

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
SEPTEMBER 22, 2021**

**HYBRID MEETING HELD VIA WEBEX AND IN ROOM 106 DUE TO COVID-19
(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 video conference as permitted by Minnesota Statutes, section 13D.015.

Trustees Present: Denise Anderson, Kevin Lindstrom, Dr. Heather Mueller, Luke Olson, Julie Reno, Laurna Schlottach-Ratcliff, Joel Stencil and Wendy Drugge Wuensch. All participated remotely via WebEx.

TRA Staff: In attendance in the TRA office, room 444, was Jay Stoffel. In attendance remotely via WebEx were David Anderson, Laurel Anderson, Rachel Barth, Carol Diedrich, Joel Hohenstein, Julie Larson, Dominic Matern, Tim Maurer, Leslie Nagel, Sonja Parr, Mark Roemhild, Maria Steele, Stephanie Summerville and Cole White.

Legal Representative: Kevin Finnerty participated remotely via WebEx.

Others: Attending remotely via WebEx were Rowen Descallar, Susan Lenczewski, and Louise Sundin. Joan Beaver attended in person in room 106.

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 Retreat on August 25, 2021

It was moved by Stencil and seconded by Lindstrom to approve the minutes of the August 25, 2021 Board Retreat (with the corrected start time). A roll call vote was taken. (Drugge Wuensch not present for vote.) The motion passed unanimously.

4.a. Introduction of Department of Education Commissioner Dr. Heather Mueller

Denise Anderson introduced Dr. Heather Mueller, Commissioner of Education. Mueller spoke to the Board about her professional background. Mueller noted she values a steady and strong teacher pension program as we are recruiting and retaining educators in Minnesota.

After Doctor Heather Mueller addressed the TRA Board she left the meeting. At that time Denise Anderson was delegated the responsibility of representing the Department of Education on the TRA Board.

Drugge Wuensch joined the meeting at 9:40 a.m.

4.b. Audit Committee Report

Stencel noted that the Audit Committee met on August 24, 2021 and September 14, 2021. Stencel noted the change in the code of ethics certification for staff and how that will now happen via the MMB process as opposed to the TRA certification on Share Point. He then noted that some modifications were made to the previously approved audit plan for FY22. Some audits were delayed or rescheduled due to shortage in staffing. He also reported that a special meeting of the Committee was held to discuss revisions to the Audit Committee Charter to clarify the process for appointing members of the Audit Committee.

It was moved by Stencel and seconded by Zins to approve the changes to the Audit Committee Charter as stated in the September 14, 2021 Audit Committee minutes, and to name Amy Jorgenson from MMB to the Audit Committee in place of Laurena Schlottach-Ratcliff. A roll call vote was taken. The motion passed on a vote of seven to one.

4.c. Retreat Evaluation Results

Stoffel reviewed the retreat evaluation responses. The information will be used for future retreat planning.

4.d. Executive Director Evaluation

Zins reviewed the process and the form for the annual performance evaluation of the TRA Executive Director. Trustees Anderson, Olson, Schlottach-Ratcliff, Stencel and Zins will be expected to complete the evaluation form. Former trustees Baumann, Raph, and Supple will also be asked to complete the form. TRA executive team will be asked to complete the supplemental feedback form. All completed forms should be returned to Zins by October 8, 2021. Zins will compile information from the individual evaluation forms and feedback forms. This information will be reviewed by Zins with the executive director.

4.e. Board Self-Evaluation Process

Zins summarized the current evaluation process. Trustees were asked to complete the evaluation form and return it to Stoffel by October 22. Information from the self-evaluation forms that are returned will be compiled and reported at the next Board meeting.

4.f. GFOA Certificate of Achievement

Steele noted that TRA has received the GFOA Certificate of Achievement and stated that this certificate is the highest form of recognition in the area of governmental accounting and financial reporting. This is the twenty-third consecutive year that TRA has received this award. Steele congratulated the employees at TRA for achieving this award. The Board expressed appreciation for all staff in achieving this award.

