

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
JANUARY 8, 2020**

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 (via phone), Luke Olson, Melissa Lam Young, Mary Supple, Mary Cathryn Ricker, Joel Stencel and Marshall Thompson

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

Legal Representatives: Kathy Woodruff

Others: Ben Mobley, Patrice Beckham (via phone), Joan Beaver, Lonnie Duberstein, Paul Ehrhard, Chuck Hellie, John Huisman, Timothy Moynihan, and Mark Schmiesing.

1. Called to order at 9:30 a.m.

2.a. Approval of Minutes of Board meeting on November 20, 2019

It was moved by Olson and seconded by Supple to approve the minutes of the November 20, 2019 meeting with corrections. A roll call vote was taken. The motion was passed unanimously by the Board.

4.a. Commissioner of Education, Mary Cathryn Ricker

Denise Anderson introduced Mary Cathryn Ricker, Commissioner of Education. Ricker addressed the board on her priorities at Department of Education and how they may compliment what TRA is working towards. Ricker answered questions from Board members.

4.b. Review of July 1, 2019 Actuarial Valuation – Cavanaugh Macdonald

Ben Mobley and Patrice Beckham (via conference call) from Cavanaugh Macdonald, presented highlights and results from the July 1, 2019 actuarial valuation report. Mobley also reviewed the disclosures and measures of risk required by Actuarial Standards of Practice 51, and presented results of the GASB 67 valuation report for the year ended June 30, 2019. Stoffel reviewed a chart and graph showing the six-year history of results of GASB 67 disclosures.

4.c. CAFR review/OLA Report

Stoffel began by noting that TRA received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. TRA also received the Public Pension Standards Award for Funding and Administration for 2019 from the Public Pension Coordinating Council. Wicklund reported that TRA received an unmodified audit opinion noting this is the highest approval that can be given. Stoffel and Wicklund reviewed the financial statements, the notes to the financial statements and selected pages contained in the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019.

4.d. Limited Medical Assistance Trust

Maurer reviewed information showing details of the distribution from the Limited Medical Assistance Fund in calendar 2019.

4.e. Consumer Price Index Primer

Stoffel reviewed a paper he had prepared at the request of the board pertaining to the Consumer Price Index (CPI), specifically CPI-U, CPI-W, and CPI-E.

5.a. Legislative Update

Barth reviewed a section by section summary of a proposed administrative bill developed by TRA staff for the 2020 legislative session.

A motion was made by Thompson and seconded by Young to approve the proposed TRA 2020 administrative changes and direct staff to seek legislation. A roll call vote was taken. The motion was passed unanimously by the Board.

Barth reviewed a provision in the 2020 MSRS administrative bill pertaining to the appeal of provisions allowing partial repayment of refunds. She also reviewed a LCPR staff proposal that would authorize executive directors to reject rollovers and transfers if they would put the plan's tax-qualified status in jeopardy. She noted that both of these changes would affect TRA.

6.a. Executive Director's Report

Stoffel reviewed a memo showing SBI asset allocation and investment performance as of September 30, 2019, and listing seven private markets commitments approved by the SBI. He also reported that the SBI approved a proposal from SBI staff to seek legislation related to expanded investment authority. He said the IAC had unanimously approved the proposal.

Stoffel reviewed survey results from the National Institute on Retirement Security on "What do Teachers Think About Their Jobs and Pensions?" He also reviewed a recent article from the National Council on Teacher Retirement pertaining to passage of the SECURE Act.

Stoffel noted that TRA staff is recommending that TRA Board member personal information be removed from the TRA website and TRIB newsletter. The Board agreed and asked staff to bring ideas for consideration that would allow members to communicate with board members.

6.b. Financial Update

Wicklund reviewed the fiscal year 2020 investment return and inflation analysis report.

6.c. Administrative Update

Maurer reviewed the December issue of the Inside TRAck, which included information on the FY2019 funding ratio, building improvements, remodeling update, My Messages feature, and a new business moving in next door.

6.d. Assistant Attorney General Update

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

7. Public Comments

Chuck Hellie (REAM) – received a phone call from a retired educator from North St. Paul who was upset about the lower 1% COLA.

Mark Schmiesing (Education MN) – would like to thank the Board for all their good work.

8. Dates of Future Meetings

President Zins announced the upcoming board and committee meetings.

9. Adjourn

The meeting adjourned at 12:46 p.m. with a motion by Supple, seconded by Denise Anderson. A roll call vote was taken. The motion was passed unanimously by the Board.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President