

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
Minutes of the Board of Trustees
March 20, 2019

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 (via phone), Will Baumann (via phone), Mary Broderick, Paul Moore, Joel Stencel, Mary Supple and Marshall Thompson.

TRA Staff: Rachel Barth, 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, Andrea Cox, Paul Ehrhard, Chuck Hellie, and Mark Schmiesing.

Called to order at 9:30 a.m. Zins took a roll call vote to identify those present and those by phone.

In person: Zins, Broderick, Moore, Stencel, Supple and Thompson.

Via Phone: Anderson and Baumann.

Zins added the following items to the agenda:

- Legislative Update –
 - 4.b. Update on NIRS conference and NCTR Legislative Committee meeting

- Directors Report -
 - 5.e. Information received from a TRA member

1.a. Approval of Minutes

It was moved by Broderick and seconded by Moore to approve the minutes from the January 23, 2019 meeting. A roll call vote was taken. The motion was passed unanimously by the Board.

2.a. TRA Board Election Update

Wicklund provided an update on the TRA Board election. The ballots were mailed March 15, 2019. Emails were sent to active members who have a valid email address with TRA. We received 556 votes over the weekend. The election has also been announced on the TRA web site and in social media. In two weeks a reminder email will be sent to members who have not yet voted. Final results will be announced at the June 12th Board meeting.

3.a. Audit Committee Report

Thompson reported that the Audit Committee met on March 19, 2019. The committee heard a very good security update from TRA CISO David Anderson. Results from a risk assessment questionnaire were reviewed. Recently issued audit reports and compliance reviews were also received.

3.b. Board Meeting Calendar – FY2020

Stoffel reviewed information regarding potential board meeting dates in fiscal year 2020. The board discussed possible meeting dates.

It was moved by Moore and seconded by Stencel to approve the fiscal year 2020 board meeting dates as follows: board retreat on August 14, 2019, regular board meetings on September 18, 2019, November 21, 2019, January 8, 2020, March 18, 2020 and June 17, 2020; audit committee meetings on August 13, 2019, November 20, 2019, March 17, 2020, June 16, 2020. A roll call vote was taken. The motion passed unanimously.

3.c. Actuarial Consulting Services, contract extension FY 20-21

Wicklund reviewed information pertaining to extension of the actuarial contract with Cavanaugh MacDonald. The current 3-year contract ends on June 30, 2019, and we have an option to extend the contract for an additional two years, ending June 30, 2021. The amount for FY20 would be \$128,000 and the amount for FY21 would be \$131,000.

It was moved by Supple, seconded by Moore, to approve a two-year extension of the contract for actuarial services, as proposed. The fiscal year 2020 amount for the contract will be proposed as part of TRA's operational budget at the June 12, 2019 meeting. A roll call vote was taken. The motion passed unanimously.

3.d. Board of Trustees History

Stoffel reviewed a document containing the record of the TRA board structure, dating back to 1915.

3.e. Limited Medical Assistance Fund Report

Maurer reviewed information showing details of the distributions from the Limited Medical Assistance Fund in 2018.

4.a. Legislative Update

Stoffel reviewed the 2019 Legislative brochure that was created by the three fund directors. This brochure was developed primarily for meetings with individual legislators. Barth noted that the LCPR has met three times this session.

4.b. Update on NIRS conference and NCTR Legislative Committee

Thompson noted that he recently attended the NCTR Legislative Committee in Washington DC, noting it was a very interesting experience. Thompson also gave a brief summary from the NIRS conference that he attended.

5.a. Investment Update

Stoffel reviewed a memo summarizing recent actions of the Investment Advisory Council (IAC) and the State Board of Investment (SBI). Included was a summary of asset allocation and investment performance for time periods ended December 31, 2018. Stoffel noted that SBI reappointed three members and approved two new members to serve on the IAC, whose terms all expire January 2023.

