



## BOARD OF DIRECTORS MEETING MINUTES

April 13, 2022

The MU Retirees Association (MURA) Board of Directors was called to order via Zoom at 2:20 p.m.

Members were asked to respond to roll call with “What I like about MURA . . .” Those present included president Ruth Tofle; past president Betsy Garrett; president elect Ina Linville; secretary Mary Licklider; treasurer Donna Johanning; at-large members Mark Banks, Mary Jo Herde (joined at 2:15), Art Jago, Judy Nolke, Donna Otto (joined at 2:15), and Frank Schmidt; committee chairs and co-chairs Barbara Harris, Tom Henderson, Mary Anne McCollum, and Jo Turner; co-ombuds Carrie Lanham (joined at 2:45) and Marty Townsend; University liaison Cecil Moore; *ex officio* members Karma Metzgar, Libby Miederhoff, Barbara Schneider, Gary Smith, and Maggie Walter; and guests Ken Dean and Debbie Allen.

### Agenda Note

The president asked those present to limit reports to additions or corrections to the materials distributed ahead of the Board meeting and action items in order to preserve time for discussion of the MURA response to proposed Board of Curators action on *Collected Rules and Regulations (CRR)* sections governing the retirement plan. These minutes incorporate information provided in written reports ahead of the meeting as well as discussion during the meeting.

### Minutes

Art Jago moved and Ina Linville seconded approval of the minutes of the January meeting as provided. The motion was approved. Ina Linville moved and Jo Turner seconded approval of the minutes of the April 2 special meeting as provided. The motion was approved.

### President’s Report

The president provided an update on MURA activities in response to proposed Board of Curators action on *CRR* sections governing the retirement plan: MURA has communicated its position, garnered endorsements from the other campus retiree associations and MU Faculty Council, appointed an ad hoc committee on the issue which met with UM fiscal personnel, and confirmed that use of the “COLA” term in the retirement plan language was corrected.

President Tofle provided updates on goals for the year.

- Goal 1, advancing use of information technology—President Tofle noted the need to recruit a member with video editing skills and to appoint a co-historian to archive electronic materials on an ongoing basis. She is willing to continue in this role once her term as president is over.
- Goal 2, partnerships—With the business meeting sponsorship by TigerPlace, all MURA events are self-supporting. TigerPlace has indicated continuing interest in sponsorship. The ad hoc committee on sponsorships will meet to determine sponsorships for the 2022-23 year.
- Goal 3, diverse membership—The issue of reaching pre- and current retirees will be discussed at the May meeting with the four campus retiree associations and UM personnel.

New lifetime members will be acknowledged in the newsletter, and the Resources and Benefits web page will be updated.

- Goal 4, scholarship endowment—The Spring Social registration and a May event with Shakespeare's Pizza will generate funds for the endowment. Board members were invited to communicate suggestions about sponsorships to the Ad Hoc Committee on Sponsorships.
- Goal 5, member survey—Survey responses indicated that advocacy is of prime concern to members and also led to the 2022 theme of volunteering.

The Board was provided with the current calendar of MURA events.

### **Treasurer's Report**

The treasurer reported a cash balance on March 31, 2022, of \$7,982.83 and an investment account balance of \$106,446. Treasurer Donna Johanning noted that the breakfasts are currently breaking even without sponsorship funds, but fluctuating prices and increasing attendance suggest we will use more of the sponsorship funds going forward. The investment account is \$586 less than on December 31<sup>st</sup>, even including \$4,000 added in January. The Finance Committee will meet in the next month to build a budget for fiscal year 2023. Board members are asked to submit budget requests to the treasurer. Mary Lickliger moved and Betsy Garrett seconded a motion to approve the treasurer's report. The motion passed unanimously.

### **Standing Committees**

Program and Education Committees. Ina Linville reported on the Program Committee meeting on April 6. The May breakfast speaker will be Kenton Gewecke. The June breakfast will be at the MU Health Pavilion in the Columbia Agricultural Park. The Governmental Affairs Committee will provide a candidate forum at the October breakfast.

