

**EDUCATION MINNESOTA RETIRED
BOARD OF DIRECTORS**

DATE: Monday, May 20, 2013 • 10:00 am – 2:00 pm

Present: President Walt Munsterman, Vice President Dick Mans, Treasurer Boy Toy, Secretary Lowell Ueland, Past President Larry Koenck, Ed Mikulich, Jerry Klebs, Joanie Clark, Julie Jagusch, Alice Faribault, Judy Rohde, Myrna Doran, Lois Wendt, Joan Beaver, Warren Misiewicz, Charles Hellie, John Lipke, Joe Moren, Lori Nord

Other: Paul Mueller (Education Minnesota Vice President), Betty Toy, Marti Zins, Matt Blewett (Staff Liaison), Jodee Buhr (Legislative Staffer), President-elect Denise Specht

Excused: Wes Hanna, Susan Brewer, Roberta Margo

Absent: None

A Quorum is present.

The meeting was called to order at 10 a.m. by the President, Walt Munsterman.

Motion by Joe Moren, second by Charles Hellie to accept the agenda with flexibility. Motion approved.

Motion by John Lipke, second by Jerry Klebs to approve the minutes as presented. Motion approved.

The Financial Report was presented by Treasurer Boy Toy

Motion by Joe Moren, second by Charles Hellie to receive and file the Financial Report. Motion passed.

Officer Reports:

President: President Walt Munsterman- Made a few general remarks. Thank Dick Mans for presiding over the annual meeting in his absence.

Vice President: Vice President Dick Mans - None

Treasurer: Treasurer Boy Toy (See Report in your packet) - General remarks - Membership is up. Judy Rohde reported on the Memorial Foundation - work in progress. It will be a separate EDMN - R

Secretary: Secretary Lowell Ueland - None

TRA: Marti Zins - Handed out a written report. (*See Appendix One*) - She reported that the TRA Fund was run very efficiently - 91% is going to the pensioner - We will get a 2% increase in January -We have been getting a 16.5% return on investment.

Education Minnesota Officer Liaison: EDMN Vice President Paul Mueller (Who also serves as Liaison to EDMN - R) Paul welcomed us to a renovated building with increased meeting space

and upgrade in technology. He said it should save considerable money because most meetings and training can be done on site at 41 Sherburne. Gave a legislative update and talked about PAC fund increase from \$10 to \$15. There were many questions from the board the resulted in much discussion

Education Minnesota Staff Liaison: Shelley MacDonald was attending a meeting in Washington D. C. so Matt Blewett filled in for her and reported. We now have on online membership and conference registration.

Broke for lunch at 12:00 Noon

Guests: EDMN President-elect, Denise Specht spoke to the group. She talked about planning for the next generation, area councils and EDMN - R involvement among other things. She will take office July 1st.

Old Business:

Fall Conference 2013 (Update) - Lois Wendt reported. Need to generate more attendance. You can register on-line. If you register before August 9th you will get the \$89.00 room rate. Boyd Huppert of KARE 11 will be a speaker, as will Doug Ohman. We need to 75 participants to break even.

Fall Breakfast 2013 (Update) - Lois Wendt reported. The date is October 17th and we will try to get a room in the convention center for the breakfast

Vacancy - Congressional District 1 - No takers at this time. One potential candidate said no, so it is still vacant.

Other: Judy Rohde reported on the establishment of an EDMN - R Memorial Foundation.

New Business:

Annual Meeting Update - Excellent meeting - See Appendix Two - Larry Koenck report that we collected over \$500 for the food shelf

Legislative Update - Jodee Buhr presented a summary of legislative results. More funding for education (1.5% each year) - Funding for pre-education - full funding for all day kindergarten - reported on several education related issues.

Set board meeting dates - Aug 19, 2013; Nov 18, 2013; Feb 10, 2014; May 20, 2014 and the annual meeting April 25, 2014 - Motion by Judy Rohde, second by Dick Mans to approve these dates.

Committees - Chair appointments - Committee Changes - Motion by Jerry Klebs, second by Ed Mikulich to approve appointments. Joan Beaver was appointed to be Legislative Chair - Motion by Charles Hellie, second by Larry Koenck to approve appointment - Myrna Doran was appointed as the Communications Committee Chair, and Judy Rohde was appointed to the Professional Advocacy committee. Motion by Dick Mans, second by John Lipke to approve appointment.

