

Annual Meeting of the Board of Trustees Minutes

January 21, 2016
St. Paul, Minnesota

Call to Order

The Annual Meeting of the Board, as stipulated in Article III, Section 3 of the Association Bylaws, was called to order by President Kunz at 6:27 p.m. The meeting was held in Room K of the SPPS Administration Building located at 360 Colborne Street, St. Paul. Present were:

Matt Bogenschultz	Zuki Ellis	Michael McKay	Stephanie Pignato
Feryle Borgeson	John Kunz	Karen Odegard	
Lori Borgeson	Mike McCollor	James Paddock	

Also attending were Jill Schurtz, Executive Director and Christine MacDonald, Deputy Director.

Approval of Agenda

President Kunz asked for a motion to approve the Agenda for the January meeting. *Upon motion by Ms. Odegard and seconded by Mr. Borgeson, the Board voted to approve the agenda.*

Ex-Officio Member

The Board welcomed Zuki Ellis, the newly appointed *ex-officio* member, and expressed its gratitude to Jean O'Connell, the outgoing *ex-officio* member, for her service to the Board.

New Trustee

The Board also welcomed Michael McKay, math teacher and newly elected trustee, and expressed its gratitude to Gene Waschbusch, retiring trustee, for his 40 years of service to St. Paul educators as a mathematics teacher, SPTRFA Board trustee, and SPTRFA executive director.

Election of Officers

With the retirement of Board Secretary-Treasurer Waschbusch, the officer position of Secretary - Treasurer was separated. Mr. Kunz opened the floor to nominations from the trustees for Board officer positions for 2016. The following nominations were made and seconded and the following members duly elected:

<u>Office</u>	<u>Nominee</u>	<u>Motion</u>	<u>Second</u>
President	Mr. Kunz	M. McCollor	M. Bogenschultz
Vice President	Mr. McCollor	K. Odegard	J. Paddock
Secretary	Mr. Bogenschultz	F.. Borgeson	S. Pignato
Treasurer	Ms. Borgeson	M. Bogenschultz	K. Odegard

Certifications of Execution Authority

Following the election of the new officers, Ms. MacDonald obtained the necessary signatures for the Board resolution authorizing the board officers and the executive director to execute financial, legal, investment, and other procedural documents necessary to transact business on behalf of the SPTRFA. As well, signatures were acquired to update the SPTRFA Custodian records. The Resolution and Custodian documents remain in effect until further notice by the Board of a change in a designated officer/trustee.

President Kunz called for the Board to adopt the execution authority documents.

Upon motion by Mr. McCollor and seconded by Mr. Borgeson, the Board voted to adopt the Resolution as well as the required Custodian signatory documents

Endorsement of Extant Policies of the Board

Upon Motion by Mr. Borgeson and seconded by Mr. Bogenschultz, the Board so voted to ratify for the ensuing year the existing Board Policies and Procedures.

Standing Committees and Committee of Saint Paul Teachers' Pension PAC Assignments

President Kunz presented his appointees to the standing Board Committees for the 2016 calendar year as follows:

Executive Committee (5): Mr. Kunz, (Chair*), Mr. McCollor (Vice Chair), Mr. Bogenschultz, (Secretary), Ms. Borgeson (Treasurer), Mr. Borgeson, and Ms. Pignato

Annuities and Refunds Committee (3): Mr. Paddock (Chair*), Ms. Borgeson, and Mr. McKay

Personnel Committee (4): Mr. McCollor (Chair*), Mr. Borgeson, Ms. Odegard, and Mr. Paddock

Investment Committee (10): Ms. Pignato (Chair*) for a Committee of the Whole

Saint Paul Teachers' Pension PAC Delegate (1): Mr. Bogenschultz

Audit Committee (4): Ms. Odegard (Chair), Mr. Borgeson, Mr. McKay, and Ms. Pignato

* Trustees designated as "Chair" organize the committee meetings. The Board Vice President is always the Personnel Committee Chair. The Board President serves on all committees.

Member Questions & Adjournment

There being no member questions, at approximately 6:37 p.m., it was moved by Ms. Borgeson, seconded by Ms. Pignato and so voted by the Board that the meeting be adjourned.

The Board is scheduled to next convene on Wednesday, February 17, 2016, at 8:00 a.m.

Respectfully submitted,

Jill E. Schurtz
Executive Director

Call to Order

The meeting was called to order by President Kunz at 12:17 p.m.

