



## 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, December 12, 2024, 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  
Denny Flaherty  
Paul Ford

Barbara Johnson  
Jenni Konigsburg  
Thomas Thornberg

Constituting quorum.

Excused: Mary Falk, Kathy Green, Scott Schulte

Attorney General Representative: Frank Langan (Remote)

Staff members present: Doug Anderson, Executive Director; Julie Leppink, Legal Counsel; Lance LaFrombois; Deputy General Counsel; Mark Sauceman, Chief Information Officer; Amy Strenge, Legislative Policy Coordinator; Tracy Gebhard, Chief Financial Officer; Amy Brandenburg, BS Calculations Director; Afiya Krueger, BS Claims Director; Andrea Murphy, Communications and Stakeholder Engagement Supervisor; Gladys Rodriguez, Executive Assistant.

Others present: Jill Schurtz, SBI; Andy Christensen, SBI; Bonnie Wurst, GRS; Michael Wroblewski, GRS; Sheri Christensen, GRS; Wade Laszlo, MNCORA; Rodney Rowe, Education MN; Anne Finn, LMC; Harry Grigsby, AFL/CIO Retiree Council; David Titus, MPPOA; Brian Rice, AFCSME, MPFA, MPPF; Ann Lenczewski, LGN; Alex Hassel, LGN; Holly Dayton, TRA.

### 1. Call to Order

President 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 Konigsburg and passed unanimously by roll call vote.*

The agenda was taken in the following order.

### 2. Approval of Consent Calendar

- October 10, 2024, Regular Board Meeting Minutes
- Operational Data Report

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

**3. Presentation by Jill Schurtz, MN State Board of Investment (SBI)**

*Reference was made to a handout provided by Director Jill Schurtz and Deputy Executive Director Andy Christensen*

Director Schurtz provided an overview of the previous fiscal year and an update on the current status of the combined funds. As of FY 2024, total assets stand at \$146 billion, with combined funds totaling \$93.7 billion. Over the most recent quarter, total assets have grown to nearly \$150 billion, while combined fund assets have increased to approximately \$98 billion. PERA holds the largest share of assets at 46.3%, with \$43.4 billion invested.

*[Bourgeois joined the meeting at 9:42 a.m., followed by Johnson at 9:47 a.m.]*

Schurtz and Christensen also shared an update on the SBI's climate roadmap, highlighting the focus on investment opportunities and risk management in relation to climate change. Schurtz noted an upcoming asset allocation study, which will include educational sessions and recommendations for future asset allocation.

The Board expressed appreciation for Schurtz's presentation.

**4. July 1, 2024 Actuarial Valuation Update**

*Reference was made to a memo from Doug Anderson and Amy Strenge dated December 12, 2024*

Anderson noted that PERA's actuary has issued the final actuarial valuation reports as of July 1, 2024, for the General Employees, Police & Fire, and Local Government Correctional plans. Each plan includes one report for annual funding purposes and one report for GASB Statements No. 67 and 68 purposes.

The final report for the General Employees plan reflects assumptions approved by the Legislative Commission on Pension and Retirement (LCPR) last year, including a reasonable investment return as recommended by both the SBI and the LCPR. However, the results for the Police & Fire Plan and the Correctional Plan do not reflect the assumptions recommended in the experience study. While these assumptions were accepted by the Board in a prior meeting, they still require approval from the LCPR before they can be used in a formal valuation. Staff has requested that the LCPR approve the assumptions for use in the July 1, 2025, actuarial valuations.

Anderson presented a summary of the results for each plan, highlighting a comparison of the outcomes before and after the implementation of the recommended assumptions. He also presented information on the funding ratio, funding sufficiency/deficiency, projected full funding dates, and PERA's scorecard, which he uses to communicate key information to legislators and stakeholders about the plans.

**5. Police & Fire Overtime Study Report**

*Reference was made to the presentation by Bonnie Wurst, Sherri Christensen, and Michael Wroblewski of Gabriel, Roeder, Smith & Company (GRS), dated December 12, 2024*

Wurst, Christensen and Wroblewski from GRS presented an analysis of the impact of overtime on pension benefits for the Police and Fire Plan, along with an overtime salary analysis. They used data provided by staff to assess the increase in overtime pay. It was noted that PERA started gathering overtime salary data approximately 10 years ago. The analysis included a breakdown of additional contributions made by both the member and employer as a result of overtime and stressed the financial impact on the pension plan. The data revealed that, while some members earned significant overtime, the majority of members had less than 10% of their pay derived from overtime.

Highlights from the 2024 overtime salary analysis for retirees:

- There were approximately 240 retirements from July 1, 2023 to June 30, 2024.
- 191 members (80%) earned overtime salary in 2023 and 201 members (84%) earned overtime salary in 2019.
- 14 members (6% of all 2024 retirees) had at least 30% overtime salary in 2023 compared to 5 (2%) in 2019.
- Portion earning 30% or more overtime salary increased with time.
- Number of retirees earning 30% or more overtime salary is small.
- 2024 retirees worked more overtime than all actives, but still not a significant amount.

Highlights from the overtime salary analysis for all actives as of July 1, 2023:

- 87% of 2023 active members earned overtime salary in 2023, compared to 80% of those that retired.
- 4% (140) of 2023 active members earned at least 30% overtime salary in 2023, compared to 6% (14) of those that retired.
- While the majority of members earned some overtime salary, only a small number of members earned 30% or more of their salary from overtime.

