



June 2026

Board of Trustees Meeting

Wednesday, June 10, 2026 – 9:30 a.m.
Room 414 or via Webex

Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

minnesotatra.org



Board of Trustees Meeting Agenda

Wednesday, June 10, 2026 – 9:30 a.m.

Retirement Systems of Minnesota Building, Room 414 // Hybrid via Webex

- 1. Call to Order**
- 2. Approval of Minutes**
 - a. Minutes of May 13, 2026 Board Meeting [ACTION] – p. 1
- 3. Old Business**
- 4. New Business**
 - a. Reappointment of Executive Director [ACTION] – Joel Stencel – p. 8
 - b. Finalize August 2027 Retreat Topics [INFORMATION] – Joel Stencel – p. 9
 - c. Fiscal Year 2027 Budget Amendment [ACTION] – Tracy Gebhard – p. 10
 - d. Board Self-Evaluation [INFORMATION] – Joel Stencel, David Rondestvedt – p. 11
 - e. Updated Optional Form Factors [ACTION] – Tim Maurer – p. 15
 - f. Teacher Retirement System Comparison Data [INFORMATION] – Tim Maurer, Holly Dayton – p. 18
 - g. Facilities Management Committee Report [INFORMATION] – Joel Stencel, David Rondestvedt – p. 21
 - h. Approval of Retirement Systems Building Co-Tenancy Agreement Amendment [ACTION] – Joel Stencel, David Rondestvedt, and Tim Maurer – p. 23
 - i. Board Strategic Planning Presentations [ACTION] – p. 39
 - j. Election of Officers and Selection of Facilities Management Committee Representatives [ACTION] – Joel Stencel – p. 73
- 5. Reports**
 - a. Report from President [INFORMATION] – Joel Stencel – p. 75
 - b. Report from Executive Director [INFORMATION] – Tim Maurer – p. 76
 - c. Financial Update [INFORMATION] – Tracy Gebhard – p. 77
 - d. Operational Update [INFORMATION] – Rachel Barth – p. 81
 - e. Legislative Update [INFORMATION] – Holly Dayton – p. 82
 - f. Assistant Attorney General Update [INFORMATION] – Joseph Weiner – p. 83
- 6. Public Comments**
- 7. Upcoming Meetings**

Board of Trustees Meetings, 9:30 a.m., Room 414

August 19, 2026	November 18, 2026	March 10, 2027	June 10, 2027
September 23, 2026	January 6, 2027	May 12, 2027	

8. Adjourn

Board members may participate by telephone or virtually pursuant to Minn. Stat., § 13D.015. The board allows public comments at the conclusion of the agenda. Stakeholder groups wishing to speak at the board meeting shall designate a spokesperson. Persons wishing to speak during the public comment period shall first state their name and whom they represent and should limit their comments to three (3) minutes. All comments should be confined to matters under the board's jurisdiction and authority and should be relevant to the agenda before the board. Speakers should present their comments to the board chair in a helpful and appropriate manner and may not engage in personal attacks. The board reserves the right to determine what issues come before the board at any given time and to dismiss any speaker who engages in unproductive or hostile conduct.

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**MINNESOTA TEACHERS RETIREMENT ASSOCIATION
MINUTES OF THE BOARD OF TRUSTEES MEETING
MAY 13, 2026 – 9:30 A.M.
HYBRID MEETING HELD VIA WEBEX AND IN ROOM 414
(PURSUANT TO MINN. STAT., § 13D.015)**

Trustees in person:

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

Trustees via Webex:

Kevin Lindstrom

**Legal representative
in person:**

Joseph Weiner, Assistant Attorney General

Staff in person:

Rachel Barth	Kim Heil
Holly Dayton	Heidi Henry
Tracy Gebhard	Laura Lindahl
	Tim Maurer

Staff via Webex:

David Anderson	Syma Perez Merlo
Sarah Baar	Hannah Peterson
Nhi Baltazar	Erica Pinc
Zaira Blackburn	Tiffany Porter
Michael Brudzinski	Alex Rank
Diane Clemens	Dan Ristow
Sean Edgett	Mark Roemhild Travis
Kelly Gillen	Ruport Theresa
Jon Hoveland	Schertz Subhdeep
Justin Johnson	Sidhu Stephanie
Dominic Matern	Summerville
Eric Nitardy	Stephanie Tonihka
	Cole White

Public via Webex:

Approximately 36 registered attendees

MINUTES

1. Call to Order

Stencel called the meeting to order at 9:30 a.m. A roll call was taken. Broderick, Carr, Hand, Oellerich, Olson, and Rondestvedt were present at the meeting location. Lindstrom joined the meeting at 9:44 a.m. via Webex.

Stencel noted that Item 5c would be moved to after Item 4b.

2. Approval of Minutes

a. Approval of March 11, 2026 Board Meeting Minutes

Rondestvedt moved, seconded by Olson, to approve the March 11, 2026, meeting minutes. A roll call vote was taken. All members present voted yes. The motion passed.

b. Approval of March 25, 2026 Special Board Meeting Minutes

Carr moved, seconded by Rondestvedt, to approve the March 25, 2026, special board meeting minutes. A roll call vote was taken. All members present voted yes. The motion passed.

3. Old Business

Stencel confirmed there was no old business.

4. New Business

a. Communications Presentation

Heil and Lindahl presented information on TRA's brand refresh, editorial style guide, and the new TRA website. The changes in part bring TRA into compliance with new accessibility regulations in Title II of the Americans with Disabilities Act (ADA). Board members noted appreciation for all of the work put into this effort and asked about how staff will ensure continued compliance with accessibility regulations.

b. Fiscal Year 2027 Budget Presentation

Tonihka presented the proposed Fiscal Year 2027 revenue and operating expense budget. The staff-recommended budget includes a revenue budget of \$1,237,325,680, a retirement benefits expense budget of \$2,265,000,000, and an administrative expense budget of \$37,354,591. Tonihka covered the proposed revenue budget, non-negotiable costs, and the proposed administrative expense budget in detail.

After discussion on an office remodel and financial audits, Stencel moved, seconded by Oellerich, to approve the proposed budgets as requested. A roll call vote was taken. The motion passed unanimously.

Item 5c: Financial Update

Tonihka presented a report on the Investment Advisory Council (IAC) February 2026 meeting. She summarized recent investment allocations and performance from that meeting.

Lindstrom pointed out a discrepancy in the chart included on page 53 of the board meeting materials. Maurer clarified that the green “Total Combined Funds” line should read 2.6, 14.2, 13.4, 8.7, 9.9, 8.3, and 8.5.

c. Board Self-Evaluation

Stencel reminded the board that a self-evaluation form was sent out on April 30, and the deadline to return it to him is May 25.

d. Facilities Management Committee (FMC) Report

Stencel shared a summary of the March 18, 2026, FMC meeting. He highlighted two projects approved by the FMC: a roof system evaluation and a parking lot mill and overlay. He also noted takeaways from a recent security assessment of the retirement systems building.

e. August 2026 Board Retreat Topics

Maurer reviewed planned and potential topics for the board’s annual retreat, to be held in August 2026. He noted a presentation by the state demographer and beginning work on strategic planning.

Lindstrom requested data on how TRA compares to different plans both locally and nationally. Staff and the board discussed the type of data that may be helpful. Barth encouraged the board to look at a past National Association of State Retirement Administrators (NASRA) presentation to the Legislative Commission on Pensions and Retirement (LCPR) two years ago as it mentions many of the topics the board members have requested.

Stencel called for a 10-minute break at 10:52 a.m., to return at 11:02 a.m.

5. Reports

a. Report from the President

Stencel reminded the board that the National Council on Teacher Retirement (NCTR) trustee workshop is July 12 to 14, 2026, and to take advantage of other trainings available that would help board members fulfill their responsibilities as trustees.

b. Report from the Executive Director

Maurer updated the board on stakeholder presentations and on personnel changes. Recent hires at TRA include a chief operating officer (COO), chief financial officer (CFO), compliance director, an executive and administrative support manager, and three retirement services specialists.

Maurer mentioned increased demand in counseling services and ongoing work related to the RFP for actuarial services. He also reviewed staff progress on hiring a consultant to provide strategic planning services.

c. Financial Update

This was discussed after Item 4b.

d. Operational Update

Barth introduced the new COO and CFO. Barth also noted continuation of work on the TRA website, changes coming out of the 2026 legislative session, and the upcoming office remodel.

e. Legislative Update

Dayton reviewed the pension omnibus bill, which was awaiting votes by the full house and full senate.

f. Assistant Attorney General Update

Weiner did not have an update for the board.

6. Public Comments

No public comment.

7. Upcoming Meetings

Stencel confirmed the upcoming meetings for 2026: June 10, August 19, September 23, and November 18. Meetings in 2027 will be January 6, March 10, May 12, and June 10.

8. Adjourn

Olson moved, seconded by Oellerich, to adjourn the meeting at 11:20 a.m. A roll call vote was taken. The motion passed unanimously.

Attest:

Tim Maurer
Executive Director

Joel Stencel
President



Old Business



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New Business





Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Tim Maurer, Executive Director
Subject: Reappointment of TRA Executive Director

Appointment

The TRA Board of Trustees historically has voted on the reappointment of the executive director at the June board meeting. The Board of Trustees Handbook states: “[C]oincident with the start of each fiscal year, the TRA board votes to reappoint the executive director if performance is satisfactory.” Under Minnesota Statutes, section 354.06, subdivision 2, the executive director serves at the pleasure of the board.

Evaluation

The formal evaluation of the executive director is tied to the process for considering salary increases. To grant a performance-based salary increase, the board must determine that the executive director has achieved established performance standards and objectives.

The board must conduct a performance review of the executive director at least annually to assess whether performance standards and objectives have been met for the previous fiscal year. Any performance-based salary increase must be based on documented satisfactory or better performance.

The evaluation process:

- The board president sends the annual performance evaluation materials to trustees for completion.
- The executive director completes a self-evaluation that includes a list of accomplishments during the past year. The board president provides the completed self-evaluation to all trustees for their review and consideration.
- Trustees submit all annual performance evaluation documents to the board president to be summarized and discussed at the performance review conducted at the January board meeting.
- The board president provides the executive director with a copy of the annual performance evaluation completed by each trustee and the summary of the evaluations prior to the performance review meeting.
- At the January board meeting, the board may act on the performance-based increase, to be effective on the first day of January.

Action needed

Reappoint the executive director.



Board of Trustees Meeting Agenda

Wednesday, August 19, 2026 — 9:30 a.m.

Retirement Systems of Minnesota Building, Room 414 // Hybrid via Webex

1. **Call to Order**
2. **Approval of Minutes**
 - a. Minutes of June 10, 2026 board meeting [ACTION]
3. **Presentation by State Demographer — 9:30–10:30 a.m.**
Presenter: TBD

>> **Break — 10:30–10:45 a.m.**

4. **Presentation by Actuarial Consultants — 10:45 a.m.–12:15 p.m.**
Presenter: Actuary
 - a. Preliminary estimated results of July 1, 2026 funding valuation
 - b. Education

>> **Break for Lunch — 12:15–1:00 p.m.**

5. **Strategic Planning — 1:00–3:30 p.m.**
Presenter: TBD
6. **Upcoming Meetings**

Board of Trustees Meetings, 9:30 a.m., Room 414

September 23, 2026	March 10, 2027
November 18, 2026	May 12, 2027
January 6, 2027	June 10, 2027

7. **Adjourn**

Board members may participate by telephone or virtually pursuant to Minn. Stat., § 13D.015

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Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Tracy Gebhard, Chief Financial Officer
Subject: Fiscal Year 2027 Administrative Budget Amendment

In accordance with Minnesota Statutes, section 11A.07, subdivision 5, (4), the Minnesota State Board of Investment (SBI) estimates its annual expenses and bills the three statewide retirement systems. When staff presented the Fiscal Year 2027 Administrative Budget on May 13, 2026, staff noted the SBI had not finalized its estimated annual expenses for fiscal year 2027.

On May 20, 2026, the SBI provided the three statewide retirement systems with its estimated annual expenses for fiscal year 2027 and the amount allocated to TRA. The SBI administrative costs allocated to TRA increased by \$315,000 or 8.97% from \$3,511,000 in fiscal year 2026 to \$3,826,000 in fiscal year 2027. The increase is due to: 1) an increase in investment subscription contracts, 2) recognition of the entire annual salary for several new positions that were added during fiscal year 2026, and 3) inflation. The SBI administrative costs are not negotiable. TRA is obligated in statute to pay these costs.

When presenting the Fiscal Year 2027 Administrative Budget, staff used the fiscal year 2026 budget for SBI administrative costs. The fiscal year 2027 estimated annual costs from SBI increase the Fiscal Year 2027 Administrative Budget from \$37,354,591 to \$37,669,591.

Staff recommendation

Approve the proposed Fiscal Year 2027 Administrative Budget of \$37,669,591 — a budget amendment increase of \$315,000 for SBI administrative costs.

TRA Board of Trustees Annual Review of Performance 2025–2026

The TRA Board of Trustees reviews its performance on an annual basis. Through this review, the board demonstrates its intention to establish a process for trustees to consider overall board performance with candor, objectivity, and a broad perspective. The purpose of the review is to identify areas of strength for the board as well as areas needing improvement. This annual review process is a tool for enhancing the board's effectiveness in carrying out the mission of TRA. At the September 13, 2023, board meeting, the board approved moving the annual self-evaluation from September to May and then presenting the results at the subsequent June board meeting.

Each board member is to rate the following statements in relation to the overall operation of the board. Rank answers using the following scale:

1–strongly disagree 2–disagree 3–agree 4–strongly agree

Shaping the Mission and Strategic Direction	
1. The board knows and understands TRA's mission and core values and reflects this understanding when addressing key issues.	Avg. – 2.88 Range 2–4
2. Board members share a common understanding of where the organization wants to be in 3–5 years.	Avg. – 2.50 Range 1–3
3. In terms of plan design, a long-term view (25–30 years) of the financial and actuarial condition of the fund is taken into consideration (membership eligibility, benefits, contribution rates, actuarial assumptions, etc.).	Avg. – 3.00 Range 3
4. The board stays abreast of issues and trends affecting TRA, using this information to assess and guide the organization over the long term.	Avg. – 3.13 Range 3–4
5. The board is comfortable challenging proposals, even popular ones, when long-term plan sustainability is at stake.	Avg. – 2.63 Range 2–3
Oversee Financial Condition, Risk Management	
6. The board regularly monitors financial statements, investment results, actuarial reports, and IT and security plans; key indicators are routinely reported to the board; well-prepared staff explain variances and discuss potential corrective actions for board consideration and adjustment.	Avg. – 3.38 Range 3–4
7. The board ensures timely, independent audits of annual financial statements and internal operations.	Avg. – 3.63 Range 3–4

8. The board annually reviews sources of risk and risk mitigation plans.	Avg. – 3.38 Range 3–4
9. The board receives timely, accurate, and useful information upon which to make decisions from its actuarial consultants, external auditors, and staff.	Avg. – 3.38 Range 3–4
Board Performance and Accountability	
10. The board has and follows process and procedures for effective meetings and makes timely decisions.	Avg. – 2.88 Range 1–4
11. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	Avg. – 3.50 Range 3–4
12. Board members feel involved and their contributions valued.	Avg. – 3.38 Range 3–4
13. The board oversees high-quality service delivery to members and retirees.	Avg. – 3.63 Range 3–4
14. The board comprehends and respects the difference between its policy-making role and the executive director's management role.	Avg. – 3.13 Range 2–4
15. Member appeals: members are provided a fair and open forum to present their views.	Avg. – 3.50 Range 3–4
16. Number of meetings during the year is appropriate.	Avg. – 3.38 Range 3–4
17. Time and length of meetings is adequate to address areas needing attention.	Avg. – 3.38 Range 3–4
18. Agenda and board packets are complete and well prepared; the board receives quality background materials well in advance of meetings.	Avg. – 3.19 Range 2–4
19. Information is received timely and is accurate and sufficient to make informed decisions.	Avg. – 3.38 Range 3–4
20. Trustees come to meetings prepared and engaged.	Avg. – 2.88 Range 2–4
21. Meetings start and end on time. Time is managed to ensure broad discussion on all important topics; most time dedicated to discussion and debate on important issues.	Avg. – 3.25 Range 2–4

Narrative Section

Please provide your written comments in the sections below.

1. Identify the greatest achievements of the board during the past year.

- I believe the filling of operational positions has been the most important achievement during my first year on the board. It has allowed and will continue to allow the Board to meet the needs of the members of TRA.
- Return to work changes. Extension of the ELSA. Initiating the establishment of a funding policy and strategic plan.
- We took care of the technical business that needed to be done. We navigated multiple member appeals as well as could be expected.
- 60/30 with smaller reductions.
- Finalizing the hiring of the Executive Director and filling out the other executive level positions.
- Setting the long-term planning process in motion.
- The board is focusing on creating a strategic plan. I really appreciate the executive director meeting for one-on-one meetings between board meetings.
- The board successfully hired a new Executive Director.

