

Agenda

UMRA Board

Tuesday October 22 9-10:30

Coffman Room 319

1. Introductions
 2. Approval of Minutes
 3. Financial Report
 4. Membership Update
 4. Update on Holiday Party and Program Committee Report
 5. Retirement Subcommittee Report
 6. Presentation from UMF on Giving
- Adjourn for New member Reception

UMRA Board of Directors Meeting
September 24, 2019, 9:00-10:30
411 Coffman Union

Members Attending: C. Adams, J. Anderson, V. Cardwell, F. Cerra, B. Donohue, E. Hockert, J. Kinsey, J. Markell, R. Matross, J. Morlock, K. Mortensen, C. Parliament, D. Peterson, D. Poppele, J. Rinehart, KM Terry, G. Williams

Members Absent: L. Anderson, W. Craig, C. Peterson

Guests: R. Skaggs

1. **Financial Report:** Adams presented the 2018-19 Financial Report. With revenues of \$40,500 and expenses of \$43,287, the report indicates a small deficit (\$2,712). Due to timing issues associated the recording of several revenue and expense items, however, he believes the Association, basically, broke even for the year.
 - a. This year we will face additional expenses associated with the West Wing room rental and service charges; we are somewhat optimistic, however, that the increased charge for the monthly luncheons (from \$20 to \$23) will address these issues.
 - b. Important investments in marketing and communications were made this past year.
 - c. Later in the meeting, Donohue explained the financial commitments related to professional services which the Executive Committee approved at its September 17.
 - i. Newsletter Editor and Production Coordinator will continue to receive \$450 per issue (8 issues per year) for the Monthly Newsletter and E-News;
 - ii. An honorarium of \$1,000 will be presented to our Webmaster for her outstanding efforts on website and she will be recognized at the holiday gathering in December.
 - d. Donohue also mentioned the increased efforts to increase sponsorships to support UMRA's activities. Bev Moe, our sponsorship coordinator, significantly increased sponsorship dollars this past year. Guidelines for UMRA sponsorship efforts will be finalized by the Communication and Outreach Committee and presented to the Board for review.
2. **Minutes of the August 28 Board meeting:** reviewed and approved.
3. **Organizational Documentation and Memory:** Rinehart discussed concerns (raised most articulately by Chip Peterson) related both to documenting/preserving formal Board policy decisions, and standardizing formats for reports, meeting attachments, minutes, and archival submissions.
 - a. While policy discussions and conclusions are noted in monthly meeting minutes, they are not currently housed in an easily accessible location. A recommendation was made and approved by the Board requesting that, *beginning immediately*, the secretary document any policy decisions made at a Board meeting and create a separate file for their storage. (A formal location for these files will be determined by the task force mentioned below). **[Policy Decision]**
 - b. It was also suggested that we need a "procedures" document to assist those developing or planning events. C. Peterson has created "Cheat Sheets" for a variety of activities which may be helpful in this regard.
 - c. The Board approved the recommendation that a small task force be formed, chaired by Peterson and Rinehart to address these concerns. Several Board

members were identified as potential members, and Donohue will follow up with a formal charge for the task force.

- 4. Survey Results:** Ron Matross distributed materials related to the recently completed survey of UMRA volunteer activities which he, Eric Hockert, Will Craig, and Rinehart developed. Rinehart described the purpose of the survey as an effort to obtain data on UMRA volunteer activities that can serve as a complement to the information we have regarding UMRA members financial contributions. (A separate report with results of the URVC participants has also been created, and Eric Hockert will disseminate this information as appropriate.)

 - a.** UMRA had a 36% response rate (relatively high in today's survey environment).

 - i.** Of these respondents, 78% report volunteering in the past year, with 42% volunteering an average of 78 hours at the U of M, and 68% an average of 120 hours volunteering in community.
 - ii.** Projecting these percentages to the full membership is not without controversy; but using established figures for calculating the value of volunteer hours, UMRA members can be said to have contributed up to \$2 million to the University and broader community in the past year.
 - iii.** The full report is on the UMRA website.
 - iv.** Related to demonstrating the value of retirees, Eric Hockert, as interim director of the URVC and a UMRA Board member, has undertaken significant outreach efforts to academic departments to discuss how retirees are, or could be, valuable resources for their research, teaching, and service missions. The initial contacts were in the health science areas.
 - v.** It was noted that several Board members have registered for the upcoming (10/16/2019) AROHE webinar "Demonstrating the Value of Retirees."
 - b.** Hockert also referenced a joint committee of UMRA and URVC leaders focusing on opportunities for enhancing our partnership.