Thornberg shared that 100% of firefighters are likely to work overtime, as the average career firefighter in Minnesota works about 56 hours per week. Under the Fair Labor Standards Act, they are automatically compensated for hours exceeding the standard 40-hour workweek, meaning all firefighters work some overtime.

Bourgeois highlighted that many police departments are struggling to fill positions, resulting in more officers working overtime due to staffing shortages, regardless of their existing workload.

Flaherty commented that while the information is valuable and provides insight into the issue of overtime, it is important to understand the fiscal impact on the fund. He further expressed long-standing concern about the potential negative impact of overtime on the fund, while questioning the lack of attention to the fiscal impact on the plan.

Wurst explained that the initial analysis shows overtime is increasing salaries for all members, not just those nearing retirement. With the data now available, GRS will assess the liability and impact of overtime on the Police and Fire plan, and use this information to refine the experience study process.

Anderson added that the next steps involve validating the data and analyzing it by categories such as police, firefighters, and age groups to identify the causes. He emphasized that this process is crucial for validating the valuation numbers and allowing a deeper analysis.

Ford noted the importance of understanding the dollar amount when assessing the issue, but also highlighted that changes in police staffing over the past five years have also influenced the situation. He noted that local governments save costs by keeping positions open and that many departments face challenges with off-duty and side jobs. Ford urged caution and the need to avoid making assumptions when evaluating these factors as potential problems.

Konigsburg acknowledged the challenges in addressing police and fire overtime, noting that while PERA cannot directly dictate employer actions, she is interested in exploring what PERA can do, particularly in understanding the fiscal impact on the plan. Ford noted the importance of being careful when looking at the hiring situation and management practices that affect members.

**6. PERA 2025 Legislative Initiatives**

*Reference was made to a memo from Doug Anderson and Amy Strenge dated December 12, 2024*

Strenge provided an update on the composition of the legislature, noting that they are still finalizing details about the landscape and power-sharing agreements. For the LCPR, the gavel will go to the Senate, while the co-chairs for the House will be Rep. O'Driscoll and Rep. Lillie.

The legislative agenda includes the recodification of pre-retirement survivor benefits to ensure consistency and equitability across vested benefit options. The proposed changes provide the same options for active and inactive vested members, except for active Police & Fire members. These changes aim to make pre-retirement survivor benefits clearer and more understandable for both staff and members.

*Bourgeois moved that the PERA Board of Trustees direct staff to incorporate the identified policy changes into the language developed for the survivor benefit recodification. The motion was seconded by Konigsburg and passed unanimously by roll call vote.*

Another previously discussed initiative is the General Plan COLA. Staff continues to meet with stakeholders and currently does not have a recommendation.

**7. Stakeholder 2025 Legislative Initiatives**

*A reference was made to a memo from Doug Anderson and Amy Strenge, dated December 12, 2024, as well as a letter from MNCORA*

Strenge highlighted two stakeholder-raised issues for the Board's consideration.

**Minnesota Correctional Officer Retirement Association (MNCORA): Correctional Board Member**

MNCORA has requested that the Board support the creation of a new board position dedicated to the Correctional Plan. The Board previously had discussed this issue, reviewed its composition, and voted to oppose any legislation that would increase the number of board members. MNCORA is renewing its request, this time addressing the Board's concerns by proposing the addition of a new retiree position alongside the Correctional member.

*After discussion, Konigsburg moved that the PERA Board opposes specific legislation to change the board structure by adding a trustee that must be a Correctional Plan member and a trustee that must be retired. The board opposes a piecemeal approach and encourages that any potential future change be considered on a holistic basis. The motion was seconded by Flaherty and passed unanimously by roll call vote.*

**Minnesota Chief of Police Association (MCPA): Police & Fire Working After Retirement**

Establishes in-service distributions for the Police & Fire Plan, allowing members over the age of 55 to begin collecting their benefits while continuing to work. No additional benefit accruals would occur, but both the member and employer would continue making contributions during the member's employment.

*Without further discussion, Flaherty moved that the PERA Board of Trustees oppose changes to the current working after retirement provisions for the PERA Police & Fire Plan. The motion was seconded by Thornberg and passed unanimously by roll call vote.*

Other potential stakeholder initiatives include:

- Probations Officers and 911 Tele-communicators- Earlier retirement provisions
- Fire Member Organization (MPFF) and Police Member Organization (MPPOA)- Various postretirement increases
- Police Retiree Organization (MPRPPA)- Various postretirement increases

- Member Organization (MPFF) and Police Retiree Organization (MRPPA)- Eliminate sunset provisions on two \$9M State contributions

**8. Amortization Work Group Recommendation**

*Reference was made to a memo and presentation from Doug Anderson and Amy Strenge, dated December 12, 2024*

Anderson presented the recommendations of the amortization workgroup, which included transitioning to a layered amortization methodology to improve transparency and align with actuarial best practices.

*Bourgeois moved that the PERA Board of Trustees authorize staff to pursue legislation using layered amortization methodology and timeframes recommended by the work group. The motion was seconded by Konigsburg and passed unanimously by roll call vote.*

**9. Future Budget Considerations**

*Reference was made to a memo from Doug Anderson dated December 12, 2024*

Sauceman provided an update on IT staffing challenges and the plan to hire contractors with Delphi skills to complete the necessary legislative and compliance work over the next three years. At this time, staff believe the FY25 cost of \$300,000 can be absorbed within the FY25 budget, but estimate a cost of \$900,000 for FY26 and \$1.2 million for FY27. Because this contract will span over the next three years, staff informed the Board of the associated future budget considerations.

