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 13, 2023, at 9:30 a.m., with notice given three days prior thereto by the Secretary.

The following members were present:

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
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<tbody>
<tr>
<td>Thomas Stanley</td>
<td>President (in person)</td>
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<tr>
<td>Julie Blaha/Ramona Advani</td>
<td>remotely</td>
</tr>
<tr>
<td>Paul Bourgeois</td>
<td>remotely</td>
</tr>
<tr>
<td>Dennis Flaherty</td>
<td>(in person)</td>
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<tr>
<td>Kathy Green</td>
<td>(remotely)</td>
</tr>
<tr>
<td>Barbara Johnson</td>
<td>(in person)</td>
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<tr>
<td>Thomas Rupp</td>
<td>(in person)</td>
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<tr>
<td>Scott Schulte</td>
<td>(in person)</td>
</tr>
<tr>
<td>Thomas Thornberg</td>
<td>(in person)</td>
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</tbody>
</table>

constituting a quorum.

Absent: Mary Falk, Paul Ford

Attorney General Representative: Kevin Finnerty (in person)

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Lance LaFrombois, Deputy General Counsel; Amy Strenge, Legislative Policy Coordinator; Tracy Gebhard, Chief Financial Officer; Don Haller, Chief Operating Officer; Mark Sauceman, Chief Information Officer; Andrea Murphy, Communications and Stakeholder Supervisor; Heather Schoenberger, Account Information Management Manager; Carrie Dittmer, Accounting Officer; Mary Daly, Continuity and Data Coordinator; Gladys Rodriguez, Executive Assistant.

Others present: Matt Massman, Minnesota Inter-County Association; Angie Huss, Ann Lenczewski, Lockridge Grindal Nauen P.L.L.P.; Wade Laszlo, Correctional Retiree; Harry Grigsby, Retiree.

1. **Call to Order**
   President Stanley called the meeting to order at 9:30 a.m. Trustees participated in person or remotely via telephone or interactive technology as permitted in Minnesota Statutes Section 13D.015. Roll call was taken to establish quorum.

   
   
   
   
   **Thornberg moved to adopt the agenda as presented. The motion was seconded by Rupp and passed by roll call vote.**

   The agenda was taken in the following order.

2. **Approval of Consent Calendar**
   Reference was made to the minutes and reports dated April 13, 2023

   
   
   
   Schulte moved to approve the Consent Calendar as presented. The motion was seconded by Thornberg and passed by roll call vote.
3. **GASB 68 Audit Opinion and Report**  
*Reference was made to GASB 68 Audit Opinion and Report*

Gebhard shared that the GASB 68 Schedules for the employer allocations and ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for all the PERA Plans are in good standing in accordance with accounting principles generally accepted in the United States.

4. **Request to Write-Off Uncollectable Accounts Receivable as of December 31, 2022**  
*Reference was made to a memo from David Andrews dated April 13, 2023*

Gebhard presented a list (distributed to trustees only) of 16 outstanding uncollectible accounts totaling $31,523.59. Upon board approval, the necessary journal entry in PERA's financial records will be prepared to reflect the write off amounts.

*Rupp moved to approve the write off, for financial reporting purposes, of 16 outstanding uncollectible accounts totaling $31,523.59. The motion was seconded by Johnson and passed unanimously by roll call vote.*

5. **2023 Legislative Update**  
*Reference was made to a memo from Doug Anderson and Amy Strenge dated April 13, 2023*

Strenge provided an update on the status of the Omnibus Pension and Retirement Policy Bill (HF 2950/SF 3016). It includes PERA's administrative bill that addresses the annual membership threshold, dependent child benefits, and leave purchases. It also includes the vesting modification for the SVF Plans. The Legislative Commission on Pensions and Retirement (LCPR) approved HF 2950/SF 3016 on March 22. The House State and Local Government Finance and Policy Committee passed the bill on March 24 and it is now on the House's General Register. The Senate is yet to act on the bill, which currently sits in the Senate State Government Committee.

Anderson commented that early on in session the fund directors were asked by the LCPR to identify a list of items (wish list) if certain amount of funds were allocated by the legislature. Anderson shared with the board information that was presented to the LCPR and others on how funding could be allocated between the plans and how that funding could be allocated to members within a plan.

*Bourgeois joined the meeting]*

He noted that a one-time pension funding of $500M would increase the value of every member's benefit by about 0.5 percent if spread evenly. If funds were allocated to PERA for the purpose of increasing benefits, the PERA staff recommendation would be to increase the postretirement annual increase formulas.

*Blaha joined the meeting*
Strenge noted that the Omnibus Pension Budget Bill (HF 3100/SF 3162) was approved by the LCPR on April 3. The bill includes a one-time $600 million to the statewide funds. The bill also includes the following:

- Lowers the investment return assumption to 7 percent
- Vesting schedule for PERA General is lowered to three years from the current five-year schedule
- Eliminates the delay in the cost-of-living adjustment for both PERA General and PERA Correctional
- Appropriates $170 million to PERA General. $22 million is dedicated to a one-time non-compounding cost-of-living-adjustment increase to 2.5 percent for Coordinated members and a one-time 4 percent for Basic members. The remaining $148 million is directed to reduce PERA General’s unfunded liability
- Appropriates $5 million to the PERA Correctional Plan
- Allows the PERA Correctional Plan 2.5 percent postretirement increase cap, which would be reduced if the Plan falls below 80 percent, to be restored once the Plan’s funding ratio increases
- Appropriates $19 million to the PERA Police & Fire Plan to allocate a one-time non-compounding 4 percent cost-of-living-adjustment to members who have received a monthly benefit and a cost-of-living adjustment on that monthly benefit
- Allocates $100 million to HF 1234/SF 1959

The LCPR referred HF 3100/SF 3162 to the House Ways and Means Committee and the Senate State Government Committee.

HF 1234/SF 1959 establishes a treatment plan for Police & Fire members with a psychological condition and contains PERA’s modifications to the Police & Fire Plan. The bill advanced through several House committees and is in the House Ways and Means Committee.

Supplemental handouts were shared with the Board with information about the reapplication process, offsets, and the disability impact on the Police and Fire Plan.

The legislative session will end by midnight on May 22, 2023.

6. **Trustee Education Reporting–IFEBP Advance Trustees and Administrators Institute**

Trustee Rupp provided a summary of the Trustee Level II and the Advanced Trustees and Administrators Institute that he attended through the International Foundation of Employee Benefits Plans.

Stanley shared that there is funding in the budget for continuing education and encouraged Trustees to attend conferences and workshops available to them.

7. **Date of Next Meeting**

The next meeting of the PERA Board of Trustees will be held Thursday, May 11, 2023, 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, Rupp made a motion to adjourn the meeting. The motion was seconded by Schulte and passed by roll call vote.

Meeting adjourned at 10:30 a.m.

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Doug Anderson, Executive Director
Saint Paul, Minnesota