Present for the Meeting were Trustees:

Feryle Borgeson	Mike McCollor	James Paddock
Lori Borgeson	Jean O'Connell	Stephanie Pignato
John Kunz	Karen Odegard	Eugene Waschbusch

Mr. Bogenschultz joined the meeting at 1:17 p.m.

Also present was Jill Schurtz, SPTRFA Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

Mr. McCollor moved adoption of the agenda. The motion was seconded by Mr. Borgeson and approved by the Board.

Approval of Minutes

Ms. O'Connell moved for approval of the minutes of the December 9, 2015 meeting of the Board. The motion was seconded by Ms. Odegard and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths. Ms. Odegard requested that future reports include an annotation of any survivor.

Consent Agenda

On motion by Ms. Odegard, seconded by Mr. McCollor, the Board accepted the consent agenda items listed.

Pension: *a. CA-2016-14: Report on Benefit Applications*

Financial: *b. CA-2016-15: Refunds — January 2016*
 c. CA-2016-16: Inv. Transactions — November 2015
 d. CA-2016-17: Inv. Transactions — December 2015
 e. CA-2015-48: Accounting – June 30, 2015

Tribute to Trustee Eugene Waschbusch

On the occasion of his retirement from the SPTRFA Board and 40 years of exemplary service, the Staff presented Eugene Waschbusch with a letter of congratulations signed by the President of the United States, Barack Obama, along with a replica of the SPTRFA Constitution, and their heartfelt thanks.

Legislative Update

Ms. Schurtz updated the Board on the status of legislative proposals pending before the LCPR, the current schedule of LCPR Meetings, other legislative meetings in progress, and the results of an updated GRS study regarding the estimated impact of new mortality tables.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including 1) potential professional development / continuing education opportunities through upcoming SALT and ENTRUST conferences; 2) recent lead plaintiff filing re Heartware Int'l; 3) resolution of member inquiry re mobility leave payments; 4) Wellington's announcement regarding the retirement of portfolio manager, Frank Boggan; and 5) portfolio performance and manager specific topics.

SPTRFA BOT Committee Assignments Discussion

Mr. Waschbusch led a discussion regarding the responsibilities associated with the Secretary, Treasurer, and Chair of the Investment Committee roles he currently holds on the Board. Following his retirement, he recommended that the Board separate these 3 positions to provide an opportunity to expand Board member responsibilities and knowledge, with the possibility of future rotations.

Investment Committee Update

Mr. Waschbusch, Committee Chair, reported no updates.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no updates.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no updates.

Audit Committee Update

Ms. Odegard, Committee Chair, called attention to the annual Finance Disclosure Form that all Board members are required to complete and requested submission no later than the Board's February meeting.

Member Questions and Answers & Adjournment

Upon motion of Mr. Waschbusch, which was seconded by Mr. McCollor, the Board voted to adjourn at 3:11 p.m. The Board convenes next at the Annual Meeting of the Members at 4:00 p.m., followed by the Annual Meeting of the Board of Trustees immediately thereafter.

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 8:16 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Lori Borgeson	Mike McCollor	James Paddock
Feryle Borgeson	John Kunz	Michael McKay	Stephanie Pignato

Ms. Odegard joined the meeting via phone.

Ms. Ellis was excused from the meeting due to a conflict with an SPPS meeting.

Also present were Jill Schurtz, SPTRFA Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

Mr. Borgeson moved adoption of the agenda. The motion was seconded by Mr. McCollor and approved by the Board.

Approval of Minutes

Ms. Pignato moved for approval of the minutes of the January 21, 2016 Special meeting of the Board. The motion was seconded by Mr. Paddock and so voted by the Board.

Ms. Pignato moved for approval of the minutes of the January 21, 2016 Annual Meeting of the Board. The motion was seconded by Mr. Paddock and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by Mr. McCollor, seconded by Ms. Odegard, the Board accepted the consent agenda items listed.