2. Are there things that could change in board operation to improve it? Is additional training needed? What training?

- I have no recommendations at this time.
- Coming to meetings prepared and participate in all conversations with the understanding we are a multi-billion dollar pension plan and need to feel confident in decisions we make from budget to physical security to cyber security to plan changes and everything in between.
- We continue to struggle with parliamentary procedure concepts. We also need to clarify record-keeping for closed/executive sessions.
- I appreciate the in-depth background and education presented to the Board. It helps with perspective and understanding our role. I found the Ice-Miller fiduciary training last fall very helpful. I think we can always use more training relative to that.
- I appreciate the continuous education for the board.
- We should have more strategic planning surrounding upcoming legislative sessions.
- Meetings could be improved through all board members having a better understanding of parliamentary procedure. The training on this topic in the past was not particularly useful. Perhaps we should give handbooks on Roberts Rules to each trustee and have a session on it during our annual retreat.

3. Describe your experience with the hybrid board meetings. Do you feel you are adequately able to participate and contribute? Do you feel you have an adequate opportunity to voice your opinion and provide input to the discussions?

- I have not participated virtually. I prefer to meet face-to-face whenever possible.
- Never had to do it but am prepared to if needed.

- I only use online participation as a last resort.
- Yes. I prefer in person, but when necessary, this approach works.
- Yes.
- I have found the hybrid meetings to work very well. I appreciate having the virtual options which have allowed more participation.
- I think our board uses it well – only as needed and members communicate fine when remote.

4. Equipment and technology needs: are your technology needs being met as you prepare for and participate in a board meeting? If not, please explain? Any comments about receiving and sending messages from your TRA email box?

- I have had several issues with technology that have limited my ability to participate in pre-meeting work. The staff has been very responsive and I hope those issues are in the past.
- Mine are met an adequate.
- Yes (3x)
- Technology is fine.
- The technology has worked well. Staff is always very helpful if I have an issue.

5. Any additional comments?

- Thank you to Joel for his efficient handling of board meetings!
- It is critical that this Board use our Guiding Principles to enter the 2027 legislative session with policies and positions that address funding equality for all Minnesota educators' retirement plans, use of finances for benefit improvements, and short/long term benefit goals.
- Thank you to the TRA staff for working so hard throughout the year as you support all of the educators across the state with your dedication and passion to support the educator pensions.

Your Name: Board Summary Date: May 27, 2026



Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Tim Maurer, Executive Director
Subject: Updated Optional Form Factors

Background

In 2018, enacted legislation moved actuarial assumptions for salary increases and payroll growth from statute to the Appendix of the Legislative Commission on Pensions and Retirement (LCPR) Standards for Actuarial Work. The change made it easier and more efficient for plans to implement recommended assumption changes. LCPR staff have since supplemented those assumptions in the appendix with others for inflation, merit and seniority pay increases, and mortality rates.

Currently, Minnesota Statutes, section 356.461 sets the investment return assumption the retirement systems must use for computing joint and survivor annuities at 6.5%. However, the recently enacted 2026 omnibus pension bill included a provision that will now allow the retirement systems to either use 6.5% or propose a different investment return assumption for computing joint and survivor annuities (J&S assumption) to be included in the appendix. TRA requested this change as part of its 2026 legislative agenda based on a recommendation from its approved actuary, CavMac.

CavMac recommends that TRA use a 7% J&S assumption, rather than the statutory 6.5%. Details for this recommendation are included in the attached CavMac letter titled, "Re: Updated Optional Form Factors."

In order for CavMac's J&S assumption recommendation to go into effect, the board must propose and submit it to the LCPR. Once the board submits the recommendation, the LCPR can either approve it, or, if the LCPR does not take any action, the recommendation is "deemed approved" one year after the date the LCPR received it. The new law allowing this procedure is effective on July 1, 2026. Therefore, if the board approves the recommended change, TRA staff will submit the change to the LCPR on or after July 1 and the change will go into effect either when the LCPR considers and approves it at a future meeting or one year passes from the date staff submit the change.

Staff recommendation

Staff recommend the board approve CavMac's recommendation to change TRA's investment return assumption used to compute joint and survivor annuities.



May 27, 2026

Board of Trustees
Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400
St. Paul, MN 55103

Re: Updated Optional Form Factors

Dear Board Members:

Following the Board's adoption of updated actuarial assumptions and at the request of the Executive Director, we prepared updated optional form factors for use by the Teacher Retirement Association of Minnesota (TRA) in calculating member benefits. Under the provisions of S.F. No. 4588, the Board may request the Legislative Commission on Pensions and Retirement (LCPR) to allow TRA to use these factors in the administration of benefits.

These factors are based on assumptions approved by the Board and the LCPR. In particular, the following assumptions were used:

- The mortality table is based on the table used for the valuation - the PubT-2010(A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Joint annuitants use the Pub-2010(A) Contingent Survivor Mortality Table with the same adjustments. Generational projection uses the MP-2021 scale. These tables were projected to 2045 and blended 30% male/70% female (70% male/30% female for joint annuitants) to achieve a unisex table that is representative of the plan's liabilities.
- The interest rate is 7.0%.
- A COLA of 1.5% beginning at age 65.
- The interest rate for the accelerated annuity factors is also 7.0%. Note that these factors do not include a mortality assumption since the accelerated annuity amount is paid independently of a member's survival.

The factors developed under these assumptions require the LCPR approval because they differ from the default statutory provisions. In our opinion, it is appropriate to use the assumptions we propose because the default provisions do not work with a COLA that has a deferred start, nor is the designated statutory interest rate for Joint & Survivor benefits consistent with the interest rate used for other forms of payment or the funding of the plan. We do believe our proposed assumptions are appropriate and consistent for use in developing optional form factors.



Board of Trustees
May 27, 2026
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We, Patrice A. Beckham, Brent A. Banister, and Ben Mobley are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We are available to answer any questions on the material in this letter or to provide explanations or further details as appropriate. Ms. Beckham and Dr. Banister also meet the requirements of "approved actuary" under Minnesota Statutes, Section 356.215, Subdivision 1, Paragraph (c).

Sincerely,

Patrice A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary

Brent A. Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary

Ben Mobley, ASA, FCA, MAAA
Consulting Actuary

**Teacher Pension Comparison Data
Fiscal Year 2025**

	Active Members	Benefit Recipients	A:BR Ratio	Vesting Requirement	Salary Component	Benefit Multiplier	Number of Benefit Tiers
Arkansas TRS	67,871	57,492	1.18:1	5 years	High-5 Average	Retiring with <10 YOS: 2.15%; Retiring with >10 YOS, 2.15% through 6/30/2018 and 1.75% eff 7/01/2018	1
Georgia TRS	242,260	155,945	1.55:1	10 years	High-2 Average	2.00%	1
Minnesota TRA	86,462	70,483	1.23:1	3 years	High-5 Average	1.90%	2
Minnesota SPTRFA	3,482	4,411	0.71:1	3 years	High-5 Average	1.90%	2
Montana TRS	20,151	18,302	1.1:1	5 years	High-5 Average	1.67% per year. Members with 60-and-30: 1.85% per year	2
New Jersey TPAF	146,167	115,426	1.27:1	10 years	High-5 Average	1.66%	5
New Mexico ERB	64,274	56,764	1.13:1	5 years	High-5 Average	Tiered: Years 1-10: 1.35%; Years 11-20: 2.35%; Years 21-30: 3.35%; Years 31+: 2.40	4
North Dakota TFFR	12,012	9,664	1.24:1	5 years	High-5 Average	2.00%	2
Oklahoma TRS	104,318	70,602	1.48:1	7 Years	High-5 Average	2.00%	3

Note: Information was gathered from fiscal year 2025 plan valuations and financial documents, plan websites, and the National Association of State Retirement Administrators.

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Teacher Pension Comparison Data
Fiscal Year 2025

	Normal Retirement Age	Early Retirement Discounts	Postretirement Adjustment	Unreduced Career Rule	Average Benefit (FY 2025)	Assets (MVA)
Arkansas TRS	60	The lesser of 10% per year under age 60 or 10% per year of service under 28 YOS	Simple. 3% of base retirement annuity	28 YOS	\$2,122	\$23.7 billion
Georgia TRS	60	The lesser of 7% per year under age 60 or 7% per year under 30 YOS	Automatic. 1.5% every 6 months as long as CPI increases. Compounded.	30 YOS	\$3,478	\$116.7 billion
Minnesota TRA	65	4% & 7% per year; 2-3% per year at age 60 w/ 30 YOS	Compounded. Delayed until NRA. 1.5% beginning 2028	None	\$2,438	\$31.3 billion
Minnesota SPTRFA	65	4% & 7% per year	Compounded. Delayed until NRA. 1.0%	62 with 30 YOS	\$2,340	\$1.4 billion
Montana TRS	60	Actuarially reduced by the lesser of 60 minus age at retirement or 30 minus years of service at retirement	Between 0.5% and 1.5% if the most recent actuarial valuation shows the system to be at least 90% funded and the increase is not projected to cause the funded ratio to be less than 85%.	55 with 30 YOS	\$2,167	\$5.4 billion
New Jersey TPAF	65	3% per year	None	None	\$3,560	\$37.9 billion
New Mexico ERB	67	7.2% per year age 50-59 and 2.4% per year age 60-64 For retirees with 30 YOS retired before 58, AE with age 58 benefit (73.6% of unreduced benefit)	Delayed until age 67. Compounded COLA based upon CPI and plan's funded ratio	Rule of 80 (minimum age 65) or 30 YOS	\$2,172	\$19.0 billion
North Dakota TFFR	65	8% per year	None	Rule of 90 (minimum age: 60)	\$2,172	\$3.6 billion
Oklahoma TRS	65	7% per year	Ad hoc	Rule of 90 (minimum age: 60)	\$2,016	\$25.2 billion

Note: Information was gathered from fiscal year 2025 plan valuations and financial documents, plan websites, and the National Association of State Retirement Administrators.

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Teacher Pension Comparison Data
Fiscal Year 2025

	Funded Ratio (AVA)	Funded Ratio (MVA)	Covered Payroll	EE Contribution Rate	ER Contribution Rate	Supplemental Contributions	Normal Cost	UAAL Contribution Rate	Investment Return Assumption
Arkansas TRS	84.40%	87.8%	\$3.6 billion	7.00%	15.00%	None	13.47%	7.93%	7.25%
Georgia TRS	78.70%	Not measured	\$16.3 billion	6.00%	22.32%	None	8.66%	13.51%	6.90%
Minnesota TRA	81.60%	84.51%	\$6.8 billion	8.00%	9.81% (additional rate applies to Minneapolis)	0.52%	11.33%	6.41%	7.00%
Minnesota SPTRFA	69.68%	72.19%	\$321.3 million	8.75%	9.75% + 3.84%	4.64%	10.03%	12.14%	7.00%
Montana TRS	73.44%	75.22%	\$862.6 million	8.15%	9.47% or 11.85%	0.11% or 2.49% of payroll depending upon ER, from General Fund	10.80%	9.31%	7.30%
New Jersey TPAF	48.60%	49.60%	\$13.1 billion	7.50%	31.30%	\$842 million in FY25 (from the Lottery Enterprise Contribution Act)	4.77%	26.17%	7.00%
New Mexico ERB	67.80%	69.00%	\$4.0 billion	10.70%	18.15%	None	14.13%	15.45%	7.00%
North Dakota TFFR	73.43%	74.05%	\$849.8 million	11.75%	12.75%	None	12.04%	11.32%	7.15%
Oklahoma TRS	80.00%	83.00%	\$5.9 billion	7.00%	9.30%	~7.6% of covered payroll (from cigarette taxes and lottery proceeds)	10.79%	Not found	7.00%

Note: Information was gathered from fiscal year 2025 plan valuations and financial documents, plan websites, and the National Association of State Retirement Administrators.



Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Joel Stencil, David Rondestvedt, and Tim Maurer
Subject: Facilities Management Committee Meeting – April 14, 2026

Background

The Facilities Management Committee (FMC) oversees the joint management and operation of the Retirement Systems Building (RSB) and establishes policies governing the use, maintenance, and administration of the building.

The FMC operates pursuant to the Co-Tenancy Agreement (agreement) executed by TRA, the Minnesota State Retirement System (MSRS), and the Public Employees Retirement Association (PERA). The agreement provides the following:

- ownership interests in, and the financial responsibilities for, the facilities;
- financing and debt service responsibilities for the revenue bonds issued for the construction of the building;
- duties, responsibilities, and powers of the FMC;
- designation of the facilities manager and an outline of their duties;
- duties and responsibilities of the three retirement systems.

The FMC consists of two board-appointed representatives from each of the three retirement systems. In the absence of a board member, the respective system's executive director serves as the alternate voting member.

MSRS Trustee Mary Benner served as the chair for the April 2026 FMC meeting.

Summary of the April 14, 2026 FMC meeting

The following were present:

- FMC members: (MSRS) Mary Benner (chair), Michael Roelofs (vice-chair); (PERA) Thomas Stanley; (TRA) David Rondestvedt, Joel Stencil.
- Staff members: (MSRS) Erin Leonard, Sallie Rasmussen, Jackie Reckmann, Tim Rekow; (PERA) Doug Anderson, Tracy Gebhard, Gladys Rodriguez; (TRA) Tim Maurer.

CO-TENANCY AGREEMENT

FMC members discussed and approved Amendment No. 6 to the agreement. The changes include:

- clarifying the ownership share of each retirement system to ensure proper allocation of operating expenses among the retirement systems;

- establishing a definition and \$300,000 threshold for “Capital Expenditures” consistent with Minnesota Management and Budget policy;
- permitting the FMC to approve expenditures below the \$300,000 threshold by majority vote;
- various technical corrections

Members continued discussions regarding voting thresholds and retirement systems’ board approval requirements for future amendments. The committee noted that Amendment No. 6 is intended to be an interim update while a comprehensive review and revision of the agreement is anticipated following July 1, 2026.

FACILITIES MANAGEMENT SERVICES BILLING

The committee authorized MSRS to invoice PERA and TRA for facilities management service costs pursuant to the agreement’s requirement that the FMC establish the value of the services MSRS provides in its role as facilities manager and is reimbursed for those services from the pension building operating funds.

SECURITY SUBCOMMITTEE UPDATE

Benner noted that staff are collecting building usage data for the May 1, 2026, FMC Security Subcommittee meeting. The subcommittee’s intent is to use the data to assist with evaluating and prioritizing the security enhancements recommended by the Axtell Group. The FMC will review subcommittee recommendations before reporting any recommendations to each respective retirement systems’ governing board.

Key takeaways

The FMC continues to advance governance updates to the agreement, ensure equitable allocation of shared operational costs, and support long-term security planning for the RSB.

The FMC unanimously approved all actions taken at the April 14, 2026 meeting.



Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Joel Stencil, David Rondestvedt, and Tim Maurer
Subject: Approval of Retirement Systems Building Co-Tenancy Agreement Amendment

Background

The Minnesota State Retirement System (MSRS), Public Employees Retirement Association (PERA), and TRA created the Retirement Systems Building (RSB) Co-Tenancy Agreement (agreement) to define each retirement system's ownership interest in the RSB. The agreement also outlines each systems' duties and obligations related to the construction, operation, maintenance, and debt service costs of the RSB. In addition, the agreement designates one retirement system to serve as the manager for RSB operations and maintenance.

The retirement systems implemented space changes previously reviewed and approved by the Facilities Management Committee (FMC), which consists of two board members from MSRS, PERA, and TRA. As a result of these space changes, the FMC reviewed and approved an updated agreement.

Co-Tenancy Agreement Amendment No. 6

Section 5. The Retirement Systems' Ownership and Administrative Interests in the Public Pension Facilities

Updates the agreement to clarify the ownership share of each retirement system to accurately reflect RSB ownership percentages as of the last bond payment. This also creates "Administrative Interest" to allocate the proportion of rental income, administrative expenses, and capital expenditures of the RSB by each retirement system's respective square footage percentages.

Section 9. Facilities Management Committee

Defines a "Capital Expenditure", in accordance with the Minnesota Management and Budget policy, as an addition, replacement, major repair, and reinstallation or rearrangement of the RSB with a cost of \$300,000 or more and maintains the requirement that such expenditure(s) must be approved by the FMC unanimously. New language provides that expenditures that do not meet the "Capital Expenditure" definition can be approved by majority vote.

Administrative language updates

This provides non-substantive and technical updates throughout the agreement to reflect the changes made in Sections 5 and 9.

Staff recommendation

The agreement requires each retirement system board to adopt proposed amendments before the amended agreement can be signed. Staff recommend the board approve Amendment No. 6 to the Retirement Systems Building Co-Tenancy Agreement.

Amendment No. ~~65~~

**CO-TENANCY AGREEMENT
BETWEEN
THE MINNESOTA STATE RETIREMENT SYSTEM,
THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND,
THE TEACHERS RETIREMENT ASSOCIATION**

The Board of Directors of the Minnesota State Retirement System ("MSRS"), the Board of Trustees of the Public Employees Retirement Association ("PERA"), and the Board of Trustees of the Teachers Retirement Association ("TRA"), represented herein by their Executive Directors, enter into THIS AGREEMENT in order to formulate and adopt a written working agreement setting forth the retirement systems' collective and individual ownership interests, duties, and responsibilities relating to the construction and management of the Public Pension Facilities authorized under Laws of Minnesota 1999, Chapter 222, Article 22, Sections 1 through 6. ("1999 Law").

