

Wisconsin Coalition of Annuitants

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Minutes of Meeting February 17, 2020

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

DIRECTORS & ALTERNATES PRESENT: R. Beglinger, WFT-R; J. Blank, BLUE-R; B. Brooks, CWCR; E. Frank, DNR; B. Holmes, ESP; R. Kratz, DOC; J. Lawton, ACE; T. Leithold, KM-R; J. Maydak, West Allis; G. Mitchell, AFSCME 52; B. Schaefer, SEA; R. Springman, WFT-R; J. Stangl, DCAREA; J. Vreeland, Wauwatosa; D. Wilcenski, WREA; C. Wren, WSAA.

GUESTS: J. Forester, V. Hearing, T. Hunter, N. Ketterhagen, J. Strohl, R. Wojciak.

EXCUSED: W. Backes, S. Drew, J. Egan, J. Grosklaus, S. Haase, A. Knop, J. Miller, J. Palmer.

MINUTES of the January meeting were approved as mailed.

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

Legislative update hearings on AB 670 and SB 612 increasing the minimum retirement age from 55 to 59.5, federal 401K withdrawal, decreasing the minimum break in service from 75 to 45 days and permitting 36 months WRS employment without WRS participation. Legislative committees were held on the same day and ETF testified regarding administrative complexity of the bills. Later the reference to federal rules on 401(k)s was removed by amendment.

Should the WCOA take a position on the pending legislation? Following discussion:

MSC The WCOA opposes legislation, AB 670 and SB 612, and will write to Gov. Evers, Rep. Vos, Sen Fitzgerald.

ETF has technical Bills in the Assembly for clarification and continuity with Federal Law.

Annuity adjustment projection will be 1.5-1.7% Core and 19-23% Variable. The effective rate for actives is 7.7% core and 29% variable. Wellness program participation, \$150, is taxable.

The 2020 census is in need of volunteers, paid volunteers.

GUEST: Vicki Hearing, Communications Manager, SWIB.

Preliminary gross year to date returns as of 1/31/20, core fund 0.3% with a benchmark of 0.5% and the variable a -1.1% with a benchmark of a -0.9%. Inflation sensitive/bonds are at 2.2% with a benchmark of 2.1% and public fixed income is 1.8% with a benchmark of 2.1%. Core funds under management \$107.9 billion and the variable fund \$8.4 billion for a total of \$116.3 billion.

An "Investing in Wisconsin Update" summary was shared. The SWIB goal is to generate returns through strategic and targeted investments. As of June 30, 2019 SWIB had investments of over \$577 million in companies with significant presence in Wisconsin. Two dedicated portfolios focus on Wisconsin. Wisconsin Private Debt portfolio and Wisconsin Venture Capital portfolio.

Wisconsin Private Debt portfolio is unique and has been in existence since the 1960s. Since 1983 the portfolio has invested \$2.1 billion in 237 loans and has helped a number of companies survive within the state. Average annual loan pacing is approximately 70 million with an average loan size of \$9 million. SWIB's loans has given the ability for companies to generate good risk returns for the WRS. Two companies that benefited are CityForest Corporation of Ladysmith and Whey Protein of Darlington.

Wisconsin Venture Capital portfolio started in 1999 by investing in early stage funds and companies. Venture Capital is not used as start up funds. One company, NeuWave Medical, Madison, funding was to follow on clinical studies and expansion. Pinstripe, Brookfield, expanded and was purchased by Cielo. SWIB Venture Capital investment keeps companies in Wisconsin while generating good investment returns. Not all investments are successful but when they are SWIB seems to "hit it big".

The intangibles; SWIB is involved in business activities around the state working with and investing in both mature and start-up companies. Venture capitalist from around the country spend time in Madison to learn more about the unique Wisconsin portfolios. SWIB assists in the Badger

Fund selection of early stage portfolio managers, connect Wisconsin companies to outside Wisconsin venture managers, and assists Wisconsin companies in obtaining financing.

CORRESPONDENCE - Article on healthcare emailed to members, “Medicare Prices for All”.

OLD BUSINESS - Annual Conference program committee will meet today.

NEW BUSINESS - Blair Testin award, Gary Gates first director of ETF.

MSC Gary Gates will be the Blair Testin Award recipient at the May 15, 2020 Conference

TREASURER'S REPORT - Check book balance \$10,075.39. No activity. Approved as presented.

NEXT MEETING: March 16, 2020 at 9:30 a.m. Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, WI.

The meeting adjourned by 11:00 a.m.

Annual Conference Friday May 15, 2020

Respectfully submitted – Dick Kratz

Upcoming meetings: ETF Board - 3/26; 6/18; 9/17; 12/10. SWIB Board - 3/17-18; 6/9-10; 9/8-9; 10/20-21; 12/15-16