

Annual Meeting of the Board of Trustees Minutes

January 17, 2019
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 5:25 p.m. The meeting was held in Auditorium B of the SPPS Administration Building located at 360 Colborne Street, St. Paul. Present were:

Matt Bogenschultz
Lori Borgeson
John Kunz

Mike McCollor
Michael McKay
Karen Odegard

James Paddock
Stephanie Pignato
Maggi Schiller

Trustee Ellis was unable to attend.

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

New Trustee

The Board welcomed Maggi Schiller, recently retired math and statistics teacher and newly elected trustee, and expressed its gratitude to Feryle Borgeson, retiring trustee, for his extensive years of service to St. Paul educators as a mathematics teacher and SPTRFA Board trustee.

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 Ms. Borgeson, the Board voted to approve the agenda.*

Approval of the Minutes

The draft of the December 18, 2018 board minutes were pending and will be presented to the Board at the next available meeting.

Election of Officers

Mr. Kunz opened the floor to nominations from the trustees for Board officer positions for 2019. 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	Mr. McCollor	Mr. Paddock
Vice President	Mr. McCollor	M. Bogenschultz	Ms. Borgeson
Secretary	Mr. Bogenschultz	Ms. Borgeson	Ms. Odegard
Treasurer	Ms. Borgeson	Ms. Pignato	Mr. McCollor

The 2019 assignment of trustees to committees and as the PAC delegate will occur at the Board's February 20, 2019 meeting.

Endorsement of Extant Policies of the Board

Upon motion by Mr. Kunz and seconded by Mr. McCollor, the Board voted to ratify the existing Board Policies and Procedures.

Committee Reports

Ms. Odegard, Audit Committee Chair, reported that she had reviewed approximately half of the FY 2019 new annuitant member files earlier in the day and found the files complete for proper calculation and documentation.

There being no member questions, at 5:37 p.m. upon a motion by Mr. Bogenschultz and seconded by Ms. Borgeson, the Board voted to adjourn

The Board is scheduled to next convene on Wednesday, February 20, 2019, 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 9:06 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	John Kunz	Karen Odegard
Lori Borgeson	Mike McCollor	Stephanie Pignato
Zuki Ellis	Michael McKay	Maggi Schiller

Mr. Paddock was excused.

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

Adoption of Agenda

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

Approval of Minutes

Ms. Pignato moved for approval of the minutes of the January 17, 2019 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 Dr. McCollor, seconded by Mr. Bogenschultz, the Board accepted the consent agenda items listed below.

- Pension:*** *a. CA-2019-10: Report on Benefit Applications*
- Financial:*** *b. CA-2019-11: Refunds — January 2019*
 c. CA-2019-12: Refunds — February 2019
 d. CA-2019-13: Financials — July 31, 2018
 e. CA-2019-14: Financials — August 31, 2018
 f. CA-2019-15: Financials — September 30, 2018
 g. CA-2019-16: Financials — October 31, 2018

Annual Audit Report – FYE June 30, 2018

Ms. Amy Ames and Ms. Samantha Lee of the Office of the State Auditor (OSA) presented the FY 2018 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.

Cyber Security Discussion

SPTRFA Staff, Ms. Pastick and Ms. Williams, led a discussion on Cyber Security.

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

President Kunz presented his appointees to the standing Board Committees for the 2019 calendar year as follows:

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

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

Personnel Committee (4): Dr. McCollor (Chair*), Ms. 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. Paddock

Audit Committee (4): Ms. Odegard (Chair), Ms. Schiller, 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 Dr. McCollor, seconded by Mr. Bogenschultz, the Board voted to approve.

Executive Session: Closed Session

At 10:45 a.m., Ms. Odegard made a motion to suspend the regular meeting and move to a closed executive session. The motion was seconded by Mr. Bogenschultz 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 #21300.

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

Upon motion by Ms. Odegard, seconded by Dr. McCollor, the Board voted to close the Executive Session at 11:15 a.m. and return to the regular meeting agenda.

Disability Benefit Determinations

Upon motion by Dr. McCollor, seconded by Ms. Borgeson, the Board confirmed the action taken during the closed session regarding the disability benefit application of Member #16620 and approved the application.

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

Ms. Ellis was recused from the Executive Session discussion and voting with respect to these disability determinations.

