Results of the 2019 PERA Board of Trustee Election were certified and delivered to the Board at the February 21, 2019 meeting. The results were obtained from 25,336 returned ballots out of 281,962 ballots sent to members in January. The overall ballot return rate was 9.0%, continuing a trend of steadily declining returns over the past 16 years. The ballot return rate was 18.1% in 2003.

Members were allowed to vote either by mail or on the internet. Prior to this election, members could also vote by phone. However, the utilization of that approach was very low and that option has been discontinued. The following shows the transition from vote by mail to vote by internet since 2011.

<table>
<thead>
<tr>
<th>Election Year</th>
<th>Vote by Mail</th>
<th>Vote by Phone</th>
<th>Vote by Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Election</td>
<td>89%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>2015 Election</td>
<td>89%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>2019 Election</td>
<td>78%</td>
<td>0%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Overall reduced response rates and the increased response rate via internet has helped to reduce the cost of the election. The average total cost (administrative and mailing) per eligible voting member was $0.50. The cost of elections prior to 2007 exceeded $1.00 per member. The total cost of the 2019 election was about $140,000.

The election process is outlined in Minnesota Statutes, Chapter 353.03 (c). Procedures for execution of the election process have been determined by PERA. These procedures were last submitted and approved by the Board at the May 10, 2018 board meeting. As required under Chapter 353.03 (e), the approved process was submitted to the Secretary of State for review and comment. The Office of the Secretary of State responded that “the procedures outlined appear to be similar to those followed in the last PERA Election, and this Office continues to find them sufficient.”

Staff will continue to analyze the election data and make recommendations for future election procedures in order to minimize costs and maximize member participation.

Attachments:
- Minnesota Statutes 353.03, subd 1. Management; composition; election
- Procedures for Conducting the 2019 PERA Board Election
353.03 BOARD OF TRUSTEES.
Subdivision 1. Management; composition; election.

(a) The management of the Public Employees Retirement Association is vested in an 11-member board of trustees consisting of ten members and the state auditor. The state auditor may designate a deputy auditor with expertise in pension matters as the auditor's representative on the board. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who is a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association, including recipients of retirement annuities and disability and survivor benefits, shall elect five trustees for terms of four years, one of whom must be a member of the police and fire fund and one of whom must be a former member who met the definition of public employee under section 353.01, subdivisions 2 and 2a, for at least five years prior to terminating membership and who is receiving a retirement annuity or a member who receives a disability benefit. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are seated. Except as provided in this subdivision, trustees elected by the membership of the association must be public employees and members of the association.

(b) For seven days beginning October 1 of each year preceding a year in which an election is held, the association shall accept filings of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the association. No name may be withdrawn from nomination by the nominee after October 15. At the request of a candidate for an elected position on the board of trustees, the board shall provide a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies and procedures to govern the form and length of these statements and the timing and deadlines for submitting materials to be distributed to the eligible voters.

(c) By January 10 of each year in which elections are to be held, the board shall distribute to the eligible voters the instructions and materials necessary to vote for the candidates seeking terms on the board of trustees. Eligible voters are the members, retirees, and other benefit recipients. No voter may vote for more than one candidate for each board position to be filled. A vote for more than one person for any position is void. No special marking may be used to indicate incumbents. Votes cast by using paper ballots mailed to the association must be postmarked no later than January 31. Votes cast by using telephone or other electronic means authorized under the board's procedures must be entered by the end of the day on January 31. The design of the voting response media must ensure that each voter's vote is secret.

(d) A candidate who receives contributions, who makes expenditures in excess of $100, or who has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of $100 for the purpose of bringing about the candidate's election shall file a report with the campaign finance and public disclosure board disclosing the source and amount of all contributions to the candidate's campaign. The campaign finance and public disclosure board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include any distribution made by the association board on behalf of the candidate. A candidate shall file a report within 30 days from the day that the results of the election are announced. The Campaign
353.03 BOARD OF TRUSTEES.
Subdivision 1. Management; composition; election.

Finance and Public Disclosure Board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it.

(e) The secretary of state shall review and comment on the procedures defined by the board of trustees for conducting the elections specified in this subdivision, including board policies adopted under paragraph (b).