**10. Trustee Education Reporting**

Trustee Johnson attended the NCPERS Annual Conference and Cybersecurity Seminar, where the primary focus was on cybersecurity issues impacting public pension systems. The event featured sessions and discussions on safeguarding pension data and infrastructure from cyber threats, in addition to covering other standard pension-related topics addressed at the annual conference.

Trustees Stanley and Thornberg attended the NCPERS 2024 Public Safety Conference to gain insights into trends, best practices, and to network with professionals in the public safety sector.

**11. Facilities Management Committee Update**

President Stanley updated the Board on the Facilities Management Committee's December 6th meeting, which covered the window gasket and sealant project. More importantly, the MSRS Facilities Manager proposed changes to the Co-Tenancy agreement. Concerns were raised regarding amendments related to the space study, compensation for space relinquished to SBI, and whether decisions should require unanimous consent or a majority vote. The building manager was asked to incorporate the changes into the amendment and then refer back to the legal teams, CFOs, and Executive Directors for further review and refinement, and a follow-up meeting will be scheduled.

**12. Public Pension Coordinating Council Recognition Award for Administration 2024**

*Reference was made to a recognition award by the Public Pension Coordinating Council*

The Board congratulated staff for meeting professional standards for plan administration as set forth in the Public Pension Standards.

**13. Certificate of Achievement for Excellence in Financial Reporting and Award for Outstanding Achievement in Popular Annual Financial Reporting**

*Reference was made to two award certificates*

Stanley congratulated PERA's Finance staff for being awarded the Government Finance Officers Association Certificate for Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and it represents a significant accomplishment for PERA.

**14. Board Recognition for Retiring PERA Board Trustee – Scott Schulte**

The Board recognized retiring trustee Scott Schulte for his exceptional service and contributions. Stanley read the following statement into the record, which was included on a plaque to be mailed to Trustee Schulte:

*Presented to Scott Schulte*

*In recognition of your exceptional hard work, dedication, and invaluable contributions to the long-term sustainability of PERA's defined benefit plans, we extend our deepest gratitude and heartfelt appreciation for your selfless commitment and service.*

*Presented on December 12, 2024*

*By the PERA Board of Trustees*

*Johnson moved to close the meeting as permitted by Minnesota Statutes, section 13D.05, subdivision 3(a). Minnesota Statutes, section 13D.05, subdivision 3(a), to receive an update on the Minnesota Duty Disabled Association Lawsuit and evaluate the performance of PERA's Executive Director Douglas Anderson. Konigsburg seconded the motion and passed unanimously by roll call vote.*

*Thornberg moved to open the meeting. Bourgeois seconded the motion and passed unanimously by roll call vote.*

**15. Attorney General Litigation Update**

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

**16. ED Performance Review**

*Reference was made to a memo from President Stanley and evaluation summary*

President Stanley summarized the performance of PERA's Executive Director, Doug Anderson. Trustees expressed their satisfaction and appreciation for Executive Director Anderson's performance over the past year.

*Thornberg moved that the PERA Board of Trustees authorize President Stanley to create a document that demonstrates Executive Director Doug Anderson's satisfactory performance as determined by his annual performance evaluation conducted on Thursday, December 12, 2024. Konigsburg seconded the motion and passed unanimously by roll call vote.*

**17. Date of Next Meeting**

The next meeting will be held Thursday, February 13, starting at 9:30 a.m. in the Board Room 117 of the Retirement Systems of Minnesota Building.

18. 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 Konigsburg and passed unanimously by roll call vote.*

Meeting adjourned at 12:31 p.m.

A handwritten signature in black ink, appearing to read "Doug Anderson", written over a horizontal line.

Doug Anderson, Executive Director



Date: February 13, 2025  
To: PERA Board of Trustees  
From: Don Haller, Heather Schoenberger, Tim Knippenberg, Amy Brandenburg, Afiya Krueger, Stacey Salvinski, and Andrea Murphy  
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

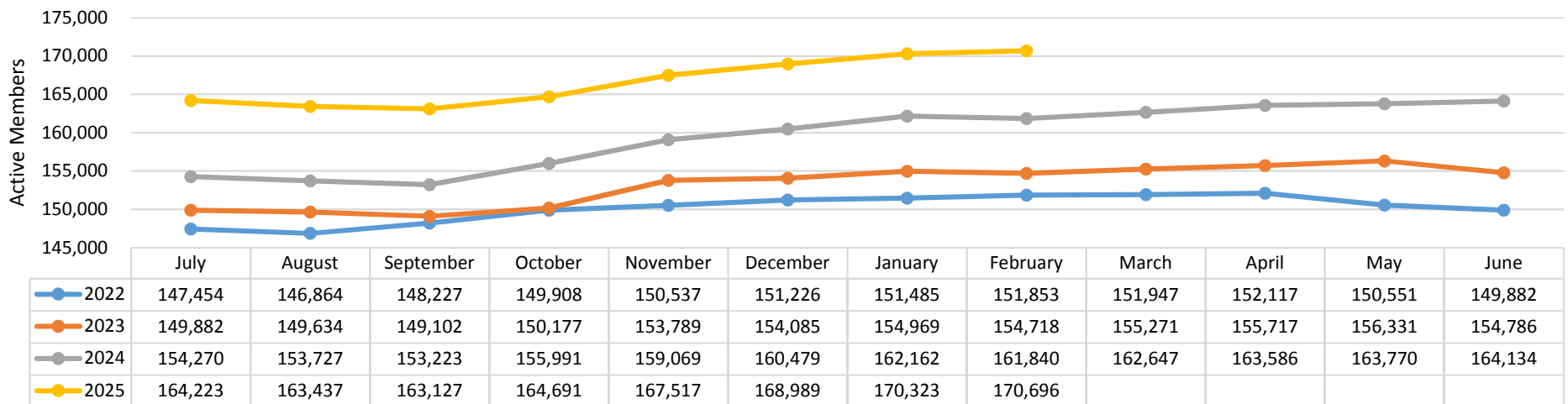
**Active Membership Data (monthly)**

This section provides membership data for each plan as of the first of the month, based on active status.

