



MINUTES

The Board of Trustees of the Public Employees Retirement Association met remotely in regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, October 8, 2020 at 9:30 a.m., with notice given ten days prior thereto by the Secretary.

The following members were present by telephone or video conference:

Thomas Stanley, President

Julie Blaha/Ramona Advani

Barbara Johnson

Paul Bourgeois

Leigh Lenzmeier

Mary Falk

David Metusalem

Paul Ford

Thomas Rupp

Kathy Green

Thomas Thornberg

constituting a quorum.

Attorney General Representative: Kevin Finnerty

Staff members present: Doug Anderson, Executive Director; Julie Leppink and Lance LaFrombois, Legal Counsel; Luis Lugo, Chief Operations Officer; Beth Reed and Amy Brandenburg, Benefit Services Center; Heather Schoenberger and Alan Klimisch, Account Information Management; Amy Strenge, Policy Coordinator; David Andrews, Accounting Director; Mary Daly, Continuity and Data Coordinator and Gladys Rodriguez, Executive Assistant.

Others present: Luci Botzek, Public Employees Pension Service Association; Gary Carlson, League of Minnesota Cities; Harry Grigsby, Retiree; Angela Huss and Ann Lenczewski, Lockridge Grindal Nauen PLLP; Matt Massman, MN Inter-County Association; Chad Burkitt and Susan Lenczewski, Legislative Commission on Pensions and Retirements; Brian Rice, Rice, Walter & Mosley LLP; Kelly Gibbons, Local 284; Gus Froemke, Teamsters 320; Anne Finn, League of Minnesota Cities; Matt Massman, Minnesota Inter-County Association; Lori Johnson, City of Minneapolis.

1. **Call to Order and Approval of Agenda**

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

*Falk moved to adopt the revised agenda to reflect a delay in the Peter Maus appeal.
The motion was seconded by Bourgeois 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) August 13, 2020, Regular Board Meeting Minutes
- b) Operational Report: Education, Payments, and Membership Counts
- c) Financial Report (Statements of Changes in Fiduciary Net Position as of August 31, 2020; Statement of Fiduciary Net Position as of August 31, 2020)

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

Anderson made reference to a chart that demonstrated the total headcount over FY 2018-2021 for DBP Active Members.

3. **Operations Service Delivery**

Reference was made to a presentation from Luis Lugo dated October 8, 2020

Lugo provided an update on how PERA staff has responded to the COVID Pandemic over the last six months. When the pandemic broke, members were meeting with staff face-to-face. Since then, staff has transitioned to doing live phone counseling instead; video counseling will be implemented in the near future. On-demand personal benefit statements are now available to members through their MY PERA account. Over the last year, PERA also transitioned to virtual webinars as a way to reach out to members.

4. **2021 Legislative Agenda**

Reference was made to a memo from Amy Strenge dated October 8, 2020

The 2021 Legislative session is set to begin January 5, 2021. Strenge addressed some of the administrative issues that have been identified. One of the issues to bring forth is the privatization withdrawal liability. Staff has revised educational materials to demonstrate why assessing a withdrawal liability is appropriate and has developed an example that demonstrates that despite the assessment of the withdrawal liability, a privatizing entity would still see a substantial reduction in both actual contribution that they make and the Net Pension Liability upon privatization.

The SVF Advisory Board is discussing a proposal that would allow municipalities and nonprofit firefighting corporations with plans in the Statewide Volunteer Firefighter Plan to split fire state aid. The SVF Advisory Board is unlikely to propose any other changes this year.

Last year, the PERA board discussed and reviewed the Police and Fire Disability benefits for members over 55 and proposed that members who were over 55 with less than 20 years of service would be vested in their entire benefit, but would not receive a disability benefit. After further review, staff will recommend that members over 55 with less than 20 years of service still receive the minimum benefit based on 20 years of service; however, members will receive a retirement benefit, which is taxable.

Administrative items include:

- Leave Purchase Clean Up
- Recognize external phased retirement options for the purpose of Combined Service Annuities
- Provide clarity for Pre-89 benefits for Correctional Plan and P&F Plan members
- Allow PERA to have the ability to waive the submission of proof of earnings in circumstances where the member will not have earnings
- Technical changes to the Required Minimum Distribution that would align statute to IRS regulations

Anderson noted that LCPR staff is conducting a Cost of Living Adjustment study that was part of the 2018 Legislative package to have a study completed by the end of 2020. Anderson and Strenge have been working with LCPR staff to provide content for the report and have engaged several stakeholder groups to make them aware of the study and suggest that they provide information to LCPR.

5. **PERA Board of Trustees 2021 Meeting Schedule**

Reference was made to a Board Resolution – 2021 Regular Meeting Schedule.

President Stanley presented a resolution reflecting the meeting dates for 2021.

Metusalem moved that the Board adopt the resolution setting the 2021 regular meeting schedule of the PERA Board of Trustees. The motion was seconded by Thornberg and passed unanimously.

6. **GFOA CAFR Recognition**

Reference was made to a press release and letter addressed to President Stanley dated September 28, 2020

President Stanley congratulated PERA's Finance team for being awarded the Government Finance Officers Association Certificate for Achievement for Excellence in Financial Reporting for 27 consecutive years. This is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

7. **ED Performance Review Process**

Stanley explained the process to evaluate the performance of the Executive Director. Members will be asked to follow a link to an online survey, which will be monitored by Gladys Rodriguez. The collected data is transmitted over a secured site designed to protect the confidentiality of information.

Stanley also noted that he has participated in a number of meetings with the Presidents of the retirement funds to discuss compensation levels for the executive directors to ensure that positions are fairly compensated; more information will be provided in December.

8. Date of Next Meeting

The next meeting of the PERA Board of Trustees will be held remotely on Thursday, December 10, 2020 starting at 9:30 a.m.

9. Adjournment

There being no further business to come before the PERA Board, Green moved to adjourn the meeting at 10:40 a.m. Motion was seconded by Thornberg and passed unanimously by roll call vote.

Following the regular meeting, the Board of Trustees and key staff participated in a planning session devoted to Police & Fire Disability. Stakeholders were invited to participate and provide feedback on this issue.

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

Doug Anderson, Executive Director
Saint Paul, Minnesota