

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