Date: August 8, 2019  
To: PERA Board of Trustees  
From: Thomas Stanley, President  
Subject: Executive Director Cost of Living Adjustment

The board adopted an Executive Director Compensation Policy at the December 8, 2016 board meeting with an effective date of July 1, 2017. The policy was also adopted by the boards of the Minnesota State Retirement System (MSRS) and the Teachers’ Retirement Association (TRA). The purpose of that policy was to: (1) establish a salary range for the Executive Directors of the systems; (2) define the policies and procedures used to determine the appropriate salary levels; and (3) create the process for granting future salary increases.

Earlier this year, the board presidents collaborated with Paul Moore of the Minnesota Department of Management and Budget (MMB) to develop board actions that are consistent with the terms of the State of Minnesota Managerial Plan Compensation Policy for granting salary increases. The focus of the collaboration was to provide the boards with appropriate and legally sufficient language to grant: cost-of-living allowances (COLA) that are linked to the actions of MMB in granting such allowances to state employees covered by the Managerial Plan; and performance-based increases.

The first recommended motion resulting from that process is as follows:

**Motion #1 COLA Increases for 7/1/2019 and 7/1/2020**

To provide for any general salary increases effective on July 1, 2019 and on July 1, 2020, the Board moves to increase the salary of Doug Anderson at percentages consistent with the FY2020-FY2021 Managerial Plan language regarding general salary increases. Any such increases shall be retroactive to the effective date in the Plan.

A second motion to grant a performance-based increase was also developed and will be presented to the board for consideration later this year.