

**MINUTES
Minnesota State Retirement System
Board of Directors
July 16, 2020**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, July 16, 2020, at 9:00 a.m., in the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 117, Saint Paul, Minnesota.

Members Present

All members attended via video or phone conference, unless noted otherwise.

Mary Benner, Chair; Wes Skoglund, Vice Chair; Tommy Bellfield; Chet Jorgenson; Michael LeDoux; Michael Schweyen, Melissa Lam Young (representative for Myron Frans, Commissioner of Minnesota Management & Budget); Michael Roelofs; Joseph Sullivan; Jacqueline Terry; and Daniel Gorman;

Others Present

Kathryn Woodruff, Office of Attorney General; Mike Landers and Rick Perkins, Minnesota Retired State Employees Association; Krisann McMahon, University of Minnesota; Susan Lenczewski, Legislative Commission on Pensions and Retirement; Bonnie Wurst, GRS; Jean Buckley; and MSRS staff members: Erin Leonard, (Executive Director) [attended in-person], Anita Scott, Linda Henderson [attended in-person], Julie Leppink, Mark Manion [attended in-person], Tim Rekow [attended in-person], Daniel McLean, Holly Dayton, and Andrea Cox [attended in-person].

David Musielewicz, Appellant was also present for Appeal only.

Call to Order

Chair Benner called the meeting to order at 9:14 a.m. Introductions were given. The agenda items were taken in the order as shown below. Roll call was taken of Board members.

Approval of Minutes of the Regular Board Meeting Held May 21, 2020

The minutes of the regular Board meeting held Thursday, May 21, 2020, were submitted for approval,

Roelofs moved approval of the minutes of the regular meeting held May 21, 2020. Motion was seconded by Bellfield and carried unanimously by roll call vote.

Appeal of David Musielewicz

Reference was made to a memorandum dated March 19, 2020 from Julie Leppink, MSRS General Counsel, regarding the appeal case of MSRS member David Musielewicz (Petitioner) as a result of the MSRS Executive Director's denial General Employees Retirement Plan Increased Retirement Benefit. Leppink reviewed the issues

of the case and presented the Board with the findings of the Administrative Law Judge (ALJ). Mr. Musielewicz also presented to the Board.

The ALJ recommended that the Board find that Petitioner is not eligible for increased monthly annuity benefit payments. The ALJ determined that Petitioner is not entitled to increased monthly annuity benefits and the MSRS Board of Directors should affirm the executive director's September 12, 2018 determination of benefits. It is not appropriate to estopp MSRS from correctly tabulating the monthly benefit amount. The ALJ judge also recommended notifying plan members of the estimation errors from the MSRS pension benefit calculator. The Board had the following options in voting:

1. Accept/Adopt the ALJ recommendation without Amendment
2. Accept/Adopt the ALJ recommendation with modifications of Board members
3. Consider/Reject ALJ and adopt Board alternative

Due to Skoglund previously working with Appellant, he recused himself from voting.

LeDoux moved approval of option #2 and to Accept/Adopt the ALJ recommendation with modifications of Board members. Motion was seconded by Bellfield and carried unanimously by roll call vote.

The Board also directed staff to identify other similarly situated participants and notify them of any errors.

Actuarial Presentation from GRS Consulting

Bonnie Wurst, MSRS' actuary from Gabriel Roeder Smith presented the Estimated 2020 Valuation Results General Plan Experience Study as reflected in her presentation handout for the State Employees Retirement Fund, Correctional Employees Retirement Fund, State Patrol Retirement Fund, and the Judges Retirement Fund, as reflected in her presentation handout. Wurst also provided information about how the implicit interest rate is calculated and an explanation of potential changes to the Actuarial Standards of Practice that are being reviewed and updated.

MNDCCP Plan Document Amendments

Reference was made to a memorandum dated July 2, 2020 from Mark Manion, Chief External Benefits Officer, regarding change to Required Minimum Distribution (RMD) and In-Service Distributions. Changes are recommended due to Federal legislation.

Jorgenson moved approval of the RMD and In-Service Distribution changes. Motion was seconded by Skoglund and carried unanimously by roll call vote.

HCSP Plan Document Amendments

Reference was made to a memorandum dated July 7, 2020 from Linda Henderson, Chief Internal Benefits Officer regarding proposed changes to the Health Care Saving Plan (HCSP) Plan Document. The changes proposed are verbiage on designated beneficiary form and PCORI fee increase.

Bellfield moved approval of the HCSP Plan Document Amendments. Motion was seconded by Schweyen and carried unanimously by roll call vote.

Summary of 2020 Legislative Changes & Developing 2021 Legislative Agenda

Reference was made to a memorandum dated July 6, 2020 from Holly Dayton, Legislative Liaison. 2020 Pension and Retirement Bill was signed into law by Governor Walz in May and included MSRS session priorities.

No action was needed on this agenda item.

Completed Account Online & MNDCP Enhancements

Reference was made to a memorandum dated July 7, 2020 from Erin Leonard, Executive Director, regarding Completed Account Online & MNDCP Enhancements. MSRS Account Online has been modernized and the implementation of the automated Self-Directed Brokerage process is live. Participants will soon have the option to select from three different distributions options for installment payments.

No action was needed on this agenda item.

Virtual Conference Attendance

Reference was made to a memorandum dated July 6, 2020 from Erin Leonard, Executive Director, regarding Virtual Conference Attendance. Staff recommended the Board approve \$700 per Board member to attend virtual conference for FY21.

Skoglund moved approval of the approval of \$700 for Board member virtual conference registration. Motion was seconded by Bellfield and carried unanimously by roll call vote.

Other Business

Next Meeting

Chair Benner stated that the next Board *meeting is tentatively scheduled for September 17, 2020, with a possibility for an in-service training, and following meeting is tentatively scheduled for November 19, 2020.*

Adjournment

There being no further business to come before the Board, the meeting adjourned at 12:02pm. On motion of Benner, seconded by Skoglund, and passed unanimously by roll call vote.

Informational Items:

Contracts Summary

Summary Financial Information (unaudited)

Information Security Report – Protected Non-Public Data

Retiree Lists

Rate of Return – to be presented at meeting