

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION**  
**MINUTES OF THE BOARD OF TRUSTEES MEETING**  
**MARCH 10, 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. During the meeting, Zins was in the TRA office, room 444. Trustees are participating remotely by telephone or video conference as permitted by Minnesota Statutes, section 13D.015. I am present at the meeting location. We will now take a roll call to establish that a quorum of Trustees is present.

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 in the TRA office, room 444 was Jay Stoffel. In attendance remotely via Webex were David Anderson, Susan Barbieri, Rachel Barth, Chad Borsheim, Carol Diedrich, Joel Hohenstein, Julie Larson, Dominic Matern, Tim Maurer, Leslie Nagel, Sonja Parr, and John Wicklund.

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

Others: Attending remotely via Webex were Paul Ehrhard, David Gibson, Sally Mays, Rodney Rowe, Laurena Schlottach-Ratcliff, Mark Schmiesing, Louise Sundin, and Susan Strom.

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

Zins called the meeting to order at 9:30 a.m. A statement was read regarding the remote meeting. Roll was taken.

**2.a. Approval of Minutes of Board Meeting on January 20, 2021**

It was moved by Olson and seconded by Baumann to approve the minutes of the January 20, 2021 meeting. A roll call vote was taken. The motion passed unanimously.

**3.a. Member Appeal**

The Board considered the benefits appeal of Member David Gibson. Woodruff presented to the Board on behalf of the Executive Director and member Gibson presented on behalf of himself. Finnerty advised the Board. Woodruff began with a review of the background and history of the situation. She noted that on three different occasions, TRA provided Gibson with retirement estimates that were accurate and one set that incorrectly contained higher estimated annuity amounts. She noted that when Gibson retired, he initially received benefits based on the higher inaccurate estimates, but after the normal TRA audit process, his benefit was adjusted to the

lower, accurate benefit amount. Gibson appealed the reduction to the Executive Director, who upheld staff members' decision. Gibson appeared before the Board to appeal the Executive Director's decision. He distinguished between an audit adjustment and a mistake. He asked that his benefit be restored to the higher amount.

Olson made a motion, seconded by Anderson to: 1) deny the petition, and 2) recommend that the Board's attorney draft an order to this effect and a memorandum of law setting the reasons for the Board's decision. A roll call vote was taken. The motion passed unanimously.

### **5.a. Audit Committee Report**

Stencel noted that the Audit Committee met on March 9, 2021. Stencel noted that Dave Anderson presented a security report. The committee reviewed responses to the risk assessment questionnaire recently completed by TRA management. Nagel reviewed the annual report with the committee. The committee reviewed the results of the recently completed Administrative Expenses and the Expense Reimbursements audits. Committee members acknowledged Ruth Krupa for her achievement in passing the exam and becoming a certified fraud examiner.

### **5.b. Board Meeting and Audit Committee Calendar**

Stoffel reviewed information regarding suggested board and audit committee meeting dates in fiscal year 2022.

It was moved by Stencel and seconded by Supple to approve board meeting dates as follows: board retreat on August 25, 2021, regular board meetings on September 22, 2021, November 10, 2021, January 12, 2022, March 9, 2022, May 18, 2022 and June 15, 2022; audit committee meetings on August 24, 2021, November 9, 2021, March 8, 2022, June 14, 2022. A roll call vote was taken. The motion passed unanimously.

### **5.c. Board Continuing Education Opportunities**

Stoffel noted that Trustees are encouraged to attend the NCTR trustee workshop and the NCTR annual conference. Trustees will be informed as details about these events becomes available.

### **5.d. Solicit Board Input on Possible Retreat Topics**

Stoffel reviewed potential topics for discussion at the Board retreat on August 25, 2021.

- TRA actuarial status update – presentation by TRA actuaries
- SBI update – presentation by Mansco Perry
- Trends and Comparisons – staff presentation
- Department of Education – Teacher Supply and Demand Report
- State Demographer, to address projected student population in Minnesota

- Impacts of COVID-19 on teaching and teachers

Without objection, Zins recognized trustees Anderson and Lam Young for announcements:

Anderson noted that Department of Education Commissioner Ricker has submitted her resignation, effective April 1, 2021. Governor Walz has appointed Dr. Heather Mueller as the incoming Commissioner at the Department of Education effective April 1, 2021.

Lam Young noted that she will be leaving Minnesota Management & Budget on March 19, 2021. Laurena Schlottach-Ratcliff will become the commissioners delegate on the TRA Board of Trustees representing Commissioner James Schowalter effective March 19, 2021.