WHEREAS, the 1999 Law authorizes the Commissioner of Administration to provide, through lease, acquisition or construction, a building and related facilities to be jointly occupied by the Boards for the administration of their public pension systems;

WHEREAS, the Commissioner has purchased real property in Ramsey County, legally described as Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County, upon which Public Pension Facilities are constructed;

WHEREAS, at their regularly scheduled public board meetings, the Boards adopted resolutions approving the acquisition of the land and the financing for, and construction of, Public Pension Facilities on that property and further, authorized the Facility Construction Committee established under this agreement to enter into a separate Interagency Agreement with the Department of Administration setting forth their respective responsibilities relating to the design, construction, and management of the Public Pension Facilities;

WHEREAS, the 1999 law requires any land, building, or facilities leased, constructed, or acquired under its provisions to be held in trust for the three retirement systems as tenants in common and further requires each retirement system to consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards;

WHEREAS, the 1999 Law requires the Pension Boards to:

[A]dopt a written working agreement that sets forth the nature of each retirement System's ownership interest, the duties and obligations of each system toward the construction, operation, and maintenance costs of its facilities, and identifies one retirement system to serve as manager for operations and maintenance purposes;

WHEREAS, the Boards have previously entered into an Interagency Agreement dated October 20, 1999, regarding the payment and reimbursement of costs associated with the real estate acquisition and preparation and for the consulting services for designing and constructing the Public Pension Facilities under which the Public Employees Retirement Association serves as the "providing agency" with reimbursements to be made to it by the other two retirement systems if revenue bonds are not subsequently issued;

WHEREAS, the Boards agree that the creation of a Facilities Management Committee, consisting of representatives from all three Boards, to oversee the management of the Public Pension Facilities by the retirement system selected under this agreement to serve as "Manager" will most effectively and efficiently direct the operations of the Public Pension Facilities while at the same time assuring that the Boards continue to exercise an appropriate and reasonable degree of fiduciary oversight and control over the operations and management of the Public Pension Facilities;

WHEREAS, each of the retirement systems intends to utilize and occupy an agreed upon percentage of the Public Pension Facilities and the Boards agree that costs, expenses, revenues, pledges of assets for the payment of any revenue bonds issued under the 1999 Law, and any realized or recognized increases and/or decreases in the value of the Public Pension Facilities should be apportioned, shared, and/or recognized by each retirement system based upon each system's percentage of use and occupancy of the Public Pension facilities;

WHEREAS, Public Pension Facilities providing office space for all retirement systems in the same building serves the best interest of the Boards, the pension fund members they represent, Minnesota's public employers and Minnesota's taxpayers since it will prove to be more cost effective over the life of the facilities than would the retirement systems' continued rental of private properties and buildings;

WHEREAS, the Boards are each empowered to enter into interagency agreements pursuant to Minnesota Statutes Section 471.59, subdivision 10 and the 1999 law directs that they do so for purposes of managing and operating Public Pension Facilities;

WHEREAS, the Boards mutually designate Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day to day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

WHEREAS, this Amendment No. 65 incorporates all changes previously agreed to by the parties in signed amendments and incorporates for reference the original AGREEMENT available for viewing at 60 Empire Drive, Suite 300, St. Paul, MN 55103;

NOW, THEREFORE, the Boards agree as follows:

SECTION 1. PURPOSE.

The Purpose of this Agreement is to adopt a written working agreement setting forth the nature of each retirement system's ownership interest in the Public Pension Facilities, the duties and obligations of each system toward the construction, operation, maintenance and debt service costs of the facilities, and the designation of one retirement system to serve as manager for operating and maintenance purposes, all as required under the 1999 Law. This agreement is also intended to set forth the steps and procedures to be followed in order to resolve disputes or uncertainties amongst the Boards relating to their collective and individual duties and responsibilities relating to the operation and management of the Public Pension Facilities.

SECTION 2. TERM OF AGREEMENT.

This Agreement shall be effective as of the date of the last signature hereto and shall remain in force and effect from year to year subject to amendment and shall not terminate in total unless there is a legislatively authorized sale of the Public Pension Facilities or divestiture of the Boards' interests therein.

SECTION 3. BINDING AGREEMENT.

This Agreement shall continue in full force and effect from year to year and shall be binding upon the Boards and their successors in interest, subject to amendment upon mutual agreement of the Boards. The duties and obligations under this agreement shall not be subject to termination or avoidance based upon a claim of breach of the agreement's provisions, material or otherwise, upon a claim of breach of one Board's respective duties and responsibilities, or for any other cause, and the duties and responsibilities of each Board may be specifically enforced through the dispute resolution provisions of Section 15 herein.

SECTION 4. DEFINITIONS.

- a. "Administrative Expenses" means the ongoing expenses related to managing, maintaining and operating the Facilities, including, but not limited to janitorial services, snow removal, lawn services, general building liability insurance that is not specific to anyone retirement system's liability coverage, maintenance of the heating and cooling systems, general security of the Facilities, Capital Expenditures approved by the Facilities Management Committee and non-capital costs of the Facilities. Administrative Expenses also include any rebate payments imposed by the federal government related to the revenue bonds, if applicable, but does not mean the principal and interest payments required to be paid to the Pension Building Debt Service fund by each Board as defined in the Joint Payment and Pledge Agreement.
- b. "Assets" means the cash, short-term investments and long-term investments of all the defined benefit plans administered by the Retirement Funds.
- c. "Boards" refers collectively to the board of directors of the Minnesota State Retirement System, the board of trustees of the Public Employees Retirement Association, and the board of trustees of the Teachers Retirement Association.
- d. "Bonds" means the revenue bonds authorized by the 1999 Law to be issued by the Commissioner of Finance to finance the purchase and construction of the Public Pension Facilities, and the refunding bonds issued in 2012.
- e. "Capital Expenditures" means any expenditure properly chargeable to a capital account under generally accepted accounting principles, including additions, improvements, repairs or replacements to the Public Pension Facilities [approved by the Facilities Management Committee.](#)
- f. "Commissioner" means the Commissioner of Administration.
- g. "Public Pension Facilities" and/or "facilities" refers collectively to the land, buildings and related facilities which are purchased and/or constructed under the authority of the 1999 Law and held in trust by the state for the three retirement systems as tenants in common.
- h. "Facilities Management Committee" means the committee of six consisting of two representatives appointed by each Board, which will be responsible under this Agreement for making decisions on the ongoing operation and maintenance of the Facilities.
- i. "Facilities Manager" means the retirement system and its identified representative(s), designated to serve as manager of the Facilities for operations and maintenance purposes under Section 11 of this agreement.
- j. "Joint Payment and Pledge Agreement" means the Joint Payment and Pledge Agreement among the Department of Finance (now Minnesota Management and Budget) and the Boards dated as of August 9, 2012, providing for payment of the principal and interest on the refunding Bonds issued in 2012.
- k. "Land" means that parcel of land legally described as: Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County.

- l. "Pension Building Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law into which the proceeds of the Series 2000 revenue bonds were deposited.
- m. "Pension Building Debt Service Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law, to which the Boards will transfer funds sufficient to pay principal and interest payments due on the Bonds issued under the 1999 Law.
- n. "Pension Building Operating Fund" means the fund to be established by the Department of Finance (now the Minnesota Department of Management and Budget) on behalf of the Boards which will receive any rental income and parking receipts and any additional transfers of funds by the Boards. The Fund will be used to pay all ongoing Administrative Expenses of the Public Pension Facilities.
- o. "Rental Income" means any income received through the lease of rental space to other governmental subdivisions, any income received through the lease of rental space to other state agencies under Section 16B.24, and any income from any rent paid by the Board(s) for the use of rental space which is in excess of the space initially allocated under Section 5 of this Agreement.
- p. "Rental Space" means any portion of the Public Pension Facilities which is not required for the Retirement Systems' direct use and is available for lease to other state agencies or political subdivisions.
- q. "Retirement Systems" refers collectively to the Minnesota State Retirement System "MSRS", the Public Employees Retirement Association "PERA" and the Teachers Retirement Association "TRA."

SECTION 5. THE RETIREMENT SYSTEMS' OWNERSHIP AND ADMINISTRATIVE INTERESTS IN THE PUBLIC PENSION FACILITIES

The Boards estimate that approximately ~~7382%-percent~~ of the Public Pension Facilities useable square feet will be used or occupied exclusively by the Retirement Systems. The remaining ~~2718~~ percent of the Public Pension facilities' space will not be directly occupied or utilized by any of the Retirement Systems and will constitute Rental Space, with ~~717~~ percent of that Rental Space expected to be leased to the State Board of Investment and ~~201~~ percent of that Rental Space expected to be leased to other state agencies or governmental subdivisions.

a. OWNERSHIP INTEREST is based upon the Retirement System's share of the total amount of bond payments when the bonds issued under the 1999 Law are fully repaid. Those percentages are:

Minnesota State Retirement System: 27.5%

Public Employees Retirement Association: 36.5%

Teachers Retirement Association: 36.0%

These percentages represent each Retirement System's OWNERSHIP INTEREST and will remain constant unless one Retirement System transfers a portion of its ownership to one or both of the other Retirement Systems as set forth in section 'f' of this section.

a.b. ADMINISTRATIVE INTEREST is Bbased upon the amounts of space each retirement system intends to use and occupy, the Boards have determined and have agreed to the percentage amounts which represent each Retirement System's proportionate share of the total space intended to be used exclusively by the Retirement Systems ~~on the date of occupancy of the facilities~~. Those percentages are:

Minnesota State Retirement System: ~~27.5~~37.1%

Public Employees Retirement Association: ~~36.5~~28.9%

Teachers Retirement Association: ~~36.0~~34.0%

These percentages represent each Retirement System's ADMINISTRATIVE INTEREST, OWNERSHIP INTEREST for proportion of Rental Income and, Administrative Expenses and Capital Expenditures in the Public Pension Facilities as of July 1, 2025.

Included in the percentage amounts allocated to each Retirement System's ADMINISTRATIVE INTEREST interest are portions of common areas of the Facilities which will be shared or used by one or more of the retirement systems. Common areas are allocated to, and included in each Retirement System's ownership interest based upon the following agreements as to how shared space will be allocated to each Retirement System's ownership interest:

- ~~1.~~ 1. The Boardroom is shared equally ~~and; one-third of the total Boardroom space and its use is allocated to the ADMINISTRATIVE INTEREST of each Retirement System.~~
- ~~1.2.~~ 1.2. The Training Room is shared equally ~~and; one-third of the total Training Room space and its use is allocated to the ADMINISTRATIVE INTEREST ownership interest of each Retirement System.~~
- ~~2.3.~~ 2.3. ~~The Training Center is shared equally.~~ The Computer Training Room is allocated entirely to TRA. ~~These allocations will be used when determining ownership ADMINISTRATIVE INTERESTS interests.~~ MSRS and PERA will rent space in the Computer Training Room on an as-needed basis.
- ~~3.4.~~ 3.4. General Storage space is allocated to the Retirement System's ADMINISTRATIVE INTERESTS ~~ownership interests~~ based upon the actual square footage requested to be used by each:

Minnesota State Retirement System: ~~129~~555 square feet
 Public Employees Retirement Association: ~~980~~554 square feet
 Teachers Retirement Association: 765 square feet

All other common areas and space used by all three Retirement Systems is allocated on the basis of the percentages set forth in paragraph 'a'-'b' of this section.

~~b.c.~~ The ADMINISTRATIVE INTEREST ownership interests will remain constant throughout the ownership of the Public Pension Facilities unless the amounts of space each retirement system intends to use and occupy changes ~~one Retirement System purchases all or a part of an ownership interest in the facilities from one or more of the other Retirement Systems~~ or unless future legislation requires a change. The use or rental of any of the Rental Space will not change the Retirement Systems' ADMINISTRATIVE INTEREST percentage ~~OWNERSHIP INTERESTS ownership interests and will.~~

~~c.d.~~ e.d. The percentages set forth for each Retirement System's ADMINISTRATIVE INTEREST ownership interest shall:

1. Determine each Retirement System's share of the total amount, if any, required to be contributed by the Retirement Systems to the Pension Building Operating Fund for Administrative Expenses;
2. ~~Determine each Retirement System's share of the cost of any future capital expenditures;~~
- ~~3.1. Determine each Retirement System's share of the total amount of assets which must be pledged and appropriated to the Pension Building Debt Service Fund in order to pay when due, the principal and interest on the bonds issued under the 1999 Law.~~
- ~~4.1. Determine the fixed asset value of each Retirement System's ownership interest in the Public Pension Facilities to be used for financial accounting, reporting and disclosure purposes;~~

e. The percentages set forth for each Retirement System's OWNERSHIP INTEREST shall:

1. Determine the percentage amounts each Retirement System will receive from proceeds derived from the sale or exchange of the Public Pension Facilities.
2. Determine each Retirement System's share of the total amount of assets which must be pledged and appropriated to the Pension Building Debt Service Fund in order to pay when due, the principal and interest on the bonds issued under the 1999 Law.
3. Determine the fixed asset value of each Retirement System's ownership interest in the Public Pension Facilities to be used for financial accounting, reporting and disclosure purposes;
~~1.4.~~
- f. One Retirement System may ~~sell and~~ transfer a portion or all of its ownership interest to one or both of the other Retirement Systems. ~~The Facilities Management Committee All the Boards~~ must approve the ~~transfersale and, in the event a sale is contemplated, the Boards will request the assistance of the Commissioner in determining the fair market value of the interest proposed to be sold.~~ The percentages that represent each retirement system's ownership interest and participation on the Facilities Management Committee shall be adjusted to correctly reflect the new ownership interests and shall be set forth in an amendment to this Agreement.
- ~~d.g. If a Retirement System has ceded a portion of the space it used and occupied to another Retirement System or for Rental Space the Retirement System may reclaim that space upon reasonable written notice and, if necessary, consistent with the terms of the lease agreement to the occupying Retirement System or Lessee. If a Retirement System has ceded a portion of the space it used and occupied to another Retirement System or for Rental Space, that Retirement System has priority over the other Retirement Systems to reclaim the space if it later becomes available.~~

SECTION 6. FINANCING.

- a. Pursuant to the Joint Payment and Pledge Agreement, the Boards will periodically deposit into the Pension Building Debt Service Fund their percentage of the total payments required to assure payment of the interest and principal amounts due on the Bonds. Once the Bonds are retired, the Boards will discontinue depositing payments into the Pension Building Debt Service Fund, but will continue to pay their proportionate share of the amounts required to be paid to the Pension Building Operating Fund for the cost of operating and maintaining the Facilities.
- b. A separate account is established as the Pension Building Fund into which the Department of Finance (now Minnesota Management and Budget) deposited the proceeds of the sale of the Series 2000 revenue bonds. These funds are to be used to pay the costs of issuance of the bonds and costs related to the acquisition and construction of the Public Pension Facilities, including, but not limited to, land acquisition, consulting services, construction, and relocation of the retirement systems to the Facilities when completed.
- c. Rental Income will be deposited into the Pension Building Operating Fund and all ongoing Administrative Expenses will be paid from this account. The Facilities Manager must carry forward any income accruing from Rental Income over and above the annual amount needed to offset ongoing Administrative Expenses to be utilized for future Administrative Expenses. The Facilities Manager is not authorized to expend any funds in the Pension Building Operating Fund above those approved and must administer the budget within the polices and standards adopted by the Facilities Management Committee.
- d. In the event of a shortfall in the Pension Building Operating Fund needed to pay -Administrative Expenses, the Retirement Systems shall pay their proportionate share of the shortfall in accordance

with the ~~ownership interest~~Administrative Interest percentages set forth in Section 5. Each Retirement System's share of the additional Administrative Expenses must be transferred within a reasonable time to the Pension Building Operating Fund upon notice from the Facilities Manager that the additional funds are needed to cover the shortfall. The Facilities Manager will set and enforce through the provisions of Section 15 if necessary, the time period within which payments must be made.

- e. If a Retirement System decides to occupy space in excess of its ~~initial~~ occupancy space through lease rather than ~~transfer~~purchase, the additional space will be leased at the rate for Rental Space set and approved by the Facilities Management Committee. The lease payments will be deposited in the Pension Building Operating Fund.

SECTION 7. FACILITIES CONSTRUCTION COMMITTEE.

- a. A Facilities Construction Committee ("Construction Committee") consisting of the Executive Directors of each Retirement System is hereby established. If an Executive Director cannot attend a meeting and a decision must be made at that meeting, the Chief Financial Officers of MSRS, PERA, and TRA shall attend and vote (the "Designated Replacements"). Major decisions regarding construction of the Facilities must be agreed to unanimously. If all three Executive Directors or their "Designated Replacements" are not present at a meeting when a major decision is to be made, and the major decision can be delayed without adversely affecting the construction budget or schedule, the decision shall be postponed.
- b. The Facilities Construction Committee is authorized to make all necessary decisions regarding all aspects of construction of the Facilities, except for approval of the final design, which must be presented to the Boards for approval. Upon completion of the Facilities and the resolution of all issues concerned with construction of the Facilities and upon the Retirement Systems occupancy of the Facilities, the Committee will cease to exist.
- c. In connection with issuance of the refunding Bonds in 2012, the Boards have entered into an updated Joint Payment and Pledge Agreement that supersedes the agreement entered into at the time of issuance of the Series 2000 Bonds.

SECTION 8. DUTIES OF THE FACILITIES CONSTRUCTION COMMITTEE.

The Facilities Construction Committee shall meet as necessary with the Commissioner and consultants until final occupancy of the Facilities in order to:

- a. Enter into an Interagency Agreement with the Department of Administration regarding construction of the Facilities.
- b. Review legal and covenant issues regarding limitations on the Land.
- c. Prepare and issue a Request for Qualification (RFQ) to obtain a list of interested design/build teams.
- d. Review RFQ responses and select the most qualified candidates based upon experience, technical competence, past performance, capability to perform and other appropriate facts to be requested to respond to a Request for Proposal (RFP).
- e. Prepare and issue an RFP specifying standards and parameters for the design, layout, floor plans and construction of the new Facilities.
- f. Review RFP responses, evaluate proposals, and select design/build team based upon design, cost, quality, aesthetics and the best overall value to the state pension funds.
- g. Recommend and present the final design of the Facilities to all boards for their approval at a joint meeting of the Boards.

