

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION  
MINUTES OF THE BOARD OF TRUSTEES MEETING – MAY 18, 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 Room 117. Trustees participated in Room 117, remotely by telephone or video conference as permitted by Minnesota Statutes, section 13D.015.

Trustees Present: Trustees in addition to Zins in Room 117 were Kevin Lindstrom, Luke Olson, and Julie Reno. Laurena Schlottach-Ratcliff, Joel Stencel and Wendy Drugge Wuensch were all remote via WebEx.

Absent: Denise Anderson

TRA Staff: In attendance in Room 117 was Jay Stoffel and Rachel Barth. In attendance in Room 106 were Dan Ristow and Cole White. In attendance remotely via WebEx were David Anderson, Zaira Blackburn, Chad Borsheim, Kathleen Dalzell, Carol Diedrich, Jenn Halim, Joel Hohenstein, Dominic Matern, Erica Pinc, Tim Maurer, Leslie Nagel, Lynn Paatalo, Sonja Parr, Mariah Smith, Maria Steele, and Stephanie Summerville.

Legal Representative: Kathleen Reitz participated in Room 117.

Others: In attendance in Room 106 was Curt Hutchens. Attending remotely via WebEx were Joan Beaver, Chad Burkitt, Paul Ehrhard, Charles Hellie, Madeline Katz, Susan Lenczewski, Blaine Novak, Rodney Rowe, Jason Savage, 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.

**2.a. Approval of Minutes of Board meeting March 9, 2022**

It was moved by Lindstrom and seconded by Olson to approve the minutes of the March 9, 2022 Board Meeting as corrected. A roll call vote was taken. The motion passed unanimously.

**2.b. Approval of Minutes of the Special Board meeting April 12, 2022**

It was moved by Lindstrom and seconded by Reno to approve the minutes of the April 12, 2022 Special Board Meeting as corrected. A roll call vote was taken. The motion passed unanimously.

#### **4.a. Fiscal Year 2023 Administrative Budget**

Stoffel and Steele presented the fiscal year 2023 administrative budget, with a description of expenditure categories. Staff proposed a revenue budget for FY2023 of \$965,932,000 and an operating expense budget of \$2,142,092,809 to cover benefit payments and administrative expenses. A more detailed itemization of budgeted expenses followed: \$2,100,000,000 for annuities and benefits, \$20,000,000 for refunds, \$2,481,000 for SBI investment expenses and \$19,711,806 for administrative expenses.

Lindstrom would like to note that the twenty-five vacancies are reflected as filled in the proposed budget.

It was moved by Stencil and seconded by Olson to approve the Fiscal Year 2023 revenue budget of \$965,932,000 and the FY23 operating expense budget of \$2,142,092,809. A roll call vote was taken. The motion passed on a vote of six to one (Schlottach-Ratcliff voted no).

#### **4.b. Facilities Management Committee (FMC) Report**

Zins reviewed topics discussed at the FMC meeting on April 13, 2022. Zins reported that the FMC approved the FY23 revenue and operating expense budgets: income from leases and parking fees of \$349,680 and expenses for the building of \$1,778,815.

Zins noted that another meeting of the FMC will be scheduled in January 2023 to discuss steps that may be necessary once the revenue bonds mature June 1, 2025.

#### **4.c. Board Orientation, Training**

Stoffel reviewed the education topics that have been conducted and topics that the board would like to discuss.

#### **5.a. Legislative Update**

Barth reviewed the status of pension legislation impacting TRA as of May 5, 2022. Stoffel reviewed the summary of HF4016/SF3541.

Lindstrom expressed concern about the contents of the omnibus benefits and funding bill, HF4016/SF3541, and said the level of funding from the State for TRA was inadequate relative to the funding for the St. Paul Teachers Retirement Fund. He suggested that if the SPTRFA would get funding from the State for the reduction of the investment return assumption, then the same level of funding should go to TRA.

It was moved by Lindstrom that the TRA Board support the contents of HF4016/SF3541 and direct staff to communicate the results of the vote to the Legislature as soon as possible. The motion failed for lack of a second.

### **6.a. Trustees: Comments, Questions**

Reno would like to explore options for benefit improvements other than the Rule of 90 that would help with recruitment and retainment of teachers.

Lindstrom acknowledged the member emails sent to the board and thanked people for providing their input. Lindstrom suggested that the board consider placing meeting recordings on the TRA website along with meeting materials.

Olson thanked the people who have sent emails to the board. Olson would also like the board to explore how benefits can be improved in a way that helps the maximum number of members.

Drugge Wuensch thanked the people who have sent emails to the board and inquired whether the entire board received all the emails and whether staff responded to the emails.

### **6.b. Report from Executive Director, Articles of Interest**

Stoffel reviewed the Cavanaugh Macdonald press release on the 2022 Actuarial Standards of Practice No. 4 Revisions.

### **6.c. Report from President**

Zins identified some topics that could be discussed at the Board Retreat in August 2022. Zins informed the board members that the NCTR trustee workshop is taking place July 24-27, 2022 and directed those who are interested in attending to contact Carol Diedrich.

### **6.d. Financial Update**

Stoffel reviewed the TRA dashboard included in the packet.

### **6.e. Operational Update**

Maurer reviewed the March and April 2022 issues of the Inside TRAck which included information on office reopening and changes to the IRS W-4P form. He also updated the Board of changes for the invitations of future Board meetings.

### **6.f. Assistant Attorney General Update**

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

## **7. Public Comments**

Joan Beaver (EDMN Retired) expressed frustration by the process at the legislature this year. Beaver stated support for the need to improve benefits, and noted that EDMN Retired did not testify in support or opposition on the second omnibus pension bill at the LCPR meeting because while there are good parts, it still feels insufficient in light of the large state surplus.

Paul Ehrhard (REAM) noted that the second omnibus pension bill passed through the process very quickly. He agreed with Beaver's comments on the bill and despite feeling it is not sufficient, he was hopeful that it would pass.

**8. Dates of Next Meetings**

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

**9. Adjourn**

A motion to adjourn was made by Stencil, seconded by Olson. A roll call vote was taken. The motion passed unanimously at 11:55 a.m. Schlottach-Ratcliff was not present for the vote.

Attest:

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J. Michael Stoffel  
Executive Director

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Martha Lee Zins  
President