PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION

MINUTES

The Board of Trustees of the Public Employees Retirement Association met in regular session at the Association offices, 60 Empire Drive, Room 117, Saint Paul, Minnesota, on Thursday, June 11, 2026, at 9:30 a.m., with notice given three days prior by the Secretary.

The following members were present:

Thomas Stanley, President

Julie Blaha/ Ramona Advani (Remote)
Denny Flaherty
Paul Ford
Jenni Konigsburg
Barbara Johnson
Jeanna Lilleberg
David Minke
Grace Molenaar-Maldonado (Remote)
Thomas Thornberg

Constituting quorum.

Excused: Paul Bourgeois

Attorney General Representative: Frank Langan

Staff members present: Doug Anderson, Executive Director; Amy Strenge, Legislative Policy Coordinator; Don Haller, Chief Operations Officer; Mark Sauceman, Chief Information Officer; Joshua Harrison, General Counsel; Lance LaFrombois, Deputy General Counsel; Afiya Krueger, Benefit Services Claims Director; Jody Kortus, Benefit Services Claims Representative; Heather Schoenberger, Account Information Management Manager; Patty Heminover, Human Resources Director.

Others present: Brian Bourn, Petitioner; Owen Wirth, League of MN Cities; Ann Lenczewski, Lockridge Grindal Nauen, PLLP; Alex Hassel, Lockridge Grindal Nauen, PLLP; Kate Wagner, MN Fire Association Coalition; Holly Dayton, Teachers Retirement Association; Jessica Mount, Teachers Retirement Association; Lisa Giafflo, Osmosis; Harry Grigsby, State AFL/CIO Retiree Council; Mike LeDoux, Law Enforcement Labor Services; Wade Laszlo, Minnesota Correctional Officer Retirement Association.

1. **<u>Call to Order</u>**

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

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

Stanley welcomed Trustee Jeanna Lilleberg, recently appointed by Governor Walz as the School Boards Representative. Trustee Lilleberg briefly introduced herself and shared her professional background.

The agenda was taken in the following order.

2. **Approval of Consent Calendar**
   - May 14, 2026, Regular Board Meeting Minutes
   - Operational Data Report

   Stanley noted that the chart on page 9 of the Operational Data Report, which relates to survivor applications, appeared to contain an error. While the data at the top of the chart indicated that survivor applications averaged 87 per month, the graph itself appeared to be a duplicate of the retirement applications chart shown on the previous page.

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

3. **Appeal In the Matter of the General Plan Disability Benefit Application of Brian Bourn**
   Reference was made to a memo and exhibits from Deputy General Counsel Lance L. LaFrombois

   Deputy General Counsel LaFrombois appeared on behalf of PERA. Brian Bourn attended the meeting and spoke on his own behalf.

   Bourn began employment with the City of Saint Paul in December 2012 and most recently was employed as a Heavy Equipment Mechanic. He is a member of PERA's Coordinated Plan and applied for Total and Permanent Disability Benefits in May 2025.

   In support of his application, Bourn submitted two medical reports. Neither report supported a finding of total and permanent disability. Both physicians concluded that Bourn was capable of returning to work with sedentary duties and/or restrictions and opined that he was not totally and permanently disabled.

   PERA submitted Bourn's application to the Managed Medical Review Organization (MMRO) for review. In its July 14, 2025 recommendation, MMRO concluded that while Bourn may be occupationally disabled from performing the duties of his position with the City of Saint Paul, he was not totally and permanently disabled from engaging in substantial gainful activity.

   Based on MMRO's recommendation, PERA staff denied Bourn's application for disability benefits on July 19, 2025. Bourn appealed the determination to Executive Director Doug Anderson on August 8, 2025. Anderson affirmed the staff's decision to deny the application.

   Bourn then appealed Anderson's determination to the Board of Directors on October 30, 2025. In his appeal letter and testimony before the Board, Bourn stated that his long-term disability carrier required him to pursue the appeal.

   Following a review of the record, the Board found that the evidence did not establish, by a preponderance of the evidence, that Bourn is unable to engage in substantial gainful activity. Accordingly, the Board upheld the denial of Bourn's application for Total and Permanent Disability Benefits.

   Blaha moved that the PERA Board of Trustees deny Petitioner's appeal and direct its counsel to draft an order reflecting its decision for the Board President's signature. The motion was seconded by Thornberg and passed unanimously by roll call.

4. <u>2027 PERA Board Election Administrator Contract Approval</u>
Reference was made to a memo from Doug Anderson dated June 11, 2026

Anderson reported that PERA received one proposal in response to the Request for Proposals (RFP) for administration of the 2027 Board of Trustees election. The proposal was submitted by YesElections of Mineola, New York.

Although only one proposal was received, the evaluation committee, consisting of Amy Strenge, Policy Coordinator; Joshua Harrison, General Counsel; and Anderson, reviewed and evaluated the submission. The committee concluded that YesElections demonstrated strong data security protocols, election administration processes, and the overall ability to conduct a secure, transparent, and successful election.

Anderson noted that YesElections has more than 18 years of experience administering elections and possesses the expertise and capacity to support PERA throughout the election process. The proposal demonstrated a clear understanding of PERA's election requirements, and YesElections' prior experience working with PERA provided additional confidence in its ability to meet the election needs. Staff recommended awarding the election administration contract to YesElections.

The Board discussed concerns regarding delayed ballot delivery during the previous election cycle and the impact on members' ability to vote. Board members considered options to improve ballot delivery timelines, including the use of drop shipping, first-class mail if necessary, and adjustments to the election schedule. The Board directed staff to negotiate final contract terms with YesElections, including requirements to address ballot delivery timelines and improve the voting experience for members.

