

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION  
MINUTES OF THE BOARD OF TRUSTEES MEETING  
JANUARY 20, 2021  
MEETING HELD VIA WEBEX  
(PURSUANT TO MN STAT. SECTIONS 13D.015 & 13D.021)**

Board President Martha Lee Zins called the meeting to order at 9:30 a.m. Zins was in attendance remotely, via WebEx. Those attending in addition to Zins were:

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

TRA Staff: In attendance remotely via WebEx were David Anderson, Susan Barbieri, Rachel Barth, Chad Borsheim, Carol Diedrich, Joel Hohenstein, Julie Larson, Kris Lind, Dominic Matern, Tim Maurer, Leslie Nagel, Sonja Parr, Erica Pinc, Mark Roemhild, Jay Stoffel, Stephanie Summerville, and John Wicklund.

Legal Representative: Kevin Finnerty and Kathy Woodruff participated remotely via WebEx.

Others: Attending remotely via WebEx. Brent Banister, Patricia Beckham, Ben Mobley, Angela Sauro, Nancy Stumpf, 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 November 18, 2020**

It was moved by Olson and seconded by Denise Anderson to approve the minutes of the November 18, 2020 meeting. A roll call vote was taken. The motion passed unanimously (Baumann not present for vote).

**3.a. Member Appeal**

**5.a. Actuarial Valuations and Related Items**

Patrice Beckham and Ben Mobley from Cavanaugh Macdonald, presented highlights and results from the July 1, 2020 actuarial valuation report. Brent Banister from Cavanaugh Macdonald reviewed the assessment and disclosure of risk required by Actuarial Standards of Practice 51, and presented results of the GASB 67 valuation report for the year ended June 30, 2020.

### **5.b. CAFR Review**

Wicklund noted 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 the award for administration from the Public Pension Coordinating Council for 2020. Wicklund reported that TRA received an unmodified audit opinion from the Office of the Legislative Auditor. Wicklund reviewed the financial statements, the notes to the financial statements and select pages in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. On behalf of the Board, Zins complimented the staff for their work on the CAFR and, on behalf of the Board, noted her appreciation for the awards that were received.

### **5.c. Board Election Update**

Wicklund reported that there are three candidates for the two active member four-year seats on the Board, three candidates for one active member two-year seat on the Board, and two candidates for one four-year retiree seat on the Board. We are working with a vendor, Yes Elections (formerly Elections America), to distribute and then collect and record ballots cast by members. Currently we are working on developing a final contract. The target date to mail the ballots to members is the middle of March with the voting timeframe ending on April 23, 2021. TRA staff is currently drafting a State professional-technical contract with Yes Elections. Once signed, we will begin working with them to design ballots, determine voter rosters from TRA's .NET system and to prepare the outbound mailing.

### **5.d. FY2021 Budget – Mid Year Review and Adjustments**

Wicklund reviewed materials included in the board packet related to the FY2021 Budget Amendment. He noted that staff is being cautious about FY2021 budget for benefit payments, and is making a recommendation to increase the budget in case we have an unexpected increase in retirees due to the COVID-19 pandemic. Any excess money unspent at the end of June cancels back to the TRA Fund.

It was moved by Olson and seconded by Zins authorizing TRA management to increase TRA's fiscal year 2021 expense budget by \$20 million for the payment of monthly benefits. A roll call vote was taken. The motion passed unanimously.

### **5.e. Affirmation Action Plan**

Stoffel reviewed the Affirmation Action Plan memo included in the board packet, noting that MMB approved TRA's most recent Affirmative Action Plan. Data in this report informs TRA if there are any under-utilizations in any of the protected classes of employees.

### **5.f. Limited Medical Assistance Trust**

Maurer reviewed information showing details of the distribution from the Limited Medical Assistance Fund in calendar 2020.

### **5.g. Deputy Executive Director**

Stoffel reviewed the steps TRA has taken to obtain the necessary authority to retain a deputy executive director. He noted that TRA was recently informed by MMB that all the required steps have been completed and that we could proceed. Stoffel said he consulted with the executive team and there was consensus that, based on Maurer's background, experience, vision, and passion for the mission of TRA, he is the best person for the position. Stoffel recommended that the Board approve the appointment of Tim Maurer to the position of TRA Deputy Executive Director.

It was moved by Supple and seconded by Denise Anderson to confirm the appointment of Tim Maurer as the TRA Deputy Executive Director position effective January 20, 2021. A roll call vote was taken. The motion passed unanimously.

### **6.a. Legislative Update**

Barth noted that the COLA study report, required in the 2018 pension bill, was recently completed by LCPR staff. We expect the study report to be on the agenda for a meeting of the LCPR sometime this session.

### **7.a. Report from Executive Director**

Stoffel reviewed meeting materials summarizing recent actions and activity by the Investment Advisory Council and the State Board of Investment.

Stoffel updated the Board about the Actuarial Contract process. A request for proposal (RFP) will be published in February or early March. The Actuarial Committee will meet in February to review the draft RFP.

Stoffel noted that Board members should have received three letters from the Office of the Legislative Auditor pertaining to the results of the fiscal year 2020 financial statement audit. No reportable conditions were noted.

### **7.b. Report from President**

Zins noted that Luke Olson has been named to the NCTR Resolution Committee, and that Zins has been named to the NCTR Trustee Education Committee.

Zins noted that the chair person from each of the three retirement systems have met to discuss performance pay adjustments for the directors of the retirement systems. The group is working on ideas for each board to consider. Discussions will continue and Zins will keep the trustees informed.

### **7.c. Financial Update**

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

### **7.d. Operational Update**

Maurer reviewed the January issue of Inside TRAck, which included information on training that has occurred in a virtual environment over the last 9 months and upcoming training available to staff. Other topics included Communications news from Sonja Parr. Maurer also noted that management is thankful to our staff who are responsible for daily mail, imaging, and IT staff to keep processes going on a daily basis whether it be the correspondence processes or maintaining printers and diagnosing problems.

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

Woodruff noted it is likely there will be two appeals at the March 10, 2021 Board meeting. She noted that materials for the appeal will be sent to Board members prior to the meeting.

## **8. Public Comments**

Louise Sundin (Minneapolis Committee of Thirteen) - Sundin has been doing some informal research about a COVID adjustment for TRA members who felt the need to retire early, due to COVID safety issues, and therefore took a big early retirement reduction. Sundin is available if anyone who would like to discuss this.

Sundin congratulated Maurer on his new position as TRA Deputy Executive Director.

## **9. Dates of Future Meetings**

President Zins announced the dates of upcoming board and committee meetings.

## **10. Adjourn**

A motion was made by trustee Lam Young, seconded by Supple to adjourn. A roll call vote was taken. The motion passed unanimously. The meeting adjourned at 1:34 p.m.

Attest:

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J. Michael Stoffel  
Executive Director

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Martha Lee Zins  
President