

DRAFT

MINUTES

June 18, 2020

Teachers Retirement Board

State of Wisconsin



Location:

Department of Employee Trust Funds
This meeting was held via teleconference.

BOARD MEMBERS PRESENT:

- | | |
|--------------------------|----------------------|
| Brent Grochowski, Chair | Amy Mizialko |
| Chris Heller, Vice Chair | Allison Pratt |
| Esther Ancel, Secretary | Tony Przybylski, Jr. |
| Adam Balz | David Schalow |
| James Langkamp | |

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

- | | |
|-----------------------------------|---|
| Office of the Secretary: | Division of Retirement Services: |
| Bob Conlin, Secretary | Matt Stohr, Administrator |
| John Voelker, Deputy Secretary | Office of Policy, Privacy & Compliance: |
| Tarna Hunter, Legislative Liaison | Laura Patterson, Policy Analyst |
| Cherylynn Wilkins, Board Liaison | |

OTHERS PRESENT:

- | | |
|---|---|
| ETF Division of Management Services: | ETF Office of Policy, Privacy & Compliance: |
| Patrick Hughes, Kadi Mbanefo | Steve Hurley |
| ETF Division of Retirement Services: | ETF Office of the Secretary: |
| Anne Boudreau, Jim Guidry | Lisa Gurley, Pam Henning |
| ETF Office of Legal Services: | ETF Board Member: |
| Diana Felsmann, Dan Hayes, David Nispel | John David |

Mr. Grochowski, Chair, called the meeting of the Teachers Retirement Board (Board) to order at 8:01 a.m.

Board	Mtg Date	Item #
TR	9.17.20	1

CONSIDERATION OF MINUTES

MOTION: Mr. Heller moved approval of the December 12, 2019, open and closed session minutes as submitted by the Board Liaison. Mr. Langkamp seconded the motion, which passed unanimously on a voice vote.

Announcements

Mr. Stohr provided the following announcements:

- The Statement of Benefits normally sent to employers were recently sent directly to employees' home addresses due to complications related to COVID-19. This is ultimately a better service for members;
- To save paper and cut cost, we will no longer mail the full actuarial report with board packets but will continue to send the actuarial presentation that covers the highlights. The full report will still be available on the website; and
- David Wiltgen recently resigned from the Board. His term is set to expire in 2022. His seat will be added to the call for nominations in September along with Chris Heller's and Allison Pratt's seat, which expire in 2021.

DISCUSSION AND CONSIDERATION

Election of Officers

The Chair (Ref. TR | 6.18.20 | 3) listed the Board's current slate of officers.

MOTION: Mr. Schalow moved to elect the same slate of officers: Brent Grochowski as Chair, Chris Heller as Vice Chair, and Esther Ancel as Secretary. Ms. Pratt seconded the motion, which passed unanimously on a voice vote.

Designing a Wisconsin Retirement System (WRS) Governing Board

Ms. Patterson (Ref. TR | 6.18.20 | 4A) highlighted several points from her presentation:

- Size and balance considerations for a model board.
- The current WRS demographic has approximately 40% teachers and 10% protective employees. The proposed board has four teacher seats (31%) and one protective seat (8%), both of which are a higher percentage than the current Employee Trust Funds (ETF) Board.
- Consider aligning board member experience with the needed skill set.
- Reviewed the model WRS Board—6 elected, 5 appointed, 2 ex officio members
- Changes to the Board could be submitted as part of ETF's biennial budget submission.

Ms. Mizialko commented that Milwaukee teachers makeup the most dense teacher group in Wisconsin and representation on the proposed model WRS Board would be diluted. Ms. Patterson explained that while Milwaukee teachers do not specifically have

a seat designated, there are two elected positions for active teachers that would allow Milwaukee along other teachers to actively vote for the seat. Currently, there is not a spot for other active teachers to vote for their own representative. Board members discussed appointments needing to meet experience requirements. Also discussed were concerns about the governor having more appointments than elected seats giving the governor control over the board and potentially making the Board political. Ms. Patterson pointed out that the model board includes more elected seats than are currently on the ETF Board.

Ms. Hunter responded to the Board's questions regarding the legislative process, which would most likely be a multi-year process. Then, a transition time for the WRS Board would be expected. The initiation of this process could be part of the biennial budget.

Mr. Stohr asked if the Board was supportive of a redesigned WRS Board. The specifics about the experience needed for each seat on the consolidated WRS Board can and will be discussed if the Board agrees that this is in the best interest of members and the WRS.

MOTION: Mr. Schalow moved to approve the next steps for ETF to move forward for designing a consolidate WRS Board and for possible inclusion in ETF's Biennial Budget submission. Ms. Pratt seconded the motion, which passed on the following roll call vote.

Members Voting Aye: Ancel, Balz, Grochowski, Heller, Langkamp, Pratt, Przybylski, and Schalow

Members Voting Nay: Mizialko

The Board continued its discussion on the experience requirement of a consolidated WRS Board, including retirement financial planning experience. Mr. Conlin explained how Ms. Henning works with the governor's appointment clerk, who receives applications. The appointment clerk often asks ETF if the applicant is qualified, even though they are not required to do so. ETF does speak with the governor's office regarding vacant seats.

Discussion continued regarding seat requirements, including the non-participant seat on the proposed board, local government experience, the necessity of the protectives having representation, and the possibility of having organizational groups submitting board candidates.

Mr. Stohr said staff will put the Board's comments from today into a document and send it out to the Board before the September meeting. The document will include a place for additional comments, especially as it relates to elected vs. appointed seats. The goal is to have responses back in advance of the September meeting.

ADJOURNMENT

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

The Board meeting adjourned at 9:04 a.m.

Date Approved: _____

Signed: _____

Esther Ancel, Secretary
Teachers Retirement Board