**Coordinated**

From July 2024 to February 2025, membership increased by 3.9% (6,473 members).

Coordinated

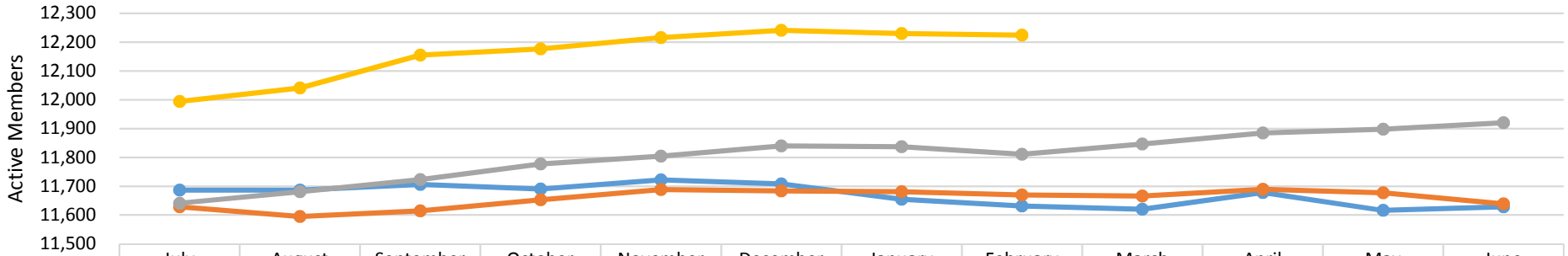




**Police & Fire**

From July 2024 to February 2025, membership increased by 1.9% (230 members).

**Police & Fire**

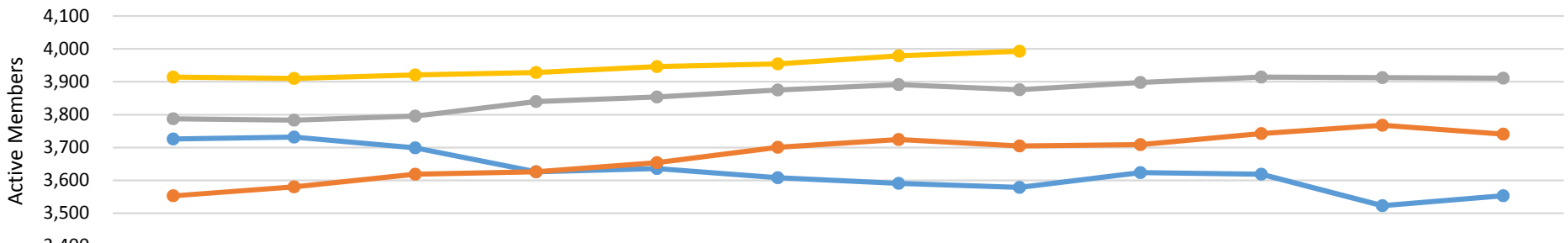


	July	August	September	October	November	December	January	February	March	April	May	June
● 2022	11,686	11,686	11,706	11,690	11,722	11,708	11,655	11,631	11,620	11,678	11,616	11,628
● 2023	11,628	11,595	11,614	11,653	11,688	11,684	11,681	11,670	11,666	11,689	11,677	11,639
● 2024	11,641	11,681	11,723	11,777	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				

**Correctional**

From July 2024 to February 2025, membership increased by 2.0% (79 members).