- 5. Holiday Gathering:** Following the Board's initial approval of funds to secure a venue for this event, Cerra reported on his discussions with the Campus Club and the Bell Museum. The Bell Museum space has a capacity of only 60 and a rental charge of \$750, and thus was eliminated as an option. Other venues (e.g. The Graduate Hotel, the Arboretum) were also ruled out due to costs.

 - a.** The Campus Club discussions focused on an event (December 17, 4:00-7:00 pm) in the West Wing with buffet service comparable to the May 2019 Annual Meeting (sans salmon). Room rental (\$500), food costs (\$40 per person), service charges, and taxes will likely bring the total costs to about \$5000.
 - b.** Further discussion resulted in the Executive Committee decision to recommend to the Board that, as a pilot project, we host this event at the Campus Club, charging members \$25 per person, and subsidizing the difference with Associations funds (somewhere in the range of \$20-\$25 per person).
 - c.** Rinehart will explore finding student musical groups on campus as potential entertainment for the event. It was recommended that \$500 be authorized for this if needed.
 - d.** The Board approved these plans for the inaugural (pilot) holiday gathering, charging members \$25 and using UMRA funds to cover the additional expenses for the event.

6. The “UMRA Policy on Membership” document drafted by Donohue and recommended by the Executive Committee was reviewed and approved. The policy statement clarifies eligibility for membership in UMRA.
7. Announcement: John Anderson explained that the New Member Orientation program will be held in the Campus Club bar prior to the October monthly meeting. New members will have the opportunity to identify UMRA areas in which they would like to become engaged. Board members are encouraged to attend to welcome the new members.

Respectfully Submitted,

Jerry Rinehart

University of Minnesota Retirement Plans – Investment Lineup Design

Participants can ‘mix-and-match’ within and across three tiers, each tailored to meet the needs and preferences of participants based on their degree of engagement and sophistication.



Tier 1

Tier 2

Tier 3

Target Date Funds

Core Lineup

Mutual Fund Window

Tagline

“DO IT FOR ME”

“GIVE ME THE BASIC TOOLS TO DO IT”

“LET ME DO IT”

Purpose / Role

ALL-IN-ONE DIVERSIFIED SOLUTION that automatically de-risks as participants near retirement

Streamlined yet well-diversified set of **CORE ASSET ALLOCATION BUILDING BLOCKS**

Brokerage window access to a **WIDE RANGE OF ASSET CLASSES AND STRATEGY TYPES**

Investment Options




1 TARGET DATE FUND PLATFORM with 10 funds to choose among based on the participants’ expected age at retirement

11 FUNDS providing broad market coverage across global stocks and domestic bonds

5,000+ MUTUAL FUNDS
(note: no individual stocks, bonds or ETFs)



University of Minnesota Retirement Plans – Investment Options

Tier 1 <u>Target Date Funds</u>		Tier 2 <u>Core Lineup</u>			Tier 3 <u>Mutual Fund Window</u>
 Target Retirement Age	JPMorgan SmartRetirement Blend Funds - CF Class	Bonds  Conservative	Money Market	Vanguard Federal Money Market (VMFXX)	Brokerage window access to 5,000+ mutual funds across a wide range of asset classes and strategy types
	Income Fund		Stable Value	Securian General Account	
	2020 Fund		Inflation Protection	Securian General Account Limited	
	2025 Fund		U.S. Diversified Bond	Vanguard Inflation-Protected Securities Institutional Shares (VIPIX)	
	2030 Fund		ESG (Environmental, Social & Governance Focused)	Vanguard Total Bond Market Index Fund Institutional Plus Shares (VBMPX)	
	2035 Fund	Stocks  Aggressive	Calvert Bond Fund R6 (CBORX)		
	2040 Fund		U.S. Large Blend	Calvert US Large-Cap Responsible Index Fund R6 (CSXRX)	
	2045 Fund		U.S. Small / Mid Blend	Vanguard Institutional Index Fund Institutional Plus Shares (VIIIX)	
	2050 Fund		Developed Markets (non-US)	Vanguard Extended Market Index Fund Institutional Plus Shares (VEMPX)	
	2055 Fund		Emerging Markets	Vanguard Developed Markets Index Fund Institutional Plus Shares (VDIPX)	
2060 Fund		Vanguard Emerging Market Stock Index Fund Institutional Shares (VEMIX)			



Retirement Subcommittee meeting

October 7, 2019 10:30-12:00

Morrill Hall

The Retirement Subcommittee met on Monday October 7, 2019 in Morrill Hall. Professor Murray Frank is the chair and Ken Horstman, senior director, Total Compensation, Office Of Human Resources, and his staff provide support for the subcommittee. There was an overview of the University benefits system followed by brief description of the role and purpose of the committee. The subcommittee is an advice giving committee that does not decide the elements of the retirement benefits. Rather the subcommittee acts as a sounding board of non specialists who provide reaction to proposals and occasionally suggest ideas to be explored.

