

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION  
MINUTES OF THE BOARD OF TRUSTEES MEETING  
MAY 13, 2020**

**MEETING HELD VIA WEBEX DUE TO COVID-19**

Board President Martha Lee Zins called the meeting to order at 9:30 a.m. During the meeting, Zins was in TRA Board room 414. Those attending in addition to Zins were:

Board members: Denise Anderson, Will Baumann, Luke Olson, Melissa Lam Young, Mary Supple, and Joel Stencel, all participating remotely via WebEx.

TRA Staff: In attendance in TRA board room 414 were Rachel Barth, Carol Diedrich, Tim Maurer, Sonja Parr, Jay Stoffel and John Wicklund. In attendance remotely via WebEx were David Anderson and Leslie Nagel.

Legal Representatives: Kathy Woodruff, in TRA board room 414

Others: all attending remotely via WebEx were Joan Beaver, Lonnie Duberstein, John Janotta, Timothy Moynihan, Walt Munsterman, Diane O'Brien, Mark Schmiesing, and Louise Sundin

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

**2.a. Approval of Minutes of Board meeting on January 8, 2020**

It was moved by Supple and seconded by Denise Anderson to approve the minutes from the January 8, 2020 meeting with corrections. A roll call vote was taken. The motion was passed unanimously by the Board.

President Zins noted, without objection, to place agenda item 4D ahead of all other agenda items. There was no objection.

**4.d. Board Vacancy**

Zins noted that Marshall Thompson resigned from the TRA Board of Trustees effective April 15, 2020. Zins asked Supple to fill the position of Vice President through June 30, 2020. There being no objection by the Board, Supple will fill the role for the remainder of fiscal year 2020. Supple will also, by virtue of office, fill in on the Audit Committee through June 30, 2020.

Stoffel, Zins, and Woodruff reviewed the process for filling the vacancy on the Board.

#### **4.a. COVID 19 – TRA Readiness and Response**

Stoffel reviewed the memo in the board packet pertaining to COVID 19 – TRA Readiness and Response. Stoffel noted that the transition of equipping employees to work at home went very well in a very short period of time. Certain TRA staff are in the office to process mail and receipts. The April and May benefit payments have been made on time. Several refund batches have been processed. We are keeping up with incoming retirement applications and counseling sessions.

Stoffel also reported that staff recently completed the programing and testing of a new communication platform that will allow members to receive individualized retirement counselling via WebEx. This new communication tool will allow members and counsellors to share, transmit, view documents in a secure environment. This was on the project list but due to the COVID-19 situation, administration determined to move this to a top priority and asked managers and staff to delay other work. Members have been very appreciative of the ability to work with retirement counsellors by phone or via WebEx.

The trustees acknowledged the efforts of the staff and noted their appreciation for the wonderful work being done by TRA staff during this pandemic crisis.

#### **4.b. Audit Committee Report**

Vice Chairperson Denise Anderson reported that the Audit Committee met on May 12, 2020. The committee reviewed the Audit Committee Charter and the Internal Audit Charter. A security update was presented by David Anderson. The committee received updates on the CY2020 risk questionnaire and two audits that were completed. Vice Chairperson Denise Anderson will continue to serve as chair of Audit through June 30, 2020 because of the resignation of former chair Marshall Thompson.

#### **4.c. Board Member Handbook – Updates**

Wicklund noted that new handbooks were mailed to Board members along with the Historical Reference Guide. We will be updating both documents annually in January and make them available to Board members in February or March. The format was well received.

#### **4.e. Schedule of FY2021 Board meetings, Audit Committee, Training**

Stoffel reviewed information regarding potential board meeting dates in fiscal year 2021. The board discussed possible meeting dates.

It was moved by Stencil and seconded by Supple to approve the fiscal year 2021 board meeting dates as follows: board retreat on August 19, 2020, regular board meetings on September 23, 2020, November 18, 2020, January 20, 2021, March 10, 2021 and June 16, 2021; audit committee meetings on August 18, 2020, November 17, 2020, March 9, 2021, June 15, 2021. A roll call vote was taken. The motion passed unanimously.

#### **4.f. Potential Retreat Topics – August 2020**

Stoffel reviewed the memo regarding potential topics to include on the agenda for the Board Retreat on August 19, 2020. After discussion the following topics will be on the agenda.