**Correctional**

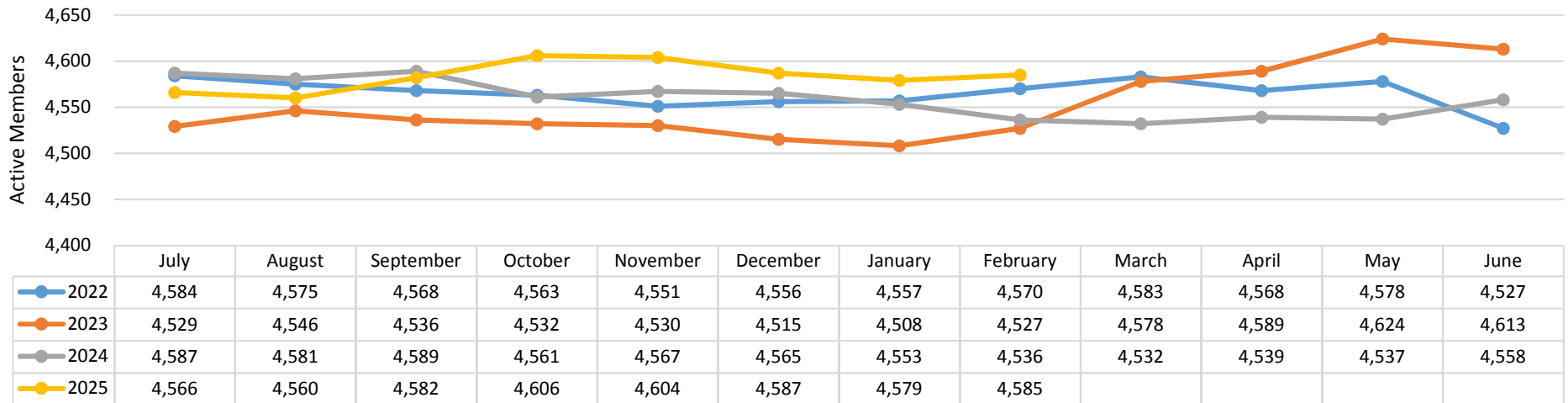


	July	August	September	October	November	December	January	February	March	April	May	June
● 2022	3,726	3,732	3,699	3,626	3,636	3,608	3,591	3,579	3,624	3,619	3,523	3,553
● 2023	3,553	3,580	3,619	3,626	3,654	3,701	3,724	3,705	3,709	3,742	3,768	3,741
● 2024	3,787	3,783	3,796	3,840	3,854	3,875	3,891	3,876	3,898	3,914	3,913	3,911
● 2025	3,914	3,910	3,921	3,928	3,946	3,954	3,979	3,993				

**Defined Contribution Plan**

From July 2024 to February 2025, membership increased by 0.4% (19 members).

Defined Contribution Plan



**Summary**

Membership counts are summarized below for January and February 2025.

Active Membership Counts – Defined Benefit Plans	January 2025	February 2025
Coordinated	170,323	170,696
Police and Fire	12,230	12,224
Correctional Plan	3,979	3,993
SVF - Monthly / Lump Sum Benefits	38 / 4,845	38 / 5,076
Privatization	1,793	1,784
MERF	1	1
Basic Plan	0	0
Exempt Plan	4,781	4,774
<b>Total</b>	<b>197,990</b>	<b>198,586</b>
<b>Active Membership Counts – Defined Contribution Plan</b>	<b>4,579</b>	<b>4,585</b>

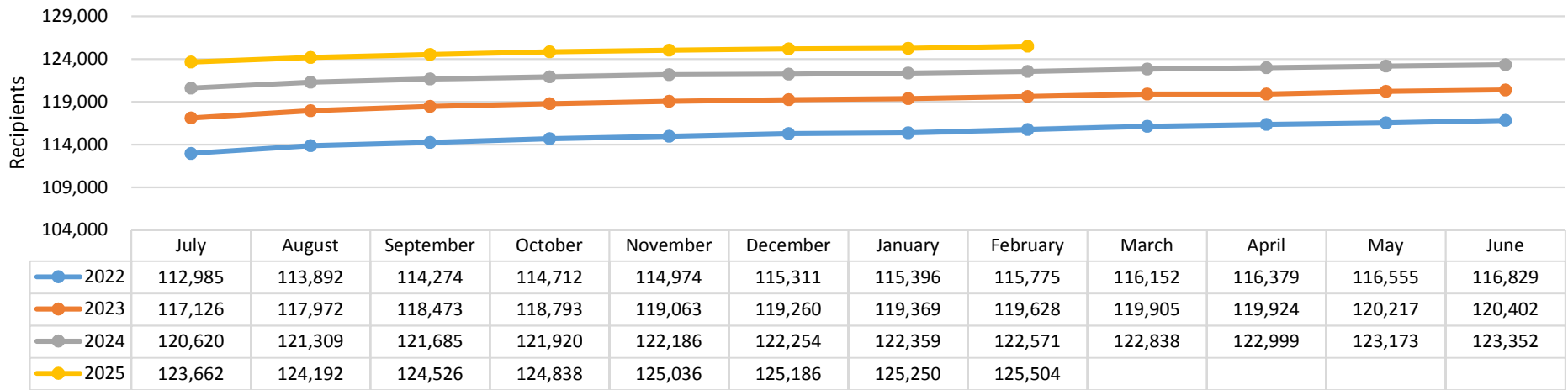
## Benefit Recipients (monthly)

This section provides benefit recipient data for each benefit type, as of the first of the month.

### Retirement

Recipients increased by 1.5% (1,842 members) from July 2024 to February 2025.

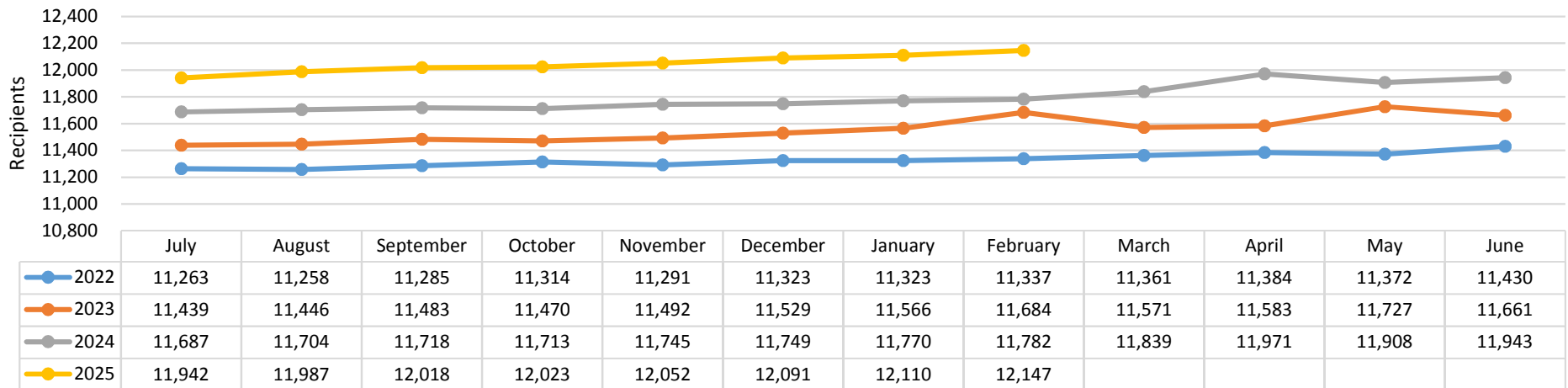
#### Retirement Recipients



### Survivor

Recipients increased by 1.7% (205 members) from July 2024 to February 2025.

