

**MINUTES**  
**Minnesota State Retirement System**  
**Board of Directors**  
**January 21, 2021**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, January 21, 2021, at 9:00 a.m., in the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 117, Saint Paul, Minnesota.

**Members Present**

*All members attended via video or phone conference, unless noted otherwise.*

Mary Benner, Chair; Wes Skoglund, Vice Chair; Tommy Bellfield; Chet Jorgenson (Arrived at 9:40 am); Michael LeDoux; Michael Schweyen, Melissa Lam Young (representative for James Schowalter, Commissioner of Minnesota Management & Budget) (Arrived at 10:05am); Michael Roelofs; Joseph Sullivan; Dan Gorman; and Jacqueline Terry.

**Others Present**

Kathy Woodruff, Office of the Attorney General; Mike Landers, Minnesota Retired State Employees Association; Joseph Wallis, Office of the Legislative Auditor; Sherri Christensen and Bonnie Wurst, GRS Consulting; and MSRS staff members: Erin Leonard, (Executive Director) [attended in-person], Linda Henderson Julie Leppink, Mark Manion, Tim Rekow, Kurt Augustin, and Andrea Cox [attended in-person].

**Call to Order**

Chair Mary Benner called the meeting to order at 9:05 a.m. Introductions were given. The agenda items were taken in the order as shown below. Roll call was taken of Board members.

**Approval of Minutes of the Regular Board Meeting Held November 19, 2020**

The minutes of the regular Board meeting held Thursday, November 19, 2020, were submitted for approval.

*Roelofs moved approval of the minutes of the regular meeting held November 19, 2020. Motion was seconded by Bellfield and carried unanimously by roll call vote.*

**FY2020 Actuarial Results**

Sherri Christensen and Bonnie Wurst, MSRS' actuaries from GRS Consulting, appeared before the Board and provided 2020 valuation results for the State Employees Retirement Fund, Correctional Retirement Fund, State Patrol Retirement Fund, and the Judges Retirement Fund as reflected in her presentation handout. Christensen and Wurst also discussed the impact of COVID-19. Mortality Experience 2020 Valuation of State Employee Retirement Fund was also presented.

No action was requested on this agenda item

### **FY2020 Financial Audit and Reporting Update**

Reference was made to a memorandum dated January 6, 2021 from Tim Rekow, Chief Financial Officer and Cheryl Jahnke, Financial Reporting and Risk Management Director regarding the FY2020 Financial Audit and Reporting. Rekow informed the Board that the Office of Legislative Auditor (OLA) completed their financial audit of the MSRS financial statements. OLA provided a clean opinion on the FY2020 financial reports that are included in the 2020 Comprehensive Annual Financial Report (CAFR). Rekow reported that the MSRS Finance Department also produced a Popular Annual Financial Report (PAFR), a condensed version of the CAFR.

No action was requested on this agenda item.

### **FY2021 Mid-Year Budget Review**

Reference was made to a memorandum from Tim Rekow dated January 11, 2021 regarding the *Mid-Year Administrative and Facilities Budget Review*. The MSRS Board approved the fiscal year 2021 administrative and recordkeeping budget on May 21, 2020, for totals of \$24,289,400. Facilities Management Committee members approved the 2021 facility budget of \$1,490,910 at the April 14, 2020 meeting. Since there will be an anticipated administrative surplus of \$1,320,000 and facilities budget surplus of \$58,120 at fiscal year-end, no additional Board action is necessary.

### **Legislative Update**

Erin Leonard, Executive Director, discussed updates with the newly elected House and Senate members. The Legislative Commission on Pensions and Retirement (LCPR) will be chaired by the Senate. The only legislation that MSRS will be drafting this year will be for the Judges Plan with a set 1.5% and removing triggers. A House author has been secured for the Judges Plan.

### **Other Business**

Rate of Return: 17.6% FYTD return as of December 31, 2020

### **Executive Director Performance Review**

Mary Benner reported to the Board that she and Erin Leonard met to discuss her performance review for FY2020 after gathering feedback from all Board members. The review was on December 18, 2020. Benner spoke with TRA and PERA Board chairs regarding step increases for Executive Directors. Benner is drafting a proposal to present the Board in March.

### **Next Meeting**

Chair Benner stated that the next Board meetings are tentatively scheduled for March 18, 2021 and May 20, 2021.

**Adjournment**

There being no further business to come before the Board, the meeting adjourned at 11:30 am. On the motion of Benner, seconded by Bellfield and passed unanimously by roll call vote.

**Informational Items:**

Contracts Summary

Summary Financial Information (unaudited)

Information Security Report – Protected Non-Public Data

Retiree Lists

Rate of Return – to be presented at meeting