

MINUTES
Minnesota State Retirement System
Board of Directors
July 17, 2025

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, July 17, 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 [attended via video]; Amanda Biggins, Chet Jorgenson; Jacqueline Terry; Jason Bonnett; Joseph Sullivan; Michael LeDoux; 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; Bonnie Wurst, GRS Consulting; Sherri Christensen, GRS Consulting; Michael Wroblewski, GRS Consulting; Jeff Altringer, University of Minnesota [attended via video]; Shaun Van Vark, University of Minnesota [attended via video]; Richard Orpen [attended via video]; Rikita Davis [attended via video]; and Ron Deranleau, Appellant.

MSRS Staff

All staff attended in-person, unless noted otherwise.

Erin Leonard (Executive Director); Linda Henderson; Tim Rekow; Chad Burkitt (General Counsel); Jenkins Vangehn; and Sallie Rasmussen.

Call to Order

Chair Benner called the meeting to order at 9:06 a.m. The agenda items were taken in the order as shown below.

Approval of Minutes of the Regular Board Meeting

The minutes of the regular Board meeting held Thursday, May 15, 2025, were submitted for approval.

Roelofs moved approval of the minutes of the regular meeting held May 15, 2025. Motion was seconded by Terry and carried unanimously by roll call vote.

Appeal in the matter of Ron Deranleau

The majority of the appeal for Ron Deranleau was discussed during a closed meeting. Mary Benner shared that in order to facilitate discussion between the parties and the Board the meeting would be closed on two accounts; Minnesota law requires the

closure of any portion of a meeting where an individual's medical records are discussed, and where internal affairs data related to allegations of law enforcement personnel misconduct are discussed. See Minn. Stat. § 13D.05, subd. 2(a)(2) & 2(a)(4).

Terry moved to close the meeting pursuant to the referenced Minnesota statutes. Seconded by LeDoux and passed unanimously by roll call vote.

Deranleau's attorney was not present, but it was confirmed with Deranleau that he wanted to proceed.

Chad Burkitt, General Counsel for MSRS, provided a summary of the appeal and the position of the executive director in this matter. The Petitioner, a correctional officer, was granted a regular disability benefit from his Correctional Employee Retirement Plan after he sustained an injury while involved in an incident with another co-worker during a shift change. The Petitioner's duty disability benefit was denied by staff, and the executive director affirmed the staff's determination. The Petitioner appealed to the Board and the issue was referred to the Office of Administrative Hearings (OAH) where the Administrative Law Judge (ALJ) issued Findings of Fact, Conclusions of Law and a Recommendation with a Supporting Memorandum. The ALJ recommended that the Board affirm the executive director's determination.

The issue before the Board is whether or not the Petitioner is eligible for a duty disability benefit from the Correctional Employees Retirement Plan. Burkitt stated the Petitioner must show by a preponderance of evidence that his occupational disability qualifies as a "duty disability, physical or psychological" which is defined as, "*an occupational disability that is the direct result of an injury incurred during, or a disease arising out of, the performance of normal duties or the performance of less frequent duties either of which present inherent dangers specific to the correctional employee.*"

Petitioner shared his viewpoint of the situation and his reasonings for why he should be eligible for the duty disability benefit.

Questions and comments from Board members were addressed by Burkitt and Frank Langan. Once all questions and comments were made, Benner asked for a motion to reopen the meeting to the public.

Jorgenson moved to reopen the meeting. Seconded by Terry and passed unanimously by roll call vote.

Langen provided a recap of the public information that was discussed during the closed section of the meeting which included the following: Petitioner's application for duty disability benefits, tenure with the Department of Corrections, and his lack of any prior discipline; though the Petitioner's attorney was not present he wanted to proceed without counsel; the Board reviewed written submissions; and the Board was advised on applicable statutory definitions.

Jorgenson moved to affirm the executive director's determination that Ron Deranleau is not eligible for a duty disability benefit; AND to adopt the Findings of Fact in the report of the Administrative Law Judge; AND to direct the attorney for the Board to draft an order and memorandum consistent with this motion. Seconded by Roelofs and passed with 10 votes in favor and 1 abstained.

