

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
NOVEMBER 10, 2022
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 117
(PURSUANT TO MN STATUTES, SECTION 13D.015)**

1. Call to order

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

Trustees: Kevin Lindstrom, Luke Olson, Julie Reno, Rena Schlottach-Ratcliff, Joel Stencel, and Wendy Drugge Wuensch. Attending remotely via WebEx was: Denise Anderson.

TRA Staff: Staff attending the meeting in person were Rachel Barth, Carol Diedrich, Tim Maurer, and Jay Stoffel. Staff attending remotely via WebEx were: David Anderson, Kaci Beall, Zaira Blackburn, Chad Borsheim, Pat Grandahl, Sharon Grundtner, Joel Hohenstein, Andrea Johnson, Ganesh Kumar, Julie Larson, Dominic Matern, Seth McDowell, Leslie Nagel, Eric Nitardy, Kay Norris, Lynn Paatalo, Sonja Parr-Baker, Lynn Paatalo, Katherine Penrod, Erica Pinc, Mark Roemhild, Maria Steele, Tony To, Stephanie Tonihka, and Cole White.

Legal Representative: Attending remotely via WebEx was: Kathleen Reitz

Others: Attending remotely via WebEx were: Pat Beckham, Brent Bovitz, Chad Burkitt, Andrew Dahlby, Holly Dayton, Christine Denson, Tracy Detloff, Jon DeMars, Paul (no last name provided), Ryan Fiereck, Brian Gorackowski, Charles Hellie, Holly (no last name provided), Adam Janiak, H. Johnson, Kelly (no last name provided), Steve Kempenich, Jennifer (no last name provided), Kim L (no last name provided), Susan Lenczewski, Melissa (no last name provided), Walt Munsterman, Jerome Nemanich, Matt Palmer, Holly Paschke, Paul (no last name provided), Mark Raymond, Jim Reed, Roxanne Robinson, Jason Savage, Kate Lynne Snyder, Amy Streng, Melissa Tate, and Melinda Wetteland.

2a. Approval of Minutes of Board meeting on September 14, 2022

It was moved by Olson and seconded by Stencel to approve the minutes as corrected. The motion passed unanimously.

4a. Audit Committee Report

Stencel noted that the Audit Committee met on August 15, 2022. The committee discussed the recently completed internal audit quality assessment report, reviewed changes to the charters, and reviewed results of recently complete audits.

It was noted that MMB had suggested that Josh Botnen be named to the TRA audit committee to represent MMB.

It was moved by Stencil and seconded by Denise Anderson to accept Josh Botnen as the MMB representative on the TRA Internal Audit Committee effective November 10, 2022. A roll call vote was taken. The motion passed unanimously.

4b. Improved Money Purchase Rate Approval

Steele provided background about the improved money purchase plan. She reviewed the calculation by TRA staff resulting in a -2.5 percent rate for fiscal year 2022.

It was moved by Lindstrom and seconded by Olson to approve a rate of -2.50% for the improved money purchase plan for fiscal year 2022. A roll call vote was taken. The motion passed unanimously.

4c. FY2023 Quarterly Budget Update

Steele reviewed the FY2023 quarterly budget update as of September 30, 2022, noting that, going forward, staff will provide a budget update on a quarterly basis.

4d. Engagement Letter – OLA

Steele reviewed the engagement letter from the OLA outlining the responsibilities of TRA and the OLA in regards to the audit of the FY2022 financial statements, and setting the schedule for the audit. Steele noted that at the end of the audit, the OLA will provide audits reports and an audit opinion letter.

4e. Investment Return Assumption for FY2022 Valuations

Stoffel reviewed information in the Board packet related to the investment return assumption. He noted that a 7.0% assumption was approved for the FY2022 GASB accounting valuation.

4f. Policy Analysis, Actuarial Cost Estimates – Benefit Improvements

Barth reviewed a memo in the meeting packet that provided an overview of policy considerations for various benefit increases.

A break was taken. Following the break all trustees were present.

