

Wisconsin Coalition of Annuitants

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Minutes of Meeting March 20, 2017

The meeting was held at the Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, and was called to order by the Chair James Palmer at 9:30 a.m.

DIRECTORS & ALTERNATES PRESENT: R. Beglinger, WFT-R; J. Blank, BLUE-R; D. Bosanko, RPPFW; B. Brooks, CWCR; S. Drew, SWIB; E. Frank, DNR; J. Grosklaus, West Allis; B. Holmes, ESP; A. Knop, WEAC-R; R. Kratz, DOC; J. Palmer, WPPA; D. Rohweder, ESP/WREA; B. Schaefer, SEA; J. Stangl, DCAREA; S. Sweet, BARTA; J. Thiel, ACE; J. Vreeland, Wauwatosa; A. Wallace, UWRA; C. Welch, BAREA, D. Wilcenski, WREA.

GUESTS: J. Forester, T. Hunter, C. Preisler, P. Smelser, J. Strohl, R. Wojciak.

EXCUSED: J. Egan, B. Fendel, J. Lawton, J. Maydak, J. Miller.

MINUTES of the February meeting were approved as mailed.

NEW DIRECTOR: Jim Thiel, ACE.

GUEST: Peg Smelser.

GUEST: Tarna Hunter, Legislative Liaison, ETF.

The first item shared was the annuity adjustment of 2% for the core fund and 4% for the variable fund. The adjustment will be reflected in the May annuity payment.

ETF Board will be meeting this Thursday, March 23, 2017. Everyone is welcome to attend.

Register for email notices from ETF is available at the bottom left of the ETF homepage, <http://etf.wi.gov>, click on the red envelope which will open up numerous news sources, including the new ETF government relations page.

An updated Legislation and Biennial budget report was shared. At this time the Joint Committee on Finance, JCF, are doing agency briefings. ETF is scheduled for presentation on March 28, 2017. The one item in ETFs budget that has shown interest is the change in the domestic partner program. Other legislation AB 6-10 are considered remedial legislation recommended by ETF. However, two of the bills, AB 7 and AB 10, legislators are considering policy as well as technical changes and will need additional information and independent action.

The governor's budget has five Human Resources and Payroll Specialist positions transferred from ETF to DOA, shared services. The positions would be housed and paid for by ETF but under the supervision of DOA. ETF has expressed a concern based on the unique funding of ETF employees.

Not scheduled for a public hearing are AB 62 regarding military service credit and AB128 and SB 81 providing guidelines for the Group Insurance Board on contracting for abortion services.

Bills to increase the age of retirement and number of years calculated in retirement annuity have not been reintroduced.

Ms. Hunter handed out a newly printed colorful brochure describing our Wisconsin Retirement System as a large public pension system, well funded, financially sound, economy supporting, with a strong public workforce. An impressive brochure soon to be available online.

GUEST: Chris Preisler, Communications Specialist, SWIB.

The Asset Allocation Summary and Performance Evaluation as of February 28, 2017 is as follows: Core fund 3.5% with a benchmark of 3.5%, variable fund 5.7% with a benchmark of 5.5%. Core fund \$92.3 billion, variable fund \$7.2 billion; total assets under management \$108.7 billion. Internal management is at 64% and external management is at 36%. In 2007 only 21% was internally managed.

The stock market seems to be running "hot" with the S&P at 5.9% and the Russell 3000 at 5.7%. Market returns and present low volatility are seen as short term and not expected to last.

Recently the Federal Reserve increased the interest rate for the second time in about 90 days and that resulted in a stock rally. However, those return/gains were lost the next day. It is predicted that the Feds will have one or two or even three interest increases during 2017.

Mr. Williamson will be addressing the ETF joint board this Thursday which is an annual presentation updating the SWIB activities. There also will be discussion on projections for 2017 and beyond.

SWIB board will be meeting April 18 &19, and a topic will be incentive compensation based on the last five years. The compensation plan that is in place has resulted in retention of staff. We can expect to hear public comments/complaints on the amounts awarded.

SWIB human resources and payroll specialist positions will remain with SWIB.

A hand out of the 1983 - 2016 returns was provided; listing returns, effective rate, and dividends of Core and Variable Trust Funds.

http://media.wix.com/ugd/69fc6d_e2263bbad638409a82b096778580fe41.pdf

CORRESPONDENCE - Follow up to the letter sent to the Joint Committee on Finance. Several members of the WCOA will be contacting committee members and/or providing information to the committee. The time frame is that ETF will submit the self-insurance proposals to JCF during the month of April. After JCF receives the proposals they, JCF, has 21 days to respond or the proposals become binding. This is the twenty-one day passive review.

MSC The WCOA approves WCOA representation/presentation before the Joint Committee on Finance.

OLD BUSINESS - Annual Conference - The press release will become the announcement to be mailed and will have registration information. Presenters have been confirmed.

There were no nominees for the Blair Testin award.

NEW BUSINESS - The WEAC has graciously welcomed us to use their facility as a meeting place.

TREASURER'S REPORT - Check book balance \$8,778.70, 22 organizations.

NEXT MEETING: April 17, 2017, 9:30 a.m. Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, WI. Conference Friday May 19, 2017

Annual Conference Friday, May 19,2017, American Family National Headquarters

The meeting adjourned by 11:15 a.m.

Respectfully submitted – Dick Kratz