Board President Martha Lee Zins called the meeting to order at 9:30 a.m. Those in addition to Zins were:


Absent: Denise Anderson

TRA Staff: Staff attending the meeting in person were Rachel Barth, Carol Diedrich, Tim Maurer, Maria Steele, and Jay Stoffel. Staff attending remotely via WebEx were: David Anderson, Laurel Anderson, Zaira Blackburn, Lisa Carlson, Kathleen Dalzell, Sarah Esget, Sharon Grundtner, Joel Hohenstein, Julie Larson, Dominic Matern, Seth McDowell, Leslie Nagel, Eric Nitardy, Kay Norris, Lynn Paatalo, Sonja Parr-Baker, Erica Pinc, Mark Roemhild, Jane Suhr, and Cole White.

Legal Representative: Kathleen Reitz

Others: Attending remotely via WebEx were: Chad Burkitt, Andrew Dahlby, Holly Dayton, Jess Dietz, Paul Ehrhard, Adam Janiak, Jeff Kurowski, Susan Lenczewski, David Rondestvedt, Ryan (no other name was provided), Jason Savage, and Mike Schumacher.

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

2.a. Approval of Minutes of Board Retreat on August 16, 2022
It was moved by Olson and seconded by Stencel to approve the minutes as corrected. The motion passed unanimously.

4.a. Audit Committee Report
Stencel noted that the Audit Committee met on August 15, 2022. Members continued discussion about the composition of the Audit Committee. Stencel asked trustees for any input pertaining to the composition of the committee. The committee reviewed the annual audit report, the Internal Controls bulletins, and Tone at the Top articles.
4.b. Retreat Evaluation Results
Zins reviewed the retreat evaluation responses. The information will be used when planning future retreats.

4.c. Executive Director Evaluation
Zins reviewed the process and the form for the annual performance evaluation of the TRA Executive Director. The TRA executive team will be asked to complete the supplemental feedback form. All completed forms should be returned to Zins by October 7, 2022. Zins will compile the information from the individual evaluation forms and feedback forms. This information will be reviewed by Zins with the executive director. The performance evaluation will then be filed with the TRA human resources department.

4.d. Board Self-Evaluation Process
Zins summarized the evaluation process. Trustees were asked to complete the evaluation form and send the completed form to Luke Olson by October 7, 2022. Information from the self-evaluation forms will be compiled and reported at the next Board meeting.

4.e. Board Election Process
Steele provided the Board with information about the upcoming active member trustee election. There will be two active member positions on the ballot. The two four-year terms will begin on July 1, 2023. TRA will publish a request for proposal (RFP) for election services in late October or early November. After the list of candidates is finalized, TRA staff will work with the vendor under the proposed timeline. The anticipated mailing date for ballots is mid-March 2023. The deadline to apply is Friday, December 16, 2022. The voting period would run through April 21, 2023.

   It was moved by Stencel and seconded by Wuensch to proceed with the RFP based on the schedule and outline of procedures described, using the election process and business rules described herein for the administration of the 2023 Board Election. The motion passed unanimously.

4.f. Comparison of TRA Benefits to Other States
Barth reviewed information regarding regional pension plan comparisons. She noted this is a high-level comparison of benefits from TRA, North Dakota, South Dakota, Iowa and Wisconsin. Barth also reviewed certain plan provisions of TRA compared to MSRS and PERA.

   There was discussion by trustees about possible benefit improvements. Staff was directed to obtain actuarial cost estimates for 1) expanding the rule of 90 to post-89 hires; 2) a lower normal retirement age in Tier II; 3) a combination of age and service for eligibility for early unreduced benefits in Tier II; 4) a higher formula accrual rate in Tier II.