Executive Director's Report

Ms. Schurtz provided the Board with an update regarding legislative meetings and various investment managers. In particular, she reported to the Board the following: 1) the JP Morgan Global Focus Fund experienced sufficient redemptions to necessitate an orderly withdrawal of SPTRFA's capital and 2) the portfolio manager responsible for the US small/midcap opportunistic value mandate with Mellon Investment Corp. announced that he is stepping down. She advised that she'll visit Mellon as soon as practicable and report back to the Board.

The Board discussed these updates, and upon a motion made by Ms. Odegard and seconded by Ms. Schiller, voted to adopt the approach recommended by Ms. Schurtz and authorized her to seek appropriate index exposure to maintain prudent allocations until further actions are taken.

Personnel Committee Update

Dr. McCollor, Committee Chair, reported no updates.

SPPS Update

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

Investment Committee Meeting

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

Annuities and Refund Committee Update

Mr. Bogenschultz, in Mr. Paddock's absence, reported no updates.

Audit Committee Update

Ms. Odegard, Committee Chair, reported that the committee would perform additional file audits in the April/May timeframe.

Member Questions and Answers & Adjournment

*On motion by Dr. McCollor, seconded by Ms. Borgeson, the Board voted to adjourn at 12:24 p.m. The Board convenes next on **Wednesday, April 17, 2019, 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 9:05 a.m.

Present for the Meeting were Trustees:

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

Mr. Bogenschultz was excused at 9:30 a.m. and returned at 11:55 a.m.

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

Adoption of Agenda

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

Approval of Minutes

Ms. Odegard moved for approval of the minutes of the March 1, 2019 meeting of the Board. The motion was seconded by Mr. Bogenschultz 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 Dr. McCollor, seconded by Ms. Odegard, the Board accepted the consent agenda items listed below.

Pension: *a. CA-2019-17: Report on Benefit Applications*

Financial: *b. CA-2019-18: Refunds — March 2019*

c. CA-2019-19: Refunds — April 2019

IRS Form 990

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

NCTR Conference Attendees: Workshop / Conference

Ms. Schurtz and the Board discussed the 2019 NCTR Workshops and Conferences and potential SPTRFA participants.

Market Update and Portfolio Review – ACG

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

Portfolio Review (Domestic REIT) – Securian Asset Management

Mr. Matt Richmond, Portfolio Manager, Lowell Bolken, Portfolio Manager and Josh Klesh, Portfolio Manager, provided the Board with an update on the REIT portfolio managed by Securian and responded to Trustee questions.

Private Equity Review – Franklin Park

Mr. Michael Bacine, Managing Director and Principal, provided an update regarding the organization, key personnel, and assets under management. He then gave an overview of the SPTRFA private equity mandate, current portfolio positioning and performance, and provided a private equity market overview.

Draft FY 2020 Preliminary Budget Presentation

Ms. Schurtz, Ms. McDonald, and Ms. Williams gave a brief overview of the major categories in the FY 2020 budget, with the final SPTRFA budget to be presented at the May 15, 2019 Board meeting.

Executive Director’s Report

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

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no updates.

SPPS Update

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

Investment Committee Meeting

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

Annuities and Refund Committee Update

Mr. Paddock, Committee Chair, reported no updates.

Audit Committee Update

Ms. Odegard, Committee Chair, reported that her committee would be visiting the SPTRFA offices in May to continue with file review work.

Member Questions and Answers & Adjournment

*On motion by Ms. Odegard, seconded by Mr. Paddock, the Board voted to adjourn at 2:54 p.m. The Board convenes next on **Wednesday, May 15, 2019, 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 9:00 a.m.

Present for the Meeting were Trustees:

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

Mr. Paddock joined the meeting at 10:45 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 April 17, 2019 meeting of the Board. The motion was seconded by Mr. Bogenschultz 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 Dr. McCollor, seconded by Mr. Bogenschultz, the Board accepted the consent agenda items listed below.

- Pension:*** *a. CA-2019-20: Report on Benefit Applications*
- Financial:*** *b. CA-2019-21: Refunds — May 2019*
- c. CA-2019-22: Financial Stmt — November 30, 2018*
- d. CA-2019-23: Financial Stmt — December 31, 2018*
- e. CA-2019-24: Financial Stmt — January 31, 2019*
- f. CA-2019-25: Financial Stmt — February 28, 2019*
- g. CA-2019-26: Financial Stmt — March 31, 2019*

FY 2020 Budget Presentation

Ms. Schurtz, Ms. MacDonald, and Ms. Williams presented the FY 2020 budget. The leadership team and board engaged in a discussion regarding the budget and upcoming priorities and board members were given time to ask questions.