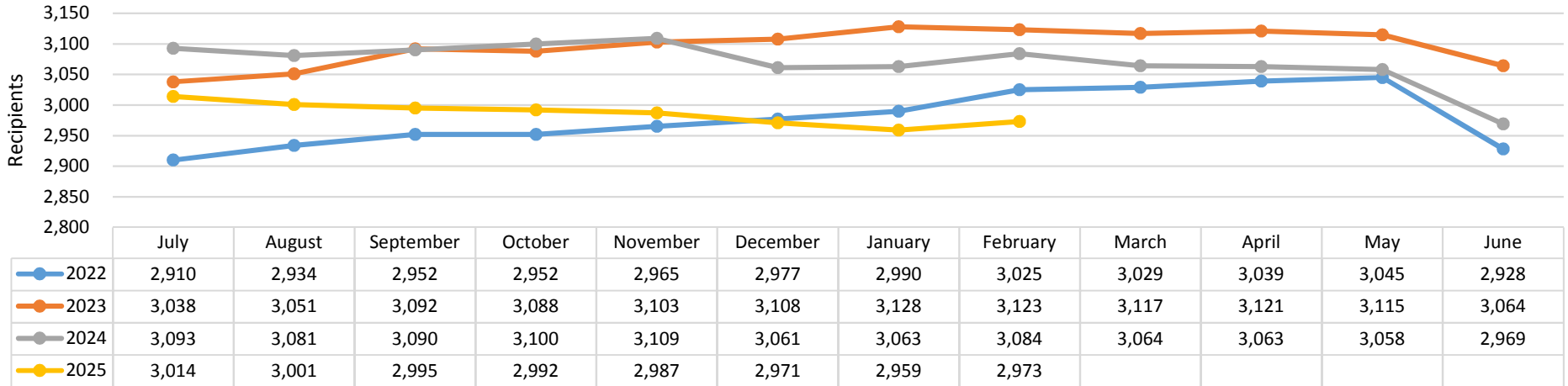
#### Survivor Recipients



**Disability**

Recipients decreased by 1.4% (41 members) from July 2024 to February 2025.

**Disability Recipients**



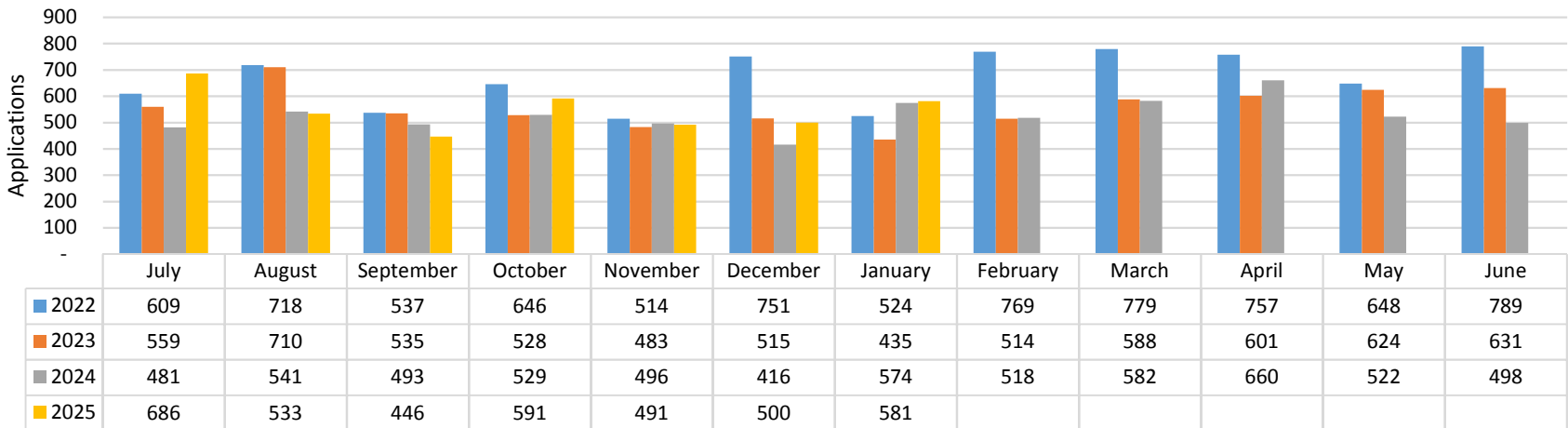
**Benefit Applications Received (monthly)**

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

**Retirement**

From July 2024 to February 2025, applications averaged about 550 per month.