4.h. Resolution of Appreciation: Mansco Perry III
Executive Director Stoffel read and presented to Mr. Perry the following resolution:
TEACHERS RETIREMENT ASSOCIATION
RESOLUTION IN APPRECIATION OF
MANSCO PERRY III

WHEREAS, during his professional career, Mr. Perry was employed by the State Board of Investment (SBI) as assistant executive director from 1990 to 2008, and as Executive Director/Chief Investment Officer from 2013 to 2022; and

WHEREAS, Mr. Perry was responsible for the investment management of pension and other assets totaling over $135 billion, which has grown to be the 48th largest investment fund in the world, and of which $30 billion were assets of TRA; and

WHEREAS, under the leadership of Mr. Perry the SBI achieved long-term investment returns that were consistently top quartile and at times top percentile among his peers in the USA, while mitigating portfolio risk and improving liquidity; and

WHEREAS, as a result of strong investment performance, TRA stakeholders – working and retired public school educators, taxpayers, and the State of Minnesota – realized generous retirement benefits, lower contribution rates and significant improvement in the actuarial condition of the TRA pension plan; and

WHEREAS, Mr. Perry is recognized as a leader by his peers and others around the country, receiving awards and recognition such as the Richard Stoddard award by NASIO in 2017, CIO lifetime achievement award in 2018, Carlton College distinguished alumni achievement award in 2019, and CIO of the year for public funds over $100 billion in 2021. Additionally, Governor Mark Dayton declared December 13, 2018 to be Mansco Perry III day; and

WHEREAS, Mr. Perry served the SBI with dedication and distinction and retired October 11, 2022; 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 Mansco Perry III and recognize him for his important contributions to retirement security of Minnesota public school educators and thereby serving Minnesota public school educators, students, and the public school system; and be it further

RESOLVED, that a copy of this resolution be presented to Mansco Perry III 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 September 14, 2022.

A recess was called from 12:15 p.m. to 12:45 p.m. to allow for lunch
4.g. Selection of Delegates for Annual NCTR Business Meeting
Stoffel noted that the NCTR annual conference is scheduled for October 8-11, 2022. The annual business meeting of the NCTR is scheduled for October 11, 2022. NCTR has asked member systems to designate delegates for the annual business meeting.

It was moved by Stencel and seconded by Wuensch that Stoffel is automatically a delegate and to designate Zins and Olson as delegates, and Anderson and Reno as alternate delegates for the annual business meeting of the NCTR. A roll call vote was taken. The motion passed unanimously.

5. Legislative Update
No updates at this time.

6.a. Trustee Comments, Questions
Lindstrom noted he had previously asked for the TRA Board position on the Rule of 90 when that was being considered in 1989, and that he was still interested in getting that information.

It was moved by Lindstrom and seconded by Reno that TRA Board meeting recordings and Board materials be posted on the TRA website for member access dating back to July 1, 2022. A roll call vote was taken. The motion failed on a vote of 5 to 2 (Olson, Schlottach-Ratcliff, Stencel, Wuensch, and Zins voting no.)

6.b. Report from Executive Director
Stoffel reviewed a news release that the three bond rating agencies (S&P500, Moody’s and Fitch) had recently given Minnesota bonds a triple A rating noting that all three firms had mentioned pension obligations as part of their analysis. Stoffel also announced that Jill Schurtz, currently the executive director of the St. Paul Teachers Retirement Association, was appointed as the new Executive Director, Chief Investment Officer of the SBI. Schurtz will begin employment at SBI in early October.

6.c. Report from President
Zins noted that she met with the OLA auditors to go through a fraud interview for TRA. Representatives from the three pension funds will meet on September 21, 2022 to review the salaries of the executive directors of MSRS, PERA and TRA. The group will review the salary study that NASRA was commissioned to complete.

6.d. Financial Update
Stoffel reviewed the TRA dashboard included in the Board packet.

6.e. Operational Update
Maurer reviewed the June, July and August 2022 issues of the Inside TRAck which included information on the W-4 project update and purchasing out-of-state service credit.
6.f. Assistant Attorney General Update  
Reitz noted that there was no update at this time.

7. Public Comments  
There were no public comments.

8. Dates of Future Meetings  
President Zins announced the dates of upcoming Board and Audit Committee meetings.

9. Adjourn  
The meeting adjourned at 2:30 p.m. with a motion by Olson, seconded by Stencel. A roll call vote was taken. The motion passed unanimously.

Attest:

_____________________________________
J. Michael Stoffel  
Executive Director

_____________________________________
Martha Lee Zins  
President