

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING - MARCH 9, 2022
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 117 DUE TO COVID-19
(Pursuant to Minnesota Statutes, Sections 13D.015)

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: Trustees in addition to Zins were Denise Anderson, Kevin Lindstrom, Luke Olson, Julie Reno, Laurena Schlottach-Ratcliff, Joel Stencil and Wendy Drugge Wuensch, all remote 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, Zaira Blackburn, Carol Diedrich, Joel Hohenstein, Dominic Matern, Erica Pinc, Tim Maurer, Leslie Nagel, Eric Nitardy, Sonja Parr, Mark Roemhild, Maria Steele, Stephanie Summerville and Cole White.

Legal Representative: Kathleen Reitz participated remotely via WebEx.

Others: Attending remotely via WebEx were Joan Beaver, Chad Burkitt, Paul Ehrhard, Charles Hellie, Curt Hutchens, Susan Lenczewski and Kate Lynne Snyder.

1. Call to Order

Zins called the meeting to order at 9:30 a.m. A statement was read regarding conducting the meeting remotely. Roll call was taken and it was determined that a quorum was present. Drugge Wuensch not present.

2.a. Approval of Minutes of Board meeting January 12, 2022

It was moved by Olson and seconded by Lindstrom to approve the minutes of the January 12, 2022 Board Meeting. A roll call vote was taken. The motion passed unanimously. Trustee Drugge Wuensch was not present to vote. She arrived shortly after the vote.

4.a. Audit Committee Report

Stencil noted that the Audit Committee met on March 8, 2022. Nagel and Stencil reviewed the 2022 Risk Survey Responses from the Management Team. The committee reviewed the FY2022 Internal Audit Annual Report. Also reviewed were the audits completed since November 2021: FY2021 Administrative Expenses, Member Benefit Payments for July 2021, and FY2021 Member Refunds. Overall results of the audits were very good. Only one reportable result was identified - a monthly benefit payment was made for an additional month after the death of a member and was successfully recovered a few months later. Olson complimented the staff on the positive results of the audits.

4.b. Audit Committee Composition

Nagel and Stencil reviewed a memo pertaining to composition and operations of the TRA Audit Committee relative to other committees at public pension systems. The board and audit committee will review this information again when the audit committee charter is reviewed.

Drugge Wuensch joined the meeting at 9:50 a.m.

4.c. Calendar of FY2023 Board and Audit Committee meetings

Stoffel reviewed information regarding suggested board and audit committee meeting dates in Fiscal Year 2023.

It was moved by Olson, seconded by Stencil to approve board meeting dates as follows: all-day retreat August 16, 2022, regular board meetings September 14, 2022, November 10, 2022, January 18, 2023, March 8, 2023, April 12, 2023, May 10, 2023 and June 14, 2023; audit committee meetings August 15, 2022, November 8, 2022, March 7, 2023, and June 13, 2023. A roll call vote was taken. The motion passed unanimously.

4.d. Board Education

President Zins noted without objection, that agenda item 4d. Board Education will be conducted in closed session at the end of the meeting just before adjournment. There was no objection.

5.a. Legislative Update

Barth reviewed the bills listed on the Bill Tracking Report and their status as of March 8, 2022. Barth reviewed bills that would affect TRA. There was discussion regarding HF4012/SF2913, a bill that would suspend the retiree earnings limitation for Fiscal Years 2022, 2023, and 2024. There was also discussion about SF2546 which would allow advanced practice registered nurses to provide disability determinations. Staff recommended approval of these two bills.

It was moved by Zins and seconded by Olson to support HF4012/SF2913 temporary suspension for three years of earning limitations for retired teachers returning to work. A roll call vote was taken. The motion passed unanimously. Trustee Denise Anderson was not present for the vote.

It was moved by Olson and seconded by Drugge Wuensch to support SF2546, as amended, authorizing advanced practice registered nurses (APRN) to provide disability determinations. A roll call vote was taken. The motion passed on a vote with six voting in favor and two abstaining (Anderson and Schlottach-Ratcliff).

6.a. Trustees: Comments, Questions

Olson asked about a comment in the risk survey responses reviewed previously regarding fiduciary responsibility.

Lindstrom made comments in support of the rule of 90 and said that the fund should not absorb that cost.

6.b. Report from Executive Director

Stoffel reviewed a memo summarizing the asset allocation and investment performance of the investment portfolio as of December 31, 2021. Recent actions by the Advisory Council and the State Board of Investment and other related business were also reviewed.

6.c. Report from President

Zins noted that trustee Olson is chairing the Resolutions Committee of the NCTR and that Zins is continuing on the NCTR Trustee Education Committee for the upcoming summer workshop.

6.d. Financial Update

Stoffel reviewed the TRA dashboard included in the meeting packet.

6.e. Operational Update

Maurer reviewed the February issue of Inside TRAck, which included information on required changes to the IRS W-4 form.

6.f. Assistant Attorney General Update

Reitz noted that there was no update to report at this time.

7. Public Comments

Curt Hutchens (REAM and EDMN Retired) spoke in favor of the Rule of 90 for Tier II teachers and having the employer provide the funding for it. Hutchens also noted that the actuarially required contribution is not fully paid for TRA and that Minnesota ranks 47th in total state and local funding for public employee pensions.

Joan Beaver (EDMN Retired) expressed gratitude to the Board and staff of TRA for their dedication and care in managing the retirement fund. She noted her concerns about the recent high inflation and low post-retirement adjustments and the need for additional State funding to provide additional support for retirees.

Paul Ehrhard (REAM) spoke in favor of the Rule of 90 for active teachers.

8. Dates of Next Meetings

President Zins announced future meeting dates for the board and audit committee.

4.d. Board Education

It was moved by Zins and seconded by Stencil that the TRA Board of Trustees go into closed session at 12:28 p.m., pursuant to Minnesota statute section 13D.05 subdivision 3 paragraph D, to discuss sensitive digital systems security infrastructure and security procedures and services. A roll call vote was taken. The motion passed unanimously.

The TRA Board of Trustees returned to open session at 1:30 p.m.

9. Adjourn

A motion to adjourn was made by Olson, seconded by Drugge Wuensch. A roll call vote was taken. The motion passed unanimously at 1:31p.m. Trustee Denise Anderson was not present for the vote.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President