

**MINUTES
Minnesota State Retirement System
Board of Directors
November 19, 2020**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, November 19, 2020, 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, Melissa Lam Young (representative for James Schowalter, Commissioner of Minnesota Management & Budget); Michael Roelofs; Joseph Sullivan; and Jacqueline Terry.

Excused

Daniel Gorman

Others Present

Kathy Woodruff, Office of the Attorney General; Mike Landers, Minnesota Retired State Employees Association; Krisann McMahon, University of Minnesota; Susan Lenczewski, Legislative Commission on Pensions and Retirement; Ted Johnson (Appellant); Maja Ben (Journalist for Fund Map); David Musielewicz; and MSRS staff members: Erin Leonard, (Executive Director) [attended in-person], Linda Henderson [attended in-person], Julie Leppink, Mark Manion, Tim Rekow Daniel McLean, Holly Dayton, and Andrea Cox.

Ted Johnson was present for his appeal only.

Call to Order

Chair Benner called the meeting to order at 9:02 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 September 17, 2020

The minutes of the regular Board meeting held Thursday, September 17, 2020, were submitted for approval.

Bellfield moved approval of the minutes of the regular meeting held September 17, 2020. Motion was seconded by Roelofs and carried unanimously by roll call vote.

Appeal of Ted Johnson

Reference was made to a memorandum dated November 19, 2020 from Julie Leppink and the written submission of Ted Johnson. The issue before the Board was whether Mr. Johnson is eligible for MSRS General Employees Retirement Plan (General Plan) coverage for his service with the Minnesota Department of Education (MDE). Mr. Johnson was a full time temporary state employee in the classified at the MDE for a total of more than six months. MDE did not deduct employee retirement plan contributions from Mr. Johnson's salary or make employer retirement contributions to MSRS.

The Administrative Law Judge (ALJ) recommended that the Board find that pursuant to Minn. Stat. §352.01, subd. 2b (6) iii), Ted Johnson was not eligible for General Plan coverage while he was a full time temporary employee with MDE.

Following statements from both parties, Julie Leppink and Ted Johnson responded to questions from the Board.

Skoglund moved to adopt the recommendation of the ALJ to sustain the Executive Director's determination that Ted Johnson is not eligible for General Plan coverage and to deny Ted Johnson's appeal. LeDoux seconded the motion. Roll call vote was taken and passed unanimously.

Appeal of Timothy Diederichs (This part of the meeting was closed)

Reference was made to a memorandum dated November 19, 2020 from Julie Leppink. Notice of the Board meeting was provided to Mr. Diederichs and attorney, Carol Lewis, but neither attended the Board meeting. The issue before the Board is whether Mr. Diederichs has established that he is unable to engage in any substantial gainful activity so that he is eligible for General Employees Retirement Plan total and permanent disability benefits.

The ALJ recommended that the Board find that the Petitioner has failed to establish his eligibility to receive total and permanent disability benefits.

Following a statement from Julie Leppink, she responded to questions from the Board.

Skoglund moved to adopt the recommendation of the ALJ to affirm the determination of the Executive Director that Timothy Diederichs is not eligible for MSRS General Employees Retirement Plan total and permanent disability benefits. Bellfield seconded the motion. Roll call vote was taken and passed unanimously.

Contract Approval Policy Review

Reference was made to a memorandum from Tim Rekow dated November 9, 2020 regarding the *Contract Approval Policy*. The MSRS Board adopted the original *Contract Approval Policy* May 10, 2005.

Bellfield moved approval of the staff recommendation described in the memorandum. Motion was seconded by Schweyen and carried unanimously by roll call vote.

Financial Reporting Awards & Featured Case Study

Reference was made to a memorandum dated November 10, 2020 from Tim Rekow and Cheryl Jahnke regarding *Financial Reporting Awards and Featured Case Study*. MSRS recently received three awards and was a featured case study for preparation of our financial reports. They include:

- The Certificate of Achievement for Excellence in Financial Reporting for our fiscal year 2019 Comprehensive Annual Financial Report (CAFR) from the Government Finance Officers Association (GFOA)
- The Award for Outstanding Achievement in Popular Annual Financial Reporting for our fiscal year 2019 Popular Annual Financial Report (PAFR) from the GFOA;
- The Public Pension Coordinating Council (PPCC) Public Pension Standards Award for Funding and Administration; and;
- The MSRS Financial Reporting and Risk Management Division was recognized for recent reporting efficiencies in published case study.

Developing 2021 Legislative Agenda

Erin Leonard, Executive Director, discussed post-election updates with the Board and the impact on the upcoming legislative session. It is anticipated that the upcoming session will remain virtual. MSRS will move forward with limited legislative agenda items, including the proposal to modify postretirement increases for the r the Judges Plan. There are no administrative changes necessary, at this time.

Other Business

Rate of Return: 4.1% (Fiscal YTD ending October 31, 2020)

Executive Director Performance Review

Benner reported to the Board that she and Leonard will meet to discuss her performance review for FY2020 after gathering feedback from all Board members.

Next Meeting

Chair Benner stated that the next Board meeting is tentatively scheduled for January 21, 2021, and following meeting is tentatively scheduled for March 18, 2021. The next Audit Committee Meeting will be tentatively scheduled for a date to be determined in early 2021.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 11:07am. On the motion of Benner, seconded by Terry 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