

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
NOVEMBER 18, 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 room 444. Those attending in addition to Zins were:

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

TRA Staff: In attendance in TRA room 444 was Jay Stoffel. In attendance remotely via WebEx were David Anderson, Laurel Anderson, Susan Barbieri, Rachel Barth, Chad Borsheim, Carol Diedrich, Julie Larson, Dominic Matern, Tim Maurer, Leslie Nagel, Sonja Parr, Mark Roemhild, and John Wicklund.

Legal Representative: Kathy Woodruff participated remotely via WebEx.

Others: Attending remotely via WebEx. Joan Beaver, Paul Ehrhard, Susan Lenczewski, Walt Munsterman and Louise Sundin.

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

Zins called the meeting to order at 9:30 a.m. Roll call was taken.

2.a. Approval of Minutes of Board Meeting on September 23, 2020

It was moved by Olson and seconded by Lam Young to approve the minutes of the September 23, 2020 meeting. A roll call vote was taken. The motion passed unanimously (D. Anderson and Baumann not present for vote).

3.a. Board Self-Evaluation

Zins reviewed results from the Board Self-Evaluation that Board members submitted. Zins noted that this is a document to help us as a Board enhance our operation as a Board. After discussion regarding difficulties Board members have had with electronic equipment that was provided for Board members, it was proposed that staff will work with trustees and the IT department to find solutions.

3.b. Executive Director Performance Review

Zins noted that the compiled results of the Executive Director Performance Review were shared with Mr. Stoffel and the Board members. The performance review will be filed with Human Resources. Zins noted that she and the presidents of MSRS and PERA will be discussing

possible performance salary increases for their executive directors. Once a recommendation is ready it will be brought to the TRA Board of Trustees at a future meeting for discussion and action.

4.a. Audit Committee Report, November 17, 2020 meeting

Stencel noted that the Audit Committee met on November 17, 2020. We continue to look into the possibility of having the Board of Trustees complete the Code of Conduct/Ethics certification. The committee reviewed the Audit Committee Charter and the Internal Audit Charter, and approved some changes and corrections to both documents. Also discussed were the TRA Internal Audit assessment and the annual base salary and cash receipts audits that were conducted recently.

Stencel moved, with a committee second, to approve the Audit Committee Charter and Internal Audit Charter with modifications. A roll call vote was taken. The motion passed unanimously (Baumann not present for vote).

4.b. Improved Money Purchase: Interest 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 twelve inactive members remaining in this program. TRA has calculated and proposes a 7.50 percent rate for fiscal year 2020. The inactive accounts are very small and we continue to try and locate these members.

It was moved by Supple and seconded by Olson to approve the 7.50 percent Improved Money Purchase Rate for fiscal year 2020. A roll call vote was taken. The motion passed unanimously (Baumann not present for vote).

4.c. Board Election Process/Procedures

Wicklund updated the Board on the upcoming 2021 Board election. On the ballot will be two active member four-year terms and one active member two-year term (to fill the remaining term of former trustee Thompson). There will also be one retired trustee four-year term position. The terms of all positions begin July 1, 2021. Members and retirees who are interested in a Board seat must apply by December 18, 2020. The deadline for vendors to respond to the request for proposal (RFP) for election services is December 17, 2020. After the list of candidates is finalized, we will work with the vendor under the timeline that will be established. The anticipated mailing date for ballots is mid-March. The voting period will run through April 23, 2021. Voting options will be by internet or US mail.

A motion was made by Olson and seconded by Supple that the TRA Board approves the process and business rules to administer the 2021 Board election described herein with additional language that disqualification of only one portion of the ballot will occur if it is

completed incorrectly; it will not disqualify the remaining portions of the ballot that are completed correctly. A roll call vote was taken. The motion passed unanimously (Baumann not present for vote).

4.d. Actuarial Services-Contract Process

Stoffel reviewed the memo in the packet regarding the actuarial services contract. TRA will develop a Request for Proposal (RFP) document for actuarial services that begin July 1, 2021. We will then organize a committee consisting of staff and trustees to review procurement procedures, finalize the RFP, evaluate proposals received and make a recommendation to the Board.