- h. Monitor progress on the project in accordance with the schedule and standards set in the construction proposal and agreement and jointly approve any change orders to the original specifications.
- i. Plan the moving of the three retirement systems to the Facilities in accordance with its completion.

SECTION 9. FACILITIES MANAGEMENT COMMITTEE.

A "Facilities Management Committee" is hereby created to be responsible for assuring the performance of the terms of this Agreement and for the overall operation and maintenance of the Facilities. The Facilities Management Committee shall have such powers as specified herein and as necessary to carry forth the terms and intentions of this Agreement.

a. Membership

The Facilities Management Committee will be comprised of two representatives from each Board. These representatives shall be appointed by each Board at a regularly scheduled public Board meeting and shall be appointed by motion.

b. Meetings of the Facilities Management Committee

The Facilities Management Committee shall hold its first meeting within 30 days of the effective date of this agreement and at least once each year and from time to time as necessary for it to carry out its duties and responsibilities. Additional meetings can be requested by any of the members of the Facility Management Committee as well as by the Facility Manager. Meeting dates shall be set at times all representatives can meet. In the event a representative designated by a Board cannot attend the meeting, that Board's Executive Director shall attend the meeting in the designee's absence and have full voting rights. Representatives shall report the results of each meeting to their Boards at their next regularly scheduled meeting.

c. Voting

- 1. Each representative shall have one vote.
- 2. For decisions regarding maintenance and operation of the Facilities a quorum of six is required and a decision may be made by a majority vote.

d. Improvements to the Facilities/Remodeling

- 1. Before any Capital Expenditure can be made for the Facilities, the Facilities Management Committee, based upon a quorum of six, must unanimously agree to the recommended expenditures. Capital Expenditures are additions, replacements, major repairs, and reinstallations or rearrangements of the Facility with a cost of \$300,000 or greater. Expenditures for additions, replacements, repairs, and reinstallations or rearrangements of the Facility with a cost of less than \$300,000 will be approved by a majority vote. The Facilities Manager will notify the Commissioner of proposed Capital Expenditures and the Committee's authorization for any repairs or improvements to the Facilities.
- 2. Any remodeling or reconfiguration within the office space of each Retirement System is at the discretion of the individual system and its Board of Trustees and does not need approval by the Committee or the Commissioner.
- 3. The Retirement System remodeling or reconfiguring its office space is responsible for paying all costs related to the remodeling or reconfiguration from its own operating expenses. No costs for a Retirement System's remodeling or reconfiguration will be paid for from the Pension Building Operating Fund except as follows: If a Board believes the remodeling or reconfiguration should be included in Administrative Expenses paid for out

of the Pension Building Operating Fund, the Facilities Manager must present the project to the Facilities Management Committee for consideration and approval.

4. The Retirement Systems must notify the Facilities Manager in writing of any proposed remodeling or reconfiguration of their occupied space, whether leased or owned, within 60 days prior to allowing the work to begin. If the Facilities Manager determines the proposed work could adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities, the proposed project must be presented to the Facilities Management Committee for approval before work is initiated. Approval must be based upon a majority vote with a quorum of six.
5. Notwithstanding the above, no improvements, remodeling or reconfiguration that might adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities may be undertaken unless the action has been jointly approved by the Facilities Management Committee and the Commissioner of the Department of Administration.

e. Facilities Maintenance

Pursuant to the 1999 law, the Facilities Management Committee may negotiate with the Department of Administration to utilize the services of its Plant-Facilities Management Division for maintenance, or may contract for services with independent third parties.

f. Sale of the Facilities

1. So long as the Bonds are outstanding, one or more of the Retirement Systems must continue to own a total of 100 percent equitable interest in the Public Pension Facilities and the Boards must assure that the Commissioner continues to hold full legal interest in the facilities in trust for one or more of the Retirement Systems.
2. Upon any legislatively authorized sale of the Facilities, proceeds from the sale are to be allocated exclusively to the Retirement Systems in accordance with their respective ownership interests as defined by the percentages set forth in Section 5 of this Agreement.

SECTION 10. DUTIES OF THE FACILITIES MANAGEMENT COMMITTEE.

The Facilities Management Committee shall:

- a. Set standards and responsibilities for the use and operation of the Facilities not otherwise addressed in this Agreement.
- ~~b. Approve selection of contract proposals for any work.~~
- ~~c.b.~~ Establish an annual budget for ongoing operation and maintenance of the Facilities. The total annual budget cannot be exceeded unless approved by the Facility Management Committee.
- ~~d.c.~~ Set standards and policies for administering the approved budget.
- ~~e.d.~~ Approve all Capital Expenditures that will be paid out of the Pension Building Operating Fund and all projects undertaken by a retirement system or tenant that might adversely affect the value, structural integrity, utility, mechanical, electrical, or communication functions of the Facilities.
- ~~f.e.~~ Select the entities to provide maintenance-related activities, services, and supplies. The Facilities Management Committee may decide to contract with independent third parties for such services or may use the services of the Department of Administration, Plant Management.
- ~~g.f.~~ If additional rental space is available for lease within the Facilities, the Facilities Management Committee shall first inform the Boards of its availability and determine the feasibility of one or more of the Retirement Systems leasing that space before the rental space is made available to

other governmental entities. The committee shall notify the Commissioner of Administration if one or more retirement systems intend to lease additional space before any of the rental space is offered to other governmental agencies.

~~h.g.~~ Notify the Commissioner of the approval or rejection of any governmental entity proposed as a tenant by the Commissioner.

~~i.h.~~ Set ~~written~~ policies and procedures regarding parking and the payment for parking at the Facilities.

~~j.i.~~ If found to be desirable, separately contract with public or private providers for the establishment and operation of lunchroom and/or vending services.

~~k.j.~~ Oversee the operations of the Facilities Manager.

SECTION 11. FACILITIES MANAGER.

The Boards designate the Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day to day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

a. The Facilities Manager shall remain an employee of MSRS and MSRS shall continue to pay the Facilities Manager the salary established for ~~his/her~~ their MSRS position. The Facilities Management Committee shall determine the value of the services provided by the Facilities Manager and the amount so determined shall be paid ~~from the Pension Building Operating Fund~~ to MSRS from PERA and TRA as reimbursement for salary paid by MSRS while its employee performed the duties of Facilities Manager.

~~b.~~ If the Facility Management Committee decides at any time to contract for management services for the Facilities rather than using the designated Facilities Manager, all expenses related to the contracted management services constitute Administrative Expenses that must be paid from the Pension Building Operating Fund.

~~b.—~~

~~c.~~ Each Retirement System shall authorize ~~in writing three staff~~ personnel who may contact the Facilities Manager, on behalf of one or more retirement system employees or tenants with complaints and suggestions regarding the Facilities.

SECTION 12. DUTIES OF THE FACILITIES MANAGER.

The Facilities Manager shall:

- a. Coordinate the yearly budget preparation and present the budget recommendation to the Facilities Management Committee for refinement and approval as set forth in Section 14.
- b. Maintain separate accounting for the Pension Building Operating Fund. Prepare annual and "upon-request" financial operating statements for the Facility Management Committee, the legislative auditor, and each of the Boards.
- c. Reconcile the Pension Building Operating Fund on a regular basis, ensuring that Rental Income is appropriately received and that expenses are paid.
- d. Ensure that all billings received accurately represent the work completed under the terms of agreements and/or contracts. Issue payments to vendors when valid billings are received.
- e. When Rental Income does not cover expected Administrative Expenses for the Facilities, calculate the portion owed by each retirement system based upon their percentage ownership interests and submit an invoice to each retirement system.

- f. Prepare Requests for Proposals for services when needed and present vendor recommendations to the Facilities Management Committee ~~for approval, and .When approved,~~ prepare contracts accordingly.
- g. Act as liaison between all of the Facilities' tenants and service vendors, relaying requests and monitoring vendor performance.
- h. Authorize expenditures within the budget established by the Facility Management Committee.
- i. Perform other duties as requested by the Facility Management Committee.
- j. Manage the day-to-day operations and maintenance of the Facilities.

SECTION 13. DUTIES OF THE RETIREMENT SYSTEMS.

Each Retirement System shall:

- a. Arrange their system's ~~telephone communications~~ services and pay all charges for installation and ~~telephone~~ usage directly to the ~~telephone~~ company following initial occupancy of the Facilities;
- b. Maintain the premises occupied by their system in a reasonably clean and sanitary condition;
- c. Assume all responsibility for security against theft, vandalism or accidental loss of any kind whatsoever in the spaces solely occupied by their system;
- d. Share responsibility for security against theft, vandalism, or accidental loss of any kind whatsoever in the shared-ownership areas of the Facilities through the purchase of general liability insurance to be paid from the annual budget established for operating and maintaining the Facilities;
- e. Comply with all applicable municipal, county and state laws, ordinances and regulations, and obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required for their use of the Facilities;
- ~~e.f.~~
- ~~f. Agree that it will not discriminate by segregation or otherwise against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility including any and all services, privileges and activities provided therein or violate any provision of the Minnesota Human Rights Act or any other applicable law or rule. Agree that they will not discriminate against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any Facilities including any and all services, privileges and activities therein;~~
- g. Maintain in good repair and condition the space in the Facilities occupied solely by their retirement system and that space shared jointly by their respective agencies including any and all equipment, fixtures or appurtenances;
- h. Agree not to use the Facilities in any way which, in the judgment of the Facility Management Committee, poses a hazard to occupants of the Facilities, or to the Facilities per se, in part or whole, and agree not to use the Facilities so as to cause damage, annoyance, nuisance or inconvenience to other occupants, tenants or business invitees of the Facilities.
- i. Provide heating and air-conditioning consistent with the policies and standards established by the Facilities Management Committee.

SECTION 14. ESTABLISHING THE ANNUAL BUDGET.

- a. The Facilities Manager must meet with the financial management representatives of the PERA and TRA to establish the appropriate annual budget for operating and maintaining the Facilities. This group will jointly determine the appropriate level of funding required to operate the Facilities. In the event of disagreement among these representatives, the Facilities Manager is to make the final decision regarding the budget to recommend to the Facilities Management Committee.

- b. ~~In-Prior to~~ April 15 of each year, ~~t~~The Facilities Manager shall submit the recommended budget for the next new fiscal year of July 1 through June 30 to the Facilities Management Committee. The budget will consist of three components:
1. Capital Expenditures as defined in Section 4 must be separately presented for consideration. Costs will be shared by the Retirement Systems in accordance with the percentage ownership interests defined in Section 5 and paid from the Pension Building Operating Fund, or as agreed to by the Facilities Management Committee.
 2. Operational Budget - Expenses related to operating and maintaining the Public Pension Facilities to be paid from the Pension Building Operating Fund. The Facilities Manager will bill each Retirement System when it is determined that the Pension Building Operating Fund does not have sufficient revenue to cover the Administrative Expenses.
 3. ~~Parking Fund - A s~~Separate accounts shall exist to manage the operation of the parking structure related to the Public Pension Facilities. ~~Any revenue from the leasing of parking spaces will be remitted to the Facility Manager and used to offset depreciation and operating expenses of the parking facility. Any excess will be accounted for separately and must be carried forward to be used specifically to offset expenses related to the parking structure.~~
- c. The members of the Facilities Management Committee must report to their respective Retirement Systems the amount of funding, if any, which is required to be included in each Retirement System's administrative budget to augment the funds available from the Pension Building Operating Fund in order to meet the operational budget needs of the Facilities.

SECTION 15. DISPUTE RESOLUTION.

Any dispute among the Boards, or the Retirement Systems' representatives regarding their respective duties and obligations under this agreement and any dispute regarding the operation, maintenance or improvement of the Public Pension Facilities, whether specifically addressed in this agreement or not, shall first be presented to the full Facilities Management Committee for resolution pursuant to the procedures set forth under Section 9 of this Agreement.

- a. A dispute shall be presented to the Committee by submitting a written request to the Facilities Manager, with notice to each Retirement Systems' Executive Directors, which shall set forth the nature of the dispute and the resolution requested.
- b. The Facilities Manager shall convene a special meeting of the Committee to be held within 30 days following receipt by the Manager of the written request.
- c. The Committee may resolve disputes regarding operations and maintenance of the Public Pension Facilities by majority vote of the full committee.
 1. If the Committee cannot agree on a decision regarding operations or maintenance, the Committee shall, in accordance with the 1999 Law, request the Commissioner to appoint a representative from the Department of Administration's Real Estate Management Services Division to serve as arbitrator of the dispute with the authority to issue a written resolution which shall be binding on the Committee, the Manager and the retirement systems.
 2. In the event a Board, Retirement System or their representatives refuse to abide by a decision properly falling under the authority of the Commissioner, ~~r~~ enforcement of the terms of the decision may be pursued in the appropriate judicial forum without resort to further mediation or arbitration

- d. Any dispute regarding a Board's or retirement system's individual duties and responsibilities under the terms of this agreement or the 1999 Law shall be subject to the mediation and arbitration provisions of Section 16 of this Agreement.

SECTION 16. BREACH OF AGREEMENT.

If a Board, Retirement System or their representatives believe that another Board, Retirement system or their representatives have not fulfilled their duties and obligations under this agreement or the 1999 Law:

- a. A written claim of breach may be served by that Board's Executive Director upon the other Retirement Systems' Executive Directors and upon the Facilities Manager.
- b. The Facility Manager shall confer with the Commissioner or the Commissioner's designated representative or legal counsel, to determine if the claim is a breach or should be subject to the Dispute Resolution processes defined under Section 15 of this Agreement.
 - 1. If the Facilities Manager and the Commissioner believe that a breach has occurred, the steps defined in this section are to be followed.
 - 2. If it is determined that no breach has occurred, the steps for resolving a dispute, as defined in Section 15 are to be followed.
- c. The Facilities Manager shall promptly serve notice on the Executive Director of the Retirement System against which a breach is alleged demanding that within 30 days, either:
 - 1. The claimed breach be remedied, or
 - 2. A written statement be served on the Facilities Manager and the Executive Directors of the other Retirement Systems setting forth the reason and facts upon which it is claimed that a breach has not occurred.
- d. A breach may be remedied by:
 - 1. Mediation - any Board or Retirement System, acting through its Executive Director, may elect to initiate mediation proceedings in an attempt to resolve the dispute. Mediation shall be initiated within 15 days following receipt of a written response submitted pursuant to paragraph 3(~~bc~~) herein and shall be conducted by an independent third party, duly qualified as neutral and listed on the Minnesota State Court ADR Roster, and agreeable to all participating Retirement Systems. Costs of the mediator shall be shared equally by the Retirement Systems which all agree to participate in any mediation so initiated and will inform their representatives of the extent of their authority and upon which terms they would have the authority to commit the Retirement System to a mediated settlement; or
 - 2. Arbitration - if not resolved following the first scheduled mediation session, any alleged breach of the terms of this Agreement shall be subject to binding arbitration. Arbitration shall not be initiated until 15 days have passed following the first mediation session. If mediation has not been initiated within 15 days of the receipt of a response issued under paragraph 3(~~bc~~) herein, and then arbitration may be initiated by a Retirement System following the expiration of that 15-day time period. Arbitration shall be before a neutral arbitrator agreeable to all Retirement Systems. If they cannot agree upon an arbitrator, then the dispute shall be submitted to an arbitration panel consisting of three persons, one chosen by the Retirement System alleged to be in breach, one chosen by the Retirement System claiming breach, and the third chosen by the Facilities Manager. Cost of the arbitration panel shall be shared equally by the participating Retirement Systems. Arbitration shall be held at the Public Pension Facilities and shall be considered to be subject to the Open Meeting Law. It shall be conducted pursuant to the provisions of Minn. Stat. Chapter 572 and any decision rendered by the arbitrator or the arbitration panel shall

be binding upon the boards and retirement systems in accordance with Minn. Stat. Chapter 572.

- e. If the arbitration process establishes a breach, the retirement system responsible for the breach shall be liable to reimburse any expenses incurred by the other retirement systems participating in the arbitration and any damages incurred by the breach. If no breach is determined, costs shall be shared equally by the participating Retirement Systems.

SECTION 17. AMENDMENTS TO AGREEMENT.

Amendments to this Agreement may be proposed by any of the Boards or their Executive Directors or by the Facilities Management Committee. Any amendment proposed must be ~~unanimously~~ approved by majority vote of the Facilities Management Committee before presentation to the Boards for consideration. Each Board must adopt the proposed amendment before it can be signed and become effective. Any amendments so approved shall be in writing, and shall be executed by the appropriate representatives of all three Retirement Systems.

SECTION 18. ASSIGNMENT.

No Retirement System shall assign or transfer any rights or obligations under this Agreement without the prior written consent of the other retirement systems and no assignment may be made except to the extent permitted under the Joint Payment and Pledge Agreement.

SECTION 19. INSURANCE; LIABILITY.