Pension: a. CA-2016-18: Report on Benefit Applications

Financial: b. CA-2016-19: Refunds — December 2015
 c. CA-2016-20: Rescinded Refunds — Jul-Feb FYE 2016
 d. CA-2016-21: Missed Death Refunds — Jul-Feb FYE 2016
 e. CA-2016-22: Accounting — July 31, 2015
 f. CA-2016-23: Accounting — August 31, 2015
 g. CA-2016-24: Accounting — September 30, 2015
 h. CA-2016-25: Accounting — October 31, 2015
 i. CA-2016-26: Accounting — November 30, 2015
 j. CA-2016-27: Accounting — December 31, 2015
 k. CA-2016-28: Inv. Transactions — January 2016

Executive Session: Closed Session

At 8:30 a.m., Mr. Borgeson made a motion to suspend the regular meeting and move to a closed executive session. The motion was seconded by Mr. McCollor and it was approved by the Board. The meeting moved into a closed executive session.

During closed session, the Board considered facts relevant to the disability benefit application submitted by Member #16350.

Upon motion by Mr. Borgeson, seconded by Mr. Bogenschultz, the Board voted to close the Executive Session at 8:40 a.m. and return to the regular meeting agenda.

Upon motion by Mr. Bogenschultz, seconded by Mr. Borgeson, the Board confirmed the action taken during the closed session, granting a disability benefit to Member #16350.

Divest Invest Minnesota Informational Presentation (David McGill and Cathy Geist)

Members Mr. David McGill and Ms. Cathy Geist, together with Mr. Kelly Guncheon of Guncheon Financial, and Ms. Patty O’Keefe, MN350 Divestment Coordinator, presented to the Board. The presenters reviewed for the Board their backgrounds and interest in issues related to global climate change. They presented information relating to the impact of climate change and their belief that investment portfolios that preclude certain fossil fuel investments can have a positive impact. Although they acknowledged that the SPTRFA investment portfolio does not have a meaningful exposure to fossil fuels, the presenters expressed to the Board the symbolic importance of a potential SPTRFA policy change to exclude certain investments.

The Board discussed the presentation and agreed to hold the topic over for discussion at the conclusion of the legislative session, when the matter could receive an appropriate level of consideration.

Market Review

Ms. Haley Rives, Director at Asset Consulting Group, joined via teleconference and presented to the Board. Ms. Rives reported on the the recent market volatility and investment performance. She advised the Board that the SPTRFA portfolio has withstood volatility well and is performing within expectations. She reaffirmed the importance of a diversified portfolio, particularly given the current economic environment.

Brandywine (Global Opportunistic) – Portfolio Update

Mr. Richard Lawrence, Senior V.P. Portfolio Management, and Lisa Welch, Relationship Manager, reviewed the firm’s background, the global opportunistic mandate, current portfolio positioning, and provided a market overview. In particular, Mr. Lawrence emphasized the firm’s conviction with respect to its view on the U.S. dollar and related impact on the portfolio. The presentation was followed by a question and answer session with the Board.

Legislative Update

Ms. Schurtz reported on legislative activity generally and updated the Board regarding pending SPTRFA proposals.

Outreach and Activity Update

Ms. Schurtz briefed the Board on the Staff's year-to-date activities in key areas of operation, including: member counseling sessions, on-site school visits, legislation, member communications, Annual Audit, Funding and GASB reports, and investment activity.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including 1) the performance of several specific investment managers; 2) the announced retirement of the Wellington portfolio manager; 3) a change of ownership regarding Entrust; and 4) potential areas of focus for investment allocations over the next 12 months.

Investment Committee Update

Ms. Pignato, Committee Chair, reported no items for discussion.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no items for discussion.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no items for discussion.

Audit Committee Update

Ms. Odegard, Committee Chair, noted that the Audit Committee has already started the process of reviewing retirement files for the FY 16 audit cycle.

Member Questions and Answers & Adjournment

*Upon motion of Mr. Mr. McCollor, which was seconded by Mr. Paddock, the Board voted to adjourn at 2:34 p.m. The Board convenes next on **Wednesday, April 20, 2016, at 8:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 8:08 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Lori Borgeson	Mike McCollor	Karen Odegard
Feryle Borgeson	John Kunz	Michael McKay	James Paddock
			Stephanie Pignato

Ms. Ellis was excused from the meeting due to a conflict with SPPS meetings.

Also present were Jill Schurtz, SPTRFA Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

Mr. Borgeson moved adoption of the agenda. The motion was seconded by Mr. McCollor and approved by the Board.

Approval of Minutes

Mr. Bogenschultz moved for approval of the minutes of the February 17, 2016 Special meeting of the Board. The motion was seconded by Ms. Borgeson and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by Mr. McCollor, seconded by Mr. Paddock, the Board accepted the consent agenda items listed.

