

# Annual Meeting of the Board of Trustees Minutes

January 18, 2018  
St. Paul, Minnesota

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## 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 5:42 p.m. The meeting was held in Auditorium F of the SPPS Administration Building located at 360 Colborne Street, St. Paul. Present were:

Matt Bogenschultz  
Feryle Borgeson  
Lori Borgeson

John Kunz  
Mike McCollor  
Michael McKay

Karen Odegard  
James Paddock  
Stephanie Pignato

Trustee Ellis was unable to attend.

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 Mr. McCollor and seconded by Mr. Borgeson, the Board voted to approve the agenda.*

## Approval of Minutes

*Ms. Borgeson moved for approval of the minutes of the December 19, 2017 meeting of the Board. The motion was seconded by Ms. Odegard and so voted by the Board.*

## Election of Officers

Mr. Kunz opened the floor to nominations from the trustees for Board officer positions for 2018. 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     | J. Paddock    |
| Vice President | Mr. McCollor     | M. Bogenschultz | S. Pignato    |
| Secretary      | Mr. Bogenschultz | K. Odegard      | F. Borgeson   |
| Treasurer      | Ms. Borgeson     | K. Odegard      | S. Pignato    |

## Endorsement of Extant Policies of the Board

*Upon Motion by Ms. Borgeson and seconded by Mr. Bogenschultz, the Board voted to ratify the existing Board Policies and Procedures.*

**Delegates: Standing Committees and St. Paul Teachers' Pension PAC**

President Kunz presented his appointees to the standing Board Committees for the 2018 calendar year as follows:

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

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

**Personnel Committee** (4): Mr. McCollor (Chair\*), Mr. Borgeson, Mr. McKay, and Mr. Paddock

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

**St. 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 Treasurer always serves on the Executive Committee. The Board President serves on all committees, chairing the Executive Committee.

*Upon a motion by Mr. Borgeson, seconded by Ms. Pignato, the Board voted to approve.*

Mr. McCollor, Personnel Committee Chair, reported that the Committee completed the annual review of the Executive Director and met with Ms. Schurtz to review. Ms. Odegard, Audit Committee Chair, reported that the Board and Directors had timely filed the annual Economic Interest Statements. The Investment Committee and Annuities and Refund Committee had no updates.

*At 6:05 p.m. upon a motion by Ms. Pignato and seconded by Mr. Paddock, the Board voted to recess the meeting for dinner.*

The meeting was reconvened at 6:25 pm, with presentations by Mr. Matthew Bucci, Relationship Manager and Mr. Michael Arends, Portfolio Manager with The Boston Company, a domestic small/mid cap value manager for the Fund.

**Member Questions & Adjournment**

*There being no member questions, at approximately 8:15 p.m., it was moved by Mr. McCollor, seconded by Mr. Bogenschultz, and so voted by the Board that the meeting be adjourned.*

The Board is scheduled to next convene on Wednesday, February 21, 2018, at 9:00 a.m.

*Respectfully submitted,*

Jill E. Schurtz  
Executive Director

### **Call to Order**

The meeting was called to order by Vice-President McCollor at 9:04 a.m.

Present for the Meeting were Trustees:

|                   |               |               |
|-------------------|---------------|---------------|
| Matt Bogenschultz | Zuki Ellis    | Karen Odegard |
| Feryle Borgeson   | Michael McKay | Jim Paddock   |
| Lori Borgeson     | Mike McCollor |               |

Mr. Kunz and Ms. Pignato were not in attendance.

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

### **Adoption of Agenda**

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

### **Approval of Minutes**

*Ms. Odegard moved for approval of the minutes of the January 18, 2018 annual meeting of the Board. The motion was seconded by Mr. McKay 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 Mr. Bogenschultz, the Board accepted the consent agenda items listed below.*

***Pension:***        *a. CA-2018-13: Report on Benefit Applications*

***Financial:***    *b. CA-2018-14: Refunds — January 2018*  
                      *b. CA-2018-15: Refunds — February 2018*  
                      *c. CA-2018-16: Accounting — October 2017*  
                      *d. CA-2018-17: Accounting — November 2017*  
                      *e. CA-2018-18: Accounting — December 2017*

### **Update Re Annual Audit Report – FYE June 30, 2017**

Ms. Amy Ames and Ms. Samantha Lee of the Office of the State Auditor (OSA) presented the FY 2017 OSA Governance Exit Conference Report. Ms. Ames gave a summary of the audit process and results, which included reporting that SPTRFA received an unmodified opinion, with no written findings - the highest level of opinion given.

### **Legislative Update**

Ms. Schurtz provided the Board with an update on the status of the 2018 Omnibus Pension Bill.