#### **6.a. Session Update**

Barth noted it has been a very quiet legislative session for TRA, and that there have been three meetings of the LCPR so far. At the first meeting, the pension fund directors gave an overview of their respective pension systems. The next LCPR meeting is scheduled for March 16, 2021. The COLA study report issued by LCPR staff will be on an upcoming LCPR agenda.

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

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

Stoffel noted that with the announcement of John Wicklund's retirement we are very close to posting the CFO position on the State's job website.

Stoffel provided an update on the 2021 TRA Board Election. He said everything is on schedule, that ballots will be mailed mid-March. Members will have four weeks to return their ballot.

Stoffel reported that the RFP for actuarial services was published in the State Register. We also directly contacted 6 actuarial firms that specialize in public pension plans and encouraged them to respond.

Regarding filling Tim Maurer's former position as Chief Operations Officer (COO), Stoffel said we are working now to fill the CFO vacancy. The COO vacancy will be filled next. Stoffel noted that with COVID-19, we are still in a State mandated hiring freeze.

Stoffel said that at the last Board meeting, Trustee Olson made a request for information about staff turnover at TRA. Stoffel reviewed data he had developed about employee turnover over the past eight years, which showed a turnover rate of 3.7% per year. Stoffel also reviewed the seniority of current employees.

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

Zins noted that the decision order for the appeal heard in January had been prepared and was sent to the member.

Zins and Olson provided a summary of the special meeting of the Facilities Management Committee (FMC) held March 4, 2021. The following topics were discussed: remodeling the first-floor restrooms into seven individual gender-neutral restrooms, providing for a mother's room, parking ramp income, extending lease agreements for the State Board of Investment (through December 2026) and the Office of Secretary of State (through December 2021). Also discussed was the co-tenancy agreement for the Retirement Services Building. The next FMC meeting will be held in April with PERA hosting the meeting.

Zins noted that the group to discuss compensation for Executive Directors had met and will continue to meet to discuss compensation for the executive directors of the three retirement systems.

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

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

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

Maurer reviewed the February and March issues of the Inside TRAck, which included information on TRA people on the move, SharePoint reference library, new member survey, members responding well to videos and webinars, data integrity: Ins and outs, overs and shorts, member stats on SharePoint, return to work plan, and the TRainers Corner.

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

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

Zins introduced Laurena Schlottach-Ratcliff. She greeted the trustees and expressed her interest in serving on the TRA Board.

## **8. Public Comments**

Louise Sundin (Minneapolis Committee of Thirteen) – noted that the PEPC (Public Employees Pension Coalition) had met to discuss the COLA study report issued by LCPR staff. She noted that PEPC had concerns about the study as some items in the report needed further study. PEPC sent a letter to LCPR members. Several PEPC members hope to testify at the next LCPR meeting. There is concern that the current COLA is much less than the cost increases experienced by retirees. PEPC will talk more about this and maybe generate some interest in the fact that all of us, the LCPR, the plans and retirees, could get together and formulate a solution so retirees don't continually fall further and further behind inflation.

Mark Schmiesing (EdMN) – expressed gratitude to John Wicklund and congratulated him on his retirement. He said it was a pleasure working with John and said John had been very helpful to him especially with presentations.

Paul Ehrhard (REAM President) – announced that former TRA Board member, Mary Broderick, has joined REAM and has accepted the position of chairperson of the membership committee. He also noted that REAM, in conjunction with EDMN Retired, will hold a legislative conference virtually on March 31. TRA will be asked to participate. Invited guest speakers include Representative Mary Murphy and Senator Julie Rosen.

Rodney Rowe (EdMN) – Thanked TRA Board and staff for all the good work.

Sally Mays (TRA Retiree) – Made the following comments: Board chair Zins runs a tight meeting. This requires focus, concentration and wisdom. The chair also has the duty to represent retired TRA members. It seems very unfair to retirees to require the chair to split her focus, as most of her attention is focused on running tight meetings. Mays proposed that chair Zins resign her duties as Board chair or that the Board consider adding a seat to the Board dedicated solely to retired members and their interest. It's a question of basic fairness. It seems unfair that the retired members have only one trustee who is essentially a .6 or a .5 position.

Zins noted that the legislature determines the composition of the TRA Board and that the Board itself cannot add or subtract members to the Board.

## **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 Zins to adjourn. A roll call vote was taken. The motion passed unanimously. The meeting adjourned at 11:46 a.m.

Attest:

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J. Michael Stoffel  
Executive Director

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Martha Lee Zins  
President