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, August 11, 2022, at 9:30 a.m., with notice given ten days prior thereto by the Secretary.

The following members were present:

Thomas Stanley, President
Julie Blaha/Ramona Advani (remotely)
Paul Ford (remotely)
Kathy Green (remotely)
Barbara Johnson
David Metusalem
Thomas Rupp
Scott Schulte

constituting a quorum.

Excused: Paul Bourgeois, Mary Falk, Thomas Thornberg

Attorney General Representative: Kevin Finnerty (remotely)

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Lance LaFrombois, Deputy General Counsel; Mark Sauceman, Chief Information Officer; Tracy Gebhard, Chief Financial Officer; Don Haller, Chief Operations Officer; David Andrews, Accounting Director; Andrea Murphy, Communications and Stakeholder Supervisor; Heath Schoenberger, Account Information Management Manager; Mary Daly, Continuity and Data Coordinator; Gladys Rodriguez, Executive Assistant.

Others present: Wade Laszlo, Correctional Plan Retiree; Susan Lenczewski and Chad Burkitt, Legislative Commission on Pensions and Retirements; Harry Grigsby, Retiree; Angie Huss, Lockridge Grindal Nauen P.L.L.P.; Matt Massman, Minnesota Inter-County Association; Durand Ackman, Olmstead County; Holly Dayton, MN State Retirement System.

1. **Call to Order**

   President Stanley called the meeting to order at 9:30 a.m. Trustees participated in person or remotely via telephone or interactive technology as permitted in Minnesota Statutes Section 13D.015. Roll call was taken to establish quorum.

   _Schulte moved to adopt the agenda as presented. The motion was seconded by Johnson and passed unanimously by roll call vote._

   The agenda was taken in the following order.

2. **Approval of Consent Calendar**

   The consent calendar included the following reports:

   a) June 9, 2022, Regular Board Meeting Minutes
b) Operational Report: Education, Payments, and Membership Counts  
c) Financial Report (Statement of Fiduciary Net Position as of June 30, 2022, unaudited;  
Statement of Changes in Fiduciary Net Position as of June 30, 2022, unaudited)

Johnson moved to accept the consent calendar. The motion was seconded by Ford and passed  
unanimously by roll call vote.

Stanley appreciated the redesigned Operational Report with the graphical depiction of the  
membership counts. It gives a perspective to the numbers.

3. **Board Election Contract Award**  
**Reference was made to a memo from Doug Anderson dated August 11, 2022**

Anderson reported that two proposals were received in response to the request for an  
administrator for the 2023 Board of Trustees election. Both proposals were evaluated based on  
the Restatement of Project, Work Plan and Methodology, Technology, Background and Experience,  
Attachments, and Cost Proposal. Yes Elections met the minimum requirements with the highest  
points and the lowest cost.

The procedure for contracts over $50,000 requires that the Board select the vendor; therefore,  
the evaluation team recommended that the Board of Trustees award the contract for  
administration of the 2023 PERA Board of Trustees Elections to Yes Election based on their ability  
to provide the services desired in a secure manner.

Metusalem moved to approve the contract for administration of the 2023 PERA Board of  
Trustees Elections to Yes Elections. The motion was seconded by Schulte and passed  
unanimously by roll call vote.

4. **Modernization Update**  
**Reference was made to a presentation from Mark Sauceman dated August 11, 2022**

Sauceman provided an update on PERA’s modernization project. He shared the return on  
investment for technology upgrades and the benefits to members, employers and staff. He then  
addressed the benefits of eliminating the current obsolete technology that has created  
operational and security risks, and is no longer supported by the manufacturer. PERA’s goal is to  
enhance the member experience and employer service interactions to improve and provide faster  
services. The call center capabilities will be enhanced to include interactive voice response, caller  
authentication, virtual hold, live chat, and an integrated member experience regardless of contact  
method. On the employer enhancements, users will see a redesigned web dashboard with report  
tracking features and enhanced admin tools. PERA will also have the capability to run its web  
application through a web responsive design, which allows the application to scale text, images  
and field to fit any device.