Membership Committee. Co-chair Jo Turner reported 896 members in good standing as of April 1, including 45 annual and 851 life members. Annual members who last paid dues in 2021 will be contacted in May to encourage renewal; those who do not will be removed from email distribution lists on July 1. Co-chair Jo Turner moved that through June 30, 2022, MURA will offer current and inactive annual members discounted life membership for reduced prices:

- One year paid annual membership - Life membership for \$87.50
- Two or more years paid annual membership - Life Membership for \$75
- Five or more years paid annual membership - Life Membership for \$50

The motion was seconded by Mary Anne McCollum. Following brief discussion, the motion passed unanimously. Dick Otto has stepped down after serving as Membership chair or co-chair for ten years. The MURA Board extended a huge thank-you to Dick for his service!

University Liaison – Administration. Liaison Cecil Moore reported that the Spring Town Hall is scheduled for May 18 and will have a format similar to recent Town Halls, with a timely focus on UM's finances and pensions. The semi-annual 4-campus UM RAs leaders' meetings are typically held a week or so following the Town Halls. A meeting agenda is being developed, and further information will be forthcoming as details of this meeting are formulated.

Awards Committee. Chair Mary Jo Herde reported that Susan Flader and Karl Skala were

selected as the Chancellor's Retirees of the Year for 2022. Applications for 2023 awardees will be accepted through March 1, 2023. She thanked those who read applications and made selections: committee members Georgia Morehouse, Art Jago, George Kennedy, Jacqueline Kelly, and Brian Dabson; and *ex officio* members Ina Linville and Ruth Tofle. President Choi's announcement of a contribution to the scholarship fund needs to be clarified. Art Jago expressed thanks to Mary Jo Herde for her leadership of the Awards Committee.

Kitty Dickerson Scholarship Committee. Chair Tom Henderson reported \$690 in donations at the Spring Social, and Susan Flader is contributing \$500 of her \$1,000 award. With Paypal fees, the net total is \$1,152.99. Donna Johanning moved and Tom Henderson seconded a motion to round the proceeds to \$1,200 for the scholarship fund; the motion passed unanimously.

Government Affairs Committee. Chair Mary Anne McCollum reported that the Senate is scheduled to take up the State budget next week, which has to be completed by May 7.

Total Rewards Advisory Committee (TRAC). Betsy Garrett reported that TRAC is engaged in an active process for reviewing dental and vision benefits plans and in meetings on the COLA issue.

### **Special Committees and Liaisons**

MU Engagement Council Representative. Karma Metzgar reported on January 26 and March 23 Engagement Council meetings. Presenters included Randy Picht of the Donald W. Reynolds Journalism Institute; Jared Decker from Animal Sciences; Kathleen Rose from the J-School Science Communication Research and Engagement; and Paul Umbach of Tripp Umbach (consultant on the UM Economic Report).

Facebook Administrator. Karma Metzgar reported on the goals of the Facebook page. Data points on the page as of April 1 included an audience of 136; 138 page likes; reach of 974; and optimal posting times of 9 p.m. Tuesdays, Wednesdays, and Thursdays.

United Way Representative. Linda Lorenz reported that MU retirees pledged \$140,655, 32.9% of the MU total. The United Way's new Give 5 program will match volunteers with 20 local nonprofits for full days weekly for five weeks beginning July 22.

Ad Hoc Committee on Emeritus Status. Chair Frank Schmidt reported on the committee's January 24 meeting. Discussion topics included the following:

- Eligibility for emeritus status;
- Current status, which hasn't seen much change
- Emeritus issues, including inconsistent rules and access to computer updates
- Recommendation for a UM statement regarding emeritus status policies in the *CRR*
- Strategies for the University to enhance the affiliation of emeriti with the institution

Ruth Tofle and Frank Schmidt will communicate with Beth Chancellor about the IT issue. Ken Dean will work to get a message out from campus leadership to department chairs and deans encouraging attention to the *CRR* regulations related to emeritus status.

Faculty Council Representative. Art Jago reported that the Faculty Council endorsed the MURA position on proposed changes to the UM CCR. Neither the Intercampus Faculty Cabinet nor the other campuses' faculty councils have taken a stand on the issue. He noted there was dissatisfaction that MURA had to bring the issue to the attention of the MU Faculty Council and the Intercampus Faculty Cabinet, despite a CRR requirement for seeking faculty advisement on issues affecting the budget.