- a. It shall be the duty of each Retirement System to maintain insurance or self-insurance, at their sole option, on their own fixtures and personal and office property. If a Retirement System does not purchase insurance, the other Retirement Systems do not assume any liability or responsibility to compensate for any loss or damage.
- b. Each Retirement System will be responsible for its own acts and the results thereof, to the extent responsibility is fixed or authorized by law, and shall not be responsible for the acts of the other Retirement Systems or tenants.
- c. The Facilities Management Committee, in consultation with the Department of Administration's Risk Management Division, shall determine the appropriate level of general liability and property insurance coverage needed to protect the total ownership interest in the Facilities. Premium costs incurred for appropriate level of insurance are to be paid for from the Pension Building Operating Fund as part of Administrative Expenses.

SECTION 20. AUDIT.

The books, records, documents, and accounting procedures and practices of the Retirement Systems relating to the maintenance and operation of the Public Pension Facilities are subject to examination by the Legislative Auditor.

SECTION 21. RECITALS.

The Recitals constitute an integral part of this Agreement and are incorporated into the body of this Agreement hereby.

SECTION 22. CONFLICT.

In the event of a conflict between the terms of this agreement and the Joint Payment and Pledge Agreement, the terms of the Joint Payment and Pledge Agreement shall control.

SECTION 23. HEADINGS.

All headings are for informational purposes only and are not to be used in construing or interpreting this Agreement.

SECTION 24. EXECUTION AND COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 25. CARE OF THE PREMISES.

The Retirement Systems shall occupy the Facilities, maintain the premises in good condition making such improvements as may be required to do so and shall not commit or suffer to be committed any waste upon or within the Facilities. No alterations shall be made without the written consent of the Facilities Management Committee.

IN WITNESS WHEREOF, the Boards, through their authorized and empowered Executive Directors, this Agreement to be duly executed with the intent to bind their respective Retirement Systems to its terms and conditions.

MINNESOTA STATE RETIREMENT SYSTEM

By: _____

Title: _____

Date: _____

TEACHERS RETIREMENT ASSOCIATION

By: _____

Title: _____

Date: _____

PUBLIC EMPLOYEES RETIREMENT SYSTEM

By: _____

Title: _____

Date: _____



Strategic Planning Presentations





Partnering for Success

**State of Minnesota Teachers
Retirement Association**

Julie Becker, Partner
Benita Falls Harper, Associate Partner
Aon Consulting, Inc.

June 10, 2026

**Proposal for Governance
Consulting Services**



Agenda

1

General Introduction -
Who We Are

2

Discussion of Our
Governance Services

3

Why Aon

4

Questions



1

General Introduction- Who We Are



Introduction to Aon: Fiduciary Services Practice Team



Julie Becker

Partner

Fiduciary Services Practice

- Fiduciary Services Practice Leader, Co-Head of Aon's Public Sector Solutions
- Licensed attorney for 32 years, 28 years of industry experience
- General Counsel for the Ohio Public Employees Retirement System for 16 years
- National Association of Public Pension Attorneys Fiduciary & Plan Governance Committee Co-Chair



Benita Harper

Associate Partner

Fiduciary Services Practice Member

- Licensed attorney with private and public industry experience
- General Counsel and Executive Director for the Fort Worth Employees' Retirement Fund
- Member of National Association of Public Pension Attorneys Cybersecurity & Data Privacy, Funding Challenges and Investment Committees



David Forman

Consultant

Fiduciary Services Practice Member

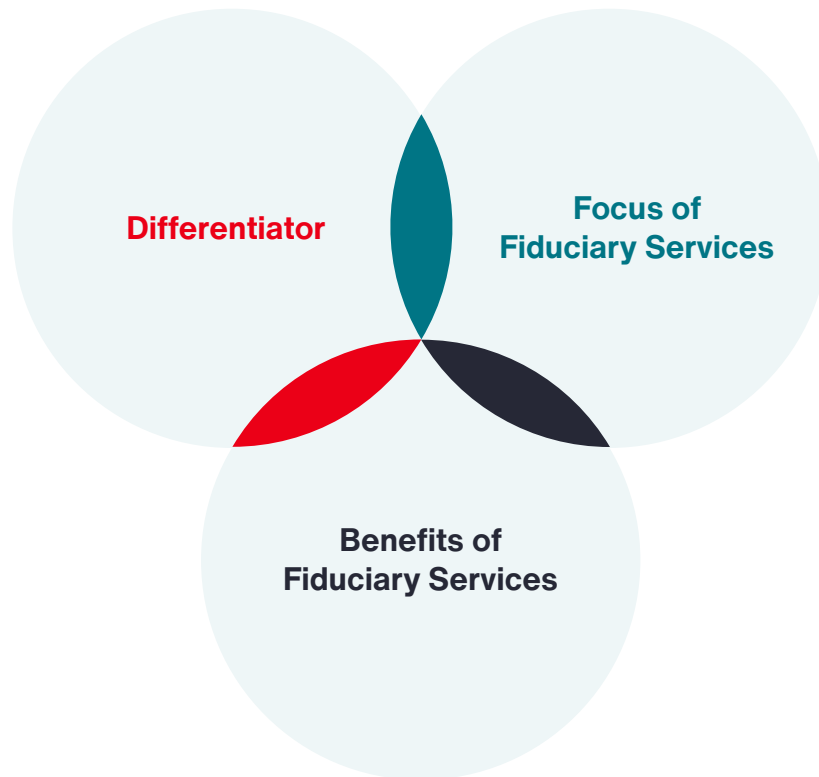
- Provides research and support to the Fiduciary Services Team, including governance and project work
- Chartered Financial Analyst (CFA)

Relevant Experience

- Providing governance advice and refinements to existing policies and procedures, and making customized recommendations based on the specific circumstances of each client
- Developing tailored governance policies and procedures
- Assisting with the development of board and committee charters
- Facilitating board self-evaluations, executive director and chief investment officer evaluations, as well as consultant/service provider evaluations
- Creating and facilitating new trustee orientation training
- Providing fiduciary and governance education
- Strategic Planning
- Serving as a trusted advisor on the practices of institutional investors



Aon's Fiduciary Services Practice



- Aon's Fiduciary Services helps boards/committees and staff to design a governance framework of prudent processes which are aimed at assisting them in complying with their fiduciary obligations.
- Fiduciary Services routinely compares an organization's practices to industry common and best practices. Such knowledge is essential to fiduciaries so they can make informed decisions.

- Distinct practice fosters a culture of fiduciary standards awareness and the importance of "good governance."
- Provides access to a full menu of fiduciary and governance services to a broad spectrum of institutional investors and internally to our investment colleagues.

- Assists clients in understanding their fiduciary responsibilities and the value of good governance.
- Tangible and intangible benefits often include: adoption of "good governance" practices, implementation of risk mitigation tools, and enhanced stakeholder confidence.

Fiduciary Services' Experience with Public Funds



Representative List of Public Fund Clients We Have Worked For-Past 5 Years

- Minnesota State Board of Investment
- New York State Teachers' Retirement System
- Teachers' Retirement System of Louisiana
- Oklahoma Teachers' Retirement System
- Teacher Retirement System of Texas
- Teachers' Retirement System of the State of Illinois
- City of Los Angeles-Department of Water and Power Employees Retirement Plan, City Employees Retirement System, and Fire and Police Pensions
- San Diego City Employees' Retirement System
- Nebraska Investment Council
- Indiana University
- Oregon State Investment Board
- Kern County Employees' Retirement Association
- San Jose Office of Retirement Services
- Texas Hospital Association
- Vermont Pension Investment Committee
- Lower Colorado River Authority
- CPS Energy Pension Plan
- Contra Costa County Employees' Retirement Association

2

Discussion of our Services



Elements of Good Governance



Strategic Plan



Orientation Ongoing Training & Education



Culture of Conflicts of Interest Avoidance



Monitoring



Transparency & Accountability



Efficient Meetings



Agendas



Annual Work Plan



Minutes



Prudent Documentation



Board/Committee Member Engagement



Committees



Laws



Policies



Effective Leadership

Importance of Strategic Planning

- 1 Allows all ideas to be heard and given due consideration
- 2 Creates a structure to recognize opportunities and avoid mistakes
- 3 Makes planning a process-driven, rather than personality-driven, effort
- 4 Promotes the efficient use of Board time, staff resources, and the budget
- 5 Establishes guidelines for measuring success

Strategic Planning Terminology

Mission

- Who are we?
- Why do we exist?

Strategies

- What do we want to achieve?
- What are our priorities?

Action Plans

- What measurable steps do we need to take to achieve our goals?
- How will we allocate our time, talent, and budget to reach our goals and objectives?

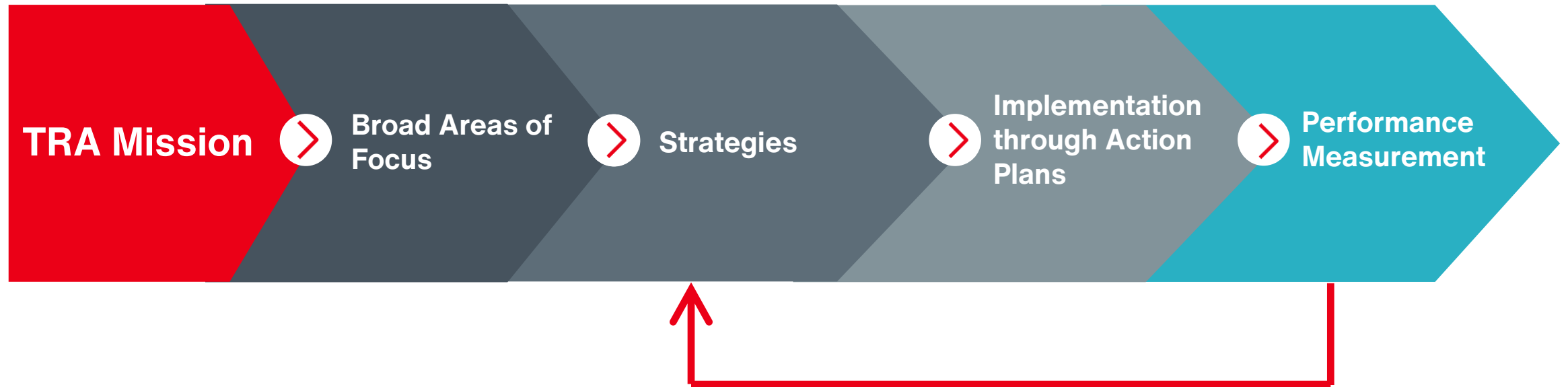
Implementation

- Who is responsible for doing what?
- When are the deadlines?

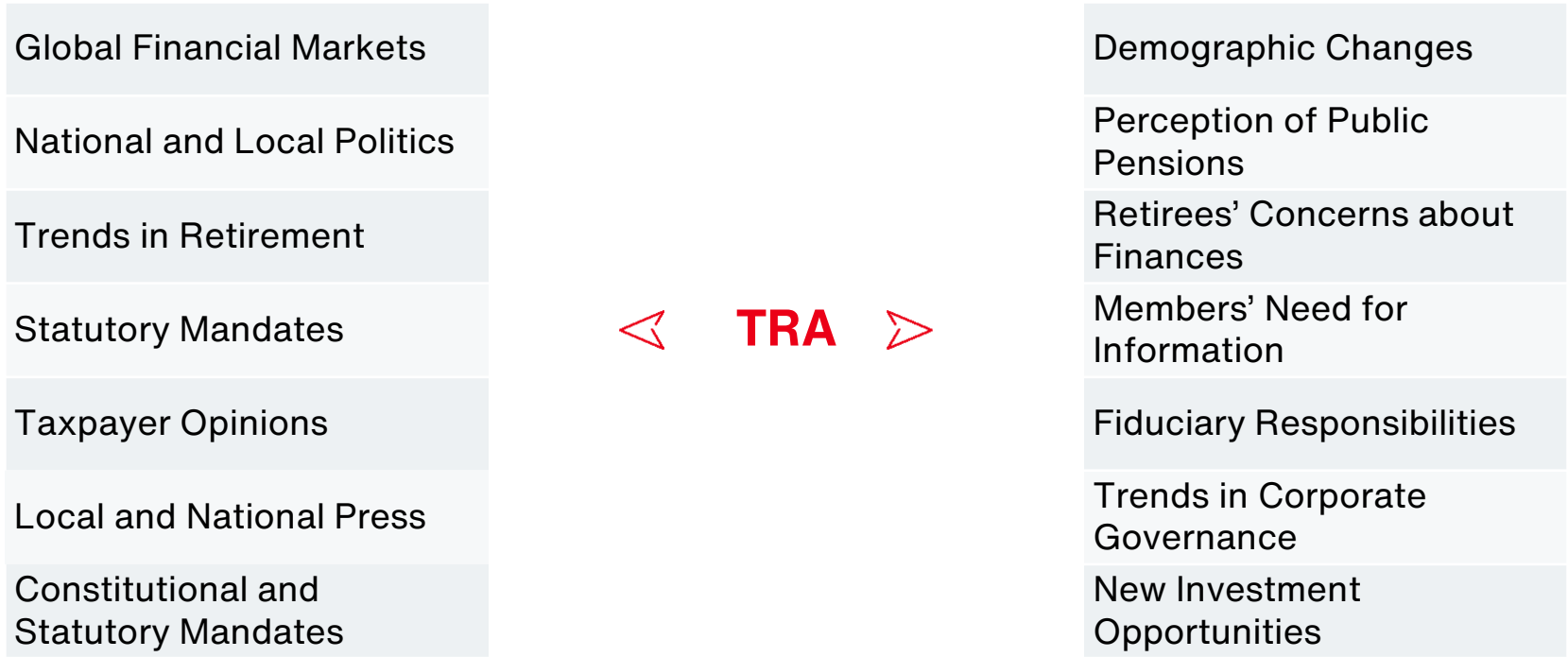
Performance Measurement

- How successful have we been?
- What changes do we need to make?

Strategic Planning: A Continual Process



Impact from the Environment



Creating Goals and Objectives

Effective strategic plans have five to seven goals that focus on matters that will be:

- costly to resolve
- involve significant staff effort
- require the Board's attention
- span several years

Goals

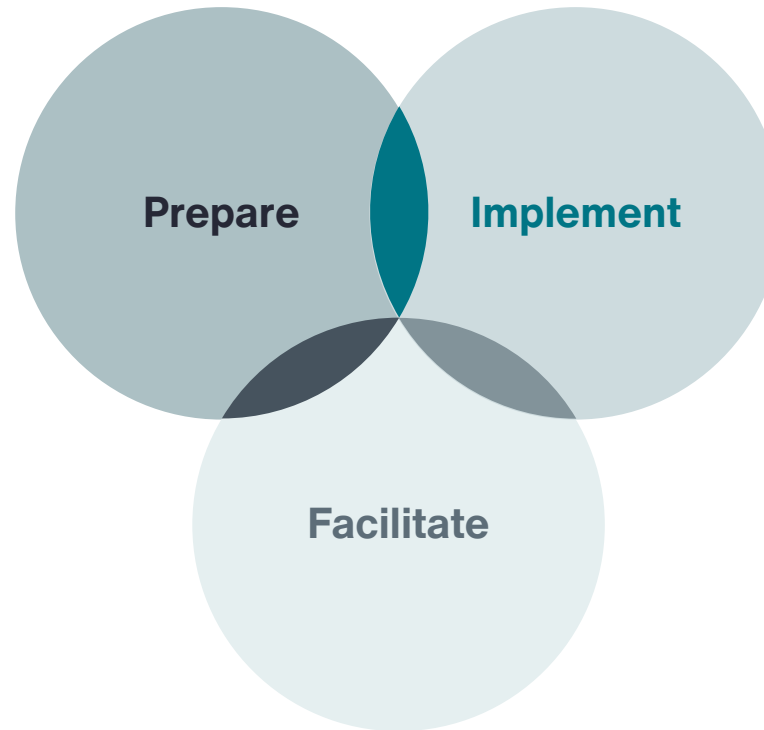
- state what you seek to accomplish
- state what you want to change

Objectives

- identify measurable steps you need to accomplish goals
- create focus and motivation toward goals

Core Services-Board Self-Evaluation Process

- 01 Review**
Discussion with Board Chair on suggested timeline and current governance issues. Review last year's self-evaluation results and identified action plans
- 02 Create**
Draft self-evaluation survey, update prior year's survey if necessary. Include status check on prior year's action plans.
- 03 Obtain Feedback**
Board Chair reviews the draft survey to ensure it aligns with the Board's needs.
- 04 Finalize Assessment Tool**



- 05 Collect Data**
Board members complete self-evaluation survey
- 06 Confidentiality Promotes Candor**
No comments or scores are attributed to any one Board Member, promoting candor and increases the likelihood of participation
- 07 Analyze Results**
Consolidate and analyze data. Prepare summary report
- 08 Facilitate Board Discussion**
Present findings to the Board and lead discussions on data; identify themes, ongoing patterns
- 09 Assist with Follow-up**
Document key outcomes/action plan from the Board's discussion. Be available for follow-up about policy or procedure changes.

Other Services



- Reviewing and development of board governance policies
- Governance Reports
- New Trustee Orientation
- Strategic planning at board and staff levels
- Development and review of board and committee charters
- Advice on delegation and oversight methods
- Succession planning
- Fiduciary and Governance Reviews



- Targeted governance advice
- Advice on common and best practices
- Criteria and processes for evaluation outside service providers
- Policy inventories and governance manuals

3

Why Aon



Cost Summary – Sample Tasks and Deliverables

Work with the Board to refine or redevelop the Board's current funding policy and create a decision-making matrix rooted in the funding policy.

\$25,000

Conduct stakeholder surveys to identify the needs and wants of active pension fund members, benefit recipients, participating employers, Board members, and TRA staff.

