

**MINUTES**  
**Minnesota State Retirement System**  
**Board of Directors**  
**July 18, 2024**

The Board of Directors of the Minnesota State Retirement System (MSRS) met in regular session on Thursday, July 18, 2024 at 9:00 a.m., in the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 117, Saint Paul, Minnesota.

**Members Present**

*All members in-person, unless noted otherwise.*

Mary Benner, Chair; Wes Skoglund, Vice Chair; Chet Jorgenson; 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 Tommy Bellfield.

**Others Present**

*Attendees in-person:*

Kathleen Reitz, the Office of Minnesota Attorney General; Francisco Henderson, Appellant; Kate MacKinnon, Attorney representing Francisco Henderson; Michael Morrow, representing Francisco Henderson; Betsey Pepas, Via Benefits; and Dave Butts, ATU 1005.

*Attendees via video:*

Bonnie Wurst, GRS Consulting; Sherri Christensen, GRS; KrisAnn McMahon, University of Minnesota; Michael Wroblewski; Sean Kelly, Legislative Commission on Pensions Retirement (LCPR); and Mike Landers, Minnesota Retired State Employees Association.

**MSRS Staff**

Erin Leonard, Executive Director [attended via video]; Linda Henderson; Tim Rekow; Colleen Hazel; Kurt Augustin [attended via video]; Chad Burkitt; Jenkins Vangehn; and Sallie Rasmussen.

**Call to Order**

Chair Benner called the meeting to order at 9:05 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 16, 2024, were submitted for approval.

*Skoglund moved approval of the minutes of the regular meeting held May 16, 2024. Motion was seconded by Bellfield and carried unanimously by roll call vote.*

### **Appeal in the matter of Francisco Henderson**

Kathleen Reitz offered guidance to the Board by clarifying the definition of “salary” under Minn. Stat. §352.01, subd.13.

Roelofs recused himself from the discussion and vote as he previously worked with a person involved in the petition.

Chad Burkitt, general counsel for MSRS, noted a few minor corrections in the MSRS memo.

Burkitt shared background on the case, recommendation from the ALJ, and MSRS’ staff position with supporting evidence. Staff proposed that the Board reject the Petition of Francisco Henderson and find that none of the \$160,000 Settlement amount qualifies as salary; AND to adopt the Findings of Fact in the Report of the Administrative Law Judge as modified by the Staff proposed Exception 1 and 2; AND to direct the attorney for the Board to draft an order and memorandum consistent with this motion.

Kate McKinnon, attorney for Francisco Henderson, shared background on the work history and situation that occurred between Henderson and his employers. Henderson requests that the MSRS Board find the full \$160,000 settlement he received constitutes pension-eligible salary.

Questions regarding salary, past earned versus potential wages lost, W2 vs 1099, ALJ recommendation, Board authority, and the \$160,000 amount were addressed.

Jorgenson made a motion to use the language proposed by staff. Seconded by Skoglund.

Francisco Henderson spoke to his situation and expressed his frustrations with the process.

Clarification around the motion was discussed and the word *applicable* was added in regards to the Finding of Facts. Both Jorgenson and Skoglund agreed to the amended language to the original motion.

Mike Ledoux joined the meeting at 10:58am.

*Jorgenson moved the motion to reject the Petition of Francisco Henderson and find that none of the \$160,000 Settlement amount qualifies as salary; AND to adopt any applicable Findings of Fact in the Report of the Administrative Law Judge as modified by the Staff proposed Exception 1 and 2; AND to direct the attorney for the Board to draft an order and memorandum consistent with this motion. Seconded by Skoglund. Motion passed 7 to 1 (Voting Yes: Bellfield, Benner, Jorgenson, Carr, Skoglund, Sullivan, Terry; Voting No: Bonnett). Roelofs recused himself from voting and Ledoux abstained from voting due to missing the majority of the discussion.*

### **Presentation from the Actuary**

Bonnie Wurst and Sheri Christensen from GRS Consulting presented *Estimated 2024 Valuation Results*, dated July 18, 2024. Christensen shared the estimated 2024 valuation results for all plans except the Legislator Plan, and the 2019-2023 experience study results for the State Patrol, Correctional and Judges Plans.

No action was needed on this item.

### **2024 Legislative Update and 2025 Legislative Planning**

Jenkins Vangehn shared memorandum *2024 Legislative Update and 2025 Planning*, dated July 5, 2024. The 2024 Omnibus Pension bill, chapter 102-HF5040, was signed into law on May 15, 2024 and contained several administrative changes that made clarifications, removed obsolete language, and replaced outdated terms in previous statutes. There were also two work groups established that involve MSRS staff, and the first meeting for both the Amortization and Correctional Plan Eligibility work groups are scheduled for the end of July 2024.

If Board members have any suggestions for policy change or topics for consideration in the next legislative session, they can bring those forward for a more comprehensive conversation at the September and November meetings.

No action was needed on this item.

### **In-Service Training and Potential Topics**

Erin Leonard presented memorandum *In-Service Trainings and Potential Topics*, dated July 8, 2024. Minnesota Statute requires continuing fiduciary education for Board members. The in-service training for 2024 is scheduled to occur immediately after the September 2024 Board meeting, and it is being asked that all Board members attend in person. Staff will conduct a survey following the July meeting to determine two to four topics of interest from Board members.

No action was needed on this item.

### **Reports from Standing Committees**

- Leonard shared that MSRS is still in contract negotiations for the Recordkeeper.
- Joe Sullivan shared that the Audit Committee met in June 2024. Plante Moran presented their findings on the completed audits, focusing on processes for vendor payables and retirement initiation.
- The Facilities Management Committee is expected to meet again once the remodel is completed to discuss the co-tendency agreement.
- Benner shared that a draft of the Executive Director salary policy has been started.
- The Board Governance Committee plans to meet again in the fall.
- TRA's executive director is retiring in October.

### **Other Business**

- On July 1, 2024 all state of Minnesota employees received a 4.5% salary increase.
- Leonard shared an update on Secure Choice: the Executive Director position and salary has been approved, and the department is being set up in SEMA4. They are getting close to posting for the interim executive director.

### **Next Meeting Date**

The next meeting is scheduled for September 19, 2024. Board in-service training will be scheduled in-person following the September meeting. The following meeting is tentatively scheduled for November 21, 2024.

### **Adjournment**

There being no further business to come before the Board, the meeting adjourned at 12:35 p.m.

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

### **Informational Items:**

***Contracts Summary***

***Summary Financial Information (unaudited)***

***Information Security Report – Protected Non-public Data***

***Retiree Lists***

***Rate of Return – presented at meeting***