The primary discussion was of the upcoming changes in the administration of the retirement funds as it moves from Securian to Fidelity. There is a schedule of events which is attached and a description of the new line up of funds that is also attached. The schedule of events reflects a roll out to participants in the winter with choices to be made in February and implemented in April. The presentation on funds was primarily done by Andrew Parks from HR staff and is well reflected in the chart. The target date funds will be retained and the “core line up” will be reduced from 27 to 11 funds. Participants will also be able to access a wide array of mutual funds in the retail market.

At our October 22 workshop HR will do a full presentation of these changes to our members. From the discussion it appears that the U is convinced that these changes will reduce costs to participants and provide better and more state of the art service to participants. HR representatives indicated that the Securian general account and the general account limited will continue with no new withdrawal restrictions.

Bill Donohue for Ken Larson

June 2019 – April 2020

Color Key:

Video

Go Live

Written Communications

Website

On-Site

June July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr.

Video

Script and Record

Editing and Production

Release Video

Informational videos – will create and release as content becomes available.

Go Live April

Website

Draft Content and Make Edits

Release Content

Update as necessary; link to written communications as they become available

Written Communications

Draft Initial Announcement, release October

Draft all Transition Materials, release January

Blackout Reminder

Early Choice Announcement and Instructions

Brokerage kits and loan letters

On-site

Leader Consultations

Committee Consultations

Benefits Fairs

Onsite Workshops, Help Desk, 1:1 Sessions

Fidelity Retirement Recordkeeper Transition

Communications Timeline Overview—September 17, 2019

September 2019

- Sept. 12: Civil Service Consultative Committee consultation
- Sept. 17: Senate Committee on Finance and Planning consultation
- Sept. 19: Faculty Consultative Committee consultation
- Sept. 24: Senate Committee on Faculty Affairs consultation

October 2019

- Oct. 7: Retirement Subcommittee consultation
- Oct. 18: P&A Senate consultation
- Week of Oct. 21:
 - Transition content on the OHR website launches
 - Email/letter to employees/retirees informing them of the change and urging them to talk with Fidelity at upcoming Benefits Fairs
 - Oct. 22: U of M Retiree Association consultation
- Oct. 28–31: Benefits Fairs at Crookston and Duluth campuses
- October: Promote open enrollment and benefit fairs on OHR website

November 2019

- Nov. 4–7: Twin Cities Benefits Fairs
- Week of Nov. 18: OHR e-newsletter (tentative) launches—highlights new education resources, timeline, and action steps

December 2019

- Early December: Proposed Fidelity video shoot with SVP Burnett (to be confirmed)
- Week of December Dec. 16: OHR e-newsletter
- Promote January/February on-site seminars

January 2020

- On-site seminars from Fidelity for retirees and employees (timing TBD)
- Jan. 27: Fidelity mails out transition materials
- Week of Jan. 20: OHR newsletter promoting content related to mapping and investment choices
- Share article with UMRA for retirees regarding early choice window
- Mid-January: Communications to retirees with balances that are not moving and those who are turning 70 ½ during or near the transition

February 2020

- On-site opportunities with Fidelity for retirees and employees (timing TBD)
- Feb. 1:
 - Early Choice Window opens
 - Video from SVP Burnett on OHR site
 - OHR email/newsletter announcing early choice window with link to OHR site with SVP Burnett video
- Week of Feb. 10: *Brief* and *MyU* posts re: early choice window
- February 6 and February 11: Pre-retiree seminar on Twin Cities campus
- Week of Feb. 24:
 - Fidelity mails postcard reminding participants of blackout period
 - OHR e-newsletter
 - Fidelity makes brokerage kits live
- TBD: begin post-transition communications planning with Fidelity