**GRS 2017 Experience Study**

The Board reviewed the final Experience Study and discussed the various recommendations.

*On a motion made by Mr. McKay and seconded by Mr. Bogenschultz, the Board unanimously approved the adoption of the recommendations reflected in the report and the incorporation of such recommendations in the 2018 Omnibus Pension Bill.*

**Executive Director's Report**

Ms. Schurtz provided the Board an update on several key areas, including portfolio performance, 1619 Dayton office lease, and areas of focus for the remainder of the fiscal year.

**Investment Committee Update**

There we no updates to report.

**SPPS Update**

Ms. Ellis briefed the Board on areas of focus for the SPPS Board.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no updates.

**Personnel Committee**

Mr. McCollor, Committee Chair, reported no updates.

**Audit Committee Update**

Ms. Odegard, Committee Chair, thanked the members of her committee and staff for their work toward receiving the unmodified audit opinion.

**Member Questions and Answers & Adjournment**

*On motion by Ms. Borgeson, seconded by Ms. Ellis, the Board voted to adjourn at 12:24 p.m. The Board convenes next on **Wednesday, April 18, 2018, 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 9:13 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 |               |                   |

Mr. McCollor was excused at 10:45 a.m.

Mr. Paddock was excused at 1:30 p.m. and returned to the meeting at 2:25 p.m.

Ms. Ellis was excused at 3:08 p.m.

Also present were SPTRFA staff: Jill Schurtz, 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. Borgeson moved for approval of the minutes of the February 21, 2018 meeting of the Board. The motion was seconded by Ms. 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 Ms. Odegard, seconded by Mr. Borgeson, the Board accepted the consent agenda items listed below.*

***Pension:***            *a. CA-2018-19: Report on Benefit Applications*

***Financial:***        *b. CA-2018-20: Refunds — March 2018*

*c. CA-2018-21: Refunds — April 2018*

*d. CA-2018-22: Accounting — January 31, 2018*

**IRS Form 990**

Ms. MacDonald presented the completed IRS Form 990 for the Board's review.

**Portfolio Review (Real Estate) – UBS**

Mr. Ronald Lanier, Executive Relationship Manager, provided the Board with an update on the portfolios managed for the Fund by UBS, as well as a real estate market overview. Mr. Lanier also updated the Board on relevant fee structure and organizational changes.

**Portfolio Review (Domestic REIT) – Advantus Capital**

Mr. John Messing, Relationship Manager, Matt Richmond, Portfolio Manager, and Josh Klesh, Portfolio Manager, provided the Board with an update on the REIT portfolio managed by Advantus for the Fund and responded to Trustee questions.

**NCTR Conference Attendees: Workshop / Conference**

Ms. Schurtz and the Board discussed the 2018 NCTR Workshops and Conferences and potential SPTRFA participants.

**Portfolio Review (MLP Energy Infrastructure) – Tortoise Capital**

Mr. Greg Murphy, Director, Relationship Management, and Mr. Adam Peltzer, Portfolio Management (via phone), provided the Board with an update on the MLP portfolio managed for the Fund by Tortoise. Mr. Peltzer also discussed recent trends in the MLP sector and Tortoise's outlook for the space.

**Draft FY 2019 Preliminary Budget Presentation**

Ms. Schurtz, Ms. McDonald, and Ms. Williams gave a brief overview of the major categories in the FY 2019 budget, with the final SPTRFA budget to be presented at the May 16, 2018 Board meeting.

**Executive Director's Report**

Ms. Schurtz provided the Board with an update on several key areas, including: the status of S.F. 2620; the appt. of Rep Thissen to the MN Supreme Court; budget highlights; the status of the 1619 Dayton lease; class action status report; general investment manager updates; investment performance; and portfolio comments from ACG.

After consultation with ACG and other investment professionals, Ms. Schurtz requested the Board approve a modification to the policy index for the Fund's private equity allocation. Under this proposal, the policy index for the private equity allocation would reflect the Fund's actual performance, an approach also followed by the MN State Board of Investment.

*Mr. Bogenschultz moved for approval of the motion to modify the policy index. The motion was seconded by Mr. Paddock and approved by the Board.*

**SPPS Update**

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

**Investment Committee Update**

Ms. Pignato, Committee Chair, reported no further updates.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no updates.

**Personnel Committee**

Mr. McCollor, Committee Chair, reported no updates.

**Audit Committee Update**

Ms. Odegard, Committee Chair, reported to the Board that only one Basic member remains on active status.