Ad Hoc Committee on COLAs. Ken Dean summarized the April 6 meeting of the Ad Hoc Committee members with UM Chief Investment Officer Tom Richards and other UM personnel. Committee members expressed appreciation that the Retirement, Disability and Death Plan remains well funded and managed in a prudent manner but reiterated concern about the proposed CRR 530.020, and particularly section C.4, which unnecessarily attempts to limit the power of the Board.

In an extensive discussion of the issue, Board members made the following points:

- According to CIO Richards, the goal is a 100%-funded Plan, and no one's benefits will ever be reduced.
- The proposed formula would insure against funding levels below 75%.
- This is a closed plan—i.e., no one new will enter the plan.
- Actuarial and market values need to be defined, explained, and reported in a consistent manner.
- The original letter stands as the MURA position.

Ken Dean moved and Mary Ann McCollum seconded a motion that the committee's summary be accepted by the Board and distributed to Tom Richards, Ryan Rapp, and Eric Vogelweid, and copied to the President Choi, other UM campus retiree associations, the MU Faculty Council, and the MU Staff Council. The motion passed unanimously. That summary is attached and incorporated here by reference.

### **Announcements**

Mary Lickliger reminded Board members to check their sections of the MURA Policies and Procedures and to let her know whether or not their sections need to be revised.

President Tofle extended a final special thanks to those going off the Board as of July 1: Tom Henderson (from the Scholarship Committee), Mary Jo Herde, Dick Otto, and Marty Townsend. The meeting adjourned at 3:55 p.m.

Respectfully submitted,

Mary Lickliger  
Secretary

Att: Ad Hoc Committee on COLAs Meeting Summary



4/13/2022

TO: Tom Richards, Chief Investment Officer  
Ryan Rapp, Executive Vice President, Finance & Operations and Chief Financial Officer  
Eric Vogelweid, Ast Vice President and Comptroller

FROM: Ruth Tofle, MURA President  
Ken Dean, MURA *Ad Hoc* Committee Chair on Pensions

**RE: Summary Response to Retiree Association Meeting on Pensions**

### **Background**

Thank you for the invitation to meet with you, as you said, to do a “*deeper dive into the retirement plan proposals going to the Board in April, including a focus on the specific issues we’re trying to better manage.*” Our Retiree Association Ad Hoc Committee on Pensions found the 4/6/2022 meeting to be informative and productive.

In this collaborative spirit, we respectfully submit this Summary Response for your further consideration and actions. This response has the unanimous support of the ad hoc committee and the unanimous support of the MURA Board of Directors (approved 4/13/2022).

### **Summary Response**

First, the Committee expressed its deep appreciation to the UM staff and the Board of Curators for their continued efforts to ensure that the Retirement, Disability and Death Plan remained well funded and managed in a prudent and sound manner.

Second, The Committee reiterated its concern, expressed in MURA’s letter of April 2 to the Board, about language in the proposed CRR 530.020, and particularly section C.4 that unnecessarily attempts to limit the power of the Board. It is important to note that every other UM Retirement Association agreed with MURA’s expressed concerns in that letter. Even at the conclusion of the meeting, specific objection was made to the words “under no circumstances” which seemed unwise language, and was taken by some as insulting, both to future Boards and members of the Plan. We recommend that section C.4 be omitted from the proposed CRR. MURA recognizes that no COLA’s have been awarded in about 15 years and more importantly MURA is not currently asking for a COLA to be considered.

CIO Richards expressed the view that a current Board cannot legally limit a future Board’s action, He said ...”by definition, a CRR cannot limit the power of a board (or future board). Any board has the power to amend or rescind any CRR at any point in the future.”

The issue as we see it, is that the language in C.4 is not needed unless it is intended as an admonition to future boards, thus making it more difficult for a future board to decide to grant

a COLA. It is unnecessary as this Board and future Boards have the discretion to grant a COLA depending on the circumstances. Please keep the current tool even if it has been dormant for over 15 years.

While some on the Board may not see this proposal as limiting their discretion, most any reasonable person looking at this would view it as creating a closed door. We are aware of no other provision in the CRRs that advises the Board that “under no circumstances “may it act. That phrase is only used in one other CRR and it is provided as a directive to how lower-level university staff discretion is limited in implementing certain policies.

