

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION  
MINUTES OF THE BOARD OF TRUSTEES MEETING  
SEPTEMBER 18, 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, Will Baumann, Luke Olson, Paul Moore, Joel Stencil and Marshall Thompson (Absent: Mary Supple)

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

Legal Representatives: Ian Welsh and Kathy Woodruff

Others: Joan Beaver, Curt Hutchens and Dr. Abbas Mehdi

**1. Called to order at 9:30 a.m.** President Zins noted that, without objection, the agenda will be revised to include the Audit Committee Report under agenda item 5.

**2. Seating of New TRA Board Member** – postponed until further notice. A resolution in appreciation of Paul Moore and his service on the TRA was reviewed. It will be submitted to the National Council on Teacher Retirement for consideration of resolutions to be approved at the annual conference.

**3. Approval of Minutes of retreat on August 14, 2019**

It was moved by Olson and seconded by Anderson to approve the minutes of the August 14, 2019 retreat, with changes. The motion passed unanimously.

**4. Member Appeal**

Welsh noted to the Board that the petitioner submitted additional documents for the Board's consideration past the statutory deadline. TRA's Executive Director agreed to allow the submission of the additional documents.

It was moved by Thompson and seconded by Anderson to include the additional documents into the record. Motion passed unanimously.

Dr. Mehdi appeared before the Board to appeal the Executive Director's decision to deny his request to purchase service credit for a general leave of absence.

After presentations by Dr. Mehdi, TRA staff and TRA staff counsel, and questions and discussion by the Board, Thompson moved 1) to deny the petition and 2) that the Board's attorney draft an order to this effect and a memorandum of law setting the reasons for the Board's decision. The motion was seconded by Zins and was passed unanimously.

Thompson moved to direct TRA staff to advocate on behalf of Dr. Mehdi at the legislature. The motion was seconded by Baumann.

Zins asked that the motion be brought up during the regular board meeting, not during the appeal. Thompson withdrew the motion.

### **5.a. Actuarial Assumption Changes**

Stoffel and Wicklund reviewed a memo regarding changes to three demographic assumptions, as recommended in the experience study report from Cavanaugh Macdonald dated June 28, 2019. These recommendations were initially presented and reviewed by the actuaries at the August 14 Board retreat.

It was moved by Olson to approve the assumption changes recommended by Cavanaugh Macdonald Consulting as presented in the experience study report dated June 28, 2019, specifically pertaining to: 1) pre-retirement mortality (Table A); 2) termination of employment (Table B); and 3) optional annuity form election (Table C); effective with the July 1, 2020 actuarial valuation. The motion was seconded by Moore and passed unanimously by the Board.

### **5.b. Audit Committee Report**

Thompson reported that the Audit Committee met on August 13, 2019. The committee reviewed: an External Quality Assessment report; the final internal audit annual report for fiscal year 2019; the current internal audit annual report for fiscal year 2020; audit reports issued since June 2019; and the report on data protection reviews.

### **6.a. Review of Executive Director performance/salary**

Zins reviewed feedback from Board members on the Executive Director performance.

It was moved by Thompson and seconded by Anderson to provide for general salary increases effective on July 1, 2019, and on July 1, 2020, by increasing the salary of Executive Director Jay Stoffel at a percentage consistent with the FY2020-FY2021 Managerial Plan language regarding general salary increases. Any such increases shall be retroactive to the effective date in the Managerial Plan. The motion passed unanimously by the Board.

It was moved by Moore and seconded by Baumann to provide a performance based increase, as defined by the Managerial Plan, to the salary of Executive Director Jay Stoffel. His salary will be increased by 3.5 percent consistent with the language detailed in the Managerial Plan as a satisfactory performance evaluation for Jay Stoffel has been completed and is on file with the Retirement Systems Human Resource Office. The motion passed unanimously by the Board.

**6.b. Selection of delegates for NCTR annual conference**

Zins noted that the NCTR conference is scheduled for October 13 – 15, 2019 in Nashville, TN. NCTR requested that all member systems designate delegates to represent TRA at the annual business meeting of the NCTR.

It was moved by Olson and seconded by Baumann to designate Thompson and Anderson as delegates for the NCTR annual business meeting. The motion was passed unanimously.

It was moved by Anderson and seconded by Baumann to designate Olson as the alternate Delegate for the NCTR business meeting. The motion was passed unanimously.

**6.c. Retreat evaluation results/Board study of issues**

Zins discussed with the Board their thoughts of the Board retreat held on August 14, 2019 and to encourage Board members to think about ideas for the next retreat. She also noted the idea of adding an item to the regular meeting agenda for in-depth review of topics of interest to the Board, or analysis from the staff on areas of interest.

**7. Legislative Update**

Barth noted that there may likely be a TRA administrative bill in the 2020 session. Ideas have been solicited from the staff and a summary will be reviewed at an upcoming Board meeting.

**8.a. Executive Director's Report**

Stoffel reviewed a memo summarizing recent actions by the Investment Advisory Council and the State Board of Investment. Included was a summary of asset allocation and investment performance for time periods ended June 30, 2019. New private market commitments were also reviewed.

**8.b. Financial Update**

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

**8.c. Administrative Update**

Maurer reviewed the July and September issues of Inside TRAck, which included information on the experience study, audit peer review, data protection wrap-up, Keeper icon change, GFOA award, new St. Cloud office, fraud awareness week, and staffing updates.

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

**8.d. Assistant Attorney General update**

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

**9. Public Comments**

Joan Beaver (EdMN Retired) – Thanked Moore for speaking at one of the regional Education MN Retired meetings recently. The group appreciated his very intelligent input and his human considerations. Good to hear there is little change to actuarial assumptions.

**10. Dates of Future Meetings**

**11. Adjourn**

The meeting adjourned at 12:13 p.m. with a motion by Moore, seconded by Baumann and a unanimous vote by the Board.

Attest:

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J. Michael Stoffel  
Executive Director

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Martha Lee Zins  
President