> *Minke moved that the PERA Board of Trustees award the contract for administration of the 2027 PERA Board of Trustees election to YesElections based on its ability to provide the required services and deliver a timely, secure, transparent, and successful election. The motion was seconded by Thornberg and passed unanimously by roll call.*

5. <u>HF4074 – 2026 Omnibus Pension and Retirement Bill</u>
Reference was made to a memo and presentation from Doug Anderson and Amy Strenge dated June 11, 2026

Strenge noted that the Governor signed HF 4074 into law on May 17, 2026, which included the following provisions impacting PERA:

<u>PERA Initiatives</u>

- **Correctional Plan Contribution Reduction and Postretirement Formula Increase -** Reduces member contributions from 6.83% to 6.0% and employer contributions from 10.25% to 9.0%. It increases the postretirement benefit formula from 100% of CPI, 1.0% minimum, 2.5% maximum to 100% of CPI, 1.0% minimum, 3.0% maximum.
- **Eligible Salary for Authorized Leaves-** Effective July 1, 2026, all supplemental pay will be considered eligible salary for the purpose of authorized leaves. MN Paid Leave was clarified and is considered not eligible salary.
- **Statewide Volunteer Plan Change-** Changes the required biennial funding reports to annual requirement.

PERA Related Provisions

- **Employer Contributions for Rehired Annuitants-** Effective January 1, 2027, employers will be required to continue employer contributions for rehired annuitants for most statewide Plans.
- **SVF and VFRA Work Group-** Establishes a work group to recommend legislation that shortens the vesting schedule for both VFRA and SVF Plans and requires the participation of volunteer or paid on-call emergency medical providers.
- **Joint and Survivor Annuity Investment Return Assumption-** Moves the joint and survivor annuity investment return assumption from the statute to Standards for Actuarial Work Appendix A.
- **Special Legislation-** Allows for purchase of service for a specific member who was incorrectly excluded by an employer.

Stakeholder Provisions

- **Maple Plain SVF-** Modifies the allocation of the surplus upon the Maple Plain SVF Plan termination; PERA is removed from administering the allocation.
- **Duty Disability Work Group-** Creates a work group to examine duty disability reforms for the Police & Fire Plan and ensures members who become duty disabled or retired have access to affordable health coverage until Medicare eligibility.
- **P&F Waiting Period-** The required waiting period for Police & Fire Plan members to receive their first full post-retirement annual increase will decrease from 24 months to 12 months. If members are in the current 24-month waiting period, starting January 1, 2027, these members will be moved to the 12-month waiting period. Appropriates annual direct state aid of $8 million.
- **Probation Officer and Telecommunicator Plan-** Establishes a new retirement plan for probation officers and public safety telecommunicators. The legislation allocates $2.6 million to the new plan to reduce employee contribution rates from 8.82% to 8.0% through August 2028.

6. Retirement Systems Co-Tenancy Amendment No. 6

Reference was made to Co-Tenancy Agreement Amendment No. 6.

Stanley provided an overview of negotiations among PERA, MSRS, and TRA regarding proposed amendments to the co-tenancy agreement. The proposed amendments clarify the distinction between ownership and administrative interests, update cost allocations based on current space utilization, and establish revised voting requirements for capital expenditures. Stanley noted that the amendments had previously been approved by both MSRS and TRA. He further stated that additional amendments are being developed and will be presented to the Board for approval when they are ready.

Following 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 Lilleberg and passed unanimously by roll call.

7. Trustee Education Reporting

Flaherty reported on his attendance at the NCPERS Annual Conference in Las Vegas. He noted that the conference offered strong educational content on investments, financial markets, inflation, and housing trends. However, he observed that trustee governance and fiduciary responsibility topics were limited. Flaherty indicated that he will recommend NCPERS include more programming focused on trustee roles, responsibilities, and governance at future conferences.

8. **Executive Director Search Update**

Stanley reported that the Executive Director search is in progress with CBIZ. The Board Search Committee will meet with CBIZ following the Board meeting. Trustees were asked to keep July 9, 2026, available in the event candidate interviews or a special Board meeting are needed.

9. **Date of Next Meeting**

The next regular meeting is scheduled for Thursday, August 13, at 9:30 a.m. in Board Room 117 of the Retirement Systems of Minnesota Building.

10. **Attorney General Litigation Update – Discussion of two pending matters currently before the court of appeals**

Thornberg moved to close the meeting pursuant to Minnesota Statutes, section 13D.05, subdivision 3(b). Flaherty seconded the motion and passed unanimously by roll call vote.

Thornberg made a motion to open the meeting. Flaherty seconded the motion and passed unanimously by roll call vote.

11. **Adjournment**

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

Meeting adjourned at 11:28 a.m.

Doug Anderson, Executive Director

PUBLIC EMPLOYEES
RETIREMENT ASSOCIATION

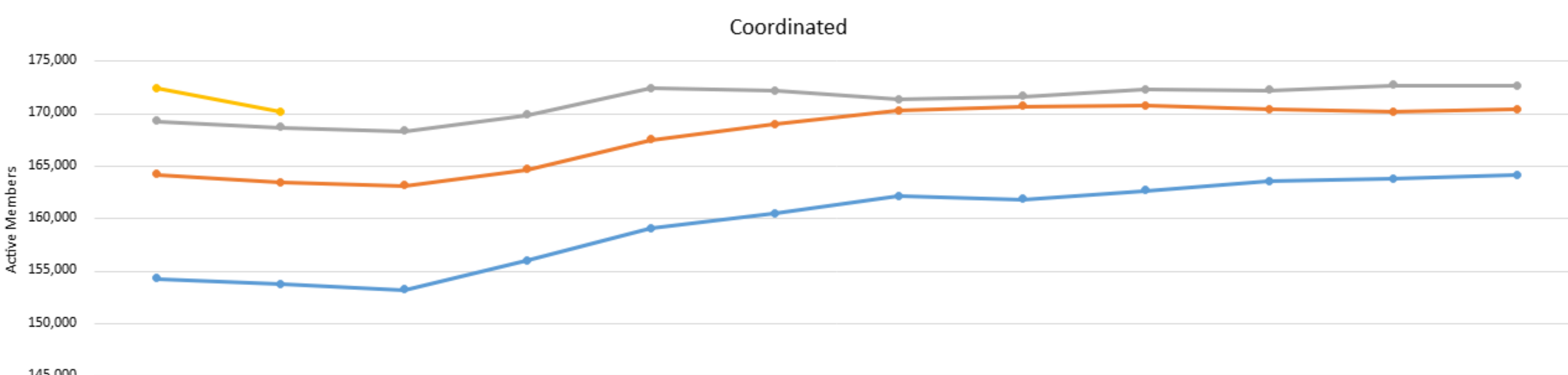
Date: August 13, 2026
To: PERA Board of Trustees
From: Don Haller, Heather Schoenberger, Tim Knippenberg, Sarah Fischer, Afiya Krueger, and Stacey Salvinski
Subject: Operational Data Report

