MINUTES
Minnesota State Retirement System
Board of Directors
May 21, 2026

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, May 21, 2026 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; Chet Jorgenson; Jason Bonnett [attended via video]; James Joslin; Joseph Sullivan [attended via video]; Michael Roelofs; Richard Orpen; 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 online, unless noted otherwise.
Peter Benner [attended in-person]; Frank Langan, the Office of Minnesota Attorney General; Jeff Altringer, University of Minnesota; Michael Hamm; and Mike Landers, Minnesota Retired State Employees Association.

MSRS Staff

All staff attended in-person.
Erin Leonard (Executive Director); Linda Henderson; Mark Manion; Tim Rekow; Jackie Reckmann; Chad Burkitt; Jenkins Vangehn; and Sallie Rasmussen.

Call to Order

Chair Benner called the meeting to order at 9:02 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, March 26, 2026, were submitted for approval.

> *Skoglund moved approval of the minutes of the regular meeting held March 26, 2026. Motion was seconded by Carr and carried unanimously by roll call vote.*

Election of the Board Chair and Vice Chair Approval of the Retirement Systems

Following a Board election, it is policy that the Board Chair and Vice Chair positions are elected. The request for nominations were as follows:

Erin Leonard requested nominations for position of Board Chair.

Skoglund moved the nomination of Mary Benner for Board Chair. Motion was seconded by Carr. Benner accepted the nomination.

Following three calls for further nominations by Leonard, and there being none, the question was called on the motion.

Motion carried unanimously by roll call vote.

Leonard requested nominations for the position of Board Vice Chair.

Michael Roelofs moved the nomination for Skoglund for Board Vice Chair. Motion was seconded by Carr. Skoglund accepted the nomination.

Following three calls for further nominations by Leonard, and there being none, the question was called on the motion.

Motion carried unanimously by roll call vote.

Legislative Update
Jenkins Vangehn presented memorandum *2026 Legislative Update*, dated May 12, 2026. The Omnibus Pension Bill was passed by the House and Senate, and signed into law on May 19, 2026. There were no significant amendments to the MSRS Administrative Bill. The Probation Officer and Public Safety Telecommunicator Bill established a subplan for probation officers and public sector telecommunicators with an effective date of January 1, 2027. Additional provisions in the bill include the following:

- An employing agency will be required to remit employer contributions for a re-employed retiree or an individual on a post-retirement option (PRO). Employee contributions are not required.
- Eliminates the requirement that Deferred Compensation Plan (DCP) investment fees and rates of return disclosure be filed with the Executive Director of the Legislative Commission on Pensions and Retirement.
- Provides clarifying language to the Health Care Savings Plan (HCSP) governing statute regarding the types of written agreements that are acceptable to define participation in the plan.
- A potential change to the billing process for the State Board of Investment (SBI).

Orpen spoke about his concern that the legislation that passed shorted the members of the State Patrol Retirement Plan. Benner expressed a need for a larger conversation on that matter if a legislative initiative is to be brought forward for the next legislative session.

Board Governance Manual and Other Updates
Leonard discussed memorandum *Board Governance Manual Updates,* dated May 14, 2026. The Board Governance Manual Committee proposed changes to the Appeals

policy, Executive Director Compensation policy, and salary worksheet. Benner shared an overview of the typical process for appeals that come to the Board. The committee recommends that the Board adopt the proposed changes.

> *Skoglund moved to approve the proposed changes to the appeals policy. Seconded by Carr and passed unanimously by roll call vote.*

> *Roelofs moved to approve the proposed changes to the ED salary and worksheet. Seconded by Carr and passed unanimously by roll call vote.*

Leonard shared that there is an opening on the Audit Committee due to Benner stepping down, and Jackie Terry no longer on the Board. Carr and Jim Joslin volunteered to be on the committee. Benner asked for any further nominations and none came forward.

> *Jorgenson moved to approve both Joslin and Carr as new members to the Audit Committee. Seconded by Skoglund and passed unanimously by roll call vote.*

Approval of the Retirement Systems Building Co-Tenancy Agreement
Tim Rekow shared memorandum *Approval of Retirement Systems Building Co-Tenancy Agreement Amendment,* dated May 11, 2026. The Retirement Systems Building Co-Tenancy Agreement is a written agreement between MSRS, Public Employee Retirement Association (PERA), and Teachers Retirement Association (TRA). It is designed to detail each retirement system's ownership in the building, duties, and obligations of each system in regards to construction, operation, maintenance, and debt services, as well as the designation of one retirement system to serve as the manager for operating and maintenance purposes. The three retirement systems recently met for a Facilities Management Committee (FMC) meeting where updates and amendments were approved.

The Co-Tenancy Agreement requires each Board adopt the proposed amendments before it can be signed and become effective. Staff recommend the Board approve the amendments to the Retirement Systems Building Co-Tenancy Agreement.

> *Roelofs moved to approve the proposed amendments to the Co-Tenancy Agreement. Seconded by Skoglund and passed unanimously by roll call vote.*

HCSP Plan Document Update
Chad Burkitt presented memorandum *Health Care Savings Plan (HCSP) – Plan Document Amendment to Comply with the Health Insurance Portability and Accountability Act (HIPAA) and Certification,* dated May 11, 2026. The HCSP meets the definition of a *health plan* under HIPAA, and as a result, the plan must comply with federal regulations called the HIPAA Privacy Rule. MSRS staff are currently engaged in a HIPAA compliance project in order to bring the HCSP's policies and practices into better compliance with this rule.

