asked for approval of the final draft report. He provided the final draft report on this rule and explained that it would redefine the determination of employee termination date, which is currently done by employer report. This rule would set the date of termination as the actual date of termination. Mr. Weber noted that the termination date impacts how employee death benefits are paid.

Motion: Mr. Shaw moved approval of the final draft report on Clearinghouse Rule 07-068. Mr. Panicucci seconded the motion, which passed without objection on a voice vote.

MISCELLANEOUS

Items for Future Discussion The Board members expressed interest in Board member diversity and asked for information on Board member appointments, elections, and responsibilities.

ADJOURNMENT

Motion: Mr. Langyel moved adjournment. Mr. Panicucci seconded the motion, which passed without objection on a voice vote.

The meeting of the Teachers Retirement Board adjourned at 1:55 p.m.

Date Approved: _____

Signed: _____

Dennis Panicucci, Secretary
Teachers Retirement Board