This memo includes PERA statistical data for the following areas:

- Active membership data for PERA's plans
- Recipient data for retirement, survivor and disability benefits
- Application data for retirement, survivor, and disability benefits
- Refund payments processed
- Education initiatives for members and employers

Active Membership Data (monthly)
This section provides membership data for each plan as of the first of the month, based on active status.

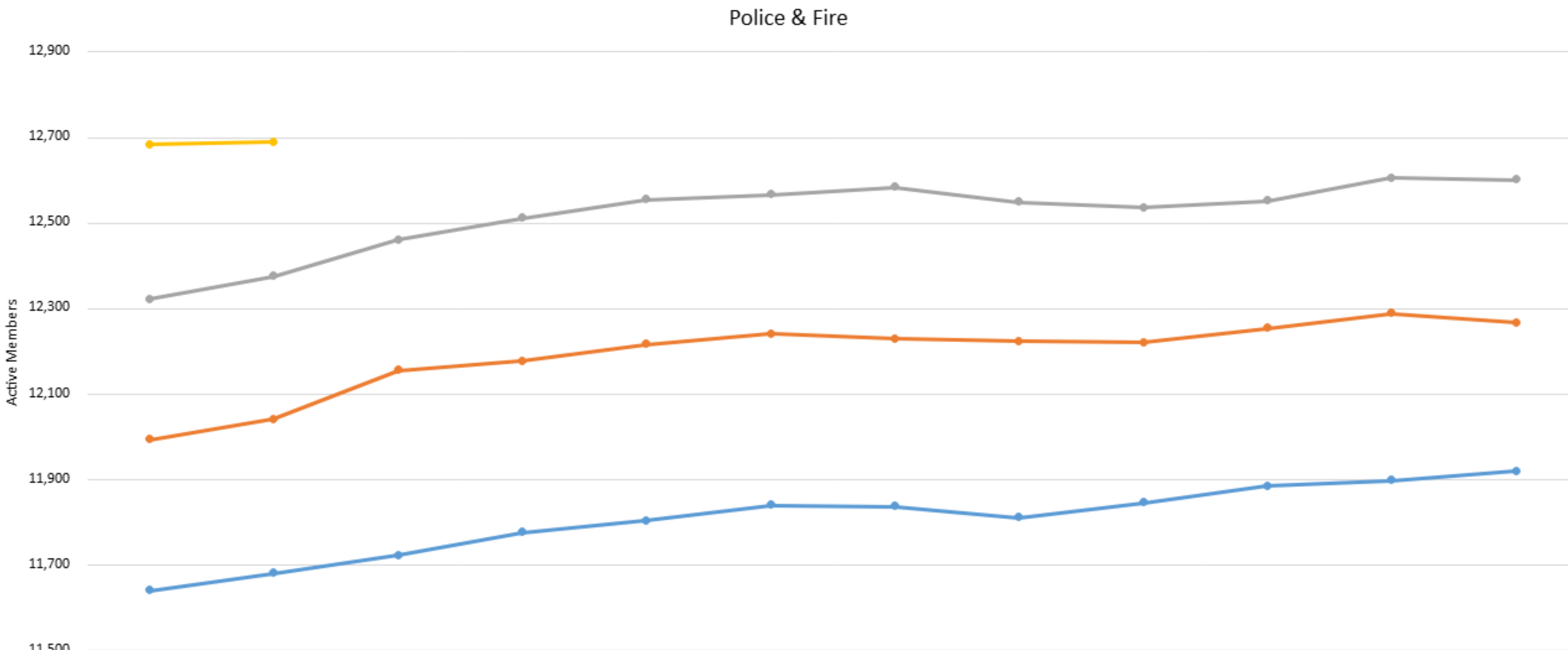
Coordinated
From July 2026 to August 2026, membership decreased by 1.31% (2,259 members).



	July	August	September	October	November	December	January	February	March	April	May	June
2024	154,270	153,727	153,223	155,991	159,069	160,479	162,162	161,840	162,647	163,586	163,770	164,134
2025	164,223	163,437	163,127	164,691	167,517	168,989	170,323	170,696	170,746	170,428	170,194	170,430
2026	169,303	168,706	168,361	169,887	172,401	172,197	171,379	171,669	172,307	172,267	172,691	172,637
2027	172,408	170,149										

Police & Fire

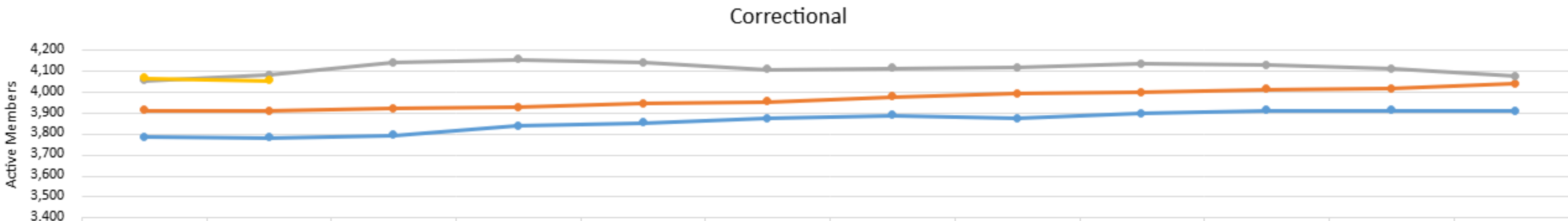
From July 2026 to August 2026, membership remained flat with a 0.06% increase (7 members).



