

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES EMERGENCY MEETING
MAY 16, 2025
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 414
(PURSUANT TO MN STAT., SECTION 13D.015)**

Trustees in person: Thomas Carr
Kevin Lindstrom
Kathy Oellerich
David Rondestvedt, Vice President
Joel Stencel, President

Trustees via Webex: Mary Broderick
Julie Reno
Stephanie Graff (representing the commissioner of education)

**Legal Representative
via Webex:** Joseph Weiner, Assistant Attorney General

Staff in person: Rachel Barth
Holly Dayton
Tim Maurer

Staff via Webex:	David Anderson	Seth McDowell
	Zaira Blackburn	Leslie Nagel
	Chad Borsheim	Eric Nitardy
	Carol Diedrich	Lynn Paatalo
	Andrew Gibbons	Erica Pinc
	Kelly Gillen	Alex Rank
	Sharon Grundtner	Dan Ristow
	Jon Hoveland	Mark Roemhild
	Justin Johnson	Subhdeep Sidhu
	Diana Kaiser	Maria Steele
	Janet LaVictoire	Stephanie Summerville
	Laura Lindahl	Stephanie Tonihka
	Dominic Matern	Cole White

Public via Webex: Approximately 157 registered attendees

MINUTES

1. Call to Order

Stencel called the meeting to order at 2:00 p.m. Roll call was taken. All trustees were present, except Graff. Graff joined the meeting at 2:03 p.m.

2. Consideration of Legislative Proposals

Maurer reviewed information from CavMac, TRA's consulting actuary, regarding the actuarial cost estimate of the current legislative proposal to provide a more favorable early reduction factor of 5% with augmentation to members who are at least age 60 with 30 years of service and expand the post-retirement adjustment (COLA) delay to all new retirees as of June 30, 2025. The actuarial cost estimate was around \$37 million per year. Maurer noted the joint budget target for pensions for the next two biennia would be \$80 million total, \$40 million each biennium, split between public safety and TRA, with TRA receiving \$20 million of ongoing funding.

He explained that if TRA receives the entire \$20 million in state funding, TRA would have to absorb around \$17 million per year of the total cost. Absorbing the cost would reduce the plan's ultimate contribution sufficiency from 0.55% to 0.25%.

Stencel stated trustees should remember their fiduciary responsibility to ensure the financial stability of the fund when considering a proposal that would require the fund to use its sufficiency to absorb the cost. He also noted that if the state does not provide the full \$20 million, TRA would have to absorb any difference.

Rondestvedt moved, seconded by Oellerich, to reconsider the board's previous motion to support benefit improvements provided the costs are fully funded and not absorbed by the fund.

Trustees discussed whether the board's previous motion should be reconsidered since the board still supports benefit improvements being fully funded or if there should be a second motion for this specific circumstance. Trustees discussed that a second motion could contain language that, notwithstanding the board's current position to advocate for benefit improvements that are fully funded, the board supports a new circumstance. Rondestvedt withdrew his motion to reconsider the board's previous motion.

Lindstrom moved, seconded by Rondestvedt, that, notwithstanding the board's prior position, the TRA board support legislation which: (1) creates an improved career rule; (2) doesn't result in a decrease in benefits relative to the current structure for anyone; (3) is funded with legislative appropriations and costs absorbed by the fund, which doesn't result in a contribution deficiency as measured against the most recent actuarial evaluation; and (4) which provides funding adjustments to districts and Minnesota State with the legislative appropriation.

Stencel asked if, under this motion, the proposal would not be supported if it resulted in TRA having an ultimate deficiency. Lindstrom confirmed that would be the intent of the motion. Stencel also questioned if actuarial or market value would be more correct for the motion. Lindstrom agreed market value would be more correct. Carr suggested updating the language of the motion by adding "on a market value basis" after the word "evaluation" in the third bullet point.

Rondestvedt moved, seconded by Broderick, to amend the motion by adding "on a market value basis" after the word "evaluation". A roll call vote was taken. Six voted yes (Broderick, Lindstrom, Oellerich, Reno, Rondestvedt, and Stencel), two abstained (Carr and Graff). The motion passed.

Trustees then voted on the amended motion. A roll call vote was taken. Five voted yes (Broderick, Lindstrom, Oellerich, Reno, and Rondestvedt), one voted no (Stencel), and two abstained (Carr and Graff). The motion passed.

3. Upcoming Meetings

Stencel noted the next regular board meeting would be June 11, 2025.

4. Adjourn

Carr moved, seconded by Reno, to adjourn the meeting at 2:48 p.m. A roll call vote was taken. The motion passed unanimously.

Attest:

Tim Maurer
Executive Director

Joel Stencel
President