

b. Approval of May 16, 2025 Emergency Board Meeting Minutes

Stencel moved, seconded by Rondestvedt, to approve the May 16, 2025, minutes. A roll call vote was taken. All trustees present voted yes. The motion passed.

3. Old Business

Stencel confirmed there was no old business to discuss.

4. New Business

a. CliftonLarsonAllen GASB 68 Audit Report

Knopik presented CliftonLarsonAllen's (CLA) audit of TRA's GASB 68 schedules as of June 30, 2024. He explained the scope of the audit and the audit process, which includes reviewing internal controls, actuarial information, significant estimates, and contributions using a risk-based approach. The presentation concluded with CLA issuing TRA a clean or unmodified audit opinion, the highest level of assurance an auditor can provide that the schedules are presented fairly, in all material aspects.

Steele expressed appreciation of CLA for their work and partnership on this audit.

b. Board Appeal

Stencel provided an overview of how the appeal would be presented, noting Sloan would act as the board's advisor and Weiner would present TRA's response to the appeal.

Fox presented her appeal requesting TRA reinstate her ex-spouse pension benefits that were terminated when her ex-husband passed away because, upon retirement, he chose a benefit option that would only provide benefits for his lifetime, not her lifetime. Fox presented a letter from TRA that erroneously indicated she would receive the pension benefit for her lifetime.

Weiner reviewed the facts of the case and noted that the initial erroneous language Fox discussed was corrected in subsequent letters TRA sent to Fox. Further, TRA had informed the member that if a Domestic Relations Order (DRO) was not submitted, TRA would administer the benefit based on the language in the divorce decree, which was silent on benefit option requirements. He cited a MN Court of Appeals decision that supports the position that TRA is required to follow the statutes and terms of the plan and does not have the authority to administer benefits beyond the selected plan option.

Weiner concluded with TRA's recommendation that Fox's petition be denied and that the board's attorney draft an order to this effect and a memorandum of law setting the reason for its decision.

Stencel moved, seconded by Carr, to deny the petition as TRA does not have the authority to alter the terms of the pension benefits election, and administrative errors cannot legally bind TRA to take action for which it has no authority and to recommend the board's attorney, Sloan, draft an order to this effect and a memorandum of law setting the reasons for the board's decision. A roll call vote was taken. All trustees present voted yes. The motion passed.

c. Reappointment of Executive Director

Stencel noted that the board historically has voted to reappoint the executive director at the June board meeting if the executive director's performance has been satisfactory.

Reno moved, second by Rondestvedt, to reappoint Tim Maurer as the TRA executive director. A roll call vote was taken. All trustees present voted yes. The motion passed.

d. Resolution of Appreciation for Julie Reno

Stencel presented a certificate of appreciation to Reno for her dedicated service to TRA as a board trustee. He extended his personal gratitude for her service over the past four years. Reno expressed her gratitude for serving on the board. Hand stated that Reno will be deeply missed.

Stencel announced a 5-minute break 10:30 a.m. – 10:35 a.m.

e. **Certification of Election Results and Destruction of Ballots**

Steele announced Kevin Lindstrom and Jim Olson were elected to serve as active member representatives, and Mary Broderick was elected to serve as the retiree representative on the board for the next four years. Their respective terms begin on July 1, 2025.

Steele summarized the election results provided by the Election-America, the third-party vendor that managed the entire election process. She noted that once the board certifies the election results, they will be posted on the TRA website and announced in the Summer 2025 TRIB newsletter that is scheduled to be available toward the end of June. As per prior years, TRA will schedule the destruction of the election materials 30 days after the newsletter is available.

Election Management and Print and Mail Service estimated and actual contract costs are equivalent. The Outgoing and Return Postage item came in much lower than estimated. The estimate for this amount is calculated as if all active members of the plan return their ballots by U.S. mail.

