

MINUTES
Minnesota State Retirement System
Board of Directors
May 15, 2025

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, May 15, 2025 at 9:00 a.m., in the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 117, Saint Paul, Minnesota.

Members Present

All members attended in-person, unless noted otherwise.

Mary Benner, Chair; Wes Skoglund, Vice Chair; Amanda Biggins; Jacqueline Terry; Jason Bonnett; Joseph Sullivan [attended via video]; Michael LeDoux [attended via video]; Michael Roelofs; Thomas Carr (representative for Erin Campbell, Commissioner of Minnesota Management & Budget); and David Stiggers (representative for Amalgamated Transit Union, Local 1005).

Others Present

All attended in-person, unless noted otherwise.

Frank Langan, the Office of Minnesota Attorney General; Jill Schurtz, State Board of Investment (SBI); Andy Christensen, (SBI); Jeff Altringer, University of Minnesota [attended via video], and Mike Landers, Minnesota Retired State Employees Association [attended via video].

MSRS Staff

All staff attended in-person, unless noted otherwise.

Erin Leonard (Executive Director); Linda Henderson; Mark Manion; Tim Rekow; Colleen Hazel; Chad Burkitt; Jenkins Vangehn; Holly Michaels; Kris Wenner [attended via video]; Terri Jauert [attended via video]; and Sallie Rasmussen.

Call to Order

Chair Benner called the meeting to order at 9:04 a.m. The agenda items were taken in the order as shown below. Welcome to Amanda Biggins, the new Board member representing the Correctional Plan.

Approval of Minutes of the Regular Board Meeting

The minutes of the regular Board meeting held March 20, 2025, were submitted for approval.

Skoglund moved approval of the minutes of the regular meeting held March 20, 2025. Motion was seconded by Carr and carried unanimously by roll call vote.

Update from the State Board of Investment (SBI)

Jill Schurtz, Executive Director, and Andy Christensen, Deputy Executive Director, from the SBI provided an update on how the portfolio is behaving and performing in this volatile time. Schurtz explained that the portfolio is designed to withstand market

volatility and is performing as it is expected. As of May 14, 2025 our fiscal year-to-date rate of return for our portfolio is slightly higher than the 7% return assumption.

Governance Manual Update

Mary Benner shared that the Board Governance Committee met on March 24, 2025 to make changes to the existing Board Governance Manual. Changes were made to reduce redundancy, clarify information and create links to current publications on the MSRS website for the most up-to-date data and plan information.

Roelofs moved to adopt the changes to the Board Governance Manual recommended by the committee and to direct staff to make any necessary technical and conforming edits. Seconded by Biggins and passed unanimously by roll call vote.

HCSP Plan Document Update

Linda Henderson, Chief Internal Benefits Officer, shared memorandum *Health Care Savings Plan (HCSP) Plan Document Amendment*, dated April 29, 2025. The upcoming changes to the recordkeeper for the defined contribution plans affects the HCSP plan custodian and trustee defined in the HCSP Plan Document. Henderson summarized the changes to the HCSP Plan document.

Carr moved to adopt the staff recommendation on the proposed amendments to the HCSP Plan Document with a July 1, 2025 effective date. Seconded by Stiggers and passed unanimously by roll call vote.

MNDCP Plan Document Update

Mark Manion, Chief External Benefits Officer, shared memorandum *Minnesota Deferred Compensation Plan (MNDCP) Plan Document Amendments*, dated May 6, 2025. The upcoming transition in recordkeeping providers from Empower to Voya requires updates to the MNDCP Plan Document. There are several required and voluntary provisions in the SECURE 2.0 Act of 2022 that will be adopted during the vendor transition. Manion provided an overview of the proposed changes to the plan.

Carr moved to adopt the proposed amendments to the MNDCP Plan Document with a July 1, 2025 effective date. Seconded by Stiggers and passed unanimously by roll call vote.

2025 Legislative Update

Jenkins Vangehn provided an update on the two MSRS bills that were adopted by the Legislative Commission on Pensions and Retirements (LCPR) on March 18, 2025 for inclusion in the Omnibus Pension and Retirement Bill. The Omnibus Pension Bill (HF1889/SF 2884) is now with the finance committee and will likely proceed through the legislative process over the weekend. The House, Senate and Governor's office recently reached an agreement on joint budget targets, and the LCPR is expected to meet again soon.

FY2025 Year in Review

Manion, Henderson and Holly Michaels, Strategic Initiatives Director, shared presentation *2024 Fiscal Year in Review*. The review included an update on plans administered by MSRS, plan assets, numbers of plan participants, new retiree survey results, participant demographics, service statistics, and participant outreach data. The Strategic Plan updated included an overview of talent management, service delivery, participant success, and financial sustainability and organizational resilience.

FY2026 Budget

Collen Hazel, Chief Financial Officer, presented the FY2026 Administrative and Recordkeeper Budget. Staff recommend that the Board approve the fiscal year 2026 Administrative and Recordkeeping budget.

- The fiscal year 2026 Administrative Budget totals \$27,980,604. This amount is \$908,131 or 3.35 percent more than the fiscal year 2025 budget, which totaled \$27,072,473.
- The fiscal year 2026 Recordkeeping Budget totals \$4,285,000. This amount is \$135,866 or 3.07 percent less than the fiscal year 2025 budget of \$4,420,866. This is due to the lower costs offered by the new recordkeeper.
- The fiscal year 2026 Total Budget Proposal is \$32,265,604. This amount is \$772,265 or 2.45 percent more than the fiscal year 2025 budget of \$31,493,339. The budget increase is primarily due to increases in personnel costs, statewide services indirect costs, and continuation of our system modernization.

Skoglund moved to approve the fiscal year 2026 Administrative and Recordkeeping budget. Seconded by Carr and passed unanimously by roll call vote.

Reports from Standing Committees

Audit Committee – The plan is to meet in June and review two recent audit reports around IT security and fraud prevention.

Facilities Management Committee – A wall and secure door has been approved to be constructed near the SBI suite to add additional security for their staff.

Other Business

Recordkeeper transition- A transition guide was recently sent to all defined contribution plan participants which provided details about the upcoming blackout period for investment changes. Training for MSRS Staff will occur in June and July. Leonard mentioned the opportunity for Board members to attend a training or conferences once each fiscal year.

Skoglund moved to approve Board members to attend one training or conference consistent with Board policy for fiscal year 2026. Motion was seconded by Biggins and carried unanimously by roll call vote.

Next Meeting Date

The next meeting is tentatively scheduled for July 17, 2025. The following meeting is tentatively set for September 18, 2025; the annual in-service training will be after this meeting.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 10:51 a.m.

Carr moved to adjourn. Motion was seconded by Stiggers and carried unanimously by roll call vote.

Informational Items:

Summary Financial Information (unaudited)

Contracts Summary

Information Security Report – Protected Non-Public Data

Retiree Lists