	July	August	September	October	November	December	January	February	March	April	May	June
2024	11,641	11,681	11,723	11,777	11,804	11,840	11,837	11,811	11,846	11,885	11,898	11,920
2025	11,994	12,041	12,155	12,177	12,216	12,241	12,230	12,224	12,221	12,254	12,288	12,267
2026	12,322	12,376	12,461	12,512	12,555	12,566	12,584	12,549	12,536	12,552	12,605	12,601
2027	12,683	12,690										

Correctional

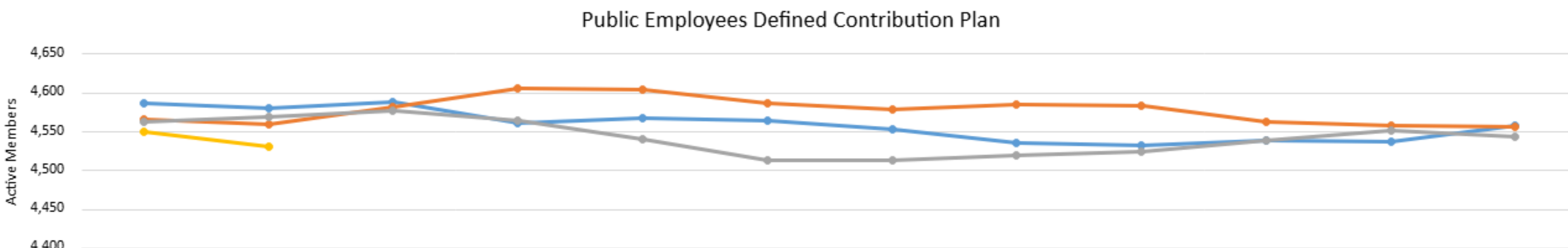
From July 2026 to August 2026, membership decreased by .32% (13 members).



	July	August	September	October	November	December	January	February	March	April	May	June
2024	3,787	3,783	3,796	3,840	3,854	3,875	3,891	3,876	3,898	3,914	3,913	3,911
2025	3,914	3,910	3,921	3,928	3,946	3,954	3,979	3,993	3,998	4,013	4,016	4,042
2026	4,057	4,082	4,141	4,158	4,142	4,108	4,114	4,118	4,135	4,131	4,112	4,078
2027	4,068	4,055										

Public Employees Defined Contribution Plan

From July 2026 to April 2026, membership decreased by 0.42% (19 members).



	July	August	September	October	November	December	January	February	March	April	May	June
2024	4,587	4,581	4,589	4,561	4,567	4,565	4,553	4,536	4,532	4,539	4,537	4,558
2025	4,566	4,560	4,582	4,606	4,604	4,587	4,579	4,585	4,583	4,563	4,558	4,556
2026	4,563	4,569	4,577	4,564	4,540	4,514	4,513	4,519	4,525	4,539	4,552	4,544
2027	4,550	4,531										

Summary

Membership counts are summarized below as of the first of the month for July and August 2026.

Active Membership Counts – Defined Benefit Plans	**7/1/2026**	**8/1/2026**	**+/-**	
Coordinated	172,408	170,149	-2,259	-1.31%
Police and Fire	12,683	12,690	7	0.06%
Correctional Plan	4,068	4,055	-13	-0.32%
Privatization	1,590	1,580	-10	-0.63%
MERF	1	1	0	0.00%
Exempt Plan	4,967	4,811	-156	-3.14%
SVF DBP - Monthly Benefits	45	45	0	0.00%
SVF DBP - Lump Sum Benefits	6,425	6,414	-11	-0.17%
Total	**202,187**	**199,745**	**-2,442**	-1.21%

Active Membership Counts - Defined Contribution Plan		
Public Employees DCP	4,550	4,531
SVF DCP - Lump Sum Benefits	207	207
Total	**4,757**	**4,738**

Benefit Recipients (monthly)
This section provides benefit recipient data for each benefit type, as of the first of the month.