**Member Questions and Answers & Adjournment**

*On motion by Ms. Borgeson, seconded by Mr. McKay, the Board voted to adjourn at 3:21 p.m. The Board convenes next on **Wednesday, May 16, 2018, 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 9:13 a.m.

Present for the Meeting were Trustees:

|                   |               |                   |
|-------------------|---------------|-------------------|
| Matt Bogenschultz | John Kunz     | Jim Paddock       |
| Feryle Borgeson   | Michael McKay | Stephanie Pignato |
| Lori Borgeson     | Karen Odegard | Michael McCollor  |

Ms. Ellis arrived at 9:20 a.m. and was excused at 12:05 p.m.

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

**Adoption of Agenda**

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

**Approval of Minutes**

*Mr. Bogenschultz moved for approval of the minutes of the April 18, 2018 annual 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 Ms. Odegard, seconded by Dr. McCollor, the Board accepted the consent agenda items listed below.*

***Pension:***        *a. CA-2018-23: May 2018 Report on Benefit Applications*

***Financial:***    *b. CA-2018-24: Refunds — May 2018*  
                     *c. CA-2018-25: Accounting — February 28, 2018*  
                     *d. CA-2018-26: Accounting — March 31, 2018*

**Market Update and Portfolio Review – ACG**

Ms. Haley Rives, Director, Asset Consulting Group (ACG) provided the Board with a market update and portfolio review.

**SPPS Update**

Ms. Ellis briefed the Board on SPPS activities and initiatives.

**Fixed Income Update**

Mr. Scott Miner, CEO; Ryan Paradis, Portfolio Manager; and Leigh Poggio, Managing Director of Guggenheim Partners, one of the Fund's fixed income investment managers, provided the Board with a portfolio review, firm update, and market overview.



**Review of FY 2019 Meeting Calendar**

Mr. Kunz led a discussion regarding the upcoming fiscal year Board meeting calendar and meeting dates for FY 2019 were established.

**FY 2019 Budget Presentation**

Ms. Schurtz and Ms. MacDonald presented the proposed final SPTRFA budget for FY 2019.

*On motion by Mr. Borgeson, seconded by Dr. McCollor, the Board voted to adopt the FY 2019 Proposed Budget.*

**Executive Director's Report**

Ms. Schurtz provided the Board an update on several key issues, including the status of the 2018 Omnibus Pension Bill.

**Investment Committee Update**

Ms. Pignato, Committee Chair, reported no additional items for review or discussion.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no additional items for review or discussion.

**Personnel Committee**

Mr. McCollor, Committee Chair, no additional items for review or discussion.

**Audit Committee Update**

Ms. Odegard, Committee Chair, reported on the plans for the FY '18 audit preparation.

**Member Questions and Answers & Adjournment**

*On motion by Ms. Borgeson, seconded by Dr. McCollor, the Board voted to adjourn at 1:48 p.m. The Board convenes next on Monday, June 4, 2018, at 5:00 p.m.*

Respectfully submitted,

Jill E. Schurtz, Executive Director

**Call to Order**

The meeting was called to order by President Kunz at 5:15 p.m.

Present for the Meeting were Trustees:

|                   |               |               |                   |
|-------------------|---------------|---------------|-------------------|
| Matt Bogenschultz | Lori Borgeson | Zuki Ellis    | Karen Odegard     |
| Feryle Borgeson   | John Kunz     | Mike McCollor | Stephanie Pignato |

Ms. Odegard and Mr. Paddock were excused.

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

**Adoption of Agenda**

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

**Approval of Minutes**

*Ms. Borgeson moved for approval of the minutes of the May 16, 2018 meeting of the Board. The motion was seconded by Mr. McKay and so voted by the Board.*

**Executive Director's Report**

Ms. Schurtz outlined a series of items for the Board's information and consideration, principally involving the recent passage of the 2018 Omnibus Pension Bill.

**Member Questions and Answers & Adjournment**

*Upon motion of Ms. Borgeson and seconded by Ms. Pignato, the Board voted to adjourn at 7:15 p.m. The Board convenes next on **Wednesday, September 19, 2018 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 9:09 a.m.

Present for the Meeting were Trustees:

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

Mr. McCollor joined the meeting at 11:16 a.m.

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

**Adoption of Agenda**

*Ms. Odegard moved adoption of the agenda. The motion was seconded by Ms. Ellis and approved by the Board.*

**Approval of Minutes**

*Ms. Borgeson moved for approval of the minutes of the June 4, 2018 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. Borgeson, seconded by Mr. Paddock, the Board accepted the consent agenda items listed below.*

***Pension:***        *a. CA-2019-01: Report on September 2018 Benefit Applications*  
                      *b. CA-2018-27: June 2018 Report on Benefit Applications*

***Financial:***     *c. CA-2018-28: Refunds — June 2018*  
                      *d. CA-2019-02: Refunds — July 2018*  
                      *e. CA-2019-03: Refunds — August 2018*  
                      *f. CA-2019-04: Refunds — September 2018*

**Annual Meeting Proxyholders**

President Kunz appointed Mr. Bogenschultz, Mr. Paddock, and Ms. Pignato as proxyholders for the January 17, 2019 Annual meeting.

