

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
Minutes of the Board of Trustees
June 20, 2018

Board President Martha Lee Zins called the meeting to order at 9:30 a.m. Those attending in addition to Zins were:

Board members: Denise Anderson, Will Baumann, Mary Broderick, Paul Moore, Joel Stencel, Mary Supple (via phone) and Marshall Thompson

TRA Staff: Susan Barbieri, Carol Diedrich, Tim Maurer, Leslie Nagel, Jay Stoffel, Luther Thompson, John Wicklund and Elizabeth Zuehlke.

Legal Representatives: Kathy Woodruff

Others: Rachel Barth, Joan Beaver, Wayne Brede, Barb Deming, Lonnie Duberstein, Paul Ehrhard, Susan Lenczewski, Walt Munsterman, Larry Risser, and Rodney Rowe.

Called to order at 9:30

Zins introduced Joel Stencel as the proposed new member of the board representing Minnesota School Board Association.

It was moved by Moore and seconded by Anderson to confirm Joel Stencel as the new board member representing Minnesota School Board Association. The motion passed unanimously by a roll call vote.

2.a Approval of Minutes

The minutes from the May 23, 2018 Board meeting were reviewed.

It was moved by M. Thompson and seconded by Anderson to approve the meeting minutes from the May 23, 2018 meeting. The motion passed unanimously by a roll call vote.

3.a Strategic Planning

Stoffel updated the Board on what has happened since the May Board meeting. The staff survey results have been received and shared with employees. Deming reviewed the handouts of strategic plans from other organizations. Deming then worked with the board to develop 3-5 year goals, identify possible risks for TRA, and suggest next steps for further development of the strategic plan..

3.b. Board Retreat

Stoffel reviewed the memo on the five topics to be discussed at the board retreat.

4.a Board Expense Reimbursement Policy/Travel Procedures

Wicklund and Zuehlke presented the updated travel policy and the new process for Board members for completing expense reimbursement forms.

4.b Election of Officers, Selection of FMC Representatives, Audit Committee Members and Chair and Vice-chair

Supple moved and M. Thompson seconded motion to elect Zins for president. The motion was adopted unanimously.

M. Thompson moved and Supple seconded a motion to elect Broderick as vice president. The motion was adopted unanimously.

Zins appointed M. Thompson as Chair of the Audit Committee, Broderick as Vice Chair of the Audit Committee and designee Angelina Barnes as MMB's representative on the Audit Committee.

4.c Reappointment of Executive Director

M. Thompson moved and Baumann seconded a motion to re-appoint Jay Stoffel as executive director of TRA. The motion was adopted unanimously.

5.a Legislative Update

Stoffel updated the board on the bill signing celebration organized by the Governor which took place in the Capitol rotunda.. Stoffel also noted there was a reception sponsored by many labor organizations and stakeholder groups to celebrate the passage of the 2018 pension bill. The reception was attended by many that were involved in the process of passing the bill.

6.a Investment Update

Wicklund reviewed the fiscal year 2018 investment return and inflation analysis report through May 22, 2018. The fiscal year to date return was 10 percent on assets of \$22.44 billion.

6.b Administrative Update

Maurer noted that employees have been focusing on the technical aspects of implementing the 2018 pension bill. Wicklund noted that we will be receiving updated actuarial factors from Cavanaugh Macdonald by the end of July. Maurer and Wicklund have also been working on relocating our St. Cloud office. Wicklund noted that we are hoping to co-locate TRA, MSRS and PERA in the current Duluth office.

Stoffel updated the board on where we are at filling the two executive positions. We hope to have the two positions filled by late summer or early fall.

6.c Upcoming Meetings and Presentations

Stoffel reviewed a list of upcoming meetings and presentations with stakeholder groups.

6.d Assistant Attorney General Update

Woodruff updated the board about the Johnson appeal noting that recommendation from the Administrative Law Judge should be received in July. Woodruff reported that the court of appeals had made a favorable decision regarding amounts owed by a Charter School that closed several years ago.

7. Public Comments

Lonnie Duberstein (REAM) - the pension celebration that was held last evening was incredible. The pension issue looks a little brighter, but we are not out of the woods, and we will have to do some work educating members about defined benefit vs. defined contribution. We also need to work to ensure the legislature funds the employer contribution rate increases each year in the future. Duberstein also thanked everyone in the room for playing a part in passing the pension bill. He also thanked Laurie Hacking for her work over the past couple years on the pension bills as it was the foundation of what eventually passed.

Walt Munsterman (EdMN Retired) acknowledged that the PEPC group became very effective, meeting once a week to work on promoting the pension bill. He also thanked the fund directors for their efforts.

Joan Beaver (EdMN Retired) noted it was a wonderful celebration last night and nice to see those in attendance to celebrate the passing of the pension bill. One issue to include in the strategic planning would be to add an additional retiree position on the TRA Board.

Larry Risser (Minneapolis Committee of 13) echoed the idea of having an additional retiree position on the Board. Risser noted that he appreciates the work that the Board does.

8. Date of next meeting

Thursday, August 9, 2018 (Room 106), 9:30 a.m.

Adjourn

On a motion by Moore, seconded by Baumann and a unanimous vote the meeting adjourned at 12:58 p.m.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President