March 2020

- March 1: Blackout period starts
- Week of March 23: OHR e-newsletter

April 2020

- April 1:
 - Assets transfer to Fidelity
 - OHR updates vendor information on regular retirement pages
- Week of April 13: assets are available through Fidelity
 - Fidelity mails postcard/email that the transition is complete
 - *Brief* and *MyU* post about access to assets
 - Fidelity mails loan letter, if needed
 - Enrollment materials live in Fidelity's system
 - Remove notices from OHR site regarding access to Fidelity
- Week of April 20: Final transition e-newsletter from OHR as ongoing participant communication and education begin with Fidelity
- Continue: one-on-one consultation with Fidelity

OHR will update its current and transition content throughout the process to notify current and new employees as well as retirees

UMRA
 First Quarter Financial Report 2019-20
 (July 1, 2019 – September 30, 2019)

	<u>7/1/19</u>	<u>9/30/19</u>
Savings Account	\$6,972	\$6,972
Savings certificate	10,000	10,000
Checking Account	<u>1,009</u>	<u>12,964</u>
TOTAL CHECKING AND SAVINGS	\$17,981	\$29,936

Revenue

Dues & Prepaid Luncheons (2/3 -1/3)		\$15,323
Dues		2,908
Luncheons		<u>2,306</u>
Total Revenue		\$20,537

Expense

Lunch		\$3,900
Newsletter		1,323
Communications		828
Conferences		1,817
Memorials		224
Membership		406
Rooms/Misc.		<u>84</u>
Total Expense		\$ 8,592

Net Gain \$11,955

EXPENSE DETAILS

Luncheons

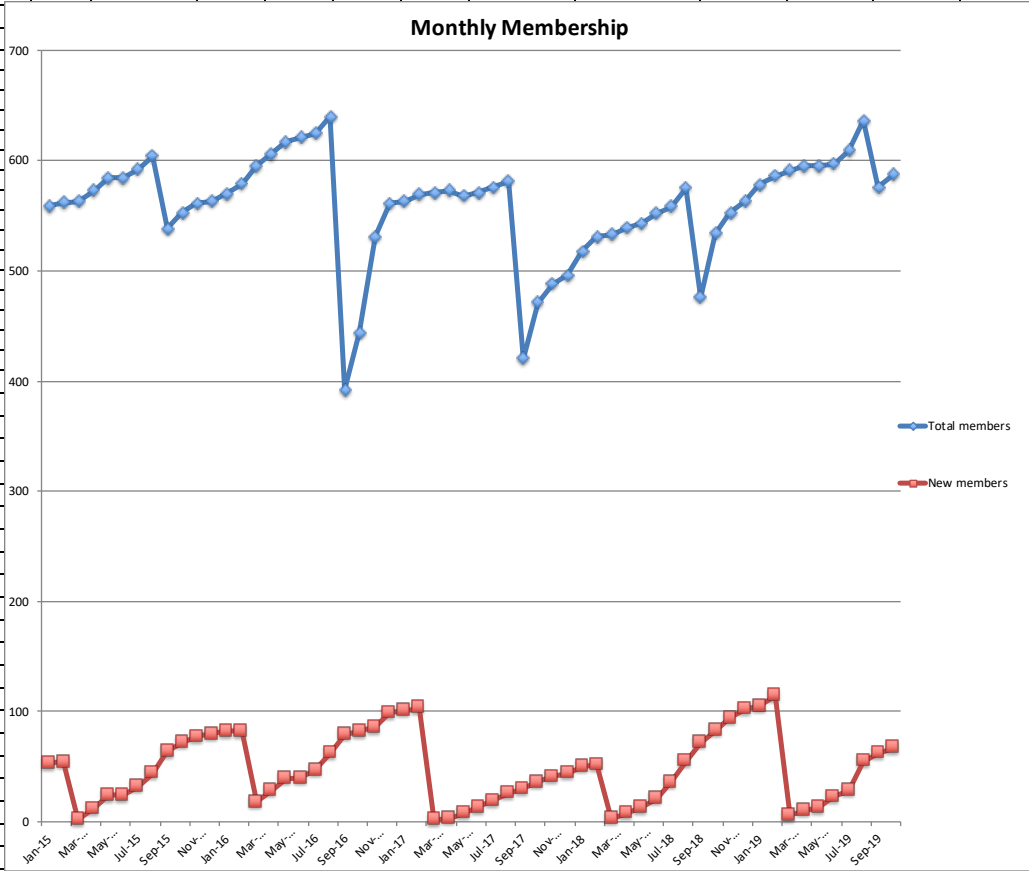
<u>Food/Bev</u>	<u>Room</u>	<u>AV</u>	<u>TX/Svc</u>	<u>Pk</u>	<u>Total</u>
2,971	450	-	479	-	3900