**NCTR Annual Meeting Delegates**

The following were appointed as delegates to the NCTR 2018 Annual Conference: Mr. Kunz, Ms. Schurtz, and Mr. McCollor, with Ms. Pignato to serve as an alternate.

**Market Update and Portfolio Review – ACG**

Ms. Haley Rives, Director, Asset Consulting Group (ACG) provided the Board with a market update and portfolio review and highlighted the fact that for FY '18, the SPTRFA portfolio outperformed both its policy benchmark and its peer group. The same was true for the SPTRFA portfolio for the 3, 5, and 10 year periods.

**Legislative Update**

Mr. Brian Rice, SPTRFA Legislative Counsel, briefed the Board on the political and legislative backdrop for the upcoming fiscal year.

**Office of the State Auditor – FY 2018 Entrance Interview**

Ms. Amy Ames, Audit Director, and Ms. Nicole Berndt, Senior Local Government Auditor, briefed the Board regarding the process and timing for the Association's FY 2018 audit.

**Securities Litigation Update**

Ms. Schurtz provided the Board with an update regarding the status of security litigation matters where the Association serves as lead plaintiff.

**Executive Session: Closed Session**

*At 12:30 p.m., Ms. Odegard made a motion to suspend the regular meeting and move to a closed executive session. The motion was seconded by Mr. McCollor and 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 #16620.*

*During closed session, the Board considered facts relevant to the disability benefit application submitted by Member #26440.*

*Upon motion by Ms. Odegard, seconded by Mr. Paddock, the Board voted to close the Executive Session at 12:45 p.m. and return to the regular meeting agenda.*

**Disability Benefit Determinations**

*The Board confirmed the action taken during the closed session to take no action pending the receipt of additional information regarding the disability benefit application of Member #16620.*

*The Board confirmed the action taken during the closed session to approve the disability benefit application of Member #26440.*

**Personnel Committee Update**

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

**SPPS Update**

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

**Investment Committee Meeting**

Ms. Pignato, Committee Chair, reported no updates.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no updates.

**Audit Committee Update**

Ms. Odegard, Committee Chair, gave the Board an overview of the process her Committee followed over the summer to ensure that SPTRFA was prepared for the FY '18 OSA annual audit.

**Member Questions and Answers & Adjournment**

*On motion by Mr. Bogenschultz, seconded by Mr. McKay, the Board voted to adjourn at 1:37 p.m.  
The Board convenes next on **Thursday, November 1, 2018, 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 9:15 a.m.

Present for the Meeting were Trustees:

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

Ms. Pignato was absent.

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

**Adoption of Agenda**

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

**Approval of Minutes**

*Mr. Bogenschultz moved for approval of the minutes of the September 26, 2018 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 Ms. Odegard, seconded by Ms. Ellis, the Board accepted the consent agenda items listed below.*

- Pension:***        *a. CA-2019-05: Report on Benefit Applications*
- Financial:***    *b. CA-2019-06: Refunds — October 2018*  
                      *c. CA-2019-07: Refunds — November 2018*  
                      *d. CA-2018-29: Accounting — April 30, 2018*  
                      *e. CA-2018-30: Accounting — May 31, 2018*

**FY 2018 Audit Update**

Ms. MacDonald gave the Board an overview of the FY '18 Audit status and expected completion schedule.

**Investment Manager Presentation – Wellington**

Ms. Elizabeth O'Hara, Relationship Manager, and Tim Manning, Portfolio Manager, made a conference call presentation to the Board. Ms. O'Hara thanked the Board for the long-term relationship with Wellington. Mr. Manning reviewed for the Board Wellington's current market view as well as the specific portfolio holdings and performance.