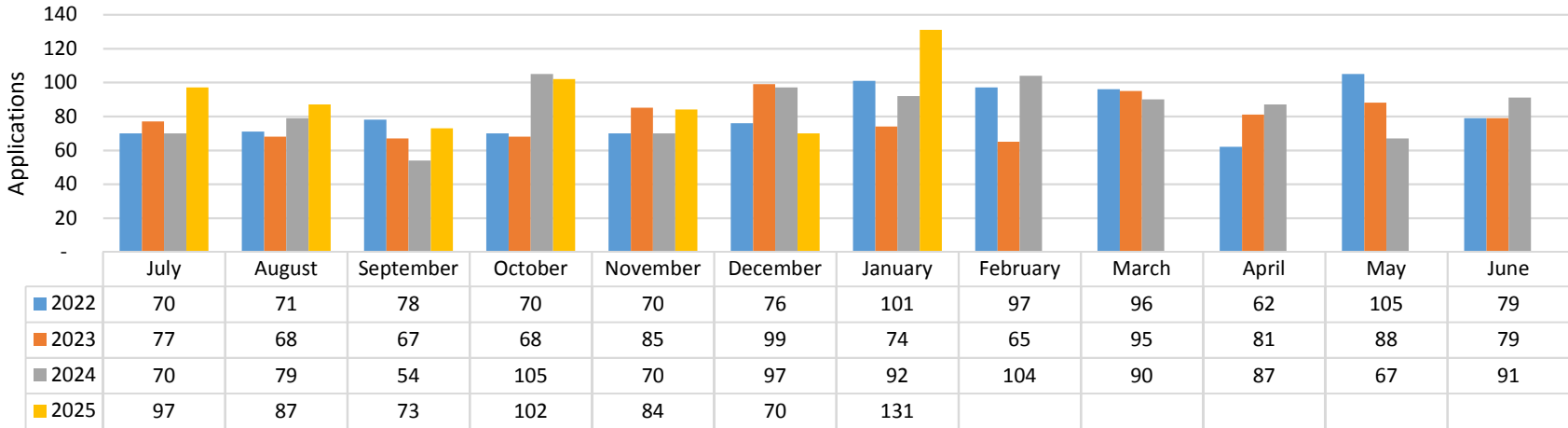
**Retirement Applications**



**Survivor**

From July 2024 to February 2025, applications averaged about 90 per month.

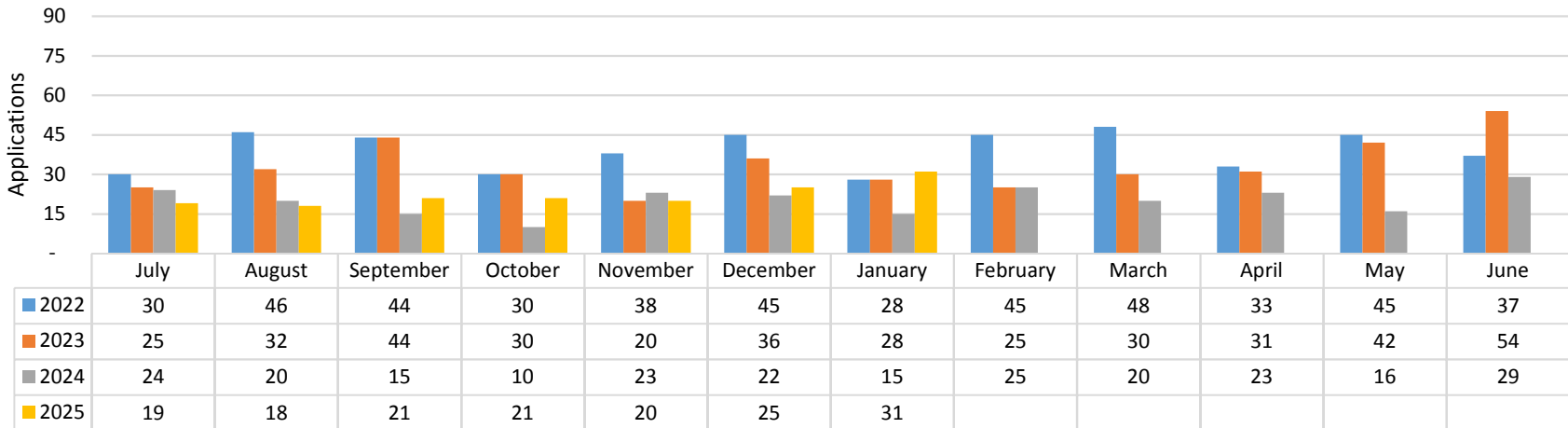
Survivor Applications



**Disability**

From July 2024 to February 2025, applications averaged 22 per month.

