

# Wisconsin Coalition of Annuitants

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## Minutes of Meeting December 12, 2021

The meeting was held by Zoom and was called to order by the Chair Bob Schaefer at 9:30 a.m.

**DIRECTORS & ALTERNATES PRESENT:** W. Backes, AFSCME 32; R. Beglinger, WFT-R; B. Bird, DOT; J. Blank, BLUE-R; B. Brooks, CWCR; S. Drew, SWIB; E. Frank, DNR; J. Grosklaus, West Allis; S. Haase, UWRA; B. Holmes, ESP; R. Klemme, ESP/WREA; A. Knop, WEAC-R; R. Kratz, DOC; J. Lawton, ACE; T. Leithold, KM-R; J. Maydak, West Allis; G. Mitchell, AFSCME 52; F. Nepple, OCI; E. Reiter, KM-R; B. Schaefer, SEA; R. Springman, WFT-R; J. Stangl, DCAREA; J. Thiel, ACE; J. Vreeland, Wauwatosa; R. Wojciak, DNR; C. Wren, WSAA.

**GUESTS:** B. Ford, J. Forester, T. Hunter, C. Preisler, J. Strohl.

**EXCUSED:** J. Egan.

**MINUTES** of the November meeting were approved as mailed.

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

The ETF Board met last week to accept the Three-year Experience Study ending December 31, 2020, which includes numerous demographic assumptions which are then compared to reality. A major assumption is investment earnings. Investment earnings have been going down the past few years and many retirement systems have been reducing their earning projections. As a result of the study the ETF Board approved reducing the effective earning rate from 7% to 6.8%. The national median is 7%. The assumption of 6.8% will be used in the December 31, 2021 actuarial valuations and will be the basis for 2023 contribution rates of employee and employer. The assumption will also be used in calculating new annuities beginning January 1, 2023.

The Deferred Compensation Board met last week, selected and contracted with a deferred compensation plan provider which will be used by all state agencies.

Legislatively there is one Bill that relates to return to work for retired teacher as substitutes.

Milwaukee City and County have indicated an interest in joining the WRS. This was also a topic a number of years ago but was too expensive. One proposal is to add new hires to the WRS. We will hear more in the future since the city and county need changes.

The modernization effort at ETF has been going very well and is very successful. The enterprise management system went live in November. A contract has been signed with Benefit Focus for health insurance management, a two year project.

### **GUEST: Chris Preisler, Communications Specialist, SWIB.**

Preliminary returns as of November 30, 2021. Core fund 13.6% with a benchmark of 13.3% and the variable 15.1% with a benchmark of 15.6%. Total assets under management \$143.2 billion. Public equities are doing well, the market is up 14%, public fixed income is down 1%, however private equities is up 46% and real estate is up 8.5%. The S&P 500 is at 23% and the Russell 3000 at 21%. Need to watch what the Federal Reserve does with bonds and with the stated three interest rate hikes planned in 2022. The respiratory virus and the Presidents "Build Back Better" is also on everyone's mind.

Present office continues in a hybrid. New building is on schedule.

Change in trustees - Joel Brennan is stepping down as DOA Secretary to become President of the Greater Milwaukee Committee and Governor Evers appointed Kathy Blumenfeld from Department of Financial Institutions to the Secretary of DOA and she will be on the SWIB Board.

Annual report, which runs about one year behind, will show cost of management continues to be lower than the US Public Fund Average. The exception is hedge funds which have increased because of performance, which is good. The more you make the more you pay.

Latest podcast has three guests and addresses innovation portfolios. Mortgaged backed securities, high yield portfolio, and investments partnerships with other pension systems.

**CORRESPONDENCE - None**

**OLD BUSINESS** - Annual Meeting will be two Thursday mornings, May 5 and May 19. Two speakers each morning. ETF and SWIB will be separate mornings.

- Bylaws first draft has been sent to committee members for review. The committee will then incorporate the reviews and compose a second draft.

**NEW BUSINESS** - The chair mentioned that in the past the secretary, treasurer and treasures assistant received an honorarium. Following a brief silence.

**MSC WCOA secretary be given a \$150 honorarium, the WCOA Treasurer be given a \$100 honorarium and treasure assistant be given a \$50 honorarium.**

**TREASURER'S REPORT** - Check book balance \$9,644.11. Seven organizations are delinquent. Secretary will send an email reminder.

The third Monday is a holiday for our presenters and after discussion the alternate date is:

**NEXT MEETING:** January 10, 2022 at 9:30 a.m. Zoom

The meeting adjourned by 10:40 a.m.

Annual Conference mornings of May 5 and May 19, 2022

Respectfully submitted – Dick Kratz

Upcoming meetings:   ETF Board - 3/24; 6/23; 9/22; 12/8.   SWIB Board - 3/15-16; 6/14-15; 9/13-14; 10/18-19, 12/13-14  
                          GIB - 2/16, 5/18, 8/17, 11/16.           DefCom - 3/31, 6/9, 9/1, 12/1