

**MINUTES  
Minnesota State Retirement System  
Board of Directors  
May 20, 2021**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, May 20, 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; Michael LeDoux; Michael Schweyen, Rena Schlottach-Ratcliff (representative for James Schowalter, Commissioner of Minnesota Management & Budget); Michael Roelofs; Joseph Sullivan; Jacqueline Terry; and Daniel Gorman.

**Others Present**

Kathy Woodruff, Attorney General's Office; Mike Landers, Minnesota Retired State Employees Association; Krisann McMahon, University of Minnesota; Susan Lenczewski and Chad Burkitt, Legislative Commission on Pensions and Retirement; Cyril Espanol; and MSRS staff members: Erin Leonard (Executive Director) [attended in-person], Linda Henderson, Mark Manion, Tim Rekow, Daniel McLean, Holly Dayton, Kurt Augustin, Julie Leppink and Andrea Cox [attended in-person]

**Call to Order**

Chair Benner called the meeting to order at 9:00 a.m. Introductions were given. The agenda items were taken in the order as shown below.

**Approval of Minutes of the Regular Board Meeting Held**

The minutes of the regular Board meeting held Thursday, March 18, 2021, were submitted for approval.

*Bellfield moved approval of the minutes of the regular meeting held March 18, 2021. Motion was seconded by Terry and carried unanimously by roll call vote.*

**Approval of Minutes of the Special Board Meeting Held**

The minutes of the special Board meeting held Thursday, April 2, 2021, were submitted for approval. Schweyen noted a typo on page 1 and the minutes were amended accordingly.

*Terry moved approval of the minutes of the special meeting held April 2, 2021, as amended. Motion was seconded by Bellfield and carried unanimously by roll call vote.*

### **Legislative Update**

Holly Dayton, Legislative Liaison, spoke to the conclusion of the regular Minnesota legislative session. She noted that the 2021 Omnibus Pension and Retirement bill was passed during the week of May 10<sup>th</sup>. In addition to the items advanced by the Board, the final legislation included an extension of Unclassified Plan retirement factors for certain eligible, active members; the establishment of a working group to study telecommunicators' pension benefits; and eligibility changes for certain visa-holding public employees. The legislation was expected to be signed into law by the governor.

No action was needed on this agenda item.

### **Appointment to the 911 Telecommunicators' Working Group**

Holly Dayton, Legislative Liaison, and Erin Leonard, Executive Director, explained the forthcoming 911 telecommunicators' working group. A report is due to the Legislature by March 1, 2022.

*Skoglund moved that Dan Gorman be appointed to the 911 Telecommunicators' working group as an MSRS representative of the Correctional Employees Retirement Plan. Motion was seconded by Roelofs and carried unanimously by roll call vote.*

### **FY2021 Year in Review**

Mark Manion, Chief External Benefits Officer, Dan McLean, Director of Strategic Initiatives, Tim Rekow, Chief Financial Officer, and Linda Henderson, Chief Internal Benefits Officer, presented a document titled *FY2021 Year in Review*. The presentation shared updated membership information, asset totals, enrollment information, strategic goals, and a summary of the accomplishments during the year related to the MSRS Strategic Plan.

No action was needed on this agenda item.

### **Approval of FY2022-FY2024 Strategic Plan**

Reference was made to a memorandum from Executive Director, Erin Leonard, dated May 12, 2021 titled *Approval of FY2022-FY2024 Strategic Plan* and a report titled *Strategic Plan Fiscal Years 2022-2024*. Leonard explained that specific initiatives will be developed throughout the implementation of the plan, in support of the goals. The plan's four focus areas will be:

1. Talent Management
2. Service Delivery
3. Participant Success
4. Financial Sustainability

*Skoglund moved approval of the MSRS Strategic Plan for Fiscal Years 2022-2024. Motion was seconded by Terry and carried unanimously by roll call vote. Sullivan did not vote.*

## **FY2022 Administrative & Recordkeeping Budget Review & Approval**

Reference was made to a memorandum dated May 10, 2021 from Tim Rekow, Chief Financial Officer titled *FY2022 Administrative & Recordkeeping Budget Review & Approval* and a report titled *Administrative Budget for Fiscal Year 2022*.

The fiscal year 2022 Administrative Budget totals \$21,314,150. This amount is \$752,150, or 3.66 percent more than the fiscal year 2021 budget, which totaled \$20,562,000.

The fiscal year 2022 Recordkeeping Budget totals \$3,790,700. This amount is \$80,700, or 2.18 percent more than the fiscal year 2021 budget of \$3,710,000.

The fiscal year 2022 Total Budget Proposal totals \$25,104,850. This amount is \$832,850, or 3.43 percent more than the fiscal year 2021 budget of \$24,272,000. The budget increase is caused primarily by an increase in personnel costs.

*Roelofs moved approval of the FY2022 Total Budget Proposal. Motion was seconded by Schweyen and passed unanimously by roll call vote.*

## **Legal Update**

Kathy Woodruff, Attorney with the Minnesota Attorney General's Office, updated the Board on the status of two appeals and one lawsuit. The Court of Appeals recently affirmed the MSRS Board's determination on one, and briefing is ongoing for the other.

No action was needed on this agenda item.

## **Other Business**

The annual NASRA conference will be virtual this year; Board members are encouraged to attend.

The MSRS Board will meet remotely in July and consider a hybrid arrangement for the September meeting.

## **Rate of Return**

The fiscal year-to-date return as of April 30, 2021 is 26.1%

## **Next Meeting Date**

Chair Benner stated that the next Board meeting is tentatively scheduled for July 15, 2021.

## **Adjournment**

There being no further business to come before the Board, the meeting adjourned at 12:31 pm.

*Terry moved to adjourn. Motion was seconded by Bellfield and carried 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***