Staff recommend the Board adopt the proposed amendments effective July 1, 2026 and certify that the Board will not use or disclose Public Health Information (PHI) in the HCSP Plan Document.

> *Skoglund moved to approve the proposed amendments effective July 1, 2026, and certify that the Board will not use or disclose PHI as permitted in the HCSP Plan Document. Seconded by Stiggers and passed unanimously by roll call vote.*

Board Conference Attendance Approval
Leonard presented memorandum *Board Member Conference and Attendance Approval,* dated May 11, 2026. The Board of Directors is required to complete annual training under Minnesota Statues §356A.13 to ensure they have the knowledge and skills sufficient to perform their fiduciary responsibilities and governance activities. The current Board policy states that the Board must grant advanced approval to each member wanting to attend a specific conference. Staff recommend the Board authorize registration and travel expenses for each member who elects to attend a conference that satisfies the ongoing fiduciary education requirements.

> *Skoglund moved to approve registration and travel expenses for each member who elects to attend a conference. Seconded by Carr and passed unanimously by roll call vote.*

Aurora Modernization Project and Budget Explanation
Leonard shared memorandum *Aurora Modernization Project Update and Budget Request,* dated May 13, 2026. Leonard provided some background on what Aurora is, the types of jobs it runs, and the importance of this pension administrative system for how MSRS functions as an organization.

In May 2023 the Board authorized staff to issue a Request for Proposal (RFP) to modernize the Aurora pension administration system. The RFP was completed and a contract was executed with Intertech in November 2023. Leonard shared the primary goals for the modernization project, and the initial expected timeline for completion and cost. Currently the project is about 20 percent complete. Significant progress has been made on the project. However, it is currently behind schedule due to Intertech underestimating the complexity of the project, expanded scope, and MSRS staffing constraints due to the recordkeeper transition and other priorities.

MSRS recently met with Intertech to develop a deliverables-based plan for completing the project by January 2028. MSRS will provide project management and executive oversight to ensure Intertech completes contract deliverables and meets specific milestones on agreed-upon timeframes. MSRS will also add staff to the project to support Intertech and improve its connection to the business.

Questions were taken from Board members in regards to Intertech’s underestimation of the project, funding breakdown, and value of the project.

Action on this item is included in the FY27 Budget Request.

FY2026 Year in Review and Strategic Plan Update
Tim Rekow, Deputy Director; Mark Manion, Chief External Benefits Officer; and Linda Henderson, Chief Internal Benefits Officer, shared the presentation *Fiscal Year in Review,* dated May 21, 2026. Included in the review was an overview of the Minnesota Public Retirement System, MSRS Pension and Supplemental Plans, Participant Demographics and Statistics, and a Strategic Plan update. Questions and comments were taken from Board members and addressed by staff.

Holly Michaels spoke to each area in the Strategic Plan for updates and ongoing efforts related to the FY2026 goals and upcoming FY2027 plans: talent management, service delivery, participant success, and financial sustainability and organizational resilience.

No action was needed on this item.

FY2027 Budget Request
Jackie Reckmann, Chief Financial Officer, presented *FY2027 Administrative and Recordkeeping Budget Request,* dated May 13, 2026. The Administrative Budget totals $36,050,933, which is 29% more than the fiscal year 2026 budget. A large portion of the increase is related to the one-time costs of the Aurora modernization project. If you were to exclude the Aurora modernization project budget from the request, the remaining budget increases by 6 percent. The remaining budget increase is primarily due to increases in personnel costs, statewide services indirect costs, and the replacement of the MSRS accounting software.

The Recordkeeping Budget totals $4,472,500. This is 4% more than fiscal year 2026 due to transition costs of switching to a new recordkeeper.

The Total Budget Proposal is $40,523,433. If you remove the one-time costs associated with the Aurora modernization project from this amount, the total increase would be $34,023,433 or 5%.

Staff recommend that the Board approve the fiscal year 2027 Administrative and Recordkeeping Budget.

Skoglund moved to approve the fiscal year 2027 Administrative and Recordkeeping Budget. Seconded by Carr and passed unanimously by roll call vote.

Reports from Standing Committees
The Board Governance Manual Committee will meet again this summer to finalize the Governance Manual.

The Board will create a committee in 2027 when a new RFP is needed for Actuarial Services.

A Committee to select a Recordkeeper will be created near the end of 2028. Benner expressed a need to meet sooner to discuss issues related to the contract and any potential for expanding the number of bidders.

The Facilities Management Committee (FMC) met and discussed the building Security Report. The Security Subcommittee met on May 1, 2026 to discuss proposed security enhancement for the building. Those proposals will be brought to the next FMC meeting for discussion and approval.

Other Business
Leonard shared the fiscal year-to-date rate of return as of April 30, 2026 was 12.1%

Next Meeting Date
The next meeting is tentatively scheduled for July 16, 2026 with an in-service training to follow. The following meeting is tentatively set for September 17, 2026.

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

> *Skoglund moved to adjourn. Motion was seconded by Sullivan and carried unanimously by roll call vote.*

Informational Items:
Financial Information Summary (unaudited)
Contracts Summary
Information Security Report – Protected Non-Public Data
Retiree Lists
Rate of Return –presented at meeting