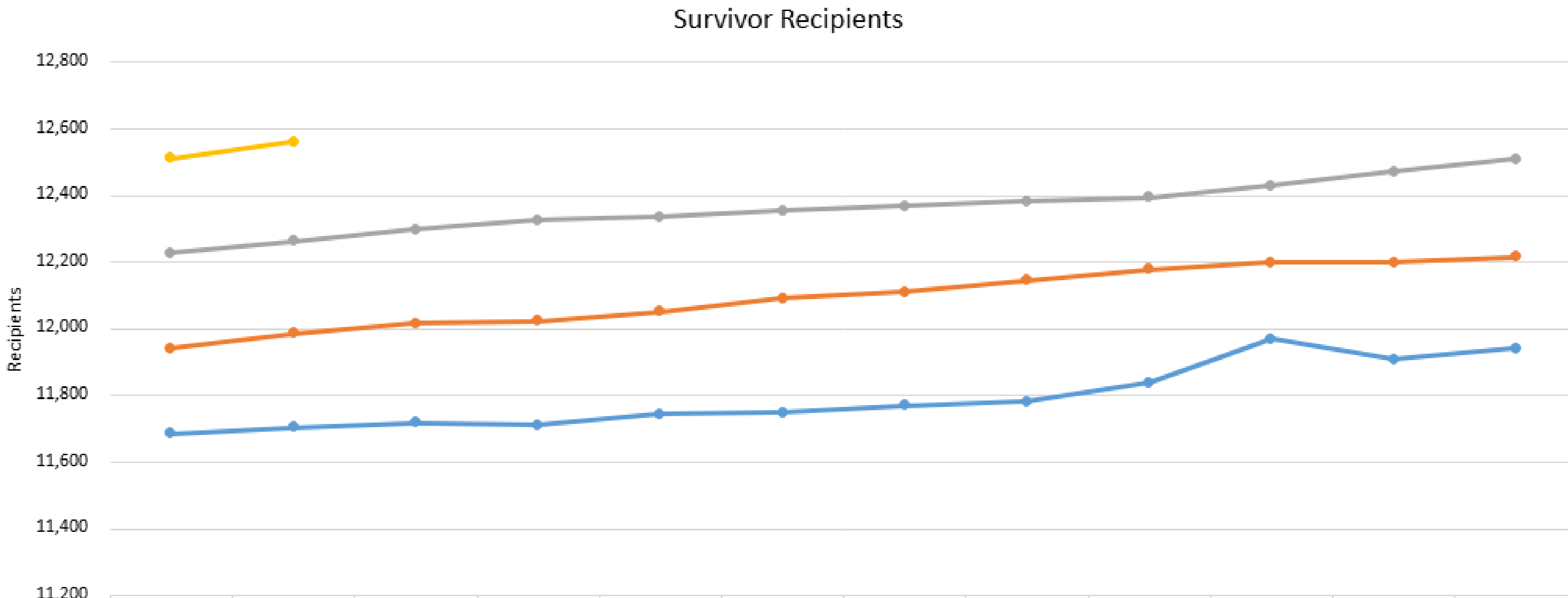
Retirement

Recipients increased by .48% (629 members) from July 2026 to August 2026.

	July	August	September	October	November	December	January	February	March	April	May	June
2024	120,620	121,309	121,685	121,920	122,186	122,254	122,359	122,571	122,838	122,999	123,173	123,352
2025	123,662	124,192	124,526	124,838	125,036	125,186	125,250	125,504	125,781	125,970	126,145	126,353
2026	126,552	127,166	127,512	127,800	128,023	128,190	128,283	128,550	128,810	129,056	129,287	129,473
2027	129,731	130,360										

Survivor

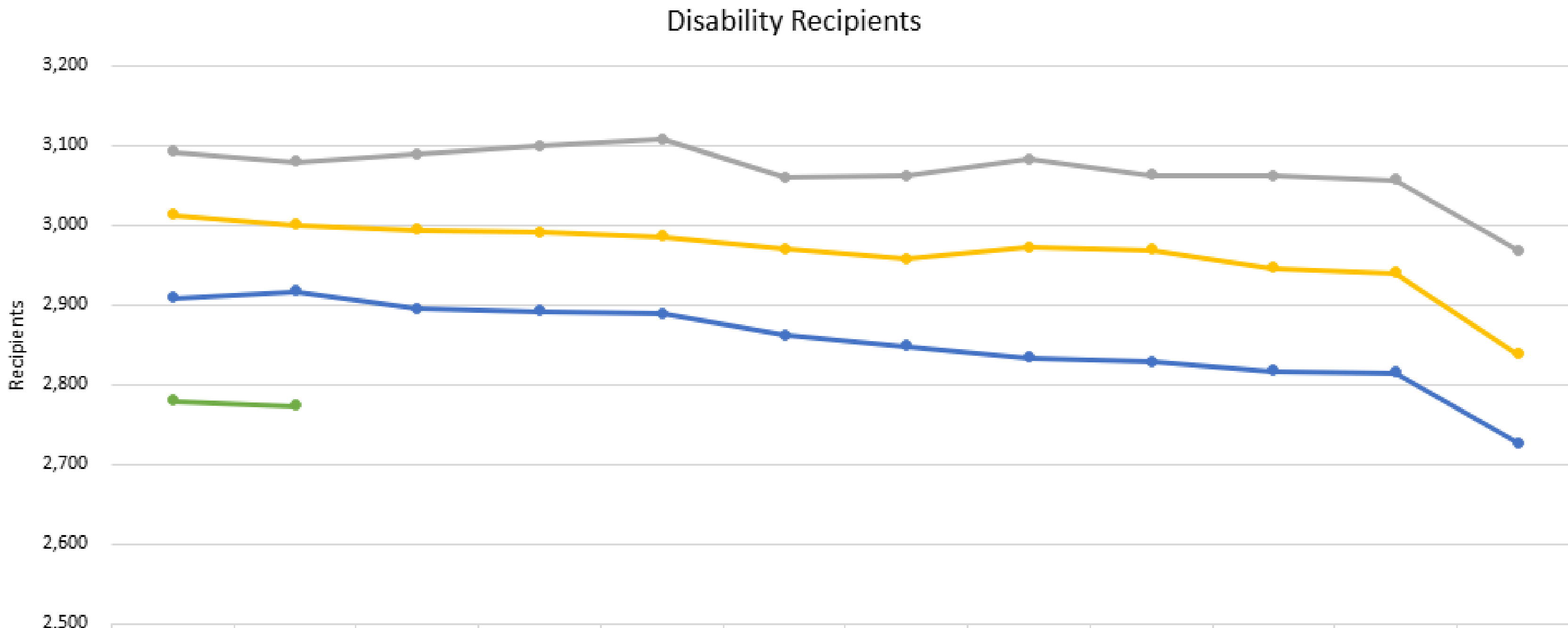
Recipients increased by 0.40% (49 members) from July to August.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	11,687	11,704	11,718	11,713	11,745	11,749	11,770	11,782	11,839	11,971	11,908	11,943
2025	11,942	11,987	12,018	12,023	12,052	12,091	12,110	12,147	12,180	12,199	12,200	12,217
2026	12,229	12,263	12,299	12,327	12,336	12,354	12,369	12,382	12,396	12,429	12,472	12,509
2027	12,512	12,561										

Disability

Recipients decreased by 0.22% (6 members) from July 2026 to August 2026.