Pension: *a. CA-2016-29: Report on Benefit Applications*

Financial: *b. CA-2016-30: Refunds — March 2016*
 c. CA-2016-21: Refunds — April 2016
 d. CA-2016-32: Accounting — January 31, 2016
 e. CA-2016-33: Accounting — February 29, 2016
 f. CA-2016-34: Inv. Transactions — February 2016
 g. CA-2016-35: Inv. Transactions — March 2016

Legislative Update – Brian Rice

Mr. Brian Rice, Legislative Counsel, provided an overview of the status of various pension issues currently before the legislature.

SPPS Early Retirement Incentive Update

Ms. Schurtz reported to the Board the potential financial impact of the SPPS proposed early retirement incentive program, the current status of the proposal and ongoing discussions. The Board unanimously agreed that the pursuit of these discussions was a top priority for the Executive Director.

Securities Litigation Update

Ms. Williams reviewed the Board's fiduciary duties regarding the pursuit of securities litigation matters as well as SPTRFA's applicable policies and procedures. She also briefed the Board on the status of several ongoing securities litigation actions where SPTRFA is serving as lead plaintiff.

Pension Administration System Update

Ms. Williams and Ms. Pastick reported to the Board on the current status of the pension administration implementation and presented for consideration a new mobile application that would facilitate Member access to retirement account information and forms.

Draft FY 2017 Preliminary Budget Presentation

Ms. Schurtz, Ms. McDonald and Ms. Williams gave a brief overview of the major categories in the FY 2017 budget, with the final SPTRFA budget to be presented at the May 18 Board meeting.

NCTR Conference Attendees: Workshop / Conference

Ms. Schurtz and the Board discussed the 2016 NCTR Workshops and Conferences and potential SPTRFA participants.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including an update on several portfolio managers.

Investment Committee Update

Ms. Pignato, Committee Chair, reported no items for discussion.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no items for discussion.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no items for discussion.

Audit Committee Update

Ms. Odegard, Committee Chair, reported that she commenced the file review process on April 29 and would likely require the Committee to meet over the summer to continue the process.

Member Questions and Answers & Adjournment

*Upon motion of Mr. McCollor, which was seconded by Mr. Borgeson, the Board voted to adjourn at 1:38 p.m. The Board convenes next on **Wednesday, May 18, 2016, at 8:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 8:14 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Lori Borgeson	Mike McCollor	Karen Odegard
Feryle Borgeson	John Kunz	Michael McKay	Stephanie Pignato

Ms. Ellis and Mr. Paddock arrived at 8:30 a.m.

Also present were Jill Schurtz, SPTRFA Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

M. McCollor moved adoption of the agenda. The motion was seconded by K. Odegard and approved by the Board.

Approval of Minutes

M. Bogenschultz moved for approval of the minutes of the April 20, 2016 Special meeting of the Board. The motion was seconded by S. Pignato and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by M. McCollor, seconded by K. Odegard, the Board accepted the consent agenda items listed below.

Pension: *a. CA-2016-36: Report on Benefit Applications*

Financial: *b. CA-2016-37: Refunds — May 2016*

c. CA-2016-38: Accounting — March 31, 2016

d. CA-2016-39: Inv. Transactions — March 2016

Legislative Update

Ms. Schurtz provided the Board with an update regarding the current status of legislative efforts, which included a provision increasing the employer contribution rate by .5% in FY '19.

FY 2017 Budget Presentation

Ms. MacDonald and Ms. Williams presented the final FY '17 budget for the Board's consideration and approval. This marks the second consecutive year that SPTRFA has held its budget flat to prior year.

St. Paul Teachers Pension PAC Update

Mr. Bogenschultz updated the Board on the PAC's efforts in FY '16.

Market Review

Ms. Haley Rives, Director at Asset Consulting Group joined via teleconference and reviewed market conditions during the third quarter. She also discussed 1) JP Morgan's recent performance relative to its long-term track record; 2) the need to remain committed to diversification; and 3) the importance of highly skilled fixed income managers, particularly in the current environment of interest rate uncertainty.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including confirming completion of a redemption in full from the T.Rowe Price Institutional Global Bond Fund. Ms. Schurtz reaffirmed that the fund had performed well and was held in high regard. The decision, however, was required because recent investor redemptions caused the fund to decline in size. Given market volatility, cash received from the redemption will not be immediately reinvested, but held to meet summer benefit payments pending selection of a replacement fixed income manager.

