

**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
JANUARY 7, 2026
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 414
(PURSUANT TO MINN. STAT. § 13D.015)**

Trustees in person:

Mary Broderick
Thomas Carr
Patty Hand
Kevin Lindstrom
Kathy Oellerich
Jim Olson
David Rondestvedt, Vice President
Joel Stencil, President

Presenters:

Andy Christensen, State Board of Investment
Jill Schurtz, State Board of Investment
Brent Banister, CavMac Actuarial Consulting Services
Ben Mobley, CavMac Actuarial Consulting Services

**Legal representatives
in person:**

Frank Langan, Assistant Attorney General
Joseph Weiner, Assistant Attorney General

Staff in person:

Rachel Barth	Jessica Mount
Holly Dayton	Stephanie Summerville
Tim Maurer	Stephanie Tonihka

Staff via Webex:

David Anderson	Laura Lindahl
Sarah Baar	Dominic Matern
Zaira Blackburn	Seth McDowell
Chad Borsheim	Brian O'Connell
Chris Cahoon	Lori Olsen
Carol Diedrich	Lynn Paatalo
Sean Edgett	Sonja Parr-Baker
Andrew Gibbons	Syma Perez Merlo
Kelly Gillen	Hannah Peterson
James Grev	Erica Pinc
Kimberly Heil	Tiffany Porter
Diana Kaiser	Travis Ruport
Jean Kinnetz	Subhdeep Sidhu

Public via Webex:

Lisa Storey
Eva Wood
Approximately 66 registered attendees

MINUTES

1. Call to Order

Stencel called the meeting to order at 9:30 a.m. A roll call was taken. All members were present at the meeting location. Stencel noted that agenda item 4i, Executive Director Performance Evaluation, would occur after agenda item 6, Public Comments, to allow for the board to go into a closed session to conduct the performance evaluation.

2. Approval of Minutes

a. Approval of November 19, 2025 Board Meeting Minutes

Stencel noted two punctuation edits. Rondestvedt moved, seconded by Carr, to approve the November 19, 2025 minutes, as amended. The motion passed unanimously.

3. Old Business

Stencel confirmed there was no old business.

4. New Business

e. Limited Medical Assistance Fund Report

Stencel asked staff to present the Limited Medical Assistance Fund (LMAF) memo while the board waited for Storey to join the meeting for her appeal. Barth presented the annual LMAF update and noted the fund's 2025 distributions made to eligible individuals satisfied the applicable required minimum distribution. Barth discussed staff's intent to research options for finding another entity to manage the eligibility determinations that TRA is performing in tandem with Wells Fargo, the LMAF's trustee.

a. Board Appeal

Storey joined the meeting via Webex at 9:38 a.m.

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

Wood, acting as Storey's representative, presented the appeal. The question before the board was whether certain employment of Storey's qualified as teaching service that would allow TRA to amend her membership start date,

which would reclassify her as a Tier I member and make her eligible to retire under the Rule of 90.

Storey acknowledged she began her public school employment during the 1990/91 school year and became a TRA member at that time. However, she argued that her employment in 1988 with a summer camp, where she earned salary from Saint Mary's University and the State of Minnesota, qualifies her for Rule of 90 eligibility. She believes she should have been enrolled in the Minnesota State Retirement System (MSRS) for that employment, but her employer failed to submit the membership paperwork. She noted that she has tried to get more information from MSRS without success. Wood clarified that she and Storey are not disputing the facts, that they acknowledge Storey did not begin her TRA-eligible service until 1990, but asked the board to reclassify Storey as a Tier I member for the 1988 service they believe should have been eligible for MSRS coverage.

Weiner explained it was not appropriate for Storey and Wood to introduce a new issue, MSRS membership, at this stage of the appeal. The board cannot make any exceptions or decisions for any other state association, like MSRS. The board can only make a decision on whether Storey qualifies for the Rule of 90 as a TRA member based on the facts that were presented in her original argument. Weiner concluded that Storey has not provided any documentation from her former employer to confirm she rendered TRA-eligible service prior to July 1, 1989, did not get her teaching license until 1990, and indicated on her 1990 TRA membership application that she had not previously rendered teaching service and had never been a member of another Minnesota public retirement system. Therefore, she should not be reclassified as a Tier I member.

Langan noted he is not aware of any statute that gives one fund the authority to declare membership in a different pension fund or that would give this board the authority to declare membership in a different pension fund. The board must make the decision based on the facts and on statutory authority, not on equitable considerations.

Weiner explained Storey could voluntarily withdraw her appeal, work with MSRS, then come back to the board at a later time. Stencel asked Storey to decide whether to withdraw her appeal or move forward with her original appeal argument to have the board decide whether to change her membership date in TRA and reclassify her as a Tier I member. Storey indicated she wanted to move forward with her appeal.

Oellerich moved, seconded by Olson, to deny the petition and to affirm the executive director's decision that TRA does not have the authority to grant membership based on employment that does not qualify for TRA coverage and to have the board's attorney draft an order to this effect and the memorandum of laws setting the reasons for its decision. The motion passed unanimously.

d. Fiscal Year 2025 ACFR Review

Tonihka presented the fiscal year 2025 (FY25) Annual Comprehensive Financial Report (ACFR), which is a set of financial statements and explanatory notes that comply with the accounting requirements established by the Governmental Accounting Standards Board (GASB). She noted the ACFR is audited by the Office of the Legislative Auditor and the FY25 report received a clean audit opinion. Tonihka also highlighted the FY25 Popular Annual Financial Report (PAFR), which is a condensed version of the ACFR.

b. SBI Update

Schurtz and Christensen presented an update from the State Board of Investment (SBI), including staffing updates, investment performance of the Combined Funds, and asset allocation. Schurtz noted SBI undergoes annual audits and anticipates the latest audit will be shared with TRA within a few weeks. Trustees asked about the asset allocation process and whether TRA's current investment return assumption of 7% was appropriate. Schurtz confirmed that based on the current Combined Fund's asset allocation, 7% is an appropriate assumption.

