

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
NOVEMBER 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: Will Baumann, Luke Olson, Melissa Lam Young, Mary Supple, Joel Stencil and Marshall Thompson (Absent: Denise Anderson)

TRA Staff: David Anderson, Rachel Barth, Carol Diedrich, Tim Maurer, Jay Stoffel and John Wicklund

Legal Representatives: Kathy Woodruff

Others: Joan Beaver, Karna Brewer, Siegfried Brewer, Chuck Hellie, John Huisman, Curt Hutchens, Walt Munsterman, Larry Risser and Rodney Rowe.

1. Called to order at 9:30 a.m. President Zins noted that, without objection, the agenda will be revised to include a report on the NCTR Annual Conference under agenda item 7.

2. Seating of New TRA Board Member – President Zins introduced Melissa Lam Young, Minnesota Management & Budget designee.

It was moved by Olson and seconded by Supple to seat Melissa Lam Young on the TRA Board of Trustees. The motion passed unanimously.

3. Approval of Minutes of Board meeting on September 18, 2019

It was moved by Thompson and seconded by Baumann to approve the minutes of the September 18, 2019 meeting. The motion passed unanimously.

4. Old Business

No old business to report

5.a. Audit Committee Report

Thompson reported that the Audit Committee met on November 19, 2019. The committee reviewed the Audit Committee Charter and Internal Audit Charter, and approved some changes and corrections to both documents. They also reviewed the FY2020 annual audit report and

audits of annual base salary, cash receipts, expense reimbursements, and administrative expenses.

Thompson moved to approve the Audit Committee Charter and Internal Audit Charter with modifications with a committee second. The motion passed unanimously by the Board.

5.b. Improved Money Purchase Rate Approval

Wicklund noted that the Board is required every year to approve an improved money purchase annuity rate for eligible accounts. There are two active and thirteen inactive members remaining in this program. TRA has calculated and proposes a 2.75 percent rate for fiscal year 2019.

It was moved by Olson and seconded by Supple to adopt the 2.75 percent Improved Money Purchase Rate for fiscal year 2019. The motion passed unanimously by the Board.

6.a. Legislative Update

Barth noted that staff is preparing an administrative bill for the 2020 session. It will include provisions that will provide clarification, remove obsolete references, and to correct some incorrect statutory references.

6.b. LCPR Cost of Living Adjustment Study

Stoffel noted that the 2018 pension bill contained a provision requiring pension commission staff to conduct a study of the cost of living adjustment in the public funds. The report to the legislature is due by the end of December 2020. LCPR staff recently called a meeting on this topic with retirement system staff. The executive directors and staff from the four major retirement funds were invited to participate in the study. All have agreed to assist LCPR staff with research, but it will be a report by the LCPR staff.

7.a. Executive Director's Report

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

7.b. Financial Update

Wicklund reviewed the fiscal year 2019 investment return and inflation analysis report.

7.c. Administrative Update

Maurer reviewed the October and November issues of Inside TRAck, which included information on the remodeling update, fraud awareness week, 2019 Combined Charities Campaign, video project, TRA Outreach, training and staff development and staffing updates.

7.d. Assistant Attorney General update

Woodruff noted that there is nothing to report at this time.

7.e. NCTR Annual Conference Report

It was noted that Thompson was elected to a three year term on the NCTR executive committee. Olson, Anderson, Thompson and Stoffel attended the conference. Thompson noted that there were many good presentations this year.

8. Public Comments

Walt Munsterman (EdMN Retired) – He noted that he has the opportunity to make presentations on public pensions – he is using the TRA handout showing how the money that goes to legislative districts. This is a powerful piece and TRA will probably be receiving phone calls from other states regarding this handout.

Karna Brewer (REAM) - She thanked TRA Board and staff for the efforts given for the benefit of retired educators.

John Huisman (REAM) - recently elected to the REAM board, here to listen and learn.

Chuck Hellie (REAM) - The TRA handout that Munsterman referred to was given to all of the MN senators and representatives.

Larry Risser (Minneapolis Committee of Thirteen) - appreciates the discussions, it is all interesting. What historically might be the relationship between CPI and market returns.

Curt Hutchens (REAM/EdMN Retired) – stated his interest in the COLA study; expressed appreciation to Jay, John, and Rachel for their presence at meetings held around the state; and made positive comments about the TRA handout showing total pension benefits paid in legislative districts.

Joan Beaver (EdMN Retired) – Noted that it was very interesting to hear the discussion about the upcoming COLA study. Glad to see that you are tuned into this topic.

Rodney Rowe (EdMN) – complimented the board members.

9. Dates of Future Meetings

President Zins announced the upcoming meetings.

10. Adjourn

The meeting adjourned at 10:46 a.m. with a motion by Supple, seconded by Young and a unanimous vote by the Board.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President