On motion by Dr. McCollor, seconded by Mr. Bogenschultz, the Board unanimously voted to approve the FY 2020 budget.

Review of FY 2019 Meeting Calendar

Mr. Kunz led a discussion regarding the upcoming fiscal year Board meeting calendar and meeting dates for FY 2020 were set.

Executive Director's Report

Ms. Schurtz provided the Board with an update regarding a number of topics including: investment manager positioning and performance; legislative issues; relevant national and local pension issues; and potential items for consideration for the 2020 SPTRFA workplan.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no updates.

SPPS Update

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

Investment Committee Meeting

Ms. Pignato's 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 that the committee recently met to perform its retirement file review as a part of the Committee's annual compliance commitment.

Member Questions and Answers & Adjournment

*On motion by Ms. Borgeson, seconded by Mr. McKay, the Board voted to adjourn at 11:24 p.m. The Board convenes next on **Wednesday, June 5, 2019, at 4:00 p.m.***

Respectfully submitted,

Jill E. Schurtz, Executive Director

Call to Order

The meeting was called to order by President Kunz at 4:30 p.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	John Kunz	Michael McKay	Margaret Schiller
Lori Borgeson	Mike McCollor	Karen Odegard	

Ms. Ellis, Ms. Pignato, and Mr. Paddock were unable to attend.

Also present were SPTRFA staff: Jill Schurtz, Executive Director.

Adoption of Agenda

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

Approval of Minutes

Ms. Odegard moved for approval of the minutes of the May 15, 2019 meeting of the Board. The motion was seconded by Dr. McCollor and so voted by the Board.

Executive Director's Report

Ms. Schurtz outlined a series of items for the Board's information and consideration.

Member Questions and Answers & Adjournment

*Upon motion of Mr. Bogenschultz and seconded by Ms. Borgeson, the Board voted to adjourn at 5:55 p.m. The Board convenes next on **Wednesday, September 18, 2019 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 9:05 a.m.

Present for the Meeting were Trustees:

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

Trustees Ellis and Schiller were unable to attend.

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

Adoption of Agenda

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

Approval of Minutes

Ms. Borgeson moved for approval of the minutes of the June 5, 2019 meeting of the Board. The motion was seconded by Mr. McKay and so voted by the Board.

Personnel Committee Report

Dr. McCollor, Committee Chair, reported that, due to a change in professional assignments, Mr. Paddock submitted his resignation as a member of the Board of Trustees.

Upon a motion by Ms. Borgeson, which was seconded by Ms. Pignato, all voted in favor that the Board accept Mr. Paddock's resignation with regret.

Board Vacancy

On motion by Ms. Odegard, seconded by Mr. Bogenschultz, the Board voted all in favor to appoint Thomas Koreltz to the Board of Trustees for the remainder of the unexpired term of Mr. Paddock.

Trustees discussed Board Committee assignments and Mr. Koreltz was appointed to the Committee assignments held by Mr. Paddock.

Trustee Koreltz was called upon to attend the remainder of the Board meeting.

Legislative Update

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

Market Update and Portfolio Review – ACG

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

Portfolio Review (Domestic Small/Mid Cap Value) – Mellon Corporation

(formerly The Boston Company)

Ms. Megan Timbas, Relationship Manager, and Patrick Kent, Portfolio Manager, provided the Board with an update on the Small/Mid Cap Value portfolio. Mr. Kent reviewed the current portfolio holdings and performance, his approach to portfolio management, and his market expectations.

Annual Meeting Proxyholders

President Kunz appointed Dr. McCollor, Ms. Odegard, and Ms. Borgeson as proxyholders for the January 16, 2020 Annual meeting of the Members.

NCTR Annual Meeting Delegates

The following were appointed as delegates to the NCTR 2019 Annual Conference: Mr. Kunz, Ms. Schurtz, and Dr. McCollor, with Mr. McKay to serve as an alternate.