Stencel announced a break from 11:09 a.m. to 11:19 a.m.

c. Actuarial Valuation

Banister and Mobley presented the fiscal year 2025 (FY25) actuarial valuation results. Mobley reviewed the valuation process and noted the events that impacted the results, including the enacted benefit changes, VIA's public retirement plan portability assumptions study, and the 10.9% investment return. He compared the FY24 and FY25 results, highlighting the increase in TRA's funded ratio from 79.9% to 81.6% and the shift from a contribution deficiency to a sufficiency on both a market and an actuarial value of assets. Banister noted the importance of looking at both the market and actuarial value of assets results rather than just one.

Banister reviewed risks the board should take into consideration when discussing the plan's future financial condition, including investment, longevity, membership/covered payroll, and contribution risks. Banister also explained how the pension plan matures and noted that as plans mature, benefits accumulate, the population ages, and the plan obligations become larger, which is relative to the source of contributions. Banister explained the health of the fund has improved over the years and is currently projected to be fully funded by 2040, ahead of the 2048 amortization date.

Stencel announced a break from 12:10 p.m. to 12:40 p.m.

g. 2026 Legislative Agenda

Dayton reviewed the current board-approved 2026 legislative agenda: lowering the age a member can enter a return-to-work agreement from 62 to 59 ½; extending the current suspension of the \$46,000 earnings limitations for retirees

who return to work in PreK–12 TRA-covered positions through 2030; and including licensed physician assistants in the list of medical providers permitted to submit medical documentation for disability applications.

Dayton presented two additional legislative changes for the board's consideration: clarifying the exclusion of Minnesota Paid Leave (MPL) payments from the definition of eligible salary; and moving the joint-and-survivor interest rate assumption from statute to the Legislative Commission on Pensions and Retirement (LCPR) Appendix to the Standards for Actuarial Work. Trustees asked for clarification on how MPL would interact with TRA-eligible leaves. Barth and Maurer explained that a member utilizing MPL would also need to be on a TRA-eligible leave and purchase the service credit for that period of time.

Stencel moved, seconded by Rondestvedt, for TRA staff to seek legislation to exclude payments from the family and medical benefit insurance account for the Minnesota Paid Leave program from the statutory definition of salary. The motion passed unanimously.

Lindstrom moved, seconded by Oellerich, for TRA staff to pursue legislation to move the investment return assumption used to calculate TRA's joint and survival annuities from Minnesota Statutes, section 356.461, into the LCPR's Appendix to the Standards for Actuarial Work. The motion passed unanimously.

Hand left the meeting at 1:30 p.m.

Trustees discussed the upcoming legislative session and possible action items including evaluating benefit improvement options, adjusting the employer contribution rate and state aids, and developing short-term and long-term goals for benefit improvements. Broderick suggested the board create a funding policy to assist in evaluating the fund's financial health and providing a framework for discussion and decision making related to benefit changes. Maurer noted a funding policy could be part of a larger board strategic planning initiative. Oellerich proposed Maurer reach out to other pension funds to identify outside contractors who could assist the board with developing a strategic plan, short- and long-term goals for funding, benefit improvements, and guiding principles. Maurer stated he would do some research and bring options for the board's consideration at a future meeting.

Broderick left the meeting at 1:40 p.m.

h. Actuarial Services Contract

Maurer noted that the contract with CavMac expires on June 30, 2026, so TRA staff are working on a request for proposal (RFP) for a new actuarial contract. He summarized the RFP process and timeline contained in the staff memo.

Oellerich moved, seconded by Olson, to approve TRA staff in proceeding with the RFP based on the schedule and outline of the procedures described in the staff memo. A roll call vote was taken. All present voted yes. The motion passed.

5. **Reports**

a. **Report from the President**

Stencel reminded board members to complete and submit their annual statement of economic interest report.

b. **Report from the Executive Director**

Maurer reported that he is continuing to communicate with stakeholders and although presentation requests decreased during the holidays, he now has multiple requests.

Broderick rejoined the meeting via Webex at 1:58 p.m.

c. **Operational Update**

Barth introduced Mount as TRA's new general counsel. Barth also noted that the chief operations officer posting recently closed, and she is preparing for interviews.

d. **Legislative Update**

Dayton noted that the 2026 legislative session starts on February 17.

e. **Assistant Attorney General Update**

Weiner noted he had no update.

6. **Public Comments**

Larson and Tessman provided their comments to the board.

4. **New Business**

i. **Executive Director Performance Review**

Rondestvedt moved, seconded by Oellerich, to go into closed session for the evaluation of the executive director (Minnesota Statutes, section 13D.05, subdivision 3). A roll call vote was taken. All present voted yes. The motion passed.

Stencel announced that the closed session had ended and the board returned to an open meeting. He reported that during the closed session, the board performed the executive director performance review. The results of the review were positive and the board approved a 4% increase with reevaluation of a COLA increase in July.

7. Upcoming Meetings

Stencel noted that agenda item 4f, Board Education on Reduction Factors, would be moved to the March board meeting and confirmed the next regular board meeting on March 11, 2026, at 9:30 a.m.

8. Adjourn

Oellerich moved, seconded by Lindstrom, to adjourn the meeting at 3:24 p.m. A roll call vote was taken. All present voted yes. The motion passed.

Attest:

Signed by:
Tim Maurer 3/17/2026
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Tim Maurer
Executive Director

Signed by:
Joel Stencel 3/17/2026
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Joel Stencel
President

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