

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 c. CA-2016-20: Rescinded Refunds — Jul-Feb FYE 2016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