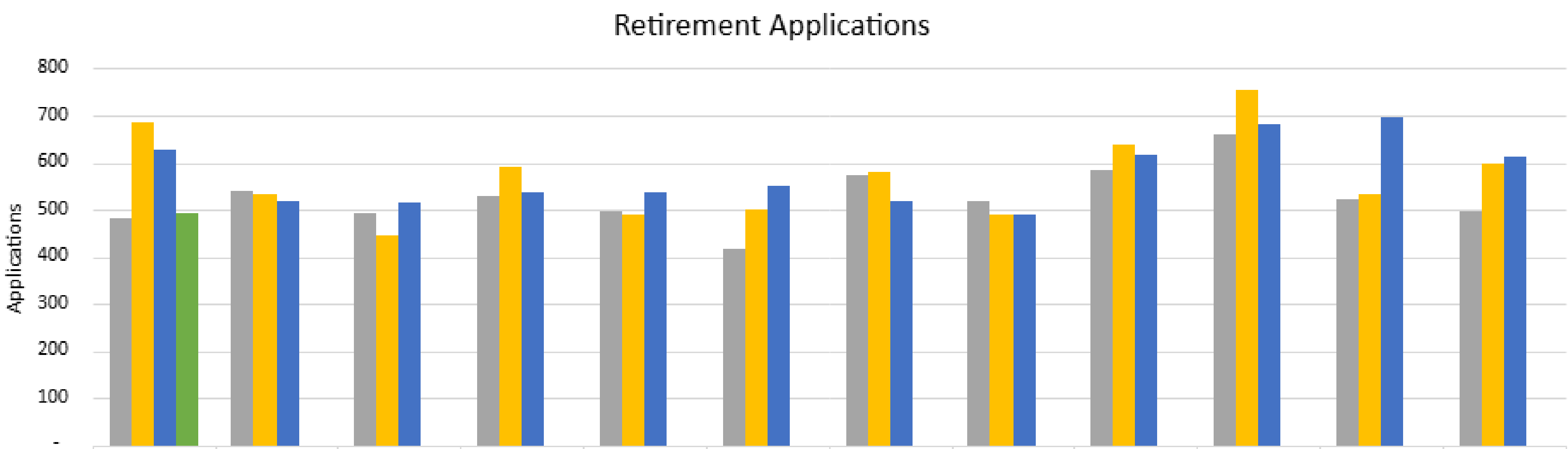
	July	August	September	October	November	December	January	February	March	April	May	June
2024	3,093	3,081	3,090	3,100	3,109	3,061	3,063	3,084	3,064	3,063	3,058	2,969
2025	3,014	3,001	2,995	2,992	2,987	2,971	2,959	2,973	2,970	2,947	2,941	2,839
2026	2,910	2,918	2,896	2,893	2,890	2,863	2,849	2,835	2,829	2,818	2,816	2,727
2027	2,780	2,774										

Benefit Applications Received (monthly)

This section provides the monthly benefit application data for each benefit type.

Retirement

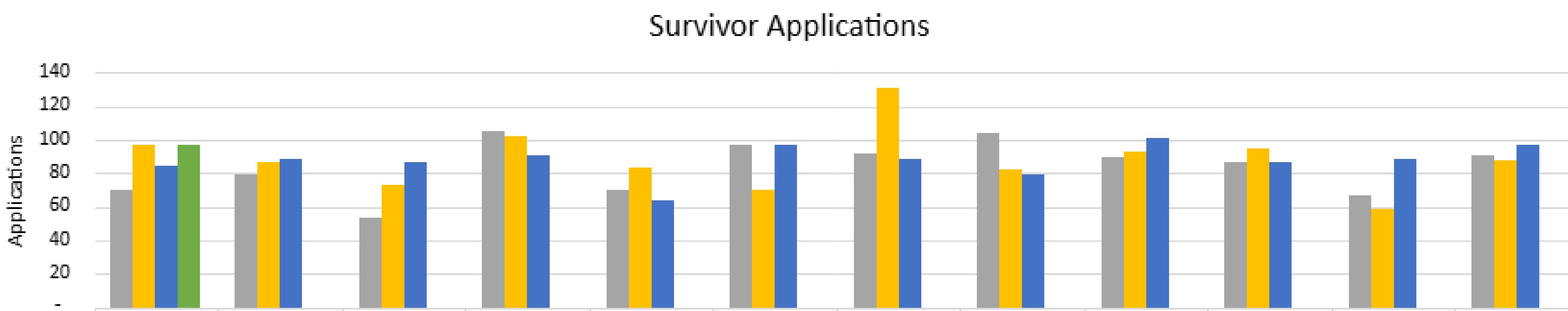
For fiscal year 2026 applications averaged 575 per month. July fiscal year 2027 received 492 applications.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	481	541	493	529	496	416	574	518	582	660	522	498
2025	686	533	446	591	491	500	581	490	639	755	532	598
2026	627	520	515	535	537	551	519	490	616	682	695	612
2027	492											