**Executive Session: Closed Session**

*At 10:22 a.m., Mr. McCollor made a motion to suspend the regular meeting and move to a closed executive session. The motion was seconded by Mr. Borgeson and approved by the Board. The meeting moved into a closed executive session. Ms. Ellis was recused from these deliberations.*

*During closed session, the Board considered facts relevant to the disability benefit application submitted by Member #16620.*

*During closed session, the Board considered facts relevant to the disability benefit application submitted by Member #21300.*

*Upon motion by Mr. McCollor, seconded by Mr. Paddock, the Board voted to close the Executive Session at 10:55 a.m. and return to the regular meeting agenda.*

**Disability Benefit Determinations**

*Upon motion by Mr. McCollor, seconded by Mr. Paddock, the Board confirmed the action taken during the closed session regarding the disability benefit application of Member #16620 and referred the matter to the next Board meeting pending receipt of additional information.*

*Upon motion by Mr. McCollor, seconded by Mr. Paddock, the Board confirmed the action taken during the closed session regarding the disability benefit application of Member #21300 and referred the matter to the next Board meeting pending receipt of additional information.*

*Ms. Ellis was recused from voting.*

**Market Update and Portfolio Review – ACG**

Ms. Haley Rives, Director, of Asset Consulting Group (ACG) provided the Board with a market update and third quarter portfolio review.

**Executive Director's Report**

Ms. Schurtz provided the Board with an update regarding various investment managers.

**Economic Interest Statements**

The Board and Staff were reminded that Annual Economic Interest Statements for the Minnesota Campaign Finance and Public Disclosure Board are due to the pension office by 12/31/2018.

**NCTR Conference Review**

Board Members who attended the 2018 NCTR Annual Conference shared their feedback regarding various programs and events, and concluded that the conference provided important professional development and continuing education topics.

**Investment Manager Presentation – Parametric**

Mr. Jack Hansen, Chief Investment Officer and Relationship Manager made a presentation to the Board regarding SPTRFA's investments with Parametric, including TIPS, Defensive Equity, and the portfolio overlay.

**Personnel Committee Update**

Mr. McCollor, Committee Chair, discussed year-end staff actions.

**SPPS Update**

Ms. Ellis briefed the Board on key topics being considered by SPPS.

**Investment Committee Meeting**

Mr. McCollor, in Ms. Pignato's absence, reported no updates.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no updates.

**Audit Committee Update**

Ms. Odegard, Committee Chair, commented that during the Audit Committee's recent file review, there appeared to be a number of members requesting the accelerated benefit payment option. She asked staff to ensure that members understand the potential long-term financial ramifications of such a choice.

**Member Questions and Answers & Adjournment**

*On motion by Ms. Borgeson, seconded by Mr. Boganschultz, the Board voted to adjourn at 2:53 p.m. The Board convenes next on **Thursday, December 13, 2018, 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     | Mike McCollor |               |                   |

Also present were SPTRFA staff: Jill Schurtz, 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. Odegard moved for approval of the minutes of the November 1, 2018 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. Borgeson, seconded by Ms. Ellis, the Board accepted the consent agenda items listed below.*

***Pension:***        *a. CA-2019-08: Report on Benefit Applications*

***Financial:***    *b. CA-2019-02: Refunds — December 2018*

*c. CA-2018-31: Accounting — June 30, 2018*

**2018 Actuarial Valuation - GRS**

Ms. Bonnie Wurst, Actuary and Senior Consultant, and Ms. Sheri Christensen, Actuary and Consultant, presented an overview of SPTRFA's FY 2018 actuarial valuation. Among other things, Ms. Wurst revived for the Board the positive impact the 2018 Pension Legislation had on the Fund, including that the Fund 1) now has a contribution sufficiency and 2) is projected to be fully funded within its statutory amortization period.

**FY 2018 Annual Audit & Disability Update**

Ms. MacDonald provided the Board with an update regarding the status of 1) the Annual Audit and 2) pending disability applications.

**Executive Director's Report**

Ms. Schurtz provided the Board with an update regarding recent legislative meetings and SPTRFA's plan for the upcoming legislative cycle. She also updated the Board on recent portfolio activity and performance.

**Economic Interest Statements**

The Board and Staff were reminded that Annual Economic Interest Statements for the Minnesota Campaign Finance and Public Disclosure Board are due to the pension office by 12/31/2018.

**Personnel Committee Update**

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

**SPPS Update**

Ms. Ellis briefed the Board on key topics currently before the SPPS Board.

**Investment Committee Meeting**

Ms. Pignato, Committee Chair, reported no updates.

**Annuities and Refund Committee Update**

Mr. Paddock, Committee Chair, reported no updates.

**Audit Committee Update**

Ms. Odegard, Committee Chair, reported the status of her recent file reviews.

**Member Questions and Answers & Adjournment**

*On motion by Mr. Borgeson, seconded by Ms. Borgeson, the Board voted to adjourn at 1:00 p.m. The Board convenes next on **Thursday, January 17, 2019, after adjournment of the Annual Meeting of the Members.***

Respectfully submitted,

Jill E. Schurtz, Executive Director