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

**Board members:** Denise Anderson, Will Baumann, Mary Broderick, Paul Moore, Kirk Schneidawind, Mary Supple, Marshall Thompson,

**TRA Staff:** Jeff Altringer, Susan Barbieri, Carol Diedrich, Laurie Hacking, Joel Hohenstein, Julie Larson, Leslie Nagel, Lynn Paatalo, Jay Stoffel, John Wicklund, and Elizabeth Zuehlke,

**Legal Representative:** Kathy Woodruff

**Others:** Brent Banister, Rachel Barth, Patrice Beckham, Susan Lenczewski, John Mulè, Mansco Perry, and Louise Sundin

Called to order 9:30

**Executive Director Announcement**

Zins announced that Jay Stoffel has been offered the job of Executive Director of TRA and will start the job on September 1, 2017.

**2.a. Approval of minutes**

It was moved by Supple and seconded by Anderson to approve the minutes from the June 21, 2017 meeting with corrections. The motion passed unanimously by the Board.

**3.a. TRA Actuarial Status Update**

TRA actuaries Banister and Beckham of Cavanaugh Macdonald presented preliminary valuation results for Fiscal Year 2017. Preliminary estimates indicate that TRA’s market value of assets at 6/30/17 was $21.2 billion. TRA’s actuarial value funded ratio of 76.7% is based on an 8.5% return assumption. TRA’s actuarial value funded ratio of 72.8% is based on an 8.0% return assumption. TRA’s actuarial value funded ratio of 69.1% is based on a 7.50% return assumption.
Also reviewed were projection graphs that showed contribution rate stabilizer provisions, projection of funding ratios in 30 years. Using an 8.0% assumption, the ratio is projected to be 71% while using a 7.5% assumption the rate the rate is projected to be 50%.

4. SBI Update
State Board of Investment Executive Director Mansco Perry noted that the return for fiscal year 2017 was 15.1%. SBI’s performance this year primarily came from robust stock markets. Returns over the past 20 years have averaged 7.2%. Perry said SBI has a very aggressive asset allocation – with an 80% equity/20% bond allocation. At the IAC meeting in September SBI will look at and possibly change the frame work for its asset allocation. Perry noted that 65% of SBI’s past returns have been double digit. Perry answered questions from board members.

5.a. TRA Trends and Comparisons
Stoffel presented ten-year trend information related to TRA demographics, actuarial condition, and finances, and comparisons to other funds in the country and in Minnesota. He discussed active membership count and retiree membership count by age. TRA has 1,634 retirees over age 90 and 100 of them are over age 100. The active member population remained steady at about 77,000 between 2008 and 2014. In 2016, the number of working educators exceeded 80,000. The retiree population has increased from 46,538 in 2007 to 63,503 in 2016. In order for TRA to cover monthly benefit payments it needs to have $150 million in investment earnings each month. Stoffel also presented a chart showing benefits as a percentage of assets, as well as charts on funded ratios for TRA vs. state and local plans nationwide. Information comparing TRA to PERA and MSRS illustrates more of TRA’s liabilities are with the retired population. Stoffel also reviewed information on Retirement Security and TRA income replacement. Stoffel went over some demographic trends and whether they had a potential positive or negative effect on the fund.

- The large baby boom generation eventually will complete its active lifecycle through the TRA system. (+)
- However, the retiree boomer bulge will last for about 30-35 more years. (-)
- Increased life expectancies mean current and future retirees likely will receive benefits longer. (-)
- The current generation of educators is choosing to work longer. (+)
- The size of the education workforce might remain the same or outside pressures (charter schools, privatization and/or non-TRA contributing at-will hires) might result in fewer paying into TRA. (+/-)
- Student enrollment (population) trends. (+/-)
6.a. Communication Strategies
Barbieri reviewed the handout on ongoing communications work with the Publications staff and the ongoing communications – “Getting into the field” with the member contact staff, executive team. Executive staff had 25 opportunities to speak to stakeholder groups. Member education made over 30 presentations or participated in benefit fairs, as well as hosting webinars – with approximately 30 attendees per event.

TRA collaborated with PERA and MSRS to create an introductory video primer on Minnesota public pensions. Staff updated “Paycheck of the Future”. Staff will make the Make Employer Guide online-only and organize it in user-friendly format to better serve school district staff with specific questions.

New initiatives to reach young members include:
- Redesign logo
- Redesign, color code brochures/handouts to align with life stages organizing principles
- Redesign public-facing website

Zins suggested actively working with school systems to find out if we could link the TRA website to their systems. M. Thompson suggested hiring a fulltime person who is dedicated to this initiative of reaching those under 45 years of age – we need to get ideas from other places besides other pension funds to learn how to reach younger people. Zins also noted that we need to deliver our message in a different way from print versions.

7. Public Comments
Sundin noted that this week Minneapolis has new teacher orientation and will be greeting about 150 new teachers in Minneapolis. Minneapolis retired 108 teachers. For those thinking about communication, maybe connect with labor retiree groups – that happen to be thinking about new messaging. Over the last 10 years there was an increase of 48% in retirees that became homeless.

8. Board Member Discussion – Board Evaluation and goal setting
Board members reviewed survey results from the annual review of board operations and discussed setting board goals for the coming year.

9. Dates of next meetings
September 20, 2017, 9:30 a.m. – Board of Trustees
November 14, 2017, 9:30 a.m. – Audit Committee
November 15, 2017, 9:30 a.m. – Board of Trustees
December 13, 2017, 9:30 a.m. – Board of Trustees

Adjourn
The meeting adjourned at 2:13 p.m. with a motion by Anderson, seconded by Supple and a unanimous vote by the Board.

Attest:

_________________________________
Laurie Fiori Hacking
Executive Director

_________________________________
Martha Lee Zins
President