

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
JUNE 16, 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 participated remotely by telephone or video conference as permitted by Minnesota Statutes, section 13D.015.

Trustees Present: Will Baumann, Luke Olson, Noel Raph, Laurena Schlottach-Ratcliff, Joel Stencel, and Mary Supple, all participated remotely via WebEx. Absent was Denise Anderson.

TRA Staff: In attendance in the TRA office, room 444 was Jay Stoffel. In attendance remotely via Webex were David Anderson, Susan Barbieri, Carol Diedrich, Joel Hohenstein, Julie Larson, Kris Lind, 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 were John Kevin Balaod, Joan Beaver, Chad Burkitt, Curt Hutchens, Susan Lenczewski, Kevin Lindstrom, Mark Schmiesing, and Louise Sundin.

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. Denise Anderson was absent.

2.a. Approval of Minutes of Board Meeting on May 26, 2021

It was moved by Olson and seconded by Stencel to approve the minutes of the May 26, 2021 meeting. A roll call vote was taken. The motion passed unanimously.

4.a. Audit Committee Report

Stencel noted that the Audit Committee met on June 15, 2021. Stencel reviewed the future audit plan and risk assessments. The Internal Audit function is now using Workiva to conduct its business and provide the two internal auditors with a more efficient and effective audit management tool. The Committee reviewed the audit plan for fiscal year 2022, and reviewed the audits conducted in fiscal year 2021. Internal Controls Bulletins were reviewed.

Stencel moved, with a Committee second, that the fiscal year 2022 internal audit plan be approved. A roll call vote was taken. The motion passed unanimously.

4.b. Election of Officers; Audit Committee and FMC Appointments

Olson nominated Zins for president. Stencil moved to close nominations and call for a vote; Baumann seconded the motion. A roll call vote was taken. The motion passed unanimously.

There was a call to vote on the nomination of Zins as president of the TRA Board of Trustees for the next year. A roll call vote was taken. The nomination passed unanimously.

Zins nominated Olson for vice president. There were no other nominations and Zins acclaimed that by virtue of there being no other nominations, Olson was elected as vice president.

Olson made a motion, seconded by Supple that Stencil be named as chair of the Audit Committee, and members of the Committee to include Laurena Schlottach-Ratcliff, Denise Anderson, Luke Olson and Martha Lee Zins. A roll call vote was taken. The motion passed unanimously.

Zins noted that Trustees Zins and Olson will be members of the Facilities Management Committee (FMC) by virtue of being officers on the TRA Board. Zins appointed Joel Stencil to the Executive Director Compensation Committee for the review process.

4.c. Reappointment of Executive Director

Olson moved and Baumann seconded a motion to reappoint Jay Stoffel as executive director of TRA. A roll call vote was taken. The motion passed unanimously.

4.d. Disposal of Election Materials

Wicklund reviewed information on the 2021 board election process and results. Results have been posted on the TRA website as well as in the TRIB newsletters.

It was moved by Supple and seconded by Stencil that TRA management be authorized to instruct the election vendor to destroy materials and ballots after July 20, 2021 if no challenges are received. A roll call vote was taken. The motion passed unanimously.

4.e. Policy Approval – Write Off of Uncollectible Accounts

Wicklund reviewed information about recovery of benefit overpayments, and reviewed a draft policy on the write-off of accounts deemed uncollectible. Wicklund noted that he had been working recently with staff from MSRS and PERA, and that the Boards of those two retirement systems have approved similar policies. A final draft of the policy will be presented soon to the

Board for approval. Summary information reviewed included the number of accounts and total amounts receivable, by year from 2004 to 2020, and the amounts invoiced, amounts paid, and amounts remaining unpaid.

It was moved by Stencil and seconded by Olson that the TRA Board of Trustees approves the write-off of uncollectable amounts from the year 2004 through June 30, 2020 in an amount not to exceed \$397,561. A roll call vote was taken. The motion passed unanimously.