Trustee Rupp raised a question about Duo factor authentication. Sauceman shared that it has  
already been implemented within PERA employees and will be completed for external  
authentication as well.
5. **Investment Return Assumption**  
Reference was made to a memo from Doug Anderson dated August 11, 2022

Anderson noted that the investment return assumption is still set at 7.5 percent. There was an attempt to bring the issue forward at the legislature but there was nothing included in the policy bill. There was a component of the Benefits and Funding Bill that would change the assumption to 7 percent but the bill did not pass before the Legislature ended. As a result, GRS will complete the July 1, 2022, actuarial valuations using 7.5 percent, with a disclaimer noting that the 7.5% statutory rate is outside of the reasonable range.

GRS provided a letter with their recommendation and what they consider unreasonable. Their recommended range is 5.64 percent to 6.55 percent, which is a little bit less than a year ago.

Anderson shared trends from the NASRA issue brief that provided a summary of current investment return assumptions showing the long-standing downward trend. Since March 2022, 25 plans have lowered their assumption. As of July 2022, the median assumed return is 7.0 percent (48 plans). Of 141 plans reporting, 55 were less than 7.0 percent and 38 plans had an assumption that was higher. The only plans reporting 7.5 percent or higher were the four Minnesota systems, Arkansas State Highway ERS, Ohio Police & Fire, and Texas County & District. More will be discussed at the October board meeting and workshop.

Stanley also noted that there are training opportunities available for Trustees to attend.

6. **Articles of Interest**  
Stanley called the Trustees attention to the following items of interest.

- Cryptocurrency-Pensions story, Associated Press, July 10, 2022
- NASRA Issue Brief: Cost-of-Living Adjustments, June 2022

7. **Recognition of Retired PERA Staff- Mary Daly and Denna Thurmond**  
Stanley recognized and presented a plaque to retired PERA staff and read the following into record.

**Presented to Denna Thurmond**  
In recognition of over 25 years of dedicated state service, including 21 years for the Minnesota Public Employees Retirement Association (PERA), we wish to express our sincere gratitude for your wisdom, commitment to excellence, and unwavering support of our members and employers.

With a career spanning June 25, 1997 to July 29, 2022, your impact as a co-worker, contributor, team player and friend will be missed and never forgotten.

We wish you good health, happiness and continued success in your retirement.

**Presented to Mary Daly**  
In recognition of 34 years of dedicated state service, including 22 years for the Minnesota Public Employees Retirement Association (PERA), to the Public Employees Retirement Association (PERA) members, employers, stakeholders, and employees.
We wish to express our sincere thanks and gratitude for your wisdom, commitment to excellence, and unwavering support of the association's efforts to maintain excellent customer service. Your commitment to providing support in all areas at PERA is particularly appreciated.

We will miss your infectious enthusiasm for PERA's success, your kindness and genuine interest in seeing everyone with whom you have had the opportunity to work with meet their fullest potential.

With a career spanning from August 1, 1988, to September 27, 2022, your impact as a co-worker, contributor, team player and friend will be missed and never forgotten.

We wish you good health, relaxation and happiness in your retirement.

Daly shared that she has attended PERA’s board meetings for the last 21 years. She joined the State of Minnesota as an emergency worker at the Unemployment and Economic Division, and later joined PERA as an executive assistant in November 2000.

Members congratulated Daly and expressed their appreciation. Anderson acknowledged Thurmond and expressed appreciation to Daly for her knowledge and level of dedication.

8. **Date of Next Meeting**
   The next hybrid meeting and workshop will be held on Thursday, October 13, 2022, starting at 9:30 a.m. Suggested topics can be sent to President Stanley.

9. **Adjournment**
   *There being no further business, Rupp moved to adjourn the meeting. Motion was seconded by Metusalem and passed unanimously by roll call vote.*

Meeting was adjourned at 10:40 a.m.

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Doug Anderson, Executive Director
Saint Paul, Minnesota