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-2020-01: Report on Benefit Applications – September 2019*
 b. CA-2019-27: June 2019 Report on Benefit Applications

Financial: *c. CA-2019-28: Refunds — June 2019*
 d. CA-2019-29: Financials — April 2019
 e. CA-2019-30: Financials — May 2019
 d. CA-2020-02: Refunds — July 2019
 e. CA-2020-03: Refunds — August 2019
 f. CA-2020-04: Refunds — September 2019

FY 2019 Annual Audit Update

Ms. MacDonald briefed the Board on the status of the Association's FY 2019 audit.

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 Refunds Committee Update

The Annuities and Refunds Committee Members reported no updates.

Audit Committee Update

Ms. Odegard, Committee Chair, gave the Board an overview of the Committee's continuing work.

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

In light of Mr. Koreltz joining the Board, President Kunz led a discussion and the Trustees affirmed the following assignments to the standing Board Committees for the remainder of the 2019 calendar year:

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

Annuities and Refunds Committee (3): Ms. Borgeson (Chair*), Ms. Schiller, Mr. Koreltz

Personnel Committee (4): Dr. McCollor (Chair*), Ms. Borgeson, Mr. McKay, and Mr. Koreltz

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), Ms. Schiller, 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. McKay, seconded by Ms. Pignato, the Board voted to approve.

Member Questions and Answers & Adjournment

*On motion by Ms. Borgeson, seconded by Dr. McCollor, the Board voted to adjourn at 2:04 p.m. The Board convenes next on **Wednesday, November 20, 2019, 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 9:04 a.m.

Present for the Meeting were Trustees:

Matt Bogenschultz	Zuki Ellis	John Kunz	Michael McKay	Stephanie Pignato
Lori Borgeson	Thomas Koreltz	Mike McCollor	Karen Odegard	Margaret Schiller

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

Adoption of Agenda

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

Approval of Minutes

Ms. Pignato moved for approval of the minutes of the September 18, 2019 meeting of the Board. The motion was seconded by Mr. Bogenschultz 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-2020-05: Report on Benefit Applications*

Financial: *b. CA-2020-06: Refunds — October 2019*
 c. CA-2020-07: Refunds — November 2019

FY 2019 Annual Audit Update

Ms. MacDonald briefed the Board on the status of the Association's FY 2019 audit.

Portfolio Review (Large Cap Value) – Barrow Hanley Mewhinney & Strauss

Mr. Kirby Smith, CFA, provided the Board with an update on the Large Cap Value portfolio managed by Barrow Hanley and responded to Trustee questions.

Portfolio Review (Real Estate – Core & Value Added) – UBS Realty Investors

Trumbull Property Fund (TPF) & Trumbull Property & Growth Fund (TPG)

Mr. Ronald Lanier, Relationship Manager, Mr. Peter Shaplin, Portfolio Manager for TPF and Mr. Timothy Walsh, Portfolio Manager for TPG, provided the Board with an update on the Real Estate Core & Value Added portfolios managed by UBS and responded to Trustee questions.

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 12/31/2019.

NCTR Conference Review

Board Members who attended the 2019 NCTR Annual Conference shared their feedback regarding various programs and events, and concluded that the conference provided important professional development and continuing education topics.

Executive Director's Report

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

SPPS Update

Ms. Ellis briefed the Board on the recent elections and enrollment levels.

Investment Committee Meeting

Ms. Pignato, Committee Chair, reported no updates.

Personnel Committee Update

Mr. McCollor, Committee Chair, reported no updates.

Annuities and Refund Committee Update

Ms. Borgeson, Committee Chair, reported no updates.

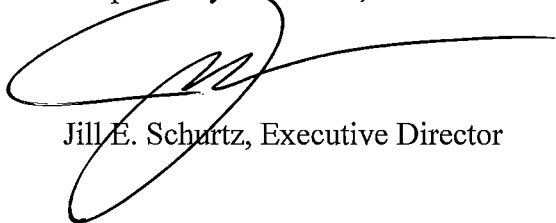
Audit Committee Update

Ms. Odegard, Committee Chair, reported on the work of the committee during the past quarter.

Member Questions and Answers & Adjournment

*On motion by Mr. Bogenschultz, seconded by Ms. Borgeson, the Board voted to adjourn at 2:56 p.m. The Board convenes next on **Wednesday, December 18, 2019, at 9:00 a.m.***

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Jill E. Schurtz', is written over the typed name.

Jill E. Schurtz, Executive Director