4.f. Board Education Topics

Stoffel noted that with four of eight trustees new to the Board, there is an opportunity for staff to provide education and fiduciary training to the Board. Stoffel reviewed a list of educational topics for Board members to consider. Staff is suggesting that the Board consider prioritizing the list and then have staff present information on high priority topics during board meetings over the next year. After discussion the staff was asked to send the list to trustees and that each Trustee would rank items on the list from high to low priority. Separately, the following topics will be on the agenda for the August retreat:

- The actuarial valuation process – concepts and basic information – presentation by TRA actuaries
- Estimated actuarial status update 6/30/2021 – presentation by TRA actuaries
- SBI update – presentation by Mansco Perry
- Trends and Comparisons – staff presentation
- Fiduciary responsibility training – staff and attorney general presentation

5.a. Legislative Update

Stoffel noted that there is nothing to report at this time. The 2021 omnibus pension bill has been signed with very little in it affecting TRA.

6.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 the NCTR has announced that all meetings and conferences through December 31, 2021 will be virtual and that registration for the NCTR Trustee Workshop is open.

Stoffel updated the Board on the progress for filling the vacancy in the position of Chief Financial Officer.

6.b. Report from President

President Zins read the following resolutions:

IN APPRECIATION
MARY B. SUPPLE

WHEREAS, Mary B. Supple served on the Board of the Teachers Retirement Association (TRA) with distinction as an active member representative from July 1, 2009 to June 30, 2021, and served for a time as chair of the audit committee and as the Board Vice-President; and

WHEREAS, Ms. Supple served the students and families of the Richfield school district as an elementary education teacher for 33 years with professionalism and dedication; and

WHEREAS, during Ms. Supple's tenure on the Board, the TRA experienced substantial growth in assets, major enhancements in customer service, and significant advancements in benefit administration technology; and

WHEREAS, during Ms. Supple's tenure on the TRA Board, significant pension reform legislation was passed in 2010 and again in 2018, all with the vision, creativity, and guidance of Ms. Supple and her concern for the members of the plan and the sustainability of the pension fund; and

WHEREAS, Ms. Supple has also been active in many other public service roles including local union president, local government relations chair, Education Minnesota governing board, NEA board of directors, Richfield League of Women Voters, Richfield Housing and Redevelopment Authority, Richfield Economic Development Authority, and Richfield city council; and

WHEREAS, during her TRA Board service Ms. Supple was an active participant of the National Council on Teacher Retirement; now therefore be it

RESOLVED, that the Trustees, the Executive Director, and the staff of the TRA join with the members of the Association in extending their grateful appreciation to Mary Supple and recognize her for her contributions and dedicated service to Minnesota educators, students, and the public school system; and be it further

RESOLVED, that a copy of this resolution be presented to Mary Supple and also be included in the official permanent minutes of the proceedings of the Board of Trustees of the Teachers Retirement Association.

Approved by the TRA Board of Trustees on June 16, 2021.

IN APPRECIATION
WILL BAUMANN

WHEREAS, Will Baumann served on the Board of the Teachers Retirement Association (TRA) with distinction as an active member representative from July 1, 2017 to June 30, 2021; and

WHEREAS, Mr. Baumann has been a mathematics instructor at Ridgewater College where he has worked with professionalism and dedication; and

WHEREAS, during Mr. Baumann's tenure on the Board, the TRA experienced substantial growth in assets, major enhancements in customer service, and significant advancements in benefit administration technology; and

WHEREAS, during Mr. Baumann's tenure on the TRA Board, significant pension reform legislation was passed in 2018, all with the vision, creativity, and guidance of Mr. Baumann and his concern for the members of the plan and the sustainability of the pension fund; now therefore be it

RESOLVED, that the Trustees, the Executive Director, and the staff of the TRA join with the members of the Association in extending their grateful appreciation to Will Baumann and recognize him for his contributions and dedicated service to Minnesota educators, students, and the public school system; and be it further

RESOLVED, that a copy of this resolution be presented to Will Baumann and also be included in the official permanent minutes of the proceedings of the Board of Trustees of the Teachers Retirement Association.

Approved by the TRA Board of Trustees on June 16, 2021.

