



## MINUTES

The Board of Trustees of the Public Employees Retirement Association met in regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, April 25, 2019 at 9:30 a.m., with notice given ten days prior thereto by the Secretary.

The following members were present:

Kathy Green, President	
Julie Blaha/Ramona Advani	Leigh Lenzmeier
Paul Bourgeois (via telephone)	Thomas Rupp
Mary Falk	Thomas Stanley
Paul Ford	Lawrence Ward
Barbara Johnson	

constituting a quorum.

Attorney General Representative: Kevin Finnerty

Staff members present: Doug Anderson, Executive Director; Julie Leppink, General Counsel; Luis Lugo, Chief Operations Officer; Mike Hagerty, Chief Financial Officer; Beth Reed, Manager of Benefit Services Center; Amy Strenge, Policy Coordinator; Mary Daly, Continuity and Data Coordinator.

Others present: Brian Rice, MPFA and AFSCME #5; Chad Burkitt, LCPR; Emily Nachtigal, MMRA; Luci Botzek, PEPSA.

**1.0 Call to Order** President Green called the meeting to order at 9:35 a.m. She noted that Trustee Bourgeois was participating in the meeting via telephone conference call as permitted by Minnesota Statutes Section 13D.015. Roll call was taken to establish quorum.

*Stanley moved to adopt the agenda as presented. The motion was seconded by Ford and passed unanimously by roll call.*

**2.0 Consent Calendar** The consent calendar included the following reports:  
**Approval of Minutes** (February 21, 2019, Regular Meeting)  
**Operational Report** Education, Payments, and Membership Counts (Memo dated April 11, 2019 from Cheryl Keating, Shana Morse, Beth Reed, and Luis Lugo)  
**Financial Report** (Statement of Fiduciary Net Position as of February 28, 2019; Statement of Changes in Fiduciary Net Position as of February 28, 2019, unaudited)

*Stanley moved to accept the consent calendar as presented. The motion was seconded by Ford.*

Green noted an additional agenda item, 5.3, Discussion of PERA State Aid

Extension (HF2837).

*The consent calendar was updated and passed unanimously by roll call.*

3.0 Appeals

None

4.0 Decision Items

**4.1 PERA Governance Manual- Voting Process**

*Reference was made to PERA's Governance Manual – Section 2.2, Power and Duties of the Board of Trustees*

The Board discussed the voting process for casting their vote when choosing a candidate for a Board vacancy.

*Falk moved to adopt and incorporate the voting process procedure into the Governance Manual. The motion was seconded by Lenzmeier and passed unanimously by roll call.*

**4.2 Retired, Disabled, and Survivor Representative-Recommendation from the Board Vacancy Subcommittee**

*Reference was made to a memo from President Green dated April 11, 2019*

The subcommittee made up of Bourgeois, Ford, Johnson, Rupp, Stanley, and President Green discussed the strengths and insights of each candidate. Based upon discussion, the subcommittee recommended five candidates for consideration: Robert Bendzick, Margaret Ingison (Peggy), Julie Kleinschmidt, David Metusalem, and Donald Rambow.

Once discussion was completed, a ballot election was taken resulting in David Metusalem and Donald Rambow as the two candidates with the most votes. The Board repeated the voting process with the top two candidates. David Metusalem was the candidate with the majority of votes in the second round. President Green instructed staff to send thank you notes to the four candidates and a formal appointment letter to David Metusalem.

**4.3 Election of PERA Board of Trustees Officers**

*Reference was made to PERA's Governance Manual – Section 2.1, PERA Board Organization*

President Green called for nominations for the position of President; she nominated Stanley.

*Falk moved a unanimous ballot for Stanley to serve as President of the PERA Board of Trustees. The motion was seconded by Bourgeois and passed with 9 ayes, with Stanley abstaining.*

President Green called for nominations for the position of Vice President; Stanley nominated Green.

*Bourgeois moved a unanimous ballot for Green to serve as Vice President of the PERA Board of Trustees. The motion was seconded by Johnson and passed with 9 ayes, with Green abstaining.*

**5.0 Informational Items**

**5.1 2019 PERA Board of Trustees Election Results Data**

*Reference was made to a memo from Doug Anderson dated April 11, 2019*

Anderson presented data results of the 2019 PERA Board of Trustee election. The general ballot return rate was 9.0%, continuing a trend of declining returns. Members were allowed to vote either by mail or on the internet. Staff will continue to analyze this data and make recommendations for future election procedures to increase participation and reduce the costs.

**5.2 Legislative Update**

*Reference was made to a memo from Amy Strenge dated April 11, 2019*

Strenge provided an update on the 2019 Omnibus Retirement bill and the status of the Boards' recommendations and other bills that impact PERA.

**5.3 PERA State Aid Extension**

Blaha noted that this aid was part of the Pension Reform and Uniformity Proposal (PRUP) that made many changes to benefits, assumptions, and funding in 1997 and it is set to expire in 2020. Local governments have expressed an interest in extending the aid since the plan will not be fully funded in 2020.

*Blaha moved that the PERA Board support continuance of the 1997 PERA Aid to local government employers. The motion was seconded by Johnson and passed with 9 ayes, with Green voting nay.*

**6.0 Discussion Items**

**6.1 Long-term Plan Goals**

*Reference was made to a memo from Doug Anderson dated April 11, 2019*

Anderson provided information on the PERA General Employees, Police & Fire, and Correctional Plans and noted that all three plans remain on track to be fully funded within 20 years. He stated that there are challenging issues still ahead and that the Board should consider being prepared to respond to three specific issues:

1. The possibility of a lower investment return assumption,
2. The possibility of transitioning from fixed statutory contribution rates to funding the actuarial determined contribution, and
3. Results from a 2020 cost-of-living (COLA) study to be undertaken by the Legislative Commission on Pensions and Retirement (LCPR) for consideration during the 2021 session.

He proposed a schedule for an evaluation process to better understand the General Employees Plan, Police & Fire Plan, and the Correctional Plan provisions and options.

7.0 Other Business

7.1 Fricke v. PERA

Finnerty stated that the matter has been resolved and the case dismissed.

8.0 Date of Next Meeting

The next meeting of the PERA Board of Trustees will be held Thursday, May 9, 2019, starting at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

9.0 Adjourn

*There being no further business to come before the PERA Board, Bourgeois moved to adjourn the meeting at 10:20 a.m. The motion was seconded by Stanley and passed unanimously.*

A handwritten signature in black ink, appearing to read "Doug Anderson", is written over a horizontal line.

Doug Anderson, Executive Director  
Saint Paul, Minnesota