4.g. NCTR Annual Conference – Registration, Selection of Delegates

Stoffel noted that the NCTR annual conference is scheduled for October 11-14, 2021 and will be virtual. The annual business meeting of the NCTR will be held on October 14, 2021. NCTR has asked member systems to designate delegates for the annual business meeting.

It was moved by Zins and seconded by Olson to designate Olson, Zins and Stoffel as delegates, and Stencil and Drugge Wuensch as alternate delegates for the annual business meeting of the NCTR. A roll call vote was taken. The motion passed unanimously.

4.h. Education: Legislative Process, LCPR, 2018 Pension Bill

Barth presented an overview of the legislative process and some background information about the Legislative Commission on Pensions and Retirement. Stoffel presented a review of the 2018 Pension Bill. The list of Board education topics was reviewed.

5. Legislative Update

Barth indicated that TRA staff have not identified any issues that need legislative resolution in 2022. She noted that it is unclear if the 2022 session will be in-person, virtual, or hybrid.

6.a. Report from Executive Director

Stoffel reviewed a memo summarizing the asset allocation and investment performance of the investment portfolio as of June 30, 2021. Recent actions by the Investment Advisory Council and the State Board of Investment were also reviewed.

6.b. Report from President

Zins reminded Board members to return the evaluation forms and to notify Carol Diedrich about attendance at the NCTR annual conference.

6.c. Operational Update

Maurer reviewed the August issue of the Inside TRAck, which included information on people on the move, new mask policy, and an update on the office reopening date.

6.d. Assistant Attorney General Update

Zins noted that Kathy Woodruff had resigned from her position with the Attorney General. Kevin Finnerty will be replacing Woodruff as legal counsel for the TRA Board of Trustees.

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

7. Public Comments

Louise Sundin (Minneapolis Committee of Thirteen) – welcomed the new trustees. She noted that the Committee of Thirteen represents and lobbies for 8,000 TRA active and retired teachers and administrators in the Minneapolis public schools. She reported that she attends several meetings each month with retirees and there is increasing discussion about the COLA benefit. A decade is a long time to get to 1.5% when inflation is multiple times that amount. The COLA

from Social Security will be higher. Sundin stated that it will be interesting to see if mortality tables change with the reduction in life expectancy due to COVID. Since she believes the state is going to be awash in federal funds this coming legislative session, Sundin asked: why not entertain and encourage a one-time adjustment for the 2020 and 2021 COVID retirees who took very high early retirement penalties? She stated that it wouldn't cost much, and staff can figure out who took those steep penalties. Sundin noted she has brought this up before, and that we have researched enough to know that there might be a fairly simple solution for a one-time adjustment using federal COVID money.

Joan Beaver (EDMN Retired) – welcomed the new trustees. She said the information provided today about the 2018 pension bill is really important to understand as we go forward. She reiterated everything that Sundin said particularly about the COLA and a benefit adjustment for people that retired early this year. She referred to information on page 68 of the packet, noting the effect of the bill on the stakeholders and showing a portion of the liability reduction from actives and from retirees. She acknowledged that it may be difficult to break out how much is from actives versus how much from retirees but it would be useful to know the breakdown, especially as the threat of higher inflation makes a low COLA scarier to retirees right now. Beaver stated that a comment made during the Board meeting about the potential for benefit improvements reminded her of comments during deliberations of the 2018 bill by someone on the LCPR and perhaps others who said we shouldn't strive for 100% full funding because then there would be a political push to improve benefits. She said that indicates little interest in improving benefits at any point and we need to think about that.

8. Dates of Next Meetings

President Zins announced the dates of upcoming Board and Audit Committee meetings. It was agreed that the November meetings would be virtual.

9. Adjourn

The meeting adjourned at 12:54 p.m. with a motion by Stencel, seconded by Olson. A roll call vote was taken (Denise Anderson not present for vote). The motion passed unanimously.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President