

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING – JUNE 15, 2022
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 117
(Pursuant to Minnesota Statutes, Sections 13D.015)

Board President Martha Lee Zins called the meeting to order at 9:30 a.m. 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, Julie Reno, Laurena Schlottach-Ratcliff, Joel Stencil and Wendy Drugge Wuensch.

Absent: Denise Anderson

TRA Staff: In attendance in Room 117 was Rachel Barth, Tim Maurer, Maria Steele, and Jay Stoffel. In attendance in Room 106 were Sonja Parr. In attendance remotely via WebEx were David Anderson, Zaira Blackburn, Chad Borsheim, Carol Diedrich, Joel Hohenstein, Julie Larson, Dominic Matern, Erica Pinc, Leslie Nagel, Eric Nitardy, Lynn Paatalo, Mark Roemhild, Stephanie Summerville, and Cole White.

Legal Representative: Kathleen Reitz participated in Room 117.

Others: Attending remotely via WebEx were Joan Beaver, Chad Burkitt, Paul Ehrhard, Curt Hutchens, Kelly Korbitz, Susan Lenczewski, Mike Malmberg, Blaine Novak, Rodney Rowe, Jason Savage, Evan Thissen, and Bre Wavrunek.

1. Call to Order

Zins called the meeting to order at 9:30 a.m.

2.a. Approval of Minutes of Board meeting May 18, 2022

It was moved by Stencil and seconded by Olson to approve the minutes from the May 18, 2022 Board meeting as corrected. The motion passed unanimously.

4.a. Audit Committee Report

Stencil noted that the Audit Committee met on June 14, 2022. The Committee discussed the proposed audit plan for fiscal year 2023, reviewed the fiscal year 2022 Annual Audit Report, and reviewed audits that have been issued since March 2022. The committee heard an update about the internal auditor position that was vacated in August 2021. Stencil noted that every five years TRA undergoes an external quality assessment of our internal audit function. That will take place this year in August. Finally, Internal Controls Bulletins were reviewed.

4.b. Approval of FY2023 Internal Audit Plan

Nagel reviewed the FY2023 Internal Audit Plan. Trustee Olson thanked Nagel for her work during a time when an internal audit staff position is vacant.

It was moved by Stencil and seconded by Olson to approve the Fiscal Year 2023 Internal Audit Plan with the noted corrections. The motion passed unanimously.

4.c. Election of officers, selection of FMC representatives, name Audit Committee members and chair and vice-chair

Olson nominated Zins for board president. The motion passed unanimously.

Zins nominated Olson for vice president. The motion passed unanimously.

It was moved by Zins and seconded by Drugge Wuensch to name Stencil as chair of the Audit Committee, Olson as vice chair of the committee, and Schlottach-Ratcliff as temporary member of the Audit Committee. The motion passed unanimously.

Zins noted that Trustees Zins and Olson will be members of the Facilities Management Committee by virtue of being officers on the TRA Board.

4.d. Reappointment of Executive Director

Olson moved and Drugge Wuensch seconded a motion to reappoint Jay Stoffel as executive director of TRA for FY23. The motion passed without dissent.

4.e. Communications Policy & Practice

Zins reviewed a section of the TRA trustee Handbook titled “Board Communication Guidelines”. There were suggestions that the Handbook be updated for further clarification. Zins asked that trustees send any suggested edits to Stoffel. They would be compiled and discussed at a future Board meeting.

5. Legislative Update

Barth provided an update of the 2022 legislative session. She reviewed a memo in the Board packet summarizing what was passed by the Legislature and signed by the Governor affecting TRA. The memo also outlined other bills that were proposed but did not pass.

6. a. Trustee Comments, Questions

Olson noted that he attended a course by the International Foundation of Employee Benefit Plans, and at the conclusion he received a certificate of achievement in public plan policy.

Lindstrom referenced an article in the May 25 NASRA News Clips reporting that the Ohio Teachers Retirement System had completed a benefits comparison study. This study compared benefits and other plan features of the Ohio system to those of other state retirement systems. He

expressed interest in seeing a study comparing benefits of Minnesota TRA to benefits of other retirement systems in social security states. He also noted that he is interested in exploring how insurance benefits could be offered to retiring teachers to help them retire early.

6.b. Report from Executive Director

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

Stoffel updated the Board on recent changes to the human resources department and other recent hires at TRA. Summerville will be promoted to the position of Human Resources Supervisor 3. MMB has given Summerville full provisional delegation allowing her to independently set salaries and job classifications, within guidelines.

6.c. Report from President

Zins reviewed procedures to follow for trustees who plan to attend the NCTR Trustee Workshop in July.

Zins provided an update on the Executive Director Compensation Study. The joint committee had planned to use CBIZ, a consulting firm, to conduct a salary study which would have cost \$2,500 for each of the three retirement systems. After further consideration, the committee decided it is more cost effective to have NASRA conduct the study, which will cost \$1,000.

6.d. Financial Update

Stoffel reviewed the TRA dashboard included in the packet.

6.e. Operational Update

Maurer reviewed the May and June issues of the Inside TRAck.

6.f. Assistant Attorney General Update

Reitz noted that there was no update to report at this time. She indicated that she will be attending the National Association of Public Pension Attorneys conference next week.

7. Public Comments

Curt Hutchens (REAM) – He noted that REAM is planning their conference in Red Wing, Minnesota, September 26-27.

Jason Savage (TRA member) – spoke about members having more direct contact with trustees, the need for having more Tier II members on the Board, creating an incentive for high-paid educators to retire, and moving TRA Board meetings to a time later in the day that is more convenient for teachers.

Joan Beaver (EDMN Retired) – provided some observations about the pension bills that were proposed but not passed during the 2022 legislative session. She expressed disappointment after so much hard work and effort by many people. She thanked Stoffel and Barth for all their hard work.

8. Dates of Next Meetings

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

9. Adjourn

A motion to adjourn was made by Olson seconded by Lindstrom. A roll call vote was taken. The motion passed unanimously at 11:46 a.m.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President