Other: None

Congressional District Reports:

District 1: Ed Mikulich - District pretty divided politically - Walz doing good - swing district

District 1: (Vacant)

District 2: Wes Hanna - Absent - No Report

District 2: Jerry Klebs - Talking about replacing John Kline - Obermueller looks to be a viable candidate

District 3: Joanie Clark - Attended a recognition dinner - did some membership recruiting

District 3: Julie Jagusch - Mentioned Eric Paulson

District 4: Alice Faribault - Talked about the legislature - polling in her district

District 4: Judy Rhode - Betty McCullough out speaking to constituents in her district

District 5: Myrna Doran - Nice to see young teachers get involved - Will Morgan a 2nd termmer did well on Pension Cmte

District 5: Lois Wendt - See other reports by Lois

District 6: Joan Beaver - New EDMN-R Legislative Committee Chair - Made comment that gossip in the 6th that Michelle Bachman may step down - probably wishful thinking

District 6: Warren Misiewicz - Matt Dean in his district only does what GOP tells him to do and does not listen to his district

District 7: Charles Hellie - Ex Dir of REAM - Ed Schultz of MSNBC fame to speak at their fall conference

District 7: John Lipke - Area DFLers got together for lunch - topic of conversation was Rep Glenn Gruenhagen (Awful) and how to get rid of him

District 8: Roberta Margo - Absent - No Report

District 8: Joe Moren - Attending another meeting - No Report

At Large: Susan Brewer - Absent

At Large: Lori Nord - No Report

Standing Committees Reports:

Finance: Boy Toy - See earlier report

Membership: Dick Mans - Reported on membership - membership is up - happy to see president-elect, Denise Specht, on board to speak to the board

Program: Joan Clark - Lois Wendt - Need door prizes for Fall Conference

Communications: Susan Brewer - Absent (Report in Packet) - Matt B added to the report with his remarks

Resolutions: Ed Rapp - Absent - See Annual Meeting Minutes

Nominations: Betty Toy - Joan Clark - Even Districts; 2-4-6-8, one at large and President and Vice President are up for election this fall

Governmental Relations: Joe Moren - short report - he is stepping down as chair and Joan Beaver is replacing him.

By-Laws: Don Holman - Absent - See Annual Meeting Minutes

Local Chapters: Chuck Hellie - No Report

Other Reports: President commented on the number of meetings he has been involved in - most are conference calls with presidents of other states. Pension issues are the big ones - Minnesota in

better shape than most other states

Announcements: Thanks to Matt B for substituting or Shelley

President declared meeting adjourned at 1:45 PM

Future Board Meeting Dates: Aug 19, 2013; Nov 18, 2013; Feb 10, 2014; May 20, 2014 and the annual meeting April 25, 2014

Respectfully Submitted,
Lowell Ueland, Secretary

Appendix One - TRA Board Report for Education Minnesota Retired - May 20, 2013

Martha Lee (Marti) Zins

1. Meeting of TRA Board was May 15, 2103.
 2. Meeting dates were set for the year.
 3. Topics for the board retreat on August 14 were given. This is when the board looks at greater depth into topics such as GASB, updates from actuary on financial information, demographics of the state, teacher supply and demand, TRA staffing and the board does its annual review and sets goals.
 4. The budget for fiscal year ending June 30, 2014, was adopted at \$1,585,943,000 for expense and \$580,800,000 for revenue meaning \$40 m more revenue with contribution rates up and more annuity payments. A key cash flow statistic is that fund expenditures are about 2.7 times the fund's annual contributions. 99.1 % of total expenses are payments. Reminder ELSA accounts earn no interest (351 accounts remain.) TRA projects staffing from 82.5 employees to 90.5 positions. We are working on disaster recovery plans.
 5. GASB implementation rules are to be published Jan 2014. These affect all employer units.
 6. IRS has sent letter that we are a qualified plan for tax purposes.
 7. Successor plans are in place for continuing staffing as folks retire and new are trained in. This is a major issue for the board as is the replacement of Technology folk who we train and then go to find higher paying jobs. The state agreed that we could pay more to attract staffing. We will need for staffing to finish our .Net computer transition to our upgraded technology system
 8. Elections results, Mary Supple and Rob Gardner and Marti Zins won another 4 year term. Thanks for your support.
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1. We have a new system of investment whereby our daily cash is invested rather than accumulate for a month. More revenue generation. 86 cents of every pension dollar paid to TRA pensioners comes from investment earnings and member contributions. We paid about \$23 m for SBI investment of our resources.
 2. Legislative issues pending but administrative bill, omnibus bill I and II are expected to be signed by the governor. St. Paul and Duluth will get \$13 for 2 years and then no money. A study to consolidate with TRA is planned with reporting in January. TRA position is come in fully funded but what that means is up for grabs.

3. July 2012 began at \$16.74b May 14, 2013 had \$18.44 b an increase of 16.5%. Inflation is 1.45%. January 1, 2014 a 2% increase will occur for pensioners.