If a C.4 remains, perhaps a wording change such as set out below could be substituted:

“4. Plan Benefits – given the magnitude of the Plan’s liabilities and the additional risks inherent in managing a closed plan, Plan benefits should be increased above levels in place at the time of this policy’s adoption, only when the Board of Curators concludes that the risk associated with this liability is sufficiently mitigated.”

The meeting was productive and resulted in the following comments and recommendations:

1. CIO Richards did an excellent job of helping us understand several of the terms and concepts in the proposed policy, but those explanations must be made more widely available.
2. CIO Richards asked us to help convey our belief that the plan is well managed and safe. We agreed to do so.
3. We recommend clearer and more understandable communication about the retirement plan, including its financing. MURA stands ready to help get that information out. Including posting on its website <https://mura-missouri.com/> and the UM system website for UM Retiree Associations <https://www.umsystem.edu/ums/engagement-outreach/um-system-retirees-associations> but the information should also be on several other websites, including Finance and HR.
4. We were informed that the Plan’s Stabilization Fund now has over \$100M that will be available to deal with some volatility shifts in annual Plan earnings.
5. After the meeting CIO Richards clarified that the funding status of the plan: *“as of the 10/1/21 valuation which will be presented to the Board at the April meeting: 80% funded on an actuarial basis, 88% funded on a market value basis.”*
6. Some on the Committee continue to have a lack of understanding of the 95% funding “cap” and 75% funding “floor”, but we applaud the concept that a floor has to be established. Because prior COLAs were issued in some years when the fund was fully or

over-funded, capping the fund at 95% of full funding would seem to effectively preclude – if prior board action predicts future action -- a future COLA.

Again, some on the committee seek a better understanding of the logic behind the funding cap of 95% rather than 100%. **NOTE:** Subsequent to the meeting CIO Richards supplied the following information. *“The 95% actuarial funding level is simply a trigger for the policy’s risk reduction mechanism, which remains relevant until the Plan’s discount rate (investment return assumption) reaches the risk target established by the policy. Once the discount rate reaches the target, the 95% threshold would no longer apply and the plan would then move toward a 100% funded status. The target rate is the FTSE Pension Index + 2.0%. I’ve attached a graph to show the gap between the actual discount rate and the proposed policy target rate. The shaded area of the graph represents the investment risk the policy seeks to eliminate over time. Focusing on the 95% target itself misses the larger point that the objective of this policy section is to provide a methodical structure to reduce investment risk over time (which is essential in a closed plan). This provision would be considered best-in-class within the public pension space. Happy to discuss this in more depth as this is the key section of the policy. As an aside, the FTSE Pension index is a proxy for corporate pension plan discount rates – corporate accounting, actuarial and risk management standards for pensions are much stronger than the same in the public pension space.”*

Recognizing that the language of investment tools is beyond the understanding of some of us, it might be useful to make the point in the CRR or in future communications that 95% is not a cap but, rather a tool to help reach the goal of a 100% funded plan.

7. We note that some current employees in the Plan and some retirees seem to lack understanding of the 2% “COLA” (which is not really a COLA) annuity option available at the time of retirement and how this differs from a Board of Curators real COLA for all retirees. **NOTE:** Subsequent to the meeting we were informed that in 2019 the wording in the plan was changed to “Guaranteed Automatic Annual Increase” with no mention of COLAs. We applaud this clarification. While most of us have had great experience with the retirement benefits office, perhaps some additional education efforts would help.
8. We recommend prior communication to all retirees, with opportunity to comment, of any proposed policy changes to the Retirement Plan or to the Collected Rules and Regulations pertaining to the Plan.
9. We recommend looking at other mechanisms to involve a select group of retirees in ongoing meetings and communications.
10. We recommend these points and perhaps others be addressed at the May 18, 2022, UM Retiree Town Hall meeting. See comments to questions posed at the Town Hall meeting last year relating to the pension plan. (attached).

CC: President Choi  
MURA Board of Directors  
MURA Past Presidents  
Kathleen Trauth, MU Faculty Council  
Jacqueline Chenault, MU Staff Council  
Leaders of the Four-Campus UM Retiree Associations

Attachments:

Proposed CRR 530.020 found on 44-50 of the Final Defined Benefit Plan Financial  
Management Strategy  
May 2021 Retiree Town Hall  
FTSE Pension Index Graph