- TRA actuarial status update – presentation by TRA actuaries
- SBI update – presentation by Mansco Perry
- Trends and Comparisons – staff presentation
- Fiduciary responsibility training
- Board vacancy - appointment
- Board annual review

#### **4.g. Facilities Management Committee – Report**

Wicklund reviewed topics discussed at the FMC meeting held on April 14, 2020. Wicklund reported the FMC approved the FY2021 revenue and operating expense budgets: income from leases and parking fees \$626,080, expenses for the building \$2,116,900. Projects for the year include replacement of hot water heaters, repairs to stairwells in parking ramp, and building security and an architectural study for a first-floor all gender restroom and lactation room. Building occupancy is 100%. TRA's share of the building is 36 percent.

Wicklund discussed office lease with the Secretary of State office. Said lease will not be renewed when it expires June 30, 2021, so only pensions and SBI will occupy the building after that date. Both MSRS and the State Board of Investment are looking for additional workspace for their future needs. There have not been any updates about the cafeteria situation. Currently the building cafeteria area only contains vending machines.

There are no updates regarding the legal ownership of the building once the building bonds are paid off in 2025. Currently the state holds the building for the pensions.

The wiring and equipment for the enhanced cell phone receptivity has been installed in our building. The project is waiting for completion of wiring the remaining Capitol Complex buildings in the project.

#### **4.h. Fiscal Year 2021 Revenue & Expenditure Budget**

Stoffel and Wicklund presented the fiscal year 2021 administrative budget, with a description of expenditure categories. The requested revenue budget for FY2021 is \$865,737,000 and the operating expense budget of \$1,980,781,000 will cover benefit payments and administrative expenses. A more detailed itemization of budgeted expenses followed: \$1,940,000,000 for annuities and benefits, \$20,000,000 for refunds, \$2,132,000 for SBI investment expenses and \$18,649,000 for administrative costs.

The remodel project has been placed on hold due to the COVID 19 situation. Staff will work with architects and space planners to determine what the office of the future should look like with social distancing and employee traffic flows.

It was moved by Supple and seconded by Olson to approve the fiscal year 2021 revenue budget of \$865,737,000 and the fiscal year 2021 operating expense budget of \$1,980,781,000. A roll call vote was taken. The motion was passed unanimously by the Board.

#### **5.a. Legislative Update**

Barth updated the Board on pertinent legislative activity, noting that the Legislative Commission on Pensions and Retirement met in the morning for the purpose of approving the final pension bill that will move forward. The bill was approved by the Commission and contains all TRA administrative provisions.

#### **6.a. Report from President**

Zins encouraged the Trustees to contact any active members that may be interested in filling out an application to be considered for appointment to the Board to fill the unexpired term of Marshall Thompson through June 30, 2021. The remainder of the Thompson term, will be determined by the spring of 2021 regular board election when a two-year vacancy, through June 30, 2023, will be filled. The process to fill the vacancy will be outlined in the next TRA member newsletter.

#### **6.b. Report from Executive Director**

Stoffel reviewed a memo summarizing recent actions by the Investment Advisory Council and the State Board of Investment.

#### **6.c. Financial Update**

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

#### **6.d. Administrative Update**

Maurer reviewed the January, February, March and April issues of Inside TRAck, which included information on the 2020 (Security) Vision, Changes to members on the Board of Trustees, New Employees, Training Opportunities, Messages from Jay, how we at TRA are dealing with the COVID 19 situation.

Stoffel reviewed the handout on Member Service – Outreach Events. Eighty-four events have been held or scheduled since July 1, 2019. With the COVID 19 pandemic we have stopped the in-person events and switched to online events.

Stoffel reviewed a list of upcoming meetings and presentations with stakeholder groups. All meetings have been canceled. It is unknown when these meetings and presentation will continue.

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

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

### **7. Public Comments**

Joan Beaver (EdMN Retired) – Expressed her appreciation for making Board meetings available via WebEx. She also expressed her appreciation to the staff and Board for keeping the Association on-track amid the COVID-19 crisis.

Lonnie Duberstein (REAM) – Echoed Joan Beaver’s comments. He also congratulated the TRA Board and staff for all the pre-planning over the years that has put us in a good situation when the COVID-19 crisis came about.

Louise Sundin (Minneapolis Committee of Thirteen) – Her organization is making check-in calls to members. The members are very grateful to continue receiving monthly benefits when many of their children and grandchildren are in difficult financial situations. We will need to work together for the next legislative session.

Tim Moynihan (REAM) – Thanked TRA Board and staff for all that is done for TRA retirees.

### **8. Dates of Future Meetings**

President Zins announced the upcoming meetings.

### **9. Adjourn**

The meeting adjourned at 12:37 p.m. with a motion by Stencel, seconded by Lam Young. A roll call vote was taken. The motion was passed unanimously by the Board.

Minutes, TRA Board of Trustees  
May 13, 2020

Attest:

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J. Michael Stoffel  
Executive Director

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Martha Lee Zins  
President