

☞ 07hr_SC-LEUA_Misc_pt15



☞ January 16, 2008 ... Public Hearing & Executive Session

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Labor, Elections and Urban Affairs (SC-LEUA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (October/2010)

LEWA Exec & Hrg. 1/16/08

Exec

5-0 - no discussion

Hearing

Stephen Cady & Pam Bryant

↳ Board Finance staff ↳ Administration Finance ^{staff}

- ~~at 300~~³²⁹ million, funded at about 83%
- Gov's TF of Finances
- in budget, removed as policy
- before us to lengthen payoff to 30 years
- 8% earnings on pension fund assumed
- invest bonds (which cost 6%) and save 2%
- results in \$90m in savings for county
- annual report to legislature & actuarial reports
- req pension contribution or face withholding from shared rev.
- State issued, + MPS, have done pension bonds issue

- Pension Work Group examining bond issuance
 - admin, board & external staff
- will review actual liability
- attempt to indemnify county w/ benchmarks
- issue bonds

P.
Bryant

* SC

- gotten agreement from Walker & Holloway
- if not do?
 - Co. would pay off liability but would not save \$90 million
 - protects other programs from cuts

* Wirth

- Co. Exec. taken oath not to raise taxes
- can bond holder count on getting paid back? what is Co. bond rating?
 - rating - AA (S&P) AA3 (Moody)
 - have good standing in bond market
 - not expecting unfavorable sex
 - market familiar w/ these bonds
- bonds tax advantaged - individual sale or to broker?
 - sell similar to an IGO
 - institutional investors
 - will be taxable bonds (no double-barrel exemption)
 - attempt to get best interest rate
- concerned about assumptions on 6% rate & 8% return with possible impending economic status?
 - part of risk, based on past performance
 - work group will examine those issues

* Grothman

* Grothman

- separate pension from WRS?

- yes

- 83% funded?

- yes

- issue bonds or else?

- will have to pay back liability over 30 years anyway

- would be nice to be 100% funded. legal obligation to get there?

- always have temptation to underfund

- not good public policy

- bill requires full funding in the future

- gambling on higher rate of return than bond cost

- over the long term

- create stabilization fund to cover year to year ups & downs

- \$ from stabilization fund

- earnings from bonds

- locked in to future contributions - stabil. fund?

- no, but will do that anyway

* Wirch

- doing everything right & by the book but sees storm clouds on the horizon

- WRS has a lot of oversight by outside groups

- work group has large group of participation

- a lot of people are watching

- people outside politicians are watching closely

* Lehman

- unfunded liability discovered - new employees adding to problem or was this a one time problem?
 - addressed w/ recent union contracts
 - nobody coming to service today can get enhancements - eliminates digging hole deeper
- look into future 25 years - problem gone?
 - hopefully even sooner

* SC

- stabil. fund measure of assurance
- give info to reassure on performance
 - protect taxpayers ultimate goal

* SC reads registrations