2025 Estimated Actuarial Results

Bonnie Wurst shared presentation *Estimated 2025 Valuation Results*, dated July 17, 2025. Wurst shared the estimated 2025 valuation results for all plans (except Legislators). The estimates included the effects of layered amortization and benefit changes affecting the State Employees Retirement Fund and State Patrol Retirement Fund

No action was needed on this item.

2025 Legislative Summary and Planning for 2026

Jenkins Vangehn shared memorandum *2025 Legislative Update & 2026 Planning*, dated July 8, 2025. Vangehn summarized the changes made when the 2025 Omnibus Pension and Retirement Bill was signed into law on May 23, 2025.

MSRS staff have begun the process of soliciting proposals for the legislative changes from the MSRS department heads. Staff encouraged Board members to bring forward any suggestions for policy changes or topics to consider during the next legislative session. A more in-depth conversation regarding the 2026 legislative agenda will take place during the September and November meetings.

No action was needed on this item.

Approval of 2026 Board Election Process

Sallie Rasmussen shared memorandum *Approval of MSRS 2026 Board Election Procedures*, dated June 30, 2025. Preparation for the upcoming 2026 election is underway. Three positions are open for this next election cycle which includes two active members from the General/Unclassified Retirement Plan, and one from the State Patrol Plan. Administrative rules require the Board to approve the MSRS Board election materials and voting procedures. Bonnett recommended updating the tentative timeline to correct a few dates that were incorrect.

Bonnett moved to adopt the 2026 Board election process and materials as amended. Seconded by Biggins and passed unanimously by roll call vote.

Proposed In-service Training Topics

Leonard shared memorandum *In-service Training and Potential Topics*, dated July 8, 2025. Minnesota Statutes section 356A.13 requires continuing fiduciary education for Board members. The in-service for 2025, is scheduled to occur immediately following the September regularly scheduled meeting. A list of potential training topics was presented to the Board for consideration.

No action was needed on this item.

Board Governance Manual Updates

Benner shared memorandum *Board Governance Manual Updates*, dated July 8, 2025. The Board Governance Manual Committee met on June 30, 2025 to review, discuss edits, and update the Board Governance Manual. Proposed changes and edits were presented to the Board for consideration.

Terry moved the changes to the Board Governance Manual recommended by the Board Governance Committee. Seconded by LeDoux and passed unanimously by roll call vote.

Reports from Standing Committees

Joe Sullivan reported the Audit Committee met on June 24, 2025, to discuss the Linea security assessment results, and two security reports from our internal auditor, Plante Moran. Committee members also voted to extended the contract with Plante Moran for future internal audit services for two more years. Skoglund expressed that he would like to step down from the Audit Committee.

Benner reported the Facilities Management Committee has two standing issues being addressed. The first issue involves the co-tenancy agreement and working to get all tenants to come to an agreement. The second is around a security assessment of the Retirement Services building, specifically focusing on the first floor. A request for proposal will need to be sent out for this security assessment. Leonard also shared that the window replacement project to replace all of the seals around the windows should start next week.

Leonard shared the recordkeeper change has taken place and staff are currently adjusting to all the changes. All assets have been transferred and accounts are reconciled. A few challenges being worked through include issues with file transfers that are not yet automated, and significantly higher call volumes which caused us to temporarily shut off our call-back feature.

Colleen Hazel, the Chief Financial Officer retired in early July and her position will be posted soon.

Other Business

Mike LeDoux shared that he will be retiring in August. MSRS Board members and staff expressed their gratitude for his many years of service and dedication to the Board. MSRS has a policy for filling a Board vacancy and staff will start that process internally.

Next Meeting Date

The next meeting is tentatively scheduled for September 18, 2025. In-service training will follow the September meeting. The following meeting is tentatively set for November 20, 2025.

Adjournment

There being no further business to come before the Board, the meeting adjourned at 12:09 p.m.

Terry moved to adjourn. Motion was seconded by LeDoux and carried unanimously by roll call vote.

Informational Items:

Summary Financial Information (unaudited)

Contracts Summary

Information Security Report – Protected Non-Public Data

Retiree Lists

Rate of Return –presented at meeting