Stencel moved, seconded by Rondestvedt, to certify the results of the 2025 election and to authorize TRA management to instruct the vendor to destroy materials and ballots on August 16 if no challenges are received. A roll call vote taken. All trustees present voted yes. The motion passed.

f. **Finalize August 2025 Retreat Topics**

Stencel reviewed topics to be presented at the August board retreat:

- Presentation of preliminary actuarial results and education by CavMac
- Presentation on the State Board of Investment by Jill Schurtz
- Return to work history and education by Holly Dayton and Tim Maurer
- Legal requirements for breaks in service by Ice Miller
- Trustee fiduciary responsibilities by Ice Miller

Trustees committed to start the meeting at 9:30 a.m. and end by 3:30 p.m., and they discussed how agenda items may have to be rearranged depending on time and the external presenters' schedules.

g. **Fiscal Year 2026 Administrative Budget Amendment**

Steele explained the approved Fiscal Year 2026 (FY26) Administrative Budget revenue will need to be amended to account for the increase in the employer contribution rate as a result of the enactment of the 2025 Omnibus Pension and Retirement Bill (SF2884/HF1889). Specifically, the employer contribution rate will increase from 9.5% to 9.81% on July 1, 2025, which is an approximate increase of \$20,044,304.

Rondestvedt moved, seconded by Oellerich, to approve the FY26 Administrative Budget revenue increase. A roll call vote taken. All trustees present voted yes. The motion passed.

h. **Election of Officers and Selection of Facilities Management Committee Representatives**

Stencel called for nominations for president of the board. Oellerich nominated Stencel. No second required. Stencel called for additional nomination three times. No other nominations were made. A roll call vote was taken. All trustees present voted yes. The motion passed.

Stencel called for nominations for vice president of the board. Oellerich nominated Rondestvedt. No second required. Stencel called for additional nomination three times. No other nominations were made. A roll call vote was taken. All trustees present voted yes. The motion passed.

Stencel noted the president and vice president also serve as members on the Facilities Management Committee.

5. **Reports**

a. **Report from President**

Stencel congratulated Lindstrom and Broderick on their re-election, welcomed new trustee Olson, and congratulated Rondestvedt on his re-election as vice president. Stencel also recognized TRA staff for their

tireless hours of hard work and dedication during the most recent legislative session.

b. Report from Executive Director

Maurer stated the focus this summer will be on stakeholder outreach and education. Additionally, staff are working on preparations for the upcoming board retreat and the new trustee orientation for Olson. He also thanked Reno for her service on the board.

c. Financial Update

Steele reviewed highlights from the recent Investment Advisory Council (IAC) meeting where the group discussed recent investment allocations and performance.

d. Operational Update

Barth reviewed the process for notifying members of the enacted benefit changes and implementing the changes. Members who had recently applied for retirement with a benefit effective date prior to July 1, 2025 were sent a notification letter explaining the possible benefit changes that could impact their benefit. When the benefit changes were enacted, those members received updated estimates to assist them in making an informed decision on whether to change their benefit effective date. She noted the estimate calculator members can use to run their own estimates is projected to be updated by mid-July.

e. Legislative Update

Dayton confirmed the passage of the 2025 Omnibus Pension and Retirement Bill (SF2884/ HF1889) by the end of the regular session. The bill contains a 5% augmentation reduction factor for those retiring who are at least age 60 with 30 years of service, an expansion of the post-retirement increase delay to all new retirees, and a 0.31% employer contribution rate increase funded by the state. The benefit improvement is estimated to cost approximately \$37 million per year. The increase in the employer contribution will provide TRA approximately \$20 million per year, funded by the state, resulting in TRA absorbing the remaining costs of \$17 million.

Dayton reviewed the benefit improvements TRA has received during the past three years and provided examples of the meaningful impact of those improvements. She noted that Senator Frenz, Chair of the Legislative Commission on Pensions and Retirement, extended his gratitude to the TRA board and staff for all their work and guidance that helped get the bill passed.

f. Assistant Attorney General Update

Weiner offered his appreciation for Reno's service on the board.

6. Public Comments

Sally Mays offered her comments.

7. Upcoming Meetings

Stencel reviewed dates of upcoming meetings for FY26:

- August 20, 2025 Board Retreat
- September 17, 2025
- November 19, 2025
- January 7, 2026
- March 11, 2026
- May 13, 2026
- June 10, 2026

8. Adjourn

Stencel moved, seconded by Oellerich, to adjourn the meeting at 11:11 a.m. A roll call vote was taken. All trustees present voted yes. The motion passed.

Attest:

Signed by:
Tim Maurer
8/28/2025
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Tim Maurer
Executive Director

Signed by:
Joel Stencel
8/28/2025
EA2F98B5BDB44B5...

Joel Stencel
President