SPPS Update

Ms. Ellis gave the Board an updated regarding recent SPPS initiatives and areas of focus.

Review of FY 2017 Meeting Calendar

Mr. Kunz led a discussion on the upcoming fiscal year Board meeting calendar and meeting dates for FY '17 were established.

Investment Committee Update

Ms. Pignato, Committee Chair, reported no items for discussion.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no items for discussion.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no items for discussion.

Audit Committee Update

Ms. Odegard, Committee Chair, reported no items for discussion.

JP Morgan Asset Management – Portfolio Update

Mr. Timothy Leask, Portfolio Manager; and Mr. John Andriss, Relationship Manager, presented an update on the JPM FOCUS Global Equity portfolio and responded to Trustee questions.

Member Questions and Answers & Adjournment

*Upon motion of M. McCollor, which was seconded by J. Paddock, the Board voted to adjourn at 1:29 p.m. The Board convenes next on **Tuesday, June 14, 2016, at 8:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 8:02 a.m.

Present were Trustees:

Matt Bogenschultz	Mike McCollor	John Kunz	Jim Paddock
Feryle Borgeson	Michael McKay	Karen Odegard	Stephanie Pignato
Lori Borgeson	Zuki Ellis		

Also present were SPTRFA staff: Jill Schurtz, Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

F. Borgeson moved adoption of the agenda. The motion was seconded by K. Odegard and approved by the Board.

Approval of Minutes

K. Odegard moved for approval of the minutes of the May 18, 2016 meeting of the Board. The motion was seconded by Z. Ellis and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by J. Paddock, seconded by Z. Ellis, the Board accepted the consent agenda items listed below.

Pension: *a. CA-2016-40: Report on Benefit Applications*

Financial: *b. CA-2016-41: Refunds — June 2016*

c. CA-2016-42: Accounting — April 30, 2016

d. CA-2016-43: Inv. Transactions — May 2016

Legislative Update

Mr. Brian Rice, Esq., Legislative Counsel, reviewed the events of the recent Legislative session, including the Governors' veto of the Pension Bill, and discussed the prospects for a special legislative session.

SPPS Update

Ms. Ellis gave the Board a brief SPPS update.

SPT Pension PAC Update

Mr. Bogenschultz presented the Board an overview of FY '16 PAC activities.

Investment Committee Update

Ms. Pignato, Committee Chair, reported no updates.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no updates.

Personnel Committee Update

Mr. McCollor, Committee Chair, instructed Board members to complete their annual Executive Director review.

Audit Committee Update

Ms. Odegard, Committee Chair, reported that the Audit Committee met recently to begin the annual review process. She commented that they 1) were pleased with the new pension administration system and 2) made significant progress.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including: 1) a portfolio and manager update and 2) pending legislative activity.

Member Questions and Answers & Adjournment

*Upon motion of M. McCollor and seconded by M. Bogenschultz, the Board voted to adjourn at 10:30 a.m. The Board convenes next on **Wednesday, September 28, 2016, at 8:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 8:00 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Zuki Ellis	Michael McKay	Jim Paddock
Feryle Borgeson	John Kunz	Karen Odegard	Stephanie Pignato
Lori Borgeson	Mike McCollor		

Also present were SPTRFA staff: Christine MacDonald, Deputy Director, and Janet Williams. Jill Schurtz, Executive Director, joined at 10:00, following a state-wide pension directors meeting.

Adoption of Agenda

Mr. Borgeson moved adoption of the agenda. The motion was seconded by Ms. Pignato and approved by the Board.

Approval of Minutes

Ms. Odegard moved for approval of the minutes of the June 14, 2016 meeting of the Board. The motion was seconded by Ms. Ellis and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by Ms. Odegard, seconded by Ms. Ellis, the Board accepted the consent agenda items listed below.

Pension: *a. CA-2017-01: Report on Benefit Applications*
 b. CA-2016-44: June 2016 Report on Benefit Applications

Financial: *c. CA-2016-45: Cancelled Refunds — June 2016*
 d. CA-2016-46: Inv. Transactions — June 2016
 e. CA-2017-02: Refunds — July 2016
 f. CA-2017-03: Refunds — August 2016
 g. CA-2017-04: Refunds — September 2016

Office of the State Auditor – FY 2016 Entrance Interview

Ms. Amy Ames, Audit Director, and Ms. Nicole Litzner, Senior Local Government Auditor, with the State Auditor's Office were present to outline the timing and topics related to the Association's FY 2016 audit.