(f) The board of trustees and the executive director shall undertake their activities consistent with chapter 356A.
Date: June 1, 2018
To: Office of the Secretary of State
   Gary Poser, Deputy Secretary of State Elections
   Michele McNulty, Election Administrator
From: Gladys Rodriguez, Executive Assistant
Phone: (651) 201-2691
SUBJECT: Procedures for Conducting the 2019 PERA Board Election

Every four years, an election is conducted to facilitate the election of five board members by the PERA membership as provided under Minnesota Statutes, Chapter 353.03. Subdivision 1(e), states, The secretary of state shall review and comment on the procedures defined by the board of trustees for conducting the elections specified in this subdivision, including board policies adopted under paragraph (b).

At the May 10, 2018, PERA Board of Trustee meeting, the Board reviewed and adopted the following election procedures that will govern the 2019 PERA Board of Trustees election.

Please review and comment on the procedures for the 2019 PERA Board of Trustees election by June 15, 2018. (A draft RFP and Minnesota Statutes, Chapter 353.03 is included.)

- The PERA administrative budget will include the costs expected to accommodate the process for electing five members to the Board of Trustees.
- In May or June (depending on the schedule of meetings) of the year before an election, the PERA staff will submit to the Board of Trustees the procedures for conducting the upcoming elections for their approval before submitting them to the Office of the Secretary of State for review and comment, as required by law. This submission will include a draft of the Request For Proposals.
- PERA staff, through publication in the State Wide Integrated Financial Tools (SWIFT), must request proposals for an outside vendor to manage the election. This includes the design, printing and mailing of all voting instructions and materials and the receipt, validation and counting of returned votes. We will also request options for voting by internet.
- Upon receipt of vendor submissions, the staff will present to the Board of Trustees the top viable vendors and request approval of a vendor to conduct the election process.
- Election information and forms will be made available to interested candidates and announced on PERA’s website and in the newsletters as early as possible, but no later than August 20 of the year in which candidate nominations for board seats will be accepted.
- Candidate filing is accepted for 7 days beginning October 1. *(Statutory)*

- No candidates may withdraw their name after October 15. *(Statutory)*

- Candidate filings must include a nominating petition signed by at least 25 PERA members. *(Statutory)*

- Candidates may submit statements of up to 300 words to be included with the ballots. *(Statutory)* These statements must be received by October 7. PERA staff will not make any changes to candidate statements, even if only for grammar or sentence structure. If statements are over 300 words, the candidate will be given three business days to edit and resubmit.

- To the extent possible, candidate names will be equally rotated on the ballot so that all candidates for a particular position will have their names appear at the top of the list of candidates from which to choose.

- The nomination process is clearly stated in statute, so there will be no accommodation for “write in” candidates on the PERA Board election ballots.

- Addresses of eligible voters are sent to vendor in early December with a second listing of new members sent at the end of December so that ballots are mailed to the most current addresses PERA has available in order to assure, within reason, delivery of a ballot to all eligible voters. Mailing will be marked as forward-able and mailings returned as undeliverable will be resent based on information provided on the returned mail by the postal service.

- Eligible voters are the membership of the association including recipients of retirement annuities, and disability and survivor benefits. *(Statutory)* MERF membership was included as eligible voters with the administrative consolidation as of July 1, 2010.

- Adequate testing will be done to assure that votes will be accurately recorded and counted. Testing will take place after materials are printed but before distribution to members and shall be monitored by PERA staff.

- Voting instructions and materials are to be distributed to members between January 2 and January 10. No special markings may be used to indicate incumbents. No voter may vote for more than one candidate for each board position to be filled. A vote for more than one person for any position is void. *(Statutory)* Because the timing for the distribution of voting material is specifically defined in statute, there will be no accommodation for the distribution of ballots at any time other than that specified in statute.

- Upon request from PERA, the vendor will prepare and mail duplicate materials, which will be so marked to ensure that no member can vote more than once.

- Votes cast by using paper ballots must be postmarked by January 31. Votes cast by using electronic means must be entered by the end of the day on January 31. *(Statutory)*
- Votes must be counted in a manner that ensures that each vote is secret, and no member may vote for more than one candidate for each board position to be filled; a vote for more than one person for any position is void. *(Statutory)*

- PERA staff must monitor the voting procedure used by the vendor at various times throughout the counting process.

- The vendor must send election results to PERA staff and to the PERA Board of Trustees no later than the third week in February of the year in which an election is conducted.

- Election results will be certified by the Board of Trustees at the next scheduled Board meeting of the year in which an election is conducted.