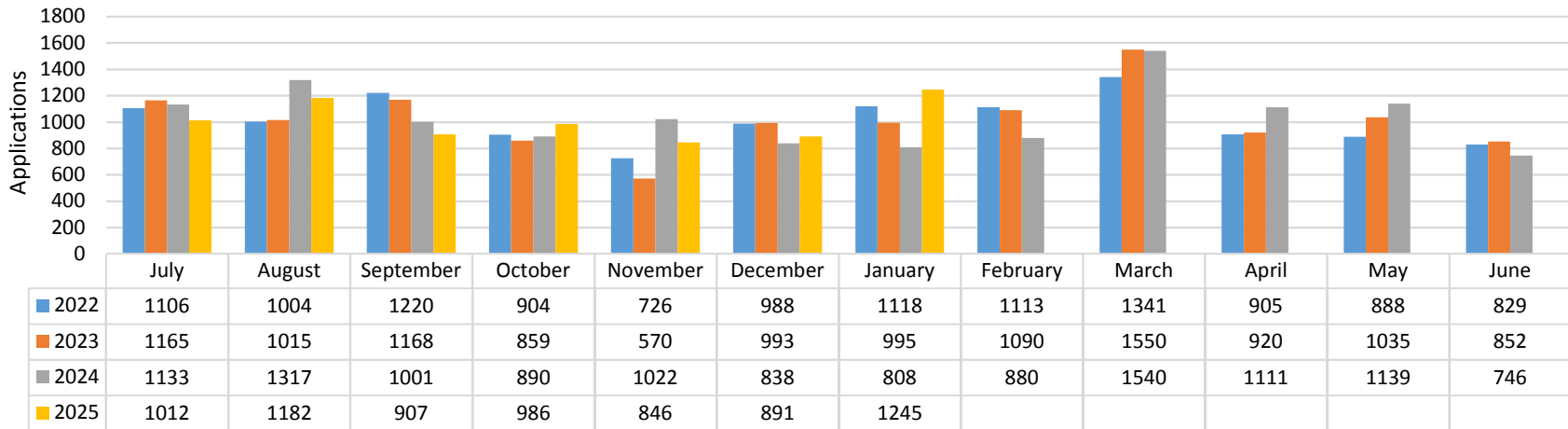
Disability Applications



## Refunds Payments (monthly)

From July 2024 to February 2025, refund payments averaged about 1,000 per month.

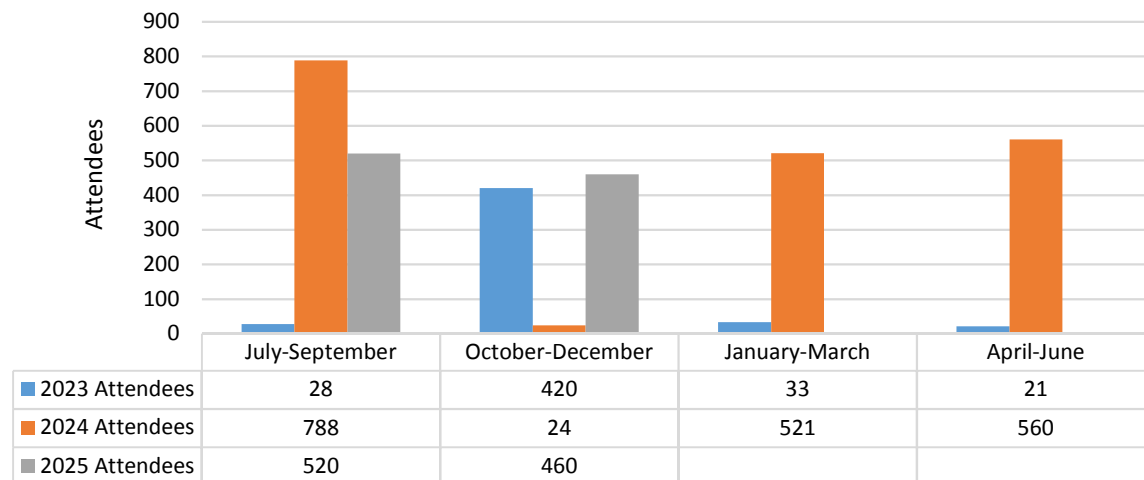
### Refunds



## Employer Education (quarterly)

We hosted an open forum in October about the DCP election period and 56 employers attended. We also presented a training webinar on salary reporting in October to 404 attendees. The next employer training is planned for February 27, 2025.

### Employer Programs

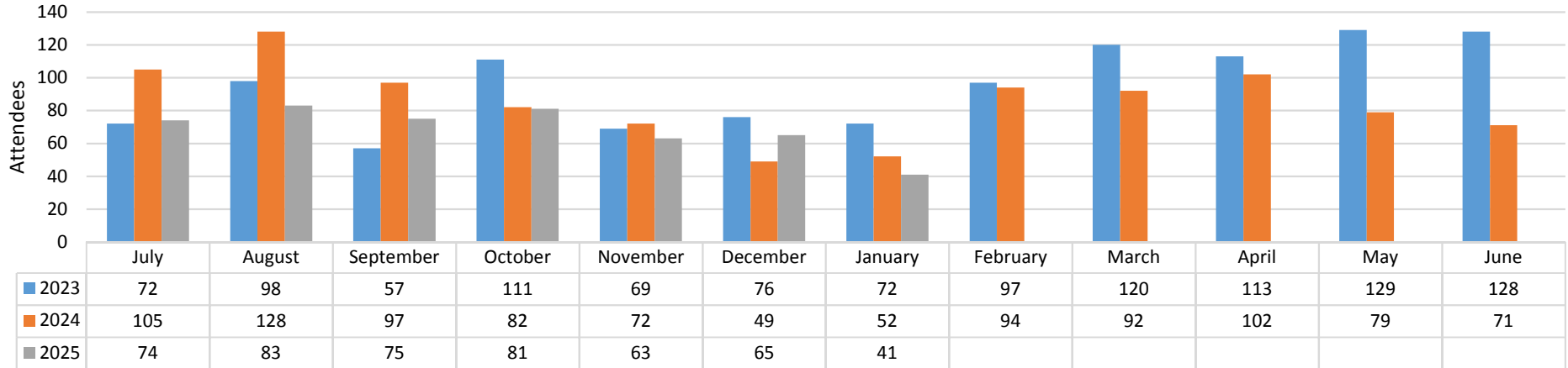


## Member Education (per month)

### Individual Counseling

Individual sessions averaged about 70 per month during fiscal year 2025. We offer in-person and phone options for individual meetings.

### Member Individual Counseling



### Group Programs

December and January are our slowest months for group programs. We expect attendance to increase this spring as members prepare for summer retirements.

### Member Programs