Annual Meeting Proxyholders

President Kunz appointed Mr. McCollor, Ms. Odegard, and Ms. Borgeson as proxyholders for the January 19, 2017 Annual meeting.

Securities Litigation Update

Ms. Williams updated the Board on the status of several ongoing securities litigation cases where SPTRFA is serving as lead plaintiff.

NCTR Annual Meeting

The following were appointed as delegates to the NCTR 2016 Annual Conference: Mr. Kunz, Ms. Schurtz, and Mr. Borgeson, with Ms. Odegard to serve as an alternate.

The Board discussed an overview of the upcoming NCTR Annual meeting, including a resolution honoring the service of recently retired Board Member, Eugene Waschbusch.

SPPS Update

Ms. Ellis briefed the Board on key topics to be considered by SPPS during the upcoming year.

Actuarial Update – Gabriel Roeder Smith & Company (GRS)

Bonnie Wurst, GRS Actuary & Senior Consultant, provided the Board with an overview of the FY 16 actuarial evaluation process and presented an estimate of FY '16 actuarial results. She also presented estimates of actuarial outcomes under various scenarios, including updated mortality tables and a 7.5% investment return assumption.

Legislative Update

Ms. Schurtz provided the Board with an overview of the rationale, potential approach, and timing for implementing the scenarios presented by the Fund's actuary.

On a motion by Mr. Bogenschultz and seconded by Ms. Odegard, the Board unanimously authorized Ms. Schurtz to pursue legislation to implement A) a funding solution to offset pending mortality table changes, that includes i) increased employer contributions and ii) cost savings measures such as removing unnecessary COLA triggers and updating CSA load factors and B) a 7.5% investment return assumption, conditioned upon the implementation of adequate funding measures to protect the fiscal stability of the Fund.

Investment Committee Meeting

At 1:05 p.m. upon a motion by Ms. Pignato and seconded by Mr. Paddock, the Board voted to recess the regular meeting and convene a meeting of the Investment Committee, Chairwoman Pignato to preside.

Ms. Schurtz reviewed for the Board the recent key personnel change at Wellington Management Company. Wellington recently announced the retirement of long-time portfolio manager, Francis J. Boggan. Timothy Manning, who has been working alongside Mr. Boggan for several years, assumed Mr. Boggan's role managing the SPTRFA assets. Ms. Schurtz reported that she met with the Wellington team, including Mr. Manning, on July 18, 2016.

As a result of the key personnel change, the Investment Committee determined that Wellington must be placed on "Watch Status." *A motion regarding this determination was made by Mr. Kunz and seconded by Mr. Paddock.*

At 1:15 p.m. upon motion of Mr. Kunz, seconded by Mr. Paddock, the Investment Committee voted to adjourn and reconvene the meeting of the Board.

Executive Director's Report

Ms. Schurtz provided the Board an update on several key issues, including 1) the positive portfolio results for FY '16; 2) individual managers, and 3) SPTRFA personnel.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no updates.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported that the Personnel Committee had reviewed the results of the annual evaluation with the Executive Director.

Audit Committee Update

Ms. Odegard, Committee Chair, reported that they had completed their review of the new retiree files and benefit calculations and made recommendations regarding actions required when a member makes a change to a benefit application.

Member Questions and Answers & Adjournment

On motion by Ms. Borgeson, seconded by Mr. Paddock, the Board voted to change the regular and special board meeting start times to 9:00.

*Upon motion of Ms. Borgeson and seconded by Mr. McCollor, the Board voted to adjourn at 2:08 p.m. The Board convenes next on **Thursday, November 10, 2016, at 9:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 9:12 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Zuki Ellis	Michael McKay	Jim Paddock
Feryle Borgeson	John Kunz	Karen Odegard	Stephanie Pignato
Lori Borgeson			

Also present were SPTRFA staff: Jill Schurtz, Executive Director and Christine MacDonald, Deputy Director.

Adoption of Agenda

Mr. Paddock moved adoption of the agenda. The motion was seconded by Mr. Bogenschultz and approved by the Board.

Approval of Minutes

Ms. Odegard moved for approval of the minutes of the September 28, 2016 meeting of the Board. The motion was seconded by Ms. Ellis and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by Mr. Paddock, seconded by Mr. Bogenschultz, the Board accepted the consent agenda items listed below.

