

Wisconsin Coalition of Annuitants

Minutes of Meeting February 18, 2009

The meeting was held at the Wisconsin Professional Police Association Building, 304 Coyier Lane Madison and was called to order by Chair Jim Palmer at 9:40am.

MEMBERS & ALTERNATES PRESENT: V. Cutler, UWMRFA; E. Frank, DNR; C. Howard, WEAC-R; A. Hubbard, WSAA; G. Johnson, UWMRA; O. Jones, DOT; E. Kehl, DILHR/DWD; A. Knop, WEAC-R; D. Kratz, CORR; J. Maydak, West Allis; J. Palmer, WPPA; B. Schaefer, SEA; J. Skiles, UW-R; J. Stoddard, CORR; J. Zwadzich, SWIB.

GUESTS: None

EXCUSED: J. Elmer, J. Miller, D. Rohweder, A. Wallace.

MINUTES of the January meeting were approved as mailed.

CORRESPONDENCE: Bob Conlin ETF was invited to discuss the ETF's budget, however, since the Governor presented the budget last night the ETF managers are having a budget planning session today. Dan Schmidt is out of the country but did provide the member names of the JSCRS.

DISCUSSION: Is the Retirement Research Committee in existence? This committee was eliminated and the responsibilities were transferred to the Legislative Council. We think this was done with Act 11 in 1999.

"Talking Points" needs to be revised and Jim Skiles will take another look at it and adjust the numbers and shorten the document.

There is thought that the Government Accounting Standards Board (GASB) requirements will prevent employers from taking a "holiday" on WRS payments. Two of our WCOA members met with Sen. Schultz and he indicated that employers have not mentioned withholding WRS payments. Eau Claire area school districts have taken the position to pay the WRS each year. Total WRS unfunded liabilities are less than they were in the past. School districts in addition to retirement obligations to the WRS are now funding future retiree health care costs and any other benefits. Employer rates will increase in 2010 to reflect 2008 loss.

LEGISLATIVE REPORT: SB64 & 65 has tax benefits for retirees. SB64 provides an additional exemption at age of 70 of \$300 and at age 75 of \$350. SB65 "eventually eliminates taxes on retirement income. Under the bill, the exemption amount increases each year from \$5,000 to \$10,000 in 2011, \$15,000 in 2012, and \$20,000 in 2013 and thereafter". The Bills are similar to those introduced last session and have a costly fiscal impact. This legislation is for all retirement funds, not just WRS. Would our position on exempting taxes be different considering today's economics? This might be an issue later.

The last session had 3 different Bills all with various years of tax phase out and large fiscal notes.

OLD BUSINESS: - Last month Keith Bozarth mentioned staff compensation would be announced soon and he mentioned to the Chair that our group had little reaction. When the present compensation plan was being implemented Dave Mills explained the methods used and our group has an understanding and acceptance to the compensation process. The general membership of the WRS and the public, especially the media, lack understanding and it is expected they will have a reaction.

This reaction extends into our "only taking" a 3% loss when projected SWIB returns of 7.8% for the next four of five years will result, with the smoothing, in a total loss of around 23-25%. Many of our members do not understand the smoothing, mainly because they always received a positive

adjustment. Today economics are something we have never faced and historical basis may not be what happens. Our membership should be contacting us if they have questions. It is our position to not broadcast the compensation information but to answer questions of our membership. There will be many and varied reactions.

- Annual Conference can not be held at American Family in May. Ed Kehl has confirmed Turner Hall (Madison Turners) for either May 6 or 20th. There is a conflict for May 6. May 20th is our regular meeting date. Turners charges \$300.00 and we need to provide catering for the continental breakfast and lunch. The Executive Committee will make arrangements.

MSC WCOA 2009 Annual Conference will be held May 20th at Madison Turners Hall.

-We need to select a candidate for the Blair Testin Award. Ed Kehl was nominated along with his wife Carol. Ed is willing to accept providing we mention Carol first.

MSC Carol and Ed Kehl will be the 2009 Blair Testin Award recipients.

- WCOA Bylaws revision was reviewed and following discussion and clarification accepted as presented.

MSC WCOA approves the revised Bylaws as presented.

NEW BUSINESS: SWIB and ETF budget requests have been submitted. ETF has a building request which needs clarification. Next month we will have someone from ETF to provide details.

ART (Annuitant Round Table) meeting next Tuesday February 24 at 9:15 WPPA building.

SWIB Board meeting for 3/18 has been rescheduled to April 8.

NEXT MEETING: March 18, 2009 9:30 am, WI. Professional Police Association Building.

The meeting adjourned at 10:40am

Respectfully submitted – Dick Kratz