IN APPRECIATION

JOHN WICKLUND

WHEREAS, John Wicklund was employed by the Teachers Retirement Association (TRA) with distinction, most recently as Chief Financial Officer, from October 26, 1992 through July 6, 2021, and prior to that time was employed by the Office of the Legislative Auditor for over six years, a total of thirty five years of public service; and

WHEREAS, Mr. Wicklund served the 205,000 members of TRA always with great care, knowledge and due respect; and

WHEREAS, Mr. Wicklund served the 600 employer units of TRA – school districts, charter schools, Minnesota State and others – and other TRA stakeholder groups with thoughtfulness and professionalism; and

WHEREAS, during his TRA employment, Mr. Wicklund served as an expert and reliable resource for many other organizations in Minnesota including SBI, MSRS, PERA, MMB, DOE, DOA, OLA, OSA, LCPR; and

WHEREAS, during Mr. Wicklund’s employment at TRA he was instrumental in the design of significant pension reform legislation in 2010 and 2018, he had significant influence in process to merge the Post Retirement Fund, the Minneapolis and Duluth teachers retirement funds, he took a lead role in the creation of the TRA internal audit department, served as an advisor to the facilities management committee, and was a leader in the country in the implementation of GASB statements numbers 67 and 68; and

WHEREAS, under Mr. Wicklund’s leadership, TRA received a certificate of achievement for excellence in financial reporting for its annual comprehensive financial report for twenty two consecutive years; and

WHEREAS, Mr. Wicklund was an active participant of Government Finance Officers Association and the Public Pension Financial Forum and was an expert and reliable resource for the Governmental Accounting Standards Board; now therefore be it

RESOLVED, that the Trustees, Executive Director, and staff of TRA join with members of the Association in extending their grateful appreciation to John Wicklund and recognize him for his contributions and dedicated service to Minnesota educators, students, and the public school system and for his concern for the sustainability of the pension fund; and be it further

RESOLVED, that the Trustees, Executive Director, and staff of TRA extends its best wishes to John and his spouse Debbie to enjoy in his retirement good health, good travels, and for success and happiness in all their future endeavors; and be it further

RESOLVED, that a copy of this resolution be presented to John Wicklund and also be included in the official permanent minutes of the proceedings of the Board of Trustees of the Teachers Retirement Association.

Approved by the TRA Board of Trustees on June 16, 2021.

These resolutions will be forwarded to NCTR for inclusion of recognition at the NCTR Annual Conference in October.

Letters of appreciation to Noel Raph and Melissa Lam Young were also reviewed.

6.c. Financial Update

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

6.d. Operational Update

Maurer reviewed the June issues of the Inside TRAck, which included information on TRA people on the move, new TRA employees, and accolades for John Wicklund.

6.e. Assistant Attorney General Update

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

7. Public Comments

Curt Hutchens (REAM) – On behalf of REAM and Education Minnesota, expressed gratitude to Mary Supple, Will Baumann and Noel Raph for their service on the TRA Board of Trustees, and to John Wicklund for his 29 years of service to TRA.

Joan Beaver (EdMN Retired) – Noted recent news regarding the rise in inflation and noted that her organization has had discussions about the COLA study by the LCPR. She said EdMN Retired has concerns about the low percentage of active and retired members who vote in the TRA board elections. She said EdMN Retired has used its methods of communication with members to encourage voting, and that EdMN Retired would be happy to cooperate with the Board in any efforts to increase voting.

On behalf of EdMN Retired she expressed gratitude to Mary Supple, Will Baumann and Noel Raph for their contributions to the management of our teacher pension system. It's a tremendous commitment of time, energy, and effort, all on a voluntary basis. She also thanked John Wicklund for all of his contributions to a stable financial life for retired educators and for his gracious manner in working with EdMN Retired.

Kevin Lindstrom (trustee elect) – thanked those trustees who are completing their service at the end of the month and thanked his colleague, Will Baumann, for his support and encouragement to seek a Board position.

Mark Schmiesing (Education Minnesota) – on behalf of Education Minnesota, expressed gratitude for the Board members and for the time they have committed, and a special thanks to John Wicklund for all the work that he has done over the years.

8. Dates of Future Meetings

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

9. Adjourn

The meeting adjourned at 12:25 p.m. with a motion by Supple, seconded by Baumann. A roll call vote was taken. The motion passed unanimously by the Board.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President