



## MINUTES

The Board of Trustees of the Public Employees Retirement Association met in a regular session in the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, April 10, 2025, at 9:30 a.m., with notice given three days prior thereto by the Secretary.

The following members were present:

Thomas Stanley, President

Julie Blaha/Ramona Advani (Remote)  
Paul Bourgeois (Remote)  
Denny Flaherty  
Kathy Green

Jenni Konigsburg  
David Minke  
Thomas Thornberg

Constituting quorum.

Excused: Mary Falk, Paul Ford, Barbara Johnson

Attorney General Representative: Frank Langan

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Mark Sauceman, Chief Information Officer; Amy Streng, Legislative Policy Coordinator; Tracy Gebhard, Chief Financial Officer; Heather Schoenberger, Account Information Management Manager; Andrea Murphy, Communication & Stakeholder Engagement Manager; and Gladys Rodriguez, Executive Assistant.

Others present: Wade Laszlo, MNCORA; Ann Lenczewski, LGN; Merrill Bajana, Osmosis; Rodney Rowe, Ed MN; Anne Finn, LMC.

### 1. Call to Order

President Stanley called the meeting to order at 9:30 a.m. The meeting was held both in person and remotely via interactive technology, as permitted by Minnesota Statutes Section 13D.015. Roll call was taken to establish a quorum.

*Thornberg moved to adopt the agenda. The motion was seconded by Green and passed unanimously by roll call vote.*

The agenda was taken in the following order.

### 2. Approval of Consent Calendar

- March 13, 2025, Regular Board Meeting Minutes
- Operational Data Report

*Konigsburg moved to approve the Consent Calendar as presented. The motion was seconded by Thornberg and passed unanimously by roll call vote.*

### 3. 2025 PERA Legislative Agenda Update

*Reference was made to a presentation from Doug Anderson and Amy Streng*

Streng provided a legislative session update, noting that the 2026-27 biennium budget includes a \$45 million increase in the Senate's spending and a \$124 million allocation for the House. The Governor's budget also includes \$55.9 million in FY 2026-27 for a one-time employee pension holiday. The Finance Committee will review the finance bills and reach a decision.

Streng and Anderson shared details on SF 3192 / HF 2821, a legislative proposal to adjust the General Plan postretirement benefit formula to 100% of CPI, 1.0% minimum, 1.75% maximum with a provision to ensure contribution rates are not increased and the addition of a plan sustainability provision.

Anderson then presented a handout summarizing the bill and outlining the formula changes for the annual postretirement benefit increase. He emphasized that there are no changes to the member or employer contribution rates. However, he noted that there is a statutory provision requiring employers to make an additional 1% contribution specifically aimed at reducing the unfunded liability. This extra contribution is currently set to end once the funding ratio reaches 100 percent. The proposal would change the funding ratio threshold to 98 percent. The funding ratio threshold change allows for no change in the expected date that the additional 1% is expected to stop.

Streng noted that the LCPR Chair is continuing to amend proposals into the Omnibus bill as the legislative session progresses, and that SF 3192 / HF 2821 has already been included. She also provided updates on additional PERA legislative initiatives that have been incorporated into the Omnibus bill:

- **Privatization Withdrawal Liability – SF 3355:** Assesses a withdrawal liability on privatizing entities to cover their share of unfunded liabilities.
- **Amortization Methodology:** legislation to implement a layered amortization approach, following timeframes recommended by the Amortization Work Group.
- **Administrative Bill – SF 2980 / HF 2386:** Introduces clarifying and conforming amendments to PERA's statutes.

The Pre-retirement Survivor Benefit Recodification will likely be deferred to the next legislative session, as staff are still in the process of finalizing the language.

### 4. 2025 Stakeholder Legislative Agenda Update

*Reference was made to a presentation from Doug Anderson and Amy Streng*

Streng presented stakeholder legislative initiatives that are still under consideration or awaiting resolution.

