

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION**  
**Minutes of the Board of Trustees**  
**November 14, 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 and Marshall Thompson

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

Legal Representative: Kathy Woodruff from the Office of the Attorney General.

Others: Joan Beaver, Lonnie Duberstein, Paul Ehrhard, Charles Hellie, Curt Hutchens, Walt Munsterman, Rodney Rowe, and Louise Sundin.

Called to order at 9:30 a.m.

**2.a. Approval of Minutes**

It was moved by Supple and seconded by Thompson to approve the minutes from the September 19, 2018 meeting, with corrections. The motion was passed unanimously by the Board.

**4.a. Audit Committee Report/Audit Charter Approval**

Thompson reported that the Audit Committee met on November 13, 2018 and received updates on the current audit initiatives.

Thompson moved on behalf of the committee with a committee second, to recommend to the Board to include Amy Jorgenson as the MMB representative to the TRA Audit Committee with a committee second. The motion was passed unanimously by the Board.

Thompson noted that the Audit Committee Charter has been divided into two documents, the TRA Audit Committee Charter and TRA Internal Audit Charter.

Thompson moved on behalf of the committee with a committee second to approve the TRA Audit Committee Charter with one modification and also the TRA Internal Audit Charter with a committee second. The motion was passed unanimously by the Board.

#### **4.b. Improved Money Purchase Rate Approval**

Wicklund said the Board is required every year to approve a rate used for accounts eligible for the improved money purchase annuity. There are two active and fifteen inactive members in this program. TRA has calculated and proposes a 2.50 percent rate for fiscal year 2018.

It was moved by Anderson and seconded by Baumann to adopt the 2.50 percent Improved Money Purchase Rate for the coming year. The motion passed unanimously by the Board.

#### **4.c. Board of Trustees Election: Process/Procedures**

Wicklund noted that the 2019 Board election process is now in the procurement phase. The request for proposal for election services was announced in the State Register. The Request for Proposal responses are due December 17. The deadline for candidates to apply is December 21. At this point we have not received any applications. Wicklund reviewed the proposed business rules and schedule for the 2019 Board of Trustees Election process.

Supple moved, Moore seconded, to approve the Board election process and business rules described. The motion passed unanimously.

#### **4.d. Website Analytics**

Barbieri reviewed engagement metrics since releasing the redesign of the TRA website. This data shows the number of people that visit the website in a given period of time, how long they stay, what pages they view, what sites sent them to us and what devices they're using. Thompson suggested that staff develop a search bar for the TRA website.

#### **4. e. NCTR Annual Conference – Review**

Stoffel noted some highlights and reviewed notes of the conference sessions.

### **5 Legislative Update**

Stoffel noted that there is little to report at this time. Results of the recent election were reviewed. He noted that a House member will chair the LCPR for the next two years.

#### **6.a. Investment Update**

Wicklund reviewed the fiscal year 2018 investment return and inflation analysis report included in the Board packet. He also reviewed the fiscal year 2019 report and noted that the fiscal year to date return was -1.42 percent on assets of \$21.53 billion.

### **6.b. Administrative Update**

Stoffel provided an update on some staffing changes at TRA. It was previously reported that Rachel Barth was hired as Legal/Legislative Director. The retirement systems have also hired a new Human Resources Director, Nicole Miner. Stoffel noted that Mansco Perry, Executive Director and Chief Investment Officer for the State Board of Investment, will be receiving a Lifetime Achievement award at the ninth annual Chief Investment Officer Innovation Awards banquet in New York City on December 13.

Maurer reviewed the October issue of Inside TRAck, which included information on TRA rebranding, the state Combined Charities Campaign, Department Spotlight - technical operations and Achievement Awards.

Wicklund and Maurer provided an update on modification to the Duluth field office noting that MSRS and PERA staff will be moving into the Duluth office in January 2019.

Stoffel updated the Board on the Strategic Planning process. We have identified four goals and seven strategies. Currently staff is are drafting action plans. Another update will be provided to the Board at the January meeting.

### **6.c. Upcoming meetings and presentations**

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

### **6.d. Assistant Attorney General Update**

Woodruff said that she expects the Kuehne appeal to be argued at the Court of Appeals by the time of the January TRA Board meeting.

## **7 Public Comments**

Louise Sundin (Minneapolis Committee of 13) - Sundin shared with the Board a handout she received at a meeting on how public services impact the economy of the state and local communities. We need to expand on how important we are in the communities.

Curt Hutchens (EdMN Retired/REAM) – Rachel Barth is very knowledgeable on retirement issues and is an excellent addition to TRA staff. The bond rating agency factor should be included in the report presented to the Omaha retirement system.

Joan Beaver (EdMN Retired) – It is important to talk about pensions; the 2018 legislation isn't a final fix and we need to continue to monitor the situation.

Chuck Hellie (EdMn Retired/REAM) – The bond rating agency issue helped us get a unanimous vote in all the committees, and both the House and the Senate. That was an important factor.

Lonnie Duberstein (REAM) – Would like to commend the TRA Board for coordinating the strategic planning process. Would like to commend Tim and his employees on the Data Loss Prevention Plan. It is critical in this day and age. He also noted that there is a nice article on Luther Thompson in the REAM newsletter.

Paul Ehrhard (REAM) – one of the goals for REAM is to increase the retiree membership on the TRA Board by one. We hope to have the cooperation from the present Board.

### **8 Dates of next meetings**

January 23, 2019, 9:30 a.m. – Board of Trustees

March 19, 2019, 9:30 a.m. – Audit Committee

March 20, 2019, 9:30 a.m. – Board of Trustees

June 11, 2019, 9:30 a.m. – Audit Committee

June 12, 2019, 9:30 a.m. – Board of Trustees

### **9 Adjourn**

The meeting adjourned at 11:25 a.m. with a motion by Broderick, seconded by Moore and a unanimous vote by the Board.

---

J. Michael Stoffel  
Executive Director

---

Martha Lee Zins  
President