Wicklund reviewed the fiscal year 2019 investment return and inflation analysis report included in the board packet.

5.b. Administrative Update

Maurer reviewed the February and March issues of Inside TRAck, which included information on the office remodel, the Duluth office update, new factors from 2018 legislation in the production environment of .NET, staff updates, update on the number of applications that have been received at TRA, staff training coordinator update, and a cleaning up on TRA's new branding - making sure the old logo has been replaced with the new logo. The 2019 bill tracker is now available in SharePoint.

Stoffel updated the Board on the TRA Board handbook and possible changes. Stoffel also updated the Board on TRA staffing vacancies.

5.c. Upcoming meetings and presentations

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

5.d. Assistant Attorney General Update

Woodruff noted that by the June meeting we will have a decision on the Kuehne appeal.

5.e. Information Received from a TRA member

Zins noted that she received a call from a retired TRA member. The member was very pleased and wanted express to the Board and staff his appreciation for what TRA does for the members of TRA.

5.f. Board Retreat – Proposed Agenda

Stoffel reviewed possible topics for the August 14, 2019 Board retreat. The consensus was to include the following topics on the Board Retreat agenda: 1) TRA actuarial status update; 2) Review of experience study results; 3) SBI update; 4) TRA trends/comparisons and list of what's next; 5) Communications; 6) Board annual review and 7) update on review of statutory provisions.

6. Public Comments

Paul Ehrhard (REAM) – thanked the board and Jay for the use of room 106 for the REAM midyear legislative conference. Attendance wasn't what REAM hoped for but the weather played a part in that. Stoffel and Barth were able to attend as guests. REAM is preparing for the Lake Elmo Conference and is launching a new upgrade to "Your Membership" on-line.

Joan Beaver (EdMN Retired) – thanked Stoffel and Barth for speaking to REAM and Education MN Retired members at the REAM legislative conference. She complimented TRA on the legislative brochure, said it is very interesting, a nice compilation of information especially for legislators who are new or not informed about pensions. Walt Munsterman and Julie Jagusch met with six of the pension commissioners a few weeks ago. We really didn't have any asks this year but had interesting conversations. One legislator expressed concern that his constituents wonder why we should be supporting public pensions when they don't have pensions. Sandy Pappas is talking about having some sort of retirement security plan for all Minnesotans. This might be a very interesting way for us to help support our public pensions. Education Minnesota Retired will be holding an event on April 2, 2019 and

would like to have copies of the 2019 Legislative brochure to hand out. It would help our participants to have a concise understanding. Beaver attended the MEA Leadership Summit and Retiree Conference last weekend – this was a national conference and there was a lot of discussion among retirees about pension plans.

Chuck Hellie (REAM and EdMN Retired) noted that he really liked the 2019 legislative brochure.

Mark Schmiesing (Ed MN) – expressed big thanks for all TRA does and keep up the good work.

7.0. Dates of next meetings

June 11, 2019, 9:30 a.m. – Audit Committee
June 12, 2019, 9:30 a.m. – Board of Trustees
August 13, 2019, 9:30 a.m. – Audit Committee
August 14, 2019, 9:30 a.m. – Board Retreat
September 18, 2019, 9:30 a.m. – Board of Trustees
November 20, 2019, 9:30 a.m. – Audit Committee
November 21, 2019, 9:30 a.m. – Board of Trustees
January 8, 2020, 9:30 a.m. – Board of Trustees
March 17, 2020, 9:30 a.m. – Audit Committee
March 18, 2020, 9:30 a.m. – Board of Trustees
June 16, 2020, 9:30 a.m. – Audit Committee
June 17, 2020, 9:30 a.m. – Board of Trustees

8.0. Adjourn

On a motion by Thompson, seconded by Broderick, a roll call vote was taken and by unanimous vote the meeting adjourned at 11:09 a.m.

J. Michael Stoffel
Executive Director

Martha Lee Zins
President