

Wisconsin Coalition of Annuitants

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Minutes of Meeting February 19, 2018

The meeting was held at the Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, and was called to order by the Vice Chair Jerold Vreeland at 9:35 a.m.

DIRECTORS & ALTERNATES PRESENT: R. Beglinger, WFT-R; J. Blank, BLUE-R; B. Brooks, CWCR; D. Chickering, WREA; E. Frank, DNR; J. Grosklaus, West Allis; S. Haase, UWRA; P. Haubrich, UWMRA; B. Holmes, ESP; A. Knop, WEAC-R; R. Kratz, DOC; K. Kreul, WFT-R; J. Lawton, ACE; J. Maydak, West Allis; J. Miller, DNR; J. Munro, WARSDA; B. Schaefer, SEA; J. Vreeland, Wauwatosa; D. Wilcenski, WREA.

GUESTS: T. Hunter, C. Preisler, R. Wojciak.

EXCUSED: S. Drew, J. Egan, B. Fendel, J. Palmer, J. Stangl, S. Sweet, C. Welch.

MINUTES of the January meeting will be late.

GUEST: Tarna Hunter, Director of Strategic Engagement and Government Relations, ETF.

The Legislative session will be concluded the end of February or early March. ETF has been involved in AB 676 which is referred to as the Jailers Bill. Testimony has been taken and ETF has provided technical assistance. The Bill would permit counties to re-classify their jailers to protective service, however, there is a cost factor for conversion, especially duty disability. ETF's analysis is available at: http://www.etf.wi.gov/gov_relation/ETF_Testimony-2017_AB676.pdf.

The remedial legislation of ETF has been approved by the Assembly is now with the Senate.

SB 81 Prohibits state health plans paying for abortion services. This will be in the news soon.

UBIT (Unrelated Business Income Tax) is in section 5001 of the US House Tax Cuts and Job Acts (H.R.1). It is unknown what impact this Bill would have on SWIB. Several national organizations are monitoring the legislation, its impacts and questioning constitutionality.

A draft of the results of the ETF Medicare survey was provided. Sixty-one percent responded and the UW Survey Department will analyze the data, data will be presented to the GIB on 3/31/18.

GUEST: Chris Preisler, Communications Specialist, SWIB.

Preliminary returns as of January 31, 2018. Core Trust Fund 2.94% with a benchmark of 2.73% and the Variable Trust Fund 5.44% with a benchmark of 5.36%.

Total retirement funds, Core Trust Fund \$103.2 billion and the Variable Trust Fund \$8.6 billion.

The markets continue to be on a roller coaster. Total SWIB investments, \$225 billion.

The economy is good but there are concerns for inflation and interest rate increases.

LAB will be doing a management audit which is required every two years. The previous audit is on the SWIB website.

Rick Smirl, newly appointed Executive Director, has been meeting with staff and had his first board meeting last week. His plan is to be with us at our April WCOA meeting and will be a presenter at our May 11, 2018 Annual Conference.

With DOA Secretary changes, SWIB Board has a new member, Helen Nowak replaces Scott Neitzel. http://host.madison.com/ct/news/local/govt-and-politics/election-matters/ellen-nowak-to-replace-scott-neitzel-as-wisconsin-secretary-of/article_cf4ddcbd-2c16-531e-ae96-fe206f65ab5e.html

SWIB continues as a low cost managed investment agency, compared to our CEM peer group. SWIB has gained over \$759 million the last five years.

Internal management funds continue at 63%, which has been a huge benefit.

QUESTION: How are mortality rates figured? What is the distribution to the effective rate for actives? Is there a difference for actives if they are in the core or the variable fund?

There were several related questions on individual retirement accounts

A future speaker will address the process and distribution of investment returns. WCOA has a slide presentation, A Program in Balance at: <http://www.wicoa.org/slides.php>

CORRESPONDENCE - None

OLD BUSINESS - Annual Conference May 11. In addition to Secretary Conlin and Executive Director Smirl former Governor Marty Schreiber will be a speaker.

NEW BUSINESS - Blair Testin Award, with limited discussion the following motion was made.

MSC The WCOA will present the Blair Testin award to Michael Williamson at the Annual Conference on May 11 2018.

TREASURER'S REPORT - Check book balance \$9798.25. The treasurers report was accepted as presented.

NEXT MEETING: March 19, 2018, 9:30 a.m. State of Wisconsin Investment Board (SWIB) offices, 121 East Wilson Street, Madison, WI.

The meeting adjourned by 10:45 a.m.

Annual Conference Friday May 11, 2018

Respectfully submitted – Dick Kratz