MINUTES

The Board of Trustees of the Public Employees Retirement Association met in regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, October 12, 2017 at 9:30 a.m., notice having been given ten days prior thereto by the Secretary.

The following members were present:

Kathy Green, President
Ross Arneson
Paul Bourgeois
Mary Falk
Paul Ford
Barbara Johnson
Rebecca Otto/Ramona Advani
Thomas Stanley
Lori Volz
Lawrence Ward

constituting a quorum.

Board member absent: Leigh Lenzmeier

Attorney General Representative: Kevin Finnerty.

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Director; Shana Jones, Policy and Organizational Planning Director; Linda Habel, Manager of Communication/Education Services; Deb Otto, Communication Specialist; Luis Argueta, Communication Specialist; Scott McLeod, AIM Caseworker; Lance LaFrombois, Pension Services Supervisor; Jim Riebe, GASB Specialist; Beth Reed, Manager of Pension Services; Andrea Murphy, Mary Daly, Executive Program Specialist and Gladys Rodriguez, Executive Assistant.

Others present: Harry Grigsby, Retired Member; Rachel Barth, LCPR; Keith Carlson, MiCAH; Brian Rice, POFM, MPFF, AFSCME 5; Dave Johnson, MMRA; Brian Lokkesmoe, MMRA; Susan Lenczewski, LCPR; Cap. John Mohs, SMFD, DEED.

1.0 Call to Order

President Green called the meeting to order at 9:30 a.m. She noted Trustee Lenzmeier's absence.

Green introduced the new Trustee elected to represent the Police and Fire Plan Paul Ford to the PERA Board. The Trustees and staff introduced themselves.

_Arneson moved to accept the agenda as presented. The motion was seconded by Falk. Motion passed unanimously._

The agenda was taken in the following order.

2.0 Consent Calendar

The consent calendar included the following reports:

- **Approval of Minutes** (August 10, 2017, Regular Meeting)
- **Operational Report** Education, Payments, and Membership Counts (Memo dated October 12, 2017 from Linda Habel, Cheryl Keating and Beth Reed).

Otto made a correction to the August 10, 2017, Regular Meeting noting that Advani attended as her delegate.

Stanley moved to accept the consent calendar with the meeting minutes as amended. The motion was seconded by Bourgeois. Motion passed unanimously.

[Trustee Johnson joined the meeting]

3.0 Appeals

3.1 Application for Continued Membership in the PERA Defined Contribution Plan for Elected Officials- Ann Cox.

*Reference was made to a memo and staff recommendation from Julie Leppink dated October 12, 2017.*

The Board of Trustees considered the appeal of Ms. Ann Cox. Leppink presented on behalf of PERA staff. Ms. Cox elected not to attend.

Ms. Cox was elected the Clerk of Duluth Township in 1995. A couple of years later, Ms. Cox elected to participate in the Defined Contribution Plan for Elected Officials (DCPE). In 2001, the Township electorate voted to change the status of the Clerk position held by Ms. Cox, as well as its Treasury position, from elected officials to employees. Despite this change in status, Ms. Cox continued to make contributions to the DCPE and did not make contributions to PERA’s Coordinated Plan. Neither the Township nor Ms. Cox alerted PERA of the change for sixteen years and Ms. Cox and the Township continued to make contributions to a plan for which she was no longer eligible.

Acting in accordance with statute, PERA enrolled Ms. Cox in the Coordinated Plan and transferred three years’ worth of funds, as permitted by statute. Consistent with the law, PERA will refund the remaining funds to Ms. Cox and the Township.

_The Board considered the entire record and, upon a motion duly made by Stanley and seconded by Volz, affirmed the denial of Ms. Cox’s application for Continued Membership in the PERA Defined Contribution Plan for Elected Officials._

Stanley moved that the Board’s attorney prepare a written notice that reflects the decision of the Board. The motion was seconded by Volz and passed unanimously.


*Reference was made to a memo and staff recommendation from Julie Leppink dated October 12, 2017.*

The Board of Trustees considered the appeal of Captain John Mohs. Leppink appeared on behalf of PERA staff. Cap. Mohs attended and spoke on his own behalf.
Cap. Mohs works as a full-time firefighter for the South Metro Fire Department (SMFD) and as a part-time employee for the Department of Employment and Economic Development (DEED).

Cap. Mohs intends to retire from his firefighter position in November 2017 and become a full-time employee of DEED without a break in service. Cap. Mohs states he has planned this course of action for a number of years and communicated his plans with staff at PERA. In 2017, PERA staff informed Cap. Mohs that pursuant to Minnesota law, he would be unable to collect a PERA retirement annuity without a break in public service of at least 30 days, and that at the time of termination he could not have an agreement in place to return to public employment after retirement.

The Board considered the entire record and, upon a motion duly made by Bourgeois and seconded by Arneson, affirmed the Executive Director’s decision. Motion passed by 8-2. Members voting yes: Arneson, Bourgeois, Falk, Ford, Green, Johnson, Stanley and Volz; Members voting no: Otto and Ward.

Stanley moved that the Board’s attorney prepare a written notice that reflects the decision of the Board. The motion was seconded by Arneson and passed unanimously.

4.0 Break

5.0 Information Items

5.1 Media Reporting of GASB Results
Reference was made to presentation by Doug Anderson.

Anderson provided information to help clarify some misunderstandings about the Governmental Accounting Standards Board (GASB) results recently published by Bloomberg News. Anderson described the differences between funding results and GASB results and explained why the large increase in unfunded liability reversed in FY17.

5.2 2018 Plan Design Discussion
Reference was made to a presentation by Doug Anderson.

Staff has engaged with stakeholder groups to gain feedback on the direction for the 2018 legislative initiatives. Anderson provided a summary of the suggested proposal for the General Employees Plan, Police and Fire Plan, and Correctional Plan.

Johnson moved to have the actuary cost out the proposal with questions raised by stakeholder groups. The motion was seconded by Falk and passed unanimously.

5.3 ED Review Process
Verbal report from President Kathy Green.

Green provided each Trustee documents and directions to evaluate the
performance of Executive Director Anderson. Green will compile the responses and create a summary document to be used in the formal review process at the December meeting.

6.0 Decision Items

6.1 PERA Board of Trustees 2018 Meeting Schedule
Reference was made to a Board Resolution – 2018 Regular Meeting Schedule

Green presented the resolution reflecting the meeting dates for 2018.

Bourgeois moved that the Board adopt the resolution setting the 2018 regular meeting schedule of the PERA Board of Trustees. The motion was seconded by Stanley and passed unanimously.

7.0 Date of Next Meeting
The next meeting of the PERA Board of Trustees will be held Thursday, December 14, 2017, starting at 9:30 a.m.

8.0 Adjourn
There being no further business to come before the PERA Board, Arneson moved to adjourn the meeting at 11:55 a.m. The motion was seconded by Otto. Motion passed unanimously.

Following the regular meeting, the Board of Trustees and key staff participated in a planning session dedicated to strategic planning.

Doug Anderson, Executive Director
Saint Paul, Minnesota