Pension: *a. CA-2017-05: Report on Benefit Applications*

Financial: *b. CA-2017-06: Refunds — October 2016*
 c. CA-2017-07: Refunds — November 2016

NCTR Conference Review

Board Members who attended the 2016 NCTR Annual Conference shared their feedback regarding various programs and events, and concluded that the conference provided important professional development and continuing education topics. Topics that were regarded as particularly important included: data security, NIRS and NASRA presentations, investment sessions, and the communications best practices discussions.

Legislative Update

SPTRFA Legislative Counsel, Mr. Brian Rice, Esq. of Rice Michels and Walther LLP, discussed the recent election results and the SPTRFA agenda for the upcoming legislative session.

Market Update and Portfolio Review – Asset Consulting Group

Ms. Haley Rives provided the Board with a current market overview, reviewed the Q3 investment performance report, and discussed the impact of the recent elections on the investment landscape for 2017.

SPPS Update

Ms. Ellis updated the Board on current initiatives and areas of focus for SPPS.

Executive Director’s Report

Ms. Schurtz outlined a series of items for the Board’s information and consideration, including preparations for the 2017 legislative session, member outreach and communication activities, and plans for the 2017 SPTRFA Annual Meeting.

Investment Committee Update

Ms. Pignato, Committee Chair, led a brief discussion regarding items for discussion at future meetings, including potential new allocations and a review of the current private equity benchmark.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, led a brief discussion concerning a recent refund request.

Audit Committee Update

Ms. Odegard, Committee Chair, outlined several areas for further review in preparation for the 2017 audit cycle.

Member Questions and Answers & Adjournment

*Upon motion of Mr. Borgeson, which was seconded by Ms. Ellis, the Board voted to adjourn at 2:38 p.m. The Board convenes next on **Thursday, December 15, 2016, at 9:00 a.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 9:10 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Zuki Ellis	Michael McKay	Jim Paddock
Feryle Borgeson	John Kunz	Karen Odegard	Stephanie Pignato
Lori Borgeson	Mike McCollor		

Also present were SPTRFA staff: Jill Schurtz, Executive Director and Christine MacDonald, Deputy Director. Ms. Schurtz departed the meeting at 11:45 to attend a retirement event.

Adoption of Agenda

Mr. Borgeson moved adoption of the agenda. The motion was seconded by Mr. Bogenschultz and approved by the Board.

Approval of Minutes

Ms. Odegard moved for approval of the minutes of the November 10, 2016 meeting of the Board. The motion was seconded by Mr. McCollor and so voted by the Board.

Report on Deaths

Ms. MacDonald read and the Board accepted the Report on Deaths.

Consent Agenda

On motion by Mr. Paddock, seconded by Ms. Borgeson, the Board accepted the consent agenda items listed below.

Pension: a. CA-2017-08: Report on Benefit Applications

Financial: b. CA-2017-09: Refunds — December 2016

GRS – Preliminary Actuarial Review and Outlook

Ms. Bonnie Wurst, Actuary and Senior Consultant, presented SPTRFA's FY '16 Actuarial and GASB 67/68 results. Following the presentation, the Board and Ms. Wurst engaged in a detailed question and answer session.

Legislative Update

SPTRFA Legislative Counsel, Mr. Brian Rice, Esq. of Rice Michels and Walther LLP, updated the Board on current legislative matters, including the status of a proposed special session. He also provided a review of the recent Blue Ribbon Panel on Pensions, convened by MMB.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration, including November investment performance, arrangements for the upcoming annual meeting of the members, the proxy vote, and SPTRFA's legislative proposals.

SPPS Update

Ms. Ellis, updated the Board on the status of the SPPS Superintendent search.

Investment Committee Update

Ms. Pignato, Committee Chair, had no items to report.

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, had no items to report.

Personnel Committee Update

Mr. McCollor, Committee Chair, had no items to report

Audit Committee Update

Ms. Odegard, Committee Chair, had no items to report.

Member Questions and Answers & Adjournment

*Upon motion of Ms. Borgeson and seconded by Mr. McKay, the Board voted to adjourn at 12:47 p.m. The Board convenes next on **Thursday, January 19, 2017, after adjournment of the Annual Meeting of the Members.***

Respectfully submitted,

Jill E. Schurtz, Executive Director