\$25,000

Assess existing policies, rules, statutes, and other relevant documents that guide the Board's governance.

\$30,000

Cost Summary – Sample Tasks and Deliverables

Attend the Board's meetings as deemed necessary in consultation with the Board and Executive Director.

Included in overall project cost

Provide recommendations on improvements to the governance structure, policies, and documentation thereof.

\$25,000

Use collected stakeholder feedback to inform goal-setting, prioritization, and policy development.

\$25,000

Guide the development of policies related to pension funding, legislation, and benefit improvements.

\$25,000.

Why Aon?



Experience – Senior Level, Tenured Team

**Deep Knowledge – Practitioners Lead Team;
Understands Public Fund Issues and Solutions –
What Works and What Might Not**

**Customized Approach – Ability to translate best
practices from a wide-range of sources**

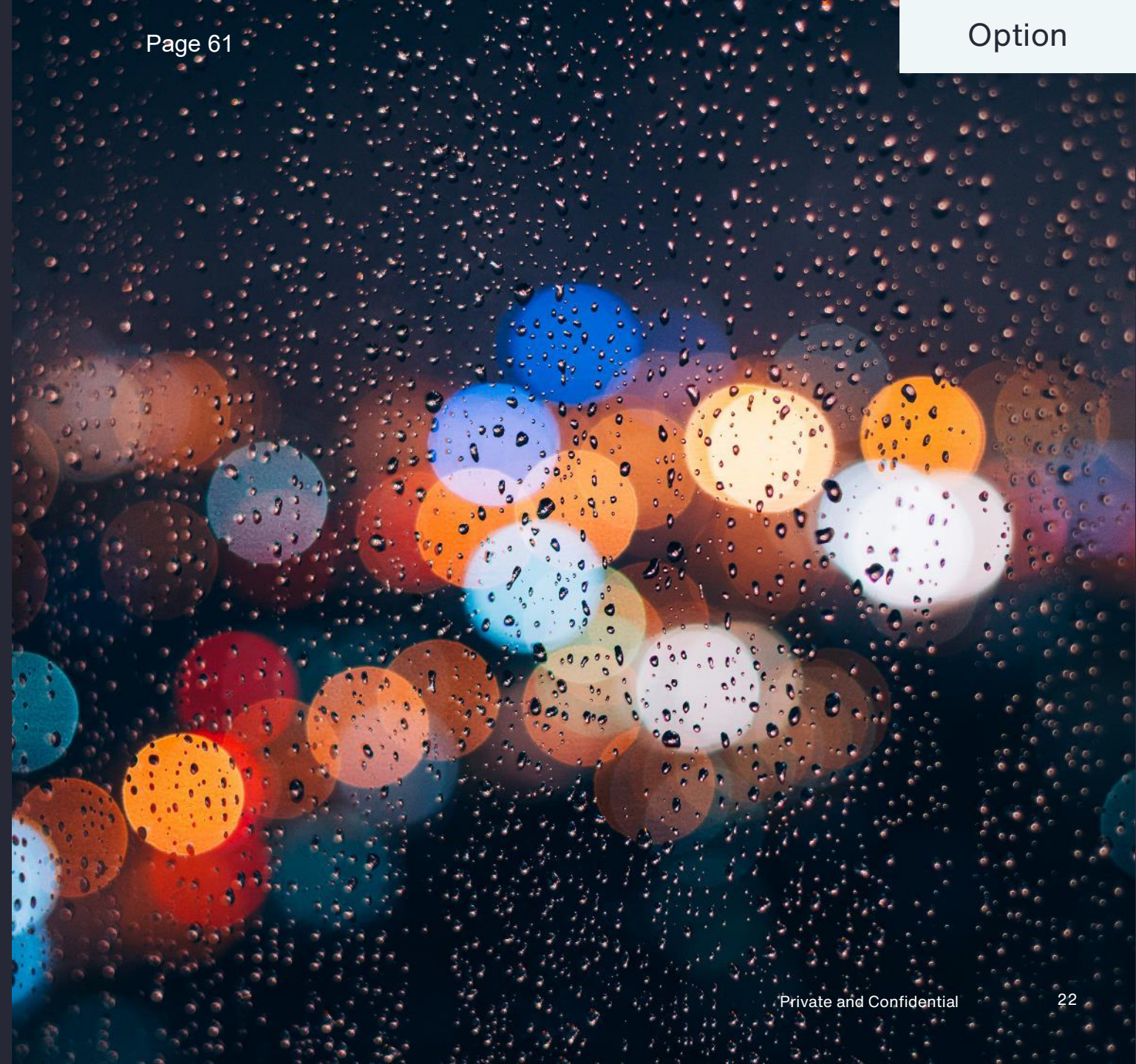
Our Dedication – We care about you and your success

4

Questions



Thank You



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Minnesota Teachers Retirement Association

Introduction to Mosaic Governance Advisors

June 10, 2026



Agenda

- Understanding TRA's objectives
- What it takes to build a practical, board-ready approach
- How we would partner with the Board and TRA staff

Our understanding of your objectives

- Strengthen the Board's governance capabilities, policies and financial planning framework in alignment with your fiduciary duty
- Support collaboration between the Board and TRA staff

What it takes to do this well

- Effective engagement with key stakeholders
- Ample opportunity for Board education and discussion
- Intentional assessment of practices, policies, and tools
- Mindset of collaboration between the Board, staff, and board consultants

About Mosaic Governance Advisors

- Boutique consultancy specializing in public pension governance
- Trusted advisor to 50+ public funds (\$1B–\$350B+)
- Deep experience strengthening board governance capabilities
- Senior-level, tailored advisory
- Woman-owned

Mosaic's team brings 100+ years of combined experience supporting public pensions with governance and strategy.



Founded in 2017



Headquartered in Denver, CO



Our proposed team for TRA



Amy McDuffee
Founder & CEO



Christie Nolan
Senior Consultant



Natasha Smith
Consultant

With support from other team members as needed

How we support board effectiveness

- Align governance structure, policies, and roles
- Cultivate understanding of what good board governance looks like
- Build strong foundations and practices that help create ownership and discipline among the board
- Reinforce alignment and role clarity between Board, staff, and stakeholders

What we do



Governance Foundation

Governing philosophy, board roles, evaluations



Stakeholder-informed Strategy

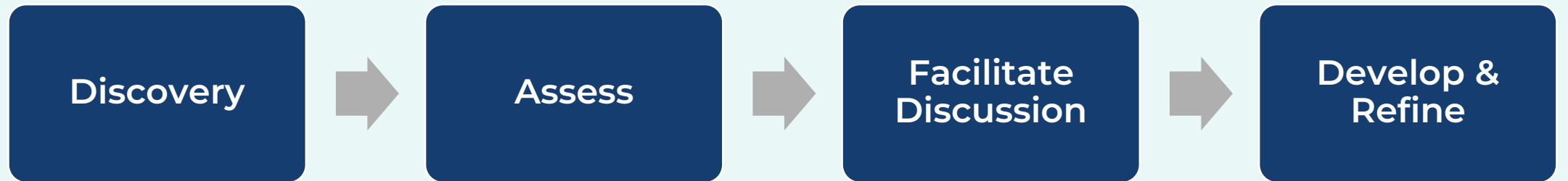
Research-driven priorities and long-range planning



Decision Tools and Policy Integration

Funding frameworks, decision matrices, targeted reviews

Our approach



Thank You

We look forward to the opportunity to partner with the Board and TRA Staff.

720-316-1919

www.MosaicGovernance.com





Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Tim Maurer, Executive Director
Subject: Election of Board Officers

Excerpt from Board of Trustees Handbook:

Board Officers

Each June, the TRA board elects a president and vice president for one-year terms. If a vacancy occurs in the position of president or vice president, the board will elect a successor for the remainder of the unexpired term.

The responsibilities of the **president** include:

- Presiding over board meetings and facilitating full and open discussion
- Calling special meetings when necessary (a special meeting may be called by any three board trustees)
- Appointing members and chairs of any ad hoc committee that may be formed
- Guiding the board in establishing, when possible, a consensus on critical decisions
- Working to ensure the proper functioning of the board as a policy-setting and oversight body
- Working with the executive director to develop board meeting agendas with input from the board
- Facilitating open communication between the board and executive director and ensuring board decisions and requests are carried out by staff
- Providing advice and counsel to the executive director
- Completing an annual performance review of the executive director with input from the board
- Acting as official spokesperson in situations that call for someone to communicate on behalf of the board
- Serving on the joint system Facilities Management Committee and reporting recommendations of the committee to the board
- Signing legal documents necessary to effect a decision by the board
- Acting on the board's behalf in the event of an emergency, after consulting as many board trustees as possible
- Presiding over member appeals

The responsibilities of the **vice president** include:

- Performing all the duties of the president if the president is absent or unable to perform his/her duties
- Serving on the Facilities Management Committee
- Performing other duties assigned by the president or board

If the president and vice president are unavailable to preside, the remaining trustees will elect a temporary president for that meeting.

Action needed

Elect a board president and vice president who will also represent the board on the joint system Facilities Management Committee (FMC).



Report from President





Report from Executive Director





Financial Update





Teachers Retirement Association of Minnesota
60 Empire Drive, Suite 400, St. Paul, MN 55103

Date: June 1, 2026
To: TRA Board of Trustees
From: Tracy Gebhard, Chief Financial Officer
Subject: Report on Investment Advisory Council (IAC) Meeting

This memo summarizes the information presented at the most recent Investment Advisory Council (IAC) meeting held May 27, 2026.

Background

The Minnesota Legislature established the IAC under Minnesota Statutes, section 11A.08. The IAC consists of 17 members, including ten members experienced in general investment matters along with the executive directors from the three statewide retirement systems. IAC meetings are held quarterly. At these meetings, the Minnesota State Board of Investment (SBI) provides IAC members investment performance and metrics reports, an administrative update, and other investment information such as investment policies. The SBI is responsible for the investment management of TRA's assets, which are included in the Combined Funds. The Combined Funds represent the comingled assets for the three statewide retirement systems: Teachers Retirement Association, Public Employees Retirement Association, and Minnesota State Retirement System.

Combined Funds performance

As of the quarter ending March 31, 2026, the Combined Funds' market value decreased by \$1,918 million from \$107,586 million to \$105,668 million since the end of the last quarter. TRA's assets totaled \$32,517 million, representing nearly one-third of the total assets within the Combined Funds. The Combined Funds' performance evaluated relative to a composite of public market index and private market investment returns is as follows:

Table 1: Combined Funds Performance Summary

	Quarter	FYTD ¹	1 Yr.	3 Yr.	5 Yr.	10 Yr.	20 Yr.	30 Yr.
Combined Funds ²	-1.2%	6.3%	12.8%	11.2%	7.6%	9.8%	8.0%	8.3%
Composite Index	-1.3%	5.9%	12.2%	10.8%	7.4%	9.4%	7.8%	8.1%
Excess	0.1%	0.4%	0.6%	0.3%	0.2%	0.3%	0.2%	0.3%

¹ FYTD: Fiscal Year to Date

² Combined Funds performance is calculated net of investment management fees, differentials within column amounts may occur due to rounding, and returns for all periods greater than one year are annualized.

Asset allocation

As of the quarter ending March 31, 2026, the Combined Funds asset allocation and market value under management are as follows:

Table 2: Combined Funds Asset Mix

Asset Class	Policy Target Allocation	Actual Asset Allocation	Market Value (in Millions)
Public Equity	50.0%	52.0%	\$54,974
Total Fixed Income ¹	25.0%	26.0%	\$27,514
Private Markets Invested ²	25.0%	21.0%	\$22,149

¹ Total Fixed Income includes bonds, treasuries, and cash.

² Private Markets Invested includes private equity, private credit, resources, and real estate. The uninvested portion of the Private Markets portfolio, which is currently 1.0% of the asset allocation with a market value of \$1,031 million, is invested in a mix of equity derivatives, exchange-traded funds, and cash.

When comparing the Combined Funds policy target allocation to the actual asset allocation, the SBI met its target allocation for all but private markets invested. The SBI didn't meet the policy target allocation for private markets invested due to strong distributions and high rate of return on public equity investments.

On October 20, 2025 the IAC endorsed the SBI's recommendation for an Asset Allocation Study. The study is complete and the SBI is implementing the strategies. Over the last quarter, the SBI implemented the strategy to reduce the duration of the treasury protection portfolio and migrate the \$10.4 billion treasury protection program to a new policy benchmark.

Performance by Asset Class

Table 3: Combined Funds Asset Class Performance Summary

Asset Class	Quarter	FYTD ¹	1 Yr.	3 Yr.	5 Yr.	10 Yr.	20 Yr.	30 Yr.
Public Equity	-2.7%	8.4%	20.5%	16.9%	9.8%	12.2%	8.9%	8.8%
Benchmark	-2.8%	8.2%	20.5%	16.9%	9.7%	12.0%	8.8%	8.6%
Excess	0.1%	0.2%	0.0%	0.1%	0.1%	0.2%	0.1%	0.2%
Total Fixed Income	-0.1%	3.1%	4.3%	3.7%	0.5%	2.4%	3.8%	4.7%
Benchmark	0.0%	2.7%	3.5%	2.8%	0.0%	1.8%	3.3%	4.3%
Excess	-0.1%	0.4%	0.7%	0.9%	0.5%	0.6%	0.4%	0.4%
Private Markets ²	1.3%	5.2%	5.9%	7.2%	10.9%	12.0%	11.2%	13.2%

¹ FYTD: Fiscal Year to Date

² Private Markets performance metrics shown represent the invested portion of the portfolio. Some of the existing investments are relatively immature and returns may not be indicative of future results. Due to the nature of these investments, there is no benchmark.

The Combined Funds performance for the quarter ending March 31, 2026 was as follows:

- The public equity portfolio outperformed the benchmark due to the strong performance from the portfolio's active emerging markets equity managers.
- The total fixed income portfolio underperformed the benchmark due to widening of credit spreads in the return-seeking fixed income segment.
- The private markets portfolio gained 1.3% for the quarter, due primarily to Real Assets that returned 2.2% and strong distribution activity.

Administrative update

Budget:

The SBI's fiscal year 2026 actual expenses through March 31, 2026 are \$10,635,476, which represents 65.0% of the \$16,366,000 approved fiscal year 2026 administrative budget. As of May 20, 2026, the SBI anticipates it will spend the \$16,366,000 budgeted for fiscal year 2026 and may be slightly over budget.

Legislation:

The Minnesota Legislature passed a bill that impacts TRA. House File 4074 and Senate File 4276 contain technical changes to the SBI's procedures to bill the three statewide retirement systems. The bill allows a surplus to be carried forward and offset the future fiscal year pre-payment of the SBI administrative costs.



Operational Update





Legislative Update





Assistant Attorney General Update



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Public Comments

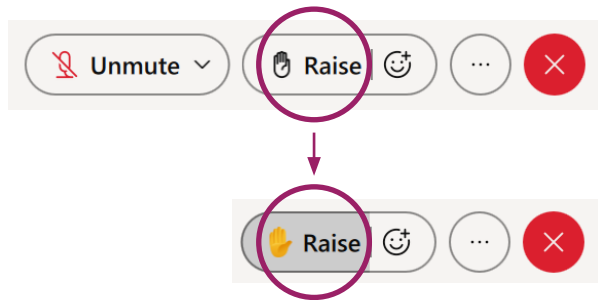


Public Comments Process

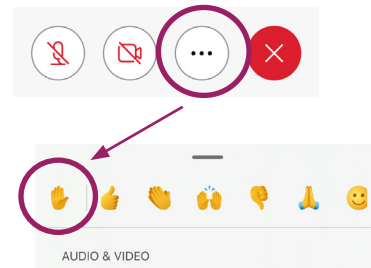
Near the end of the board meeting, public comments may be made. To indicate you have a comment to make to the board, please raise your hand in the Webex meeting. The TRA meeting moderator will request to unmute you. Once the moderator has requested to unmute you, please unmute yourself. Then you can make your comment. The following examples show what the raise hand and unmute request processes look like using different devices.

Raise hand:

Web or desktop application:



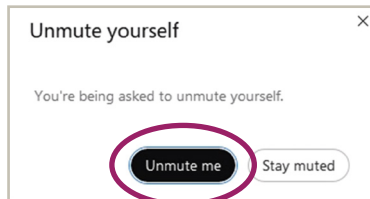
Mobile device:



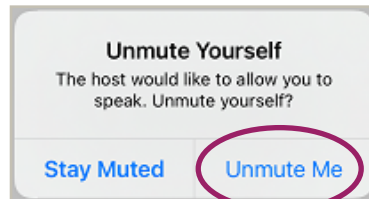
Receive unmute request:

When the moderator requests to unmute you, a window will display. Click “Unmute Me” and then your audio will turn on.

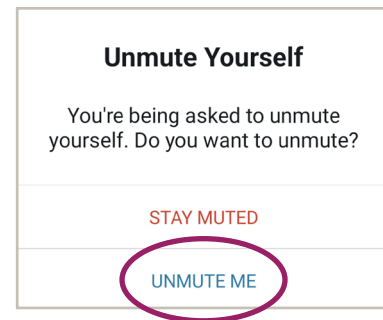
Web or desktop application:



iPhone:



Android:



Joining by telephone call:

Raise hand:

Press *3 → You will hear “You have raised your hand to ask a question. Please wait until the host calls on you.”