A motion was made by Supple and seconded by Zins to have Chair Zins and trustees Olson and Stencel serve on an actuarial committee to work with staff to develop a recommendation for full Board consideration regarding the retention of a qualified actuarial firm. A roll call vote was taken. The motion passed unanimously.

4.e. Board Meeting Calendar

Stoffel reviewed the memo in the packet regarding the addition of a TRA Board meeting in May 2021. The additional meeting would include items that need to be addressed well before the start of fiscal year 2022, such as selection of an actuarial firm, certification of results of the Board election, and approval of the FY22 operating budget. In addition, this would allow the Board to receive an update about any legislation that was considered and passed impacting TRA.

A motion was made by Lam Young and seconded by Stencel to add an additional regular Board meeting on May 26, 2021. A roll call vote was taken. The motion passed unanimously.

4.f. Staff Survey Results

Larson and Maurer reviewed the results of a survey that was sent to all TRA employee's regarding TRA's work from home arrangement. The percentage of employees who responded was approximately 94%. One common comment from employees was praise for the Tech Ops department in getting employees set up quickly so that work could continue without interruption. Overall results were very good.

4.g. NCTR Annual Conference Review

Stoffel reviewed information regarding the NCTR annual conference, held in a virtual setting. In addition to Stoffel, trustees Anderson, Olson, and Zins participated in the conference. The conference was very well organized and had a good assortment of presenters.

5.a. Legislative Update

Barth reviewed information in the packet pertaining to the COLA study that is being conducted by staff of the Legislative Commission on Pensions and Retirement (LCPR). A meeting of the work group was held recently to review a draft of the report. Another meeting will be scheduled in early December to allow public comment on the draft report and study process. There was a request that a copy of the draft report be emailed to all trustees, and that any comments from trustees be sent to the TRA Executive Director. The study report must be completed by December 31, 2020 and will include written comments from the public.

6.a. Report from Executive Director

Stoffel noted that at the September Board meeting a resolution was approved for commending the work of Commissioner Myron Franz. Stoffel noted he recently presented the framed resolution to Franz. Franz was very pleased to receive the resolution and sent along his thanks and greetings.

6.b. Report from President

Zins noted that she will be in communication with Education MN vice president to encourage them to promote the TRA active member election.

6.c. Financial Update

Wicklund reviewed the fiscal year 2021 investment return and inflation analysis report.

6.d. Operational Update

Maurer reviewed the October and November issues of Inside TRAck, which included information on employee training, and a notice that TRA received the financial reporting award from Governmental Finance Officers Association (GFOA). This is the 22nd consecutive year that TRA has received this award. Zins noted the Board would like to thank and congratulate Wicklund and the organization on this accomplishment. Other happenings at TRA were the fraud awareness week, Jane Suhr's retirement after fourteen years of service at TRA. Jane was with MTRFA prior to coming to TRA. We are continuing to work on videos on basic questions for members that will be added to the TRA website.

6.e. Assistant Attorney General Update

Woodruff noted the possibility of having two appeals heard at the January 2021 meeting. She noted that the materials for the appeal would be sent to Board members in a separate packet prior to the meeting. Woodruff reviewed the appeal process with Board members.

7. Public Comments

Paul Ehrhard, president of Retired Educators Association of Minnesota, greeted the Trustees. Updated the Board on numbers of recent COVID deaths. With Thanksgiving and Christmas coming up we need to be very, very careful. REAM is wondering about the makeup of the LCPR. REAM will be watching the legislature on the use of retirement funds as they try to balance the budget. And he was very interested in Zins comments about how we refer to our pension plans and benefits. He likes to call it deferred compensation because we have paid in all of our lives, we have this retirement fund that invests our money for us. Also, the word entitlement comes up, something we are entitled to, something we are guaranteed because we paid into it during the entire period of our employment as teachers. He expressed his wishes for a safe and happy Thanksgiving.

8. Adjourn

The meeting adjourned at 12:16 p.m. with a motion by Stencel, seconded by Lam Young. A roll call vote was taken. The motion passed unanimously by the Board.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President