

**MINUTES
Minnesota State Retirement System
Board of Directors
September 16, 2021**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, September 16, 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 [in-person]; 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 [in-person]; Joseph Sullivan; and Jacqueline Terry [in-person]. Member Daniel Gorman was absent.

Others Present

Kathy Woodruff, Attorney General's Office; Bonnie Wurst, GRS Consulting; Mike Landers, Minnesota Retired State Employees Association; Jeff Altringer, University of Minnesota; Jordan Bjonfald; Rowen Descallar, Pageant Media; and MSRS staff members: Erin Leonard (Executive Director) [attended in-person], Linda Henderson [attended in-person], Mark Manion, Tim Rekow [attended in-person], Holly Dayton, Kurt Augustin.

Call to Order

Chair Benner called the meeting to order at 9:00 a.m. 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, July 15, 2021, were submitted for approval.

Roelofs moved approval of the minutes of the regular meeting held July 15, 2021. Motion was seconded by Terry and carried unanimously by roll call vote.

Investment Return Stochastic Modeling

Executive Director, Erin Leonard, introduced Bonnie Wurst from Gabriel, Roeder, Smith & Company. Wurst referenced a presentation titled *Stochastic Project Results* dated September 16, 2021, which was distributed to Board members via email prior to the meeting.

Wurst presented the results of stochastic projections for the State Employees and State Patrol Retirement Funds for the purpose of discussing the plans' assumed rate of return for GASB and funding calculations.

No action was needed on this agenda item.

Investment Return Assumption for 2021 GASB Valuation

Skoglund moved that the 2021 MSRS GASB valuations use a 6.5% rate of return assumption. Motion was seconded by Bellfield and carried unanimously by roll call vote.

Developing 2022 Legislative Agenda

Director Leonard introduced two possible legislative items for consideration during the 2022 session: pursuing a lower rate of return assumption for MSRS pension plan funding and moving this assumption from state statutes to the Appendix contained in the LCPR Standards for Actuarial Work. No other items were identified for consideration at this time. Staff will return to the Board in November with detailed proposals and additional items, if needed.

No action was needed on this agenda item.

Actuarial Services RFP & Board Participation

Tim Rekow, Chief Financial Officer, referenced a memo titled *Actuarial Services Request for Proposal and Board Member Participation* dated September 2, 2021.

A typo was noted in the memo, which should state that the five-year contract with GRS ends on June 30, 2022.

Members Jorgenson, Roelofs, and Terry volunteered to participate in the upcoming actuarial services RFP process.

No action was needed on this agenda item.

Approval of a Modification the 2022 Board Election Process

Reference was made to a memorandum dated September 8, 2021 discussing a request to allow electronic signatures for the nominating petition for the 2022 MSRS Board Election. The process was previously approved requiring original signatures.

Terry moved to allow electronic signatures. Motion was seconded by Bellfield and carried unanimously by roll call vote.

Legal Update

Kathy Woodruff, Attorney with the Minnesota Attorney General's Office, updated the Board on the status of a pending lawsuit.

No action was needed on this agenda item.

Other Business

The MSRS Board will likely again use a hybrid arrangement for the November meeting.

Next Meeting Date

Chair Benner stated that the next Board meeting is tentatively scheduled for November 18, 2021.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 11:19am.

Terry moved to adjourn. Motion was seconded by Bellfield and carried unanimously by roll call vote.

Informational Items:

FY21 Financial Audit & Reporting Update

Contracts Summary

Summary Financial Information (unaudited)

Information Security Report – Protected Non-Public Data

Retiree Lists