Unmute yourself:

After the moderator has sent an unmute request, you will hear, “You are being asked to unmute yourself. To unmute, press *6.” → press *6 → You will hear, “You’re unmuted,” at which time you can speak into your phone microphone to make the comment.



Strategic Planning Addendum



Governance Consulting Services State of Minnesota Teachers Retirement Association (TRA)

Introduction

Aon Consulting, Inc. presents the following describing its proposed governance consulting services for the State of Minnesota Teachers Retirement Association (TRA). This document is intended to provide a comprehensive explanation of the proposed engagement, including the team, experience, and scope of services.

Aon Fiduciary Services Practice

Aon's Fiduciary Services Practice focuses on helping boards, committees, and staff design and operate governance frameworks grounded in prudent processes. These processes are intended to support fiduciaries in fulfilling their legal duties while enhancing accountability, transparency, and organizational effectiveness. The practice benchmarks client governance structures against both common and leading practices across institutional investors, providing valuable perspective to support informed decision-making.

In addition, the practice fosters a strong culture of fiduciary awareness and emphasizes the importance of good governance. Clients benefit from a full suite of governance and fiduciary services, along with practical tools to mitigate risk and build stakeholder confidence.

Team and Leadership

The engagement would be led by a senior, experienced team with deep expertise in public pension governance.

Julie Becker serves as Partner and Fiduciary Services Practice Leader, as well as Co-Head of Aon's Public Sector Solutions. She is a licensed attorney with more than three decades of legal experience and nearly three decades of experience in the public pension industry, including service as General Counsel for the Ohio Public Employees Retirement System.

Benita Harper serves as Associate Partner and brings both private and public sector experience, including service as General Counsel and Executive Director for the Fort Worth Employees' Retirement Fund. She is also actively involved in national public pension attorney committees.

David Forman serves as Consultant and supports the fiduciary services team through governance research and project work. He is a Chartered Financial Analyst (CFA).

Together, the team combines legal, operational, and analytical expertise, allowing them to deliver advice that is both technically sound and practical to implement.

Core Governance Services

Aon provides a wide range of governance services tailored to each client's specific circumstances. These services include reviewing and refining existing policies and procedures and developing customized governance frameworks aligned with fiduciary standards and best practices.

The firm assists with drafting and updating board and committee charters to clarify roles, responsibilities, and delegation structures. Aon also facilitates board self-evaluations, as well as evaluations of executive leadership, investment officers, and external service providers.

Additional services include trustee orientation and fiduciary education, strategic planning, and ongoing advisory support regarding institutional investor practices.

Elements of Effective Governance

We believe that effective governance is supported by several interconnected elements. These include a clearly defined strategic plan, ongoing orientation and training, and a strong culture emphasizing the avoidance of conflicts of interest.

Transparency and accountability are reinforced through prudent documentation, including policies, meeting agendas, minutes, and annual work plans. Efficient meeting structures and active engagement from board and committee members further strengthen governance outcomes.

Other critical elements include committee structure, compliance with applicable laws, and effective leadership to guide decision-making and oversight.

Strategic Planning

We see strategic planning as a foundational component of good governance. It ensures that all perspectives are considered, provides a structured approach to identifying opportunities and risks, and shifts decision-making from a personality-driven approach to a process-driven framework.

An effective strategic planning process typically includes defining mission and purpose, identifying priorities and strategies, developing action plans, implementing those plans, and measuring performance. This process is iterative and continuous, allowing the organization to refine its direction based on results and changing conditions.

Strong strategic plans focus on a limited number of key goals—typically those requiring significant resources, board attention, or multi-year implementation—and translate those goals into measurable objectives.

External Environment

Governance does not operate in isolation. TRA's decision-making is influenced by a range of external factors, including global financial markets, national and local political conditions, demographic trends, and perceptions of public pension systems.

Additional considerations include retiree financial concerns, stakeholder expectations, fiduciary responsibilities, statutory and constitutional mandates, media coverage, and emerging investment opportunities. An effective governance framework incorporates these factors into its planning and policy development processes.

Board Self-Evaluation Process

Aon's board self-evaluation process is structured and designed to generate actionable results. It begins with discussions with board leadership and a review of prior evaluations and action plans. A tailored survey is developed and reviewed with the board chair to ensure alignment with current priorities.

Board members complete the evaluation confidentially, which promotes candid feedback and encourages participation. The results are then compiled and analyzed, and a summary report is prepared.

Aon facilitates a discussion with the board to review findings, identify themes, and

develop action items. Follow-up support is provided to assist with implementation and ensure continuous improvement.

Additional Governance Support

Aon provides a broad range of additional governance services, including governance policy development, preparation of governance reports and trustee orientation programs.

The firm also advises on delegation and oversight structures, supports succession planning, conducts fiduciary and governance reviews, and provides targeted governance advice. Additional support includes developing evaluation criteria for external service providers and creating policy inventories and governance manuals.

Experience with Public Funds

Aon has extensive experience working with public pension systems and institutional investors across the United States, including statewide retirement systems, city pension plans, and other public entities. This experience provides a broad perspective on governance practices and enables Aon to tailor recommendations to the specific needs of TRA.

Value

Aon's value is grounded in four primary attributes. First, clients benefit from a senior, tenured team with deep experience in public pension governance. Second, the team brings practitioner-based insight, allowing it to identify what works in practice. Third, Aon delivers a highly customized approach, translating best practices into recommendations tailored to each client's circumstances. Finally, the team is deeply committed to client success and takes a collaborative, solutions-oriented approach to every engagement.

ATTACHMENT C: COST DETAIL

Responders must submit Attachment C “Cost Detail” form as their Cost Proposal. The rate(s) identified in the Cost Proposal must include all costs, including but not limited to: travel expenses, mass mailings, fees, commissions, compensation, indirect costs, equipment, supplies, and other charges.

Identify the level of the State’s participation in the contract and details of cost allowances for this participation. The State does not make regular payments based solely upon the passage of time; it only pays for services performed or work delivered after it is accomplished.

Responder must complete the chart below for each identified deliverable. The State reserves the right to negotiate additional tasks within the scope of this solicitation with the highest scoring responder.

Task #	Deliverable or Project Phase Description	Total Cost for Completion of Deliverable or Project Phase
1	Delivery of work as described in the project scope document.	\$155,000.
	Totals	\$155,000.

Optional Discretionary Services

The cost proposal must itemize all job titles that could reasonably be anticipated to participate in the services being offered by the responder to the State for this solicitation. For each job title, include a detailed description of what work falls under the parameters of the job title and provide the corresponding maximum hourly rate for that job title.

Responders must fill in the table below for any services not included in the deliverable

Job Title	Detailed Description of Work	Maximum Hourly Rate	Other Costs
Partner	Provide oversight, contributes directly to project work, offers experienced institutional insights, attends meetings when requested	\$1,020.00	none
Associate Partner	Completes project work, offers industry insights – latest trends, attends meetings when requested	\$896.00	none
Consultant	Provides analytical and data support, investment liaison	\$480.00	none

TOTAL COST: \$155,000.



Proposal to the Teachers Retirement Association for Strategic Development Work



Mosaic Governance Advisors, LLC

www.mosaicgovernance.com

June 3, 2026





June 3, 2026

Teachers Retirement Association Board of Trustees
State of Minnesota
c/o Ms. Holly Dayton
Legislative Liaison
60 Empire Drive, Suite 400
St. Paul, MN 55103

Delivered via email: hdayton@minnesotatra.org

Dear Members of the Board and Selection Committee,

Mosaic Governance Advisors, LLC (Mosaic) is pleased to submit this proposal to support the Teachers Retirement Association (TRA) Board of Trustees in its strategic work to strengthen its governance framework, policies, and decision-making capabilities.

Our work is grounded in the belief that board governance is a strategic asset that creates value for public pension members and beneficiaries. When governance is clearly defined and actively applied, it enables boards to set priorities, make sound decisions, manage risk with discipline, and create long-term value. When it is fragmented or implicit, it limits a board's ability to act with clarity and confidence.

TRA's objectives—to refine its funding policy, align governance documents, incorporate stakeholder input, and strengthen fiduciary decision-making—are fundamentally governance challenges. This engagement presents an opportunity not only to update policies, but to ensure that governance is structured to support the Board's role across strategy, risk, performance, and people.

We are a 100% woman-owned firm with a team of senior advisors who bring deep experience working with public pension systems. We understand the complexities of funding and stakeholder dynamics, and we are skilled in facilitating board discussions that establish shared priorities informed by stakeholder input.

We are deliberate in the engagements we take on and focus our efforts where governance can be strengthened as a driver of long-term value. TRA's objectives align directly with our core work, and we would approach this engagement with focused senior attention. We would welcome the opportunity to partner with the Board and TRA staff to design

governance systems that support clear roles, disciplined decision-making, and lasting outcomes.

On behalf of our team, we appreciate your consideration and look forward to the opportunity to present to the Board and staff and answer any questions.

A handwritten signature in black ink, appearing to read "Amy McDuffee", with a long, sweeping horizontal line extending to the right.

Amy McDuffee
Founder & CEO
Mosaic Governance Advisors, LLC
P: 720-316-1919, Ext. 700
E: amy.mcduffee@mosaicgovernance.com

SECTION 1 – WORK PLAN

Work Plan. Responder should provide a description of the deliverables to be provided by the Responder along with a detailed work plan that identifies the major tasks to be accomplished and be used as a scheduling and managing tool, as well as the basis for invoicing. Responder should provide a statement of the objectives, goals, and tasks to show or demonstrate the Responder's view and understanding of the nature of the contract, and what makes the Responder uniquely suited for this work.

Our Understanding of the Engagement

TRA seeks a consultant to work closely with the Board and staff to strengthen the foundation of its governance approach. This includes refining or redeveloping the Board's funding policy and translating that policy into a practical decision-making framework that can guide legislative priorities over time. The work will be informed by broad stakeholder engagement, including structured surveys to capture the perspectives of members, beneficiaries, employers, Board members, and staff, among others.

The selected consultant is expected to review and assess TRA's full landscape of existing governance materials (including statutes, policies and supporting documentation) and to provide clear, actionable recommendations to improve alignment, clarity, and effectiveness. The work will be highly collaborative, with the consultant partnering closely with TRA staff, contributing strategic guidance and draft materials that staff may refine and finalize, and participating in Board discussions as needed to support informed decision-making.

The TRA Board has primary responsibility for overseeing the operations of TRA in serving members and beneficiaries. Many aspects of funding, including contribution rate setting, COLAs, and investment return assumptions are set by statute. Investments are managed by the state investment board. TRA receives meaningful engagement from its stakeholders. We recognize the importance of creating shared priorities and goals so that the Board, staff, and stakeholders have a common understanding of what TRA will pursue and devote its time, energy and attention to. We also understand that both the Board and TRA leadership have had significant turnover and that now is an opportunity to create a strong foundation of understanding and productive collaboration that can be built upon going forward.

Mosaic Approach: Good Governance as a Strategic Asset

Mosaic's approach is grounded in a simple but fundamental belief: good board governance is a strategic asset of public pension organizations. When governance is clearly defined, aligned, and actively used, it enables better decision-making, stronger oversight, and improved long-term outcomes. When governance is fragmented or implicit, it constrains the Board's ability to fulfill its role effectively.

Our work focuses on ensuring that governance is intentional, aligned, and actionable—so that it supports the Board in creating value through its decisions.

Governance Framework: The Board's Lane

Mosaic's work is anchored in a structured definition of the Board's role across four core dimensions:

- Strategy – setting direction and long-term objectives
- Risk – defining risk tolerance and monitoring exposure
- Performance – evaluating outcomes against objectives
- People – ensuring leadership, accountability, and capability

These responsibilities apply across three domains:

- Board Governance – how the Board operates
- Organizational Governance – oversight of the Executive Director and organization
- Governance of Plans, Programs, and Services – oversight of what the system delivers

This framework, reflected in Mosaic's Ready to Govern™ approach, ensures that governance is comprehensive, clearly defined, and aligned with fiduciary responsibilities.

Application to TRA Engagement

This framework directly supports TRA's objectives, including:

- Strengthening funding policy updates and creating decision tools
- Aligning governance documents and structures
- Incorporating stakeholder input into Board priorities
- Supporting fiduciary decision-making responsibilities

Across each phase of our work, we will ensure that governance structures, policies, and tools are aligned to this framework and result in clarity of roles and higher decision quality.

Through our work with other public pensions, we are very familiar with the common statutory authorities and responsibilities of boards and staffs. We know where to look to identify the authorities and responsibilities that define the board's role, and we know the questions to ask to determine how closely the interpretation of those authorities and responsibilities align with actual practices. We routinely collaborate with other public pension board consultants, including actuaries and fiduciary counsels. We have a practical understanding of the decisions that boards make and their implications to the health of the public pension.

As we work, we see ourselves as educators, helping board members understand what they need to do and how they work with staff to do that. Our approach creates ownership of roles and responsibilities among boards and staffs.

Finally, we understand that TRA advocates for benefit improvements through statutory change and has an expectation of meaningful engagement with its stakeholders. Through our role as governance advisor, it is common to help our clients navigate the requests and expectations of stakeholders of all types. It is important for public pension boards to be perceived by stakeholders as professional, well-governed fiduciary bodies. We are familiar with the various types of requests made, response strategies, and positioning to ensure that the engagement objectives of the board can be achieved within the contours of the board's fiduciary responsibilities. We help the board create structures and practices that provide discipline to govern consistently through a variety of external environments.

Our specific approach to TRA's request follows.

Phased Work Plan

Phase 1: Discovery and Governance Baseline (July 1 – September 15, 2026)

- Project kick off; establish biweekly project status call schedule with TRA staff
- Request and review statutes, Board policies, and governing documents
- Conduct leadership interviews (Board President, Vice President and Executive Director)
- Conduct board consultant interview
- Prepare materials for facilitated Board meeting session, including the Board Governance Map
- Facilitate initial Board discussion (estimated August 2026 Board meeting) to:

- Create a shared understanding of the Board's role and desired governing philosophy and preferences (future state)
- Outline a roadmap for undertaking work in the next phases of the project and set expectations for Board, staff and stakeholder involvement.

Outcome: Shared understanding of current state governance environment, the Board's role and desired governing philosophy, and how the next phases of the project will unfold.

Key Deliverables: A Board Governance Map that provides a structured view of the Board's role across strategy, risk, performance, and people, clarifying responsibilities across Board governance, organizational oversight, and governance of plans, programs, and services; project roadmap for addressing Phases 2 – 4 of the project.

Assumptions: Interview audience: two Board members, Executive Director, Board actuary (CavMac); 60 – 90 minute in-person Board discussion facilitated by Senior Consultant and Consultant at August 2026 Board meeting.

Phase 2: Stakeholder Engagement and Insights (September 15 – December 31, 2026)

- Design and administer stakeholder research (e.g., via online surveys or virtual interviews)
 - Mosaic recommends the following audiences be included in the scope of the research:
 - TRA Board members(virtual interviews),
 - Active/deferred members (online survey),
 - Retirees and beneficiaries (online survey),
 - TRA participating employers (online survey),
 - Leadership of key stakeholder groups (e.g., retiree groups, active member groups, employer groups, etc.) (online survey)
 - TRA staff (online survey),
 - LCPR leadership (virtual interviews).
 - Mosaic recommends asking questions that uncover what these groups value about TRA benefits and services.
- Collect and analyze feedback across key stakeholder groups.
- Identify priorities, risks, and expectations by audience.
- Synthesize and summarize findings into key insights report to present to the Board and TRA staff.

- Design and develop a structured, facilitated discussion of findings; deliver at a regularly scheduled Board meeting.

Outcome: Sentiment-based insights across diverse stakeholder groups that inform governance and policy development and priorities; understanding and awareness among the Board and TRA staff of the results and how they will be integrated into subsequent phases of the project.

Key Deliverables: A Stakeholder Insights Report that provides a synthesis of stakeholder survey results, identifying key themes, priorities, and areas of alignment or tension by audience and across all audiences to inform Board decision-making and policy development.

Assumptions: Seven audiences researched through online survey and virtual interviews as described above. TRA staff will collaborate with Mosaic on distribution and communication methods to ensure broad distribution to stakeholder groups (e.g., TRA will distribute invitation to participate through existing channels and contact information, etc.).

Phase 3: Funding Policy Application and Decision Framework (January 2, 2027 – April 30, 2027)

This phase focuses on helping the Board apply its funding policy in practice and creating a framework so that it may be used as a decision-making tool. In collaboration with TRA staff and the Board actuary, we will deepen the Board's shared understanding of how the existing funding policy operates, particularly when evaluating potential benefit improvements.

We will illustrate the real-world implications of applying the policy under different scenarios and develop a structured decision framework to guide how the Board prioritizes and sequences options over time in alignment with its funding objectives. Through this process, we may identify opportunities to refine the funding policy for greater clarity and will make recommendations where appropriate.

The Board's actuary will play a central role in modeling scenarios, illustrating tradeoffs, and explaining the mechanics of pension funding. Our role is to facilitate alignment among the Board and staff, informed by stakeholder input, and to help establish shared priorities that the Board can act on. This is a collaborative effort, and we are familiar with the Board's actuary and have experience working alongside them with other public pension clients.

We will also ensure that this work is fully integrated with the governance baseline (Phase 1) and stakeholder research (Phase 2), so that funding policy decisions are aligned with the Board's governance framework and stakeholder-informed priorities.

Outcome:

A refined, decision-ready funding policy and framework that enables the Board to prioritize, sequence, and advocate for benefit improvements in a disciplined, forward-looking manner.