Newsletter

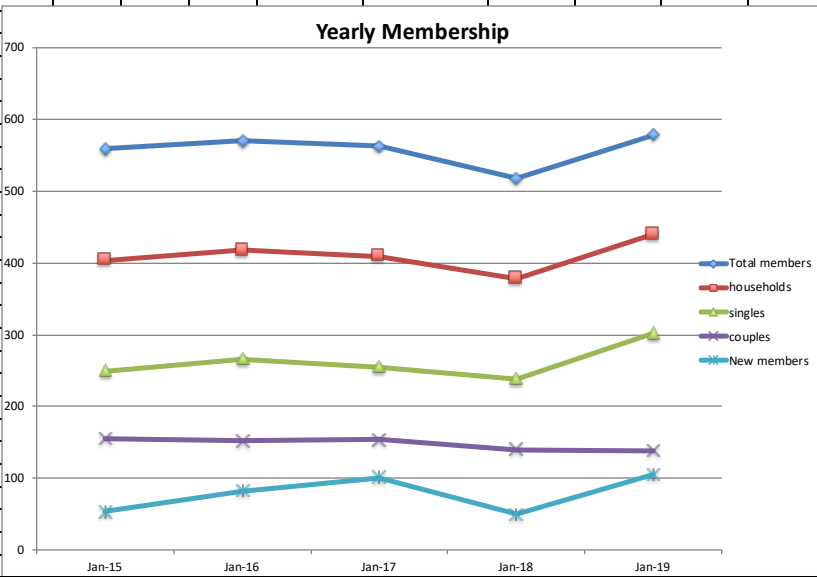
<u>Edit</u>	<u>Print</u>	<u>Mail</u>	<u>Total</u>
900	249	174	1,323

UMRA Membership January 2015 to October 17, 2019

Month	Total members	New members
Jan-15	559	53
Feb-15	562	54
Mar-15	563	2
Apr-15	573	12
May-15	584	24
Jun-15	584	24
Jul-15	592	32
Aug-15	604	44
Sep-15	538	64
Oct-15	553	72
Nov-15	561	77
Dec-15	563	80
Jan-16	570	82
Feb-16	579	82
Mar-16	595	18
Apr-16	606	28
May-16	617	39
Jun-16	621	40
Jul-16	625	47
Aug-16	640	62
Sep-16	392	79
Oct-16	444	82
Nov-16	531	86
Dec-16	561	99
Jan-17	563	101
Feb-17	569	103
Mar-17	571	2
Apr-17	573	3
May-17	568	8
Jun-17	571	13
Jul-17	576	19
Aug-17	581	26
Sep-17	420	30
Oct-17	471	36
Nov-17	488	41
Dec-17	496	44
Jan-18	518	50
Feb-18	531	52
Mar-18	533	3
Apr-18	539	8
May-18	543	13
Jun-18	552	21
Jul-18	558	36
Aug-18	575	55
Sep-18	476	72
Oct-18	534	83
Nov-18	553	94
Dec-18	563	102
Jan-19	578	105
Feb-19	586	114
Mar-19	591	6
Apr-19	595	10
May-19	595	13
Jun-19	597	23
Jul-19	609	28
Aug-19	636	55
Sep-19	576	62
Oct-19	587	67



Year	Total members	households	singles	couples	New members
Jan-15	559	404	249	155	53
Jan-16	570	418	266	152	82
Jan-17	563	409	255	154	101
Jan-18	518	378	238	140	50
Jan-19	578	440	302	138	105



UMRA membership report, October 17, 2019

During the past month, 29 members have renewed and 7 new members have joined. As show on the accompanying membership graph, the total number of active members is 587, 67 of whom are new members. There are still 65 members who have not yet renewed. I will continue to gently remind these members for the next few months, until they are finally marked inactive next year.

This year there were 113 new members who received their first year (2018-2019) of membership free and who were asked to renew for the 2019-2020 membership year. Of these 113, 36 (32%) have not yet renewed.

There were 472 continuing members asked to renew for 2019-2010. Of these 472, 29 (6%) have not yet renewed.

Of the current 587 active members there are:

- 221 faculty
- 126 P&A
 - 87 civil service
 - 9 bargaining unit
- 146 other (spouses or blank)

Virgil Larson
UMRA Membership Database Manager