Stoffel reviewed information from Cavanaugh Macdonald showing the actuarial cost estimates of various benefit increases identified by the Board.

A recess was called from 11:45 a.m. to 12:30 p.m. to allow for lunch.

Discussion continued regarding the various benefit increases.

A short break was taken. Following the break all trustees were present.

The Board agreed to request refined cost estimates from Cavanaugh Macdonald for: full benefits at age 60 with 30 years of service; full benefits at age 64 with 30 years of service.

4g. NCTR Annual Conference – Review

President Zins suggested that item 4g. be deleted from the agenda. The trustees agreed.

4h. Board Self-Evaluation

President Zins suggested that 4h.be moved to the January 2023 meeting. The trustees agreed.

4i. Executive Director Performance Evaluation

President Zins noted that agenda item 4i. would follow agenda item 7. The trustees agreed.

5. Legislative Update

Barth commented about the outcome of the 2022 elections. She noted that chair of the Legislative Commission on Pensions and Retirement will switch to the House for two years.

6a. Trustee Comments, Questions

Lindstrom suggested holding a special board meeting in December to process cost information about the benefit increases requested earlier in the meeting.

6b. Report from Executive Director

Stoffel reviewed a memo summarizing recent actions by the Investment Advisory Council and the State Board of Investment. Stoffel noted that Executive Director Search Committee and the SBI unanimously agreed to offer the position of Executive Director/Chief Investment Officer to Jill Schurtz. There was agreement to invite Schurtz to a future TRA Board meeting.

6c. Report from President

6d. Financial Update

Stoffel reviewed the TRA dashboard included in the packet.

6e. Operational Update

Maurer reviewed the September and October 2022 issues of the Inside TRAck.

6f. Assistant Attorney General Update

Reitz noted that there was no update at this time.

It was moved by Stencil and seconded by Reno to schedule a special meeting of the TRA Board on Monday, December 12, 2022 at 10 a.m. to discuss the two refined actuarial cost estimates that were identified earlier in the meeting to be developed by Cavanaugh Macdonald. [Specifically, full benefits at age 60 with 30 years of service; full benefits at age 64 with 30 years of service.](#)

Lindstrom moved, seconded by Reno, to amend the motion to allow the possibility of crafting a legislative proposal for the 2023 legislative session. A roll call vote on the amendment failed on a vote of four to four (Lindstrom, Reno, Olson, Drugge-Wuenssch voted yes; Anderson, Schlottach-Ratcliff, Stencil and Zins voted no).

On the original motion, a roll call vote was taken. The motion passed unanimously.

7. Public Comments

- Paul Peterson, special education teacher in International Falls.
- Walt Munsterman, representing ED MN Retired.

4i. Executive Director Performance Evaluation

It was moved by Olson and seconded by Stencel to close the November 10, 2022 meeting of the TRA Board of Trustees at 2:56 p.m. to discuss the performance evaluation of the Executive Director pursuant to MN statutes, section 13D.03, subdivision 3. A roll call vote was taken. The motion passed unanimously.

At 4:38 p.m. Zins noted the closed session had ended and the board returned to open meeting. During the closed meeting the Board discussed the performance evaluation of the executive director.

Trustee Olson made the following motion, seconded by Drugge-Wuensch: To provide a performance-based increase as defined by the Managerial Plan, the Board moves to increase the salary of the executive director Jay Stoffel by 3.5%, effective January 1, 2023 consistent with the language detailed in the Plan, pending an announcement by Minnesota Management and Budget regarding salary increases for the 2023 year, given that a satisfactory performance evaluation for Jay Stoffel was completed and is on file with the TRA Human Resources Office. The motion passed unanimously.

8. Dates of Future Meetings

President Zins announced the dates of upcoming Board and Audit Committee meetings.

9. Adjourn

Trustee Olson made a motion, seconded by Anderson, to adjourn the meeting at 4:40 p.m. A roll call vote was taken. The motion passed unanimously.

Attest:

J. Michael Stoffel
Executive Director

Martha Lee Zins
President