Survivor

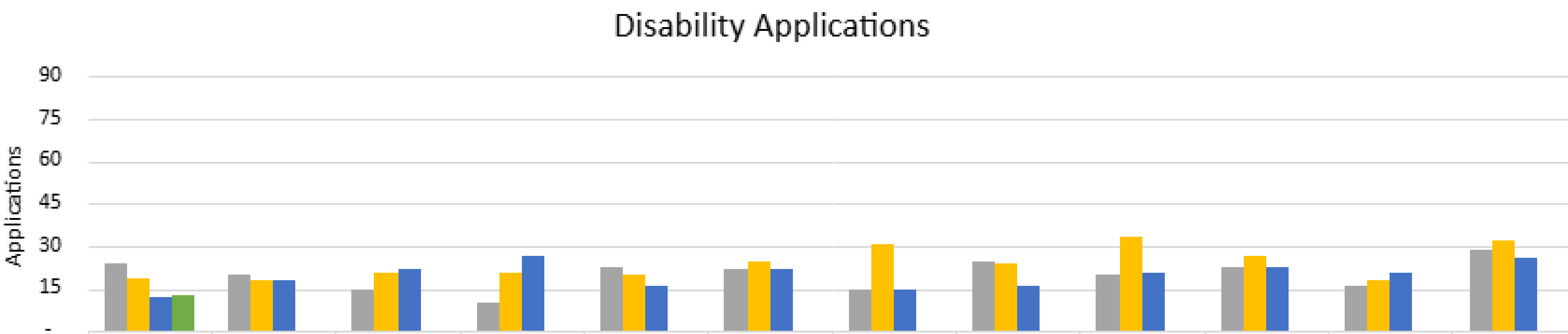
In fiscal year 2026 monthly volume averaged 88 applications. July fiscal year 2027 PERA received 97 applications.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	70	79	54	105	70	97	92	104	90	87	67	91
2025	97	87	73	102	84	70	131	83	93	95	59	88
2026	85	89	87	91	64	97	89	79	101	87	89	97
2027	97											

Disability

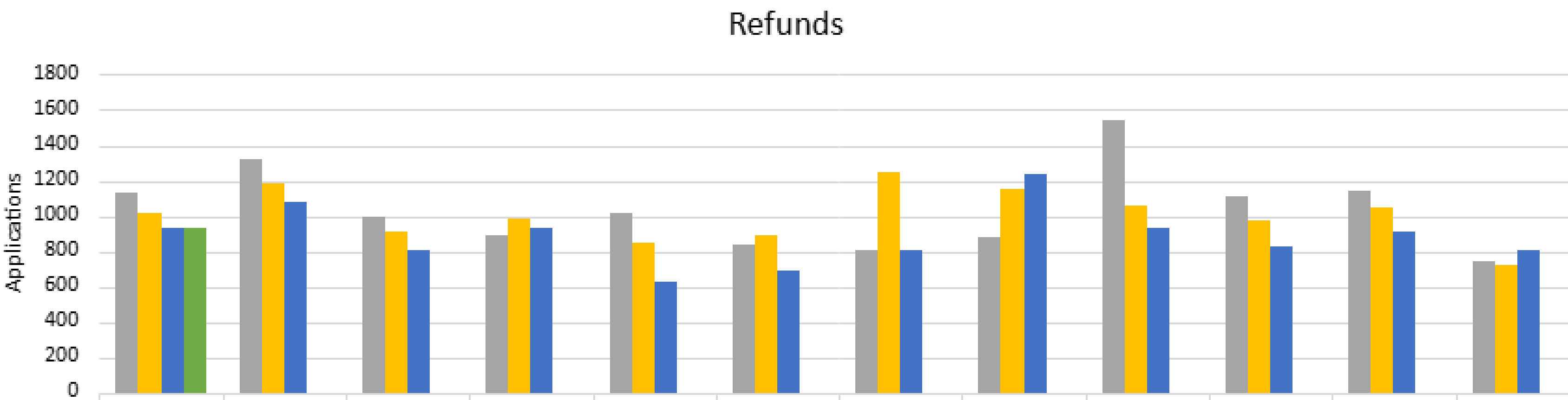
Fiscal year 2026 monthly volume averaged 20 applications. July fiscal year 2027 PERA received 13 applications.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	24	20	15	10	23	22	15	25	20	23	16	29
2025	19	18	21	21	20	25	31	24	33	27	18	32
2026	12	18	22	27	16	22	15	16	21	23	21	26
2027	13											

Refunds Payments (monthly)

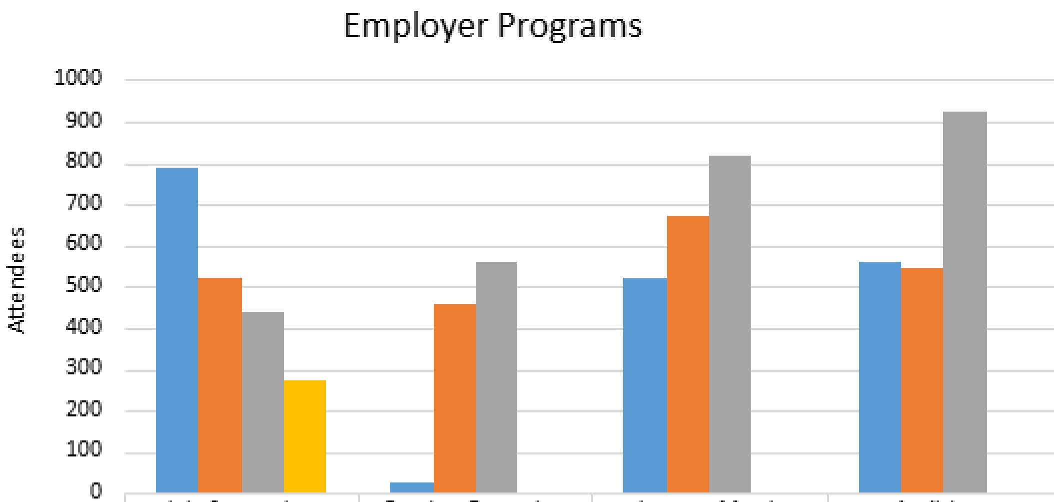
Fiscal year 2026 monthly volume averaged 882 applications. July fiscal year 2027 PERA received 937 applications similar to prior years.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	1133	1317	1001	890	1022	838	808	880	1540	1111	1139	746
2025	1012	1182	907	986	846	891	1245	1158	1061	974	1047	726
2026	930	1075	802	931	630	693	808	1234	928	832	916	807
2027	937											