- **Probation Officers (MACPO) – SF 1986 / HF 1779:** Proposes an early, unreduced retirement benefit for probation officers in the General Plan, available at age 60 or after 35 years of service, whichever occurs first. The benefit would be funded through employee contributions covering both past and future service. This bill was not included in the Omnibus bill.
- **Fire and Police Member/Retiree Organizations – SF 1122 / HF 139:** Proposes aligning the cost-of-living adjustment (COLA) for Police and Fire retirees with the PERA General Plan formula

and eliminating the current two-year delay in receiving COLA increases. Staff provided testimony in support of the bill; however, it was laid over due to unresolved funding requirements.

- **Minnesota Correctional Officer Retiree Association (MNCORA) – SF 1556 / HF 708:** Proposes the addition of a dedicated Correctional Plan representative to the PERA Board of Trustees. Staff testified in opposition, and the bill was laid over and not included in the Omnibus bill.
- **Minnesota Chiefs of Police Association (MCPA) – HF 1339:** Proposed modifications related to post-retirement employment for Police and Fire (P&F) members.
- **Pension Holiday for PERA General, PERA Correctional, & PERA P&F Plans:** Governor proposes a 0.25% employee contribution reduction for FY 26.
- **911 Telecommunicators, Probation Officers, and Parole Officers New Plan:** The Board approved a study to explore the development of a new plan, with eligibility criteria to be determined by the Legislature. The study is currently underway and is expected to be completed by summer.
- **Fire Member Organization (MPFF) and Police Retiree Organization (MRPPA):** Eliminate sunset provisions on two \$9M State contributions.
- **PERA General Plan Member Groups:** Benefit increase for active members.

##### 5. Retirement Services Building Co-tenancy Agreement

*Reference was made to the Co-tenancy agreement*

Stanley informed that the three retirement systems—PERA, MSRS, and TRA—recently met to discuss building-related matters, including the budget for FY 26. He also provided an update on the window gasket and sealant project, which aims to improve water diversion and will include replacing joint sealants. The project is expected to take 3 to 5 months.

Flaherty noted that the Facilities Management Committee (FMC) is composed of two trustees from each of the retirement systems. Trustees Stanley and Flaherty serve as PERA's representatives on the committee.

The FMC also discussed proposed amendments to the joint Co-tenancy agreement. These changes include updates to the systems' collective and individual ownership interests and percentages, as well as their duties and responsibilities related to building construction and management. The amendment also includes a provision allowing PERA to reclaim previously ceded space. Stanley noted that the agencies' legal teams collaborated on the revised agreement language.

One unresolved point of discussion involved the language concerning building construction—specifically, whether to retain the requirement for a unanimous vote or adopt the FMC's proposal for a majority vote. After extensive discussion, the Board expressed strong support for maintaining the unanimous vote language in the Co-tenancy agreement, particularly for making important decisions.

Minke inquired about the budget process, specifically how the operating budget is determined—whether it is based on square footage and how costs are allocated to each agency. Stanley explained that the budget is first approved by the FMC and subsequently presented to each Board for approval. He noted that the operating budget for each fund is allocated based on the physical footprint occupied by that fund.

*After much discussion, Minke moved that the PERA Board of Trustees approve the updated Co-tenancy agreement and authorize the Executive Director to sign the agreement and provide it to the other retirement systems. The motion was seconded by Green and passed unanimously by roll call vote.*

**6. Attorney General Litigation Update**

*Green made a motion to close the meeting as permitted by Minnesota Statutes, section 13D.05, subdivision 3(a). The motion was seconded by Konigsburg and passed unanimously by roll call vote.*

*Thornberg made a motion to open the meeting. The motion was seconded by Green and passed unanimously by roll call vote.*

Assistant Attorney General Langan provided an update related to the Minnesota Duty Disabled Association v. PERA, Court File No. 62-cv-23-5420.


**7. Date of Next Meeting**

The next meeting will be held Thursday, May 8, starting at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

**8. Adjournment**

*There being no further business to come before the PERA Board, Thornberg made a motion to adjourn the meeting. The motion was seconded by Green and passed unanimously by roll call vote.*

Meeting adjourned at 11:18 a.m.

  
Doug Anderson, Executive Director