Key Deliverable:

A Funding Policy Decision Framework grounded in the Board's funding policy that illustrates how the policy performs under different scenarios and provides clear guidance for evaluating and prioritizing funding, legislative, and benefit decisions over time.

Assumptions:

- Mosaic will facilitate an in-person Board discussion of funding policy and improvement scenarios at a regular Board meeting, in collaboration with the Board's actuary and TRA staff.
- The Board actuary will develop and present scenario analyses to support Board understanding and decision-making.
- Mosaic will use the outcomes of Board discussions to recommend refinements to the funding policy, as appropriate.
- Mosaic will draft the funding policy decision framework in collaboration with TRA staff and the Board's actuary.
- Mosaic will present proposed refinements and the draft decision framework in person at a subsequent Board meeting for review and approval.
- This phase will run concurrently with Phase 4.

Phase 4: Governance Alignment and Policy Development (January 2, 2027 – July 31, 2027)

- Using outcomes from Phase 1 and 2, create a gap analysis regarding current state governance and future state governance
 - Assess alignment across statutes, policies, and governance best practices
 - Develop prioritized recommendations for governance improvements

- Propose revisions to the Trustee Handbook and develop the foundation for the new externally facing Board Governance Manual*, including drafting updates to or creating new governance charters/policies and supporting tools for prioritized items
- Support approach for Board review and refinement through attendance at Board meetings

Outcome: Cohesive, aligned governance framework, Board-level policies and reference tools for prioritized items

Key Deliverables:

- **Governance Improvement Roadmap:** Prioritized recommendations on structures, practices, and policies to establish or strengthen to close any gaps uncovered through our analysis.
- **Proposed Revisions to Trustee Handbook and Draft Governance Manual/Documents:** Table of contents for revised Trustee Handbook, table of contents for new Board Governance Manual plus foundational set (6 – 8) of aligned governance charters/policies and supporting documents designed to clarify roles, improve consistency, and create alignment with fiduciary responsibilities and applicable statutes.

Assumptions:

- At a regular Board meeting, in-person presentation of Governance Improvement Roadmap and prioritized recommendations.
- Mosaic will recommend refinements to the Trustee Handbook with sufficient detail to be implemented by staff.
- Mosaic will draft a Table of Contents for the Board Governance Manual.
- Mosaic will draft six to eight of the foundational governance charters/policies as mutually agreed to with staff, leveraging beneficial language and provisions of any policies currently found in the Trustee Handbook.
 - One round of review by TRA staff is included. Mosaic will partner with staff to subsequently present first drafts of the foundational charters/policies to the Board (in-person) at a regular Board meeting for input/feedback.
 - TRA staff to integrate Board input, and present second reading of documents to the Board for approval.
 - This approach provides staff with a format and approach to build out the remaining policies in accordance with the table of contents.

- Runs concurrently with Phase 3.

****Phase 4 Observations and Recommendations***

We reviewed TRA's current Trustee Handbook provided by Staff alongside governance materials used by peer systems. The handbook provides a strong foundation for trustee onboarding, roles, and fiduciary expectations. At the same time, peer organizations increasingly separate trustee guidance from a broader governance framework that defines how the Board carries out its work across strategy, risk, performance, and people.

Based on this review, we recommend evolving TRA's approach into two complementary components:

- An internal Trustee Handbook, refined to focus on onboarding, roles, expectations, and practical guidance for trustees
- An externally facing, publicly posted Board Governance Manual, designed as a clear, aligned set of governance policies and charters that can serve as a resource for the Board, staff, and stakeholders

This approach preserves the strengths of the existing handbook while establishing a more transparent and structured governance framework. This effort would involve curating and organizing TRA's governance approach into a cohesive, principles-based system, including:

- Defining an overall governance framework that clarifies the Board's role in strategy, risk, performance and people (from Phase 1)
- Developing or refining core governance policies and charters (e.g., for the Board, committees, and leadership roles)
- Strengthening clarity around how the Board monitors performance, receives information, and fulfills its fiduciary responsibilities
- Ensuring alignment across governance documents so that roles, responsibilities, and decision-making processes are clear and consistent
- Designing materials that are accessible and useful to multiple audiences, including trustees, staff, and external stakeholders

The result will be a revised table of contents for the Trustee Handbook, a table of contents for the new Board Governance Manual, and six to eight¹ high priority charters and policies

¹ We intend to identify the foundational set of policies as part of Phases 1 and 2 in collaboration with TRA staff. We anticipate these could include the Board's Governing Philosophy, Board Charter, Charter for the Board President, Charter for the Executive Director, Statement on Delegation of Authority, and a Board Communications Policy, among other policies.

that comprise the foundation of the new Board Governance Manual. These materials will be both practical for day-to-day use and lasting, reinforcing TRA's commitment to effective governance.

We recognize that TRA's statutes prescribe a tripartite fiduciary structure that can create complexity in balancing interests in Board decision-making. We would welcome the opportunity to work with TRA's General Counsel to understand the historical context and how fiduciary guidance has been applied in past decisions.

This context reinforces the importance of a clear governance framework and well-defined decision-making principles. As part of this engagement, we will ensure that both the governance manual and funding policy framework are designed to support trustees in navigating these statutory expectations with clarity, consistency, and confidence.

Ongoing Engagement

- Biweekly status calls with TRA staff
- Pre-Board meeting briefing calls with Board Leadership and TRA staff
- Attend Board meetings, in-person (anticipated 4) and virtually as needed
- Collaborate closely with TRA staff in developing deliverables

Figure 1 presents an illustration of our proposed work plan. It provides a visual representation of how we see this project unfolding given our current understanding of the scope and timelines described in the RFP.

Figure 1. Proposed Work Plan: Governance Strategic Development Engagement



SECTION 2 – QUALIFICATIONS AND EXPERIENCE

Qualifications and Experience. Responder should provide an outline of background and experience with examples of similar work done by the Responder and a list of personnel who will conduct the project, detailing their training and work experience. Resumes or other information about project personnel should not, if possible, contain personal telephone numbers, home addresses, or home email addresses. If it is necessary to include personal contact information, please clearly indicate in the response that personal contact information is being provided.

Mosaic specializes in governance consulting for public pension systems and publicly governed institutions. Our work focuses on helping boards clarify their role, align governance structures, and use governance as a driver of decision quality and long-term value.

Relevant Experience

Statewide Retirement System – Funding Policy Development and Development of Long-Range Strategic Plan (~\$30B AUM)

Mosaic partnered with a \$30B statewide retirement system to design and refine its funding policy.

- Worked collaboratively with the board, executive staff, the board’s actuaries, and investment consultants
- Facilitated alignment on funding objectives and key tradeoffs
- Developed a policy designed to support consistent, decision-ready governance

We have also facilitated the development of a long-range strategic plan for this retirement system’s board and staff, where we conducted multi-audience stakeholder research to inform the discussions and priorities.

Statewide Retirement System – Governance Manual Review and Policy Development; Development of a Multi-Year Strategic Plan (~\$70B AUM)

Mosaic Governance Advisors partnered with a \$70B statewide retirement system to conduct a comprehensive review of the board’s governance framework as part of an executive leadership transition. This work centered on a detailed assessment of the system’s Governance Manual against leading practices across public pension

systems, with a focus on clarity of roles, policy completeness, and alignment with the board's evolving oversight responsibilities. Through this review, Mosaic facilitated a board discussion to identify its consensus governing philosophy, identified key gaps and areas for enhancement and worked with board members and staff to prioritize a set of targeted governance improvements. These recommendations were sequenced into a practical, multi-phase roadmap designed to strengthen the board's governance architecture over time, ensuring that critical policies, decision rights, and oversight mechanisms were in place ahead of onboarding a new CEO. The engagement resulted in the development and refinement of core governance policies, greater transparency for stakeholders, and a more cohesive, principles-based foundation to support effective board leadership.

We also work with this system to develop their multi-year strategic plan. Similar to the project noted previously, we routinely conduct multi-audience stakeholder research to inform the board and staff's perspectives on board and organizational priorities.

Both of these client examples demonstrate Mosaic's ability to work collaboratively with other board experts, staff and boards to translate complex financial inputs into clear governance policy and decision frameworks. They also highlight the strength of our capabilities in conducting stakeholder research and leveraging key insights across multiple audiences to inform decisions on board and organizational priorities.

We would be glad to connect TRA with these clients and others upon request. They can attest to our strength in guiding strategic development and facilitating board discussions that identify what matters most and translate the board's intent into clear policy and governing documentation.

Project Team

Mosaic's team includes experienced professionals with expertise in public pension governance, policy development, and board facilitation. The engagement is supported by two coordinated workstreams—governance manual development and funding policy design—working in parallel to meet TRA's timeline while ensuring integration across all deliverables. Biographies for each team member which highlight their training, credentials and work experience are included as hyperlinks.

Christie Nolan – Senior Consultant, Project Lead – [Bio](#)

As Senior Consultant, Christie plays a central role in advancing this engagement, combining governance expertise with practical experience to support board effectiveness and strategic clarity. Serving as a trusted advisor, Christie will lead the governance manual development, facilitate board and stakeholder discussions, and ensure that all recommendations are tailored, actionable, and aligned with TRA's long-term objectives.

David Maurek – Senior Consultant, Funding Policy Framework – [Bio](#)

David will lead the funding policy component of the engagement, bringing deep experience in public pension governance and board advisory work. He will work in parallel with the governance manual development to design a clear, principles-based funding policy framework that aligns with TRA's long-term objectives and fiduciary responsibilities.

Natasha Smith – Consultant – [Bio](#)

Natasha brings strong strategic and analytical skills and experience in public pension governance to the project. She will lead the stakeholder research effort, designing and conducting outreach to gather meaningful insights that inform the engagement. Working closely with Christie, she also supports core project activities and contributes to developing recommendations that are practical, well-informed, and aligned with TRA's strategic priorities.

Amy McDuffee – Principal – [Bio](#)

Amy provides executive-level leadership and oversight for the engagement, ensuring the work reflects Mosaic's standards for quality, rigor, and practical value for TRA. Serving as a strategic thought partner throughout the project, she helps shape key decisions and the overall direction of the work. She is actively engaged at critical milestones and participates in board sessions to support alignment, reinforce key insights, and ensure the work resonates with TRA board and staff.

We will call on additional team members as needed to support the engagement, including analyst support for research and synthesis and administrative support for coordination and scheduling.

Our team brings a distinctive combination of insider perspective and cross-disciplinary expertise that supports boards in strengthening governance practices and improving decision-making over time. Two members of our proposed team have served as executives within public pension systems, providing an "inside-out" understanding of how these organizations operate and how board decisions are shaped in practice.

We complement this perspective with deep expertise in employee benefits and public pension governance, supported by professional credentials including Certified Employee Benefit Specialist (CEBS), Certificate of Achievement in Public Plan Policy (CAPP), and Retirement Plans Associate (RPA). Our team also brings experience in leadership development, executive coaching, and industrial-organizational psychology. This combination allows us to address not only governance structures and policies but also the human dynamics that influence how effectively boards perform their roles.

Through our client work and industry leadership, we routinely design and deliver trustee onboarding and continuing education programs that reinforce core elements of effective governance: clear roles, informed decision-making, and appropriate oversight. This includes work with organizations such as IFEBP, NCTR and NEA, where we train trustees on fiduciary responsibilities, including oversight of actuarial matters. As a result, we are well versed in the role of the board actuary, the structure and purpose of board-level actuarial reporting, and the broader context in which boards evaluate funding, risk, and policy tradeoffs.

We also recognize that strong governance depends on the effective integration of expert advice into board deliberations. We regularly collaborate with national actuarial firms and have worked alongside board actuaries, including the current TRA actuary, on governance-focused engagements. We approach these relationships as coordinated, team-based efforts, aligning governance practices, advisory input, and board discussion so that each reinforces the other in support of long-term system sustainability and public trust.

SECTION 3 – WORK SAMPLE

Work Sample. Responder should provide a Work Sample that reflects the quality of the deliverables they will provide to the State. Work Samples are ideally very similar to the services being requested in this RFP.

Mosaic has provided the following work samples representative of the type of deliverables described in this proposal, including governance frameworks and policy structures, board decision-making tools, and funding policy-related documents. All samples provided are publicly available documents.

- [CalSTRS Board Governance Manual](#)
- [PERSI Board Governance Manual – Funding Guidelines](#)

- [Colorado PERA Presentation on Governance Manual Review](#) (Please reference pages 3 – 69 of this document.)
- [Colorado PERA Governance Manual](#)
- [Colorado PERA Strategic Plan Stakeholder Research Summary](#) (Please reference pages 3 – 20 of this document.)

SECTION 4 – ACCESSIBILITY OF SERVICES OR PRODUCTS

4. Accessibility of Services or Products. Responder must identify experience modifying technology for compliance with Section 508 of the federal [Rehabilitation Act of 1973](#) and [Web Content Accessibility Guidelines \(WCAG\) 2.1, Level AA](#). Responder must provide responses to the following questions to attest to the firm’s ability to ensure that TRA fulfills its legal and operational responsibilities.

- a) Describe how Responder will ensure that the personnel assigned to perform work for TRA have the knowledge and skills to make reports and presentations meet federal accessibility requirements.**

Mosaic is strengthening its approach to federal accessibility requirements by combining current practices with enhancements now underway. We currently collaborate with clients’ design and communications teams to ensure deliverables meet applicable accessibility standards, and we engage a professional graphic designer to support the development of materials intended for public use.

We are also working with a professional graphic designer to refresh our brand standards, including the development of templates and guidelines aligned with federal accessibility requirements. This work is in progress. Once finalized, all Mosaic personnel will be trained on these standards, and internal standard operating procedures will be established to guide final quality control reviews of all firm-produced outputs.

- b) Describe the Responder’s approach to ensuring accessibility (e.g. strategy, tools, design, testing, ongoing validation, etc.) and how accessibility will be incorporated into the work process.**

Mosaic works with clients across the United States that are subject to both federal and state accessibility requirements. To support compliance, we coordinate closely with client staff responsible for final publication of materials and align our deliverables with client templates and standards, where appropriate. We are comfortable providing draft materials that TRA staff may finalize and can work within TRA's branding guidelines to support a consistent and compliant final product.

c) Provide copies or links to documents or access to other examples of work Responder has produced that meet accessibility requirements.

Mosaic recently supported CalSTRS in developing a report to its Board of Trustees related to AI Governance at CalSTRS. The publicly available report can be found [here](#). This document leverages CalSTRS' brand standards, and CalSTRS staff was responsible for applying accessibility standards to board materials.

It is our understanding that, as of April 20, 2026, the Department of Justice's [Interim Final Rule](#) extended the compliance date for state and local government entities to April 26, 2027 (for entities with populations of 50,000 or more) or April 26, 2028 (for entities with populations of less than 50,000). We are in the process of ensuring that our brand standards (including our templates) reflect federal accessibility requirements. We feel confident that our brand standards will support our client deliverables in being fully compliant with these federal requirements and that they will be in place by the enforcement date of April 26, 2027.

SECTION 5 – COST DETAIL

Cost Detail. Complete and submit Attachment C, "Cost Detail," attached to this solicitation.

Attachment C (Cost Detail) has been submitted separately in accordance with the RFP requirements.

SECTION 6 – SAMPLE TRANSACTION DOCUMENTS

Mosaic would be pleased to provide sample transaction documents if it is privileged to earn this engagement, prior to award, as requested, consistent with the requirements outlined in the solicitation.

COMPLIANCE STATEMENT

Mosaic acknowledges and will comply with all applicable solicitation requirements, including U.S.-based data handling, the prohibition on non-public or trade secret submissions, and applicable state contracting requirements.

ATTACHMENT C: COST DETAIL

Responders must submit Attachment C “Cost Detail” form as their Cost Proposal. The rate(s) identified in the Cost Proposal must include all costs, including but not limited to: travel expenses, mass mailings, fees, commissions, compensation, indirect costs, equipment, supplies, and other charges.

Identify the level of the State’s participation in the contract and details of cost allowances for this participation. The State does not make regular payments based solely upon the passage of time; it only pays for services performed or work delivered after it is accomplished.

Responder must complete the chart below for each identified deliverable. The State reserves the right to negotiate additional tasks within the scope of this solicitation with the highest scoring responder.

Mosaic Governance Advisors, LLC

Task #	Deliverable or Project Phase Description	Total Cost for Completion of Deliverable or Project Phase
Phase 1	Discovery and Governance Baseline	\$35,000
Phase 2	Stakeholder engagement and insights	\$85,000
Phase 3	Funding Policy application and decision framework	\$75,800
Phase 4	Governance Alignment and Policy Development	\$113,700
	Courtesy Discount*	-\$17,000
	Totals (inclusive of all costs as specified)	\$292,500

*Mosaic has included a courtesy adjustment that reflects both the integrated design of the engagement and our interest in partnering with TRA across the full scope of work.

Optional Discretionary Services

The cost proposal must itemize all job titles that could reasonably be anticipated to participate in the services being offered by the responder to the State for this solicitation. For each job title, include a detailed description of what work falls under the parameters of the job title and provide the corresponding maximum hourly rate for that job title. Responders must fill in the table below for any services not included in the deliverable.

Mosaic’s proposed scope is fully reflected in the deliverables outlined in the chart above; no additional services are anticipated.

Job Title	Detailed Description of Work	Maximum Hourly Rate	Other Costs
		\$ _____	

TOTAL COST: \$ _____