Employer Education (quarterly)

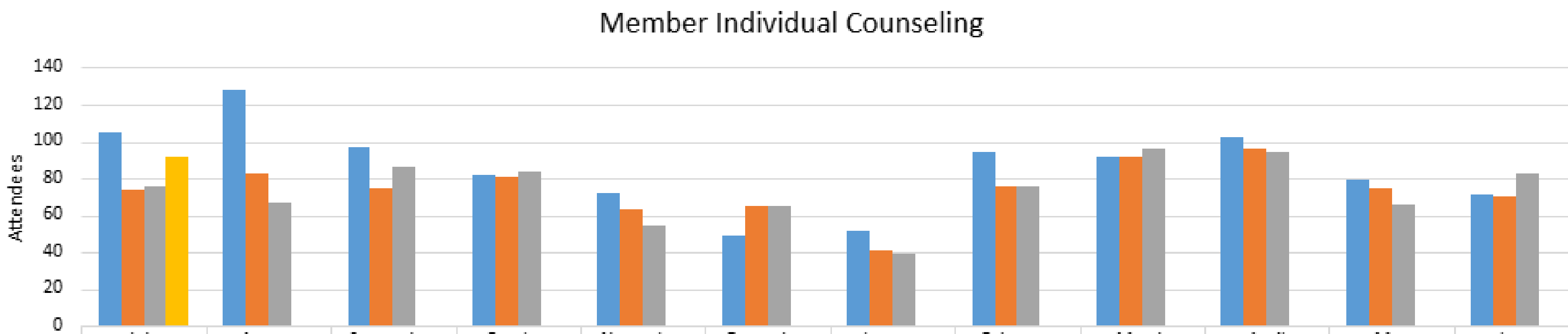
In fiscal year 2026 we had 2,743 attendees across several programs, a 25% increase from prior year. Programs related to Minnesota's new Paid Family and Medical Leave as well as a training session about pay reporting were well attended. For fiscal year 2027, we engaged 273 attendees.



	July-September	October-December	January-March	April-June
2024 Attendees	788	24	521	560
2025 Attendees	520	460	671	544
2026 Attendees	440	560	817	926
2027 Attendees	273			

Member Education (per month)

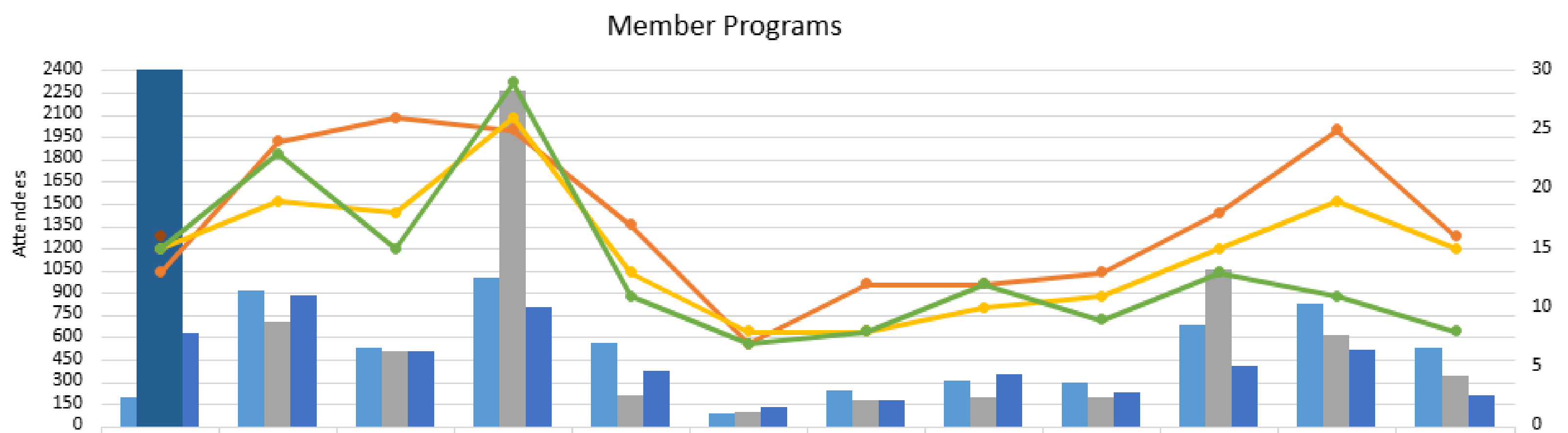
Individual Counseling
Individual counseling sessions averaged 74 per month during fiscal year 2026. For the first month of fiscal year 2027, 92 counseling sessions were conducted.



	July	August	September	October	November	December	January	February	March	April	May	June
2024	105	128	97	82	72	49	52	94	92	102	79	71
2025	74	83	75	81	63	65	41	76	92	96	75	70
2026	76	67	86	84	54	65	39	76	96	94	66	83
2027	92											

Group Programs

For July fiscal year 2027, we executed 16 programs engaging 233 members.



	July	August	September	October	November	December	January	February	March	April	May	June
2024 Attendees	198	909	523	1,006	557	88	237	308	292	687	824	524
2025 Attendees	398	699	503	2261	202	94	179	197	200	1053	614	342
2026 Attendees	621	883	501	802	372	131	179	352	233	400	517	209
2027 Attendees	233											
2024 Programs	13	24	26	25	17	7	12	12	13	18	25	16
2025 Programs	15	19	18	26	13	8	8	10	11	15	19	15
2026 Programs	15	23	15	29	11	7	8	12	9	13	11	8
2027 Programs	16											