

St. Paul Teachers' Retirement Fund Association

Serving the retirement needs of St. Paul Teachers since 1909



Annual Meeting of the Members
March 14, 2024

Pre-Game Huddle

○ **Welcome & Purpose**

- Annual Meeting of the Members
- Election of three members to the Board of Trustees
- Share important information regarding your pension plan

○ **Rules of Engagement**

- Submit questions anytime via Q&A
- Two breaks for Q&A questions during the presentation
- Action items noted throughout the presentation

○ **We welcome your feedback!**



Our Mission

- Provide our members and their beneficiaries with retirement, survivor and disability benefits as specified in law and the Association Articles and Bylaws.
- Assist our members in planning a secure retirement by providing friendly, high quality, consumer oriented service, pre-retirement education and information in a professional and cost effective manner.
- Invest the assets of the fund to provide the optimum return while preserving principal by controlling the portfolio risk.



Your Board of Trustees



Mike McCollor
Board President, Retired



Lori Borgeson
Board Vice President,
Active



Thomas Koreltz
Board Secretary, Active



Michael McKay
Board Treasurer, Active



Matt Bogenschultz
Trustee, Retired



Halla Henderson
Ex-Officio, SPPS Board
President



Karen Martinsen
Trustee, Active



Karen Odegard
Trustee, Retired



Stephanie Pignato
Trustee, Retired



Maggi Schiller
Trustee, Retired

Our SPTRFA Team



Phillip T. Tencick
Executive Director/CIO
Second year with SPTRFA

Dave Andrews
Controller
First year with SPTRFA

Cynthia Foster
Fund Accountant
Third year with SPTRFA

Janet Williams
Chief Operating Officer
13 years with SPTRFA

Nancy Langer
Member Services Leader
46 years with SPTRFA

Tamera Zielinski
Administrative Assistant
22 years with SPTRFA

Annual Meeting of the Members
March 16, 2023, 4:00 p.m.
St. Paul, Minnesota

Minutes
Via Zoom Virtual Meeting

The Annual Meeting of the Members of the Association was held on Thursday, March 16, 2023, in accordance with Article II, Section 1 of the Association Bylaws, virtually via Zoom. With a quorum of members present or represented by proxies, President McCollor called the meeting to order at 4:00 p.m. and presided throughout. He then introduced the members of the Board of Trustees in attendance:

Matt Bogenschultz	Thomas Koreltz	Michael McKay	Stephanie Pignato
Lori Borgeson	Mike McCollor	Karen Odegard	Maggi Schiller

Unable to attend were board members: Zuki Ellis, SPPS Ex-Officio, John Horton, Trustee

President McCollor introduced the current and former members of the Association Board of Trustees in attendance. President McCollor then introduced Phillip Tencick, Executive Director and CIO for the Association. Mr. Tencick introduced and thanked SPTRFA staff and the professional service providers present at the meeting.

The first order of business was to review the minutes of the prior year's Annual Meeting held on March 16, 2022. Dr. McCollor asked the membership to review the minutes which were submitted by Secretary Bogenschultz and attested to by President McCollor. *Upon a motion by Maggi Schiller and seconded by Thomas Koreltz, the Minutes were approved.*

President McCollor then reported the results of the election for the SPTRFA Board of Trustees. With 566 members voting, the certified vote counts were as follows:

Three-Year Term Trustee Election Results (Vote Count)		
Matt Bogenschultz (516)	Thomas Koreltz (512)	Stephanie Pignato (512)

Receiving one vote each were Daniel Liljedahl, Donald Sonsalla, Ed Roth, James R. Evans, Jennifer Singerhouse, Maureen Rueber, and Terry Bohler.

President McCollor called for a motion to approve the Report on the Election of Trustees. *Upon a motion by Karen Odegard and seconded by Maggi Schiller, the report was approved.* The President declared Matt Bogenschultz, Thomas Koreltz, Stephanie Pignato elected as trustees for a term of three years.

Executive Director Phillip Tencick welcomed Elizabeth Stevko, Senior Vice President and Relationship Manager and and Jeffrey Alt, US Sales Head with Brandywine Investment Management. Ms. Stevko provided an overview of the Global Opportunistic Fund they actively manage for the Association and responded to member questions.

Secretary Matt Bogenschultz gave the report on Membership. Treasurer Mike McKay gave the financial report. Mr. Tencick reported on matters of interest to the membership, including that the Fund's financial status continues to improve and is on pace to reach full funding within its statutory amortization period. As well, he provided an overview of finance, and investment results for fiscal year July 1, 2021 through June 30, 2022.

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Next, Mr. Tencick introduced Lori Borgeson, St. Paul Teachers' Pension Political Action Committee (SPTTPAC) Chair, who, in turn, introduced current and former members of the SPTTPAC who were in attendance. Ms. Borgeson provided a review of SPTTPAC activities over the previous year and discussed the importance of member involvement and support in 2023.

Following her presentation, Mr. Brian Rice of Rice, Walther, & Mosley, LLP, legislative counsel to the St. Paul Teachers' Pension PAC. Mr. Rice discussed current legislation, emphasizing the need for continued communications with legislators regarding the importance of maintaining and funding the defined benefit pension plan for St. Paul teachers.

President McCollor opened the floor for discussion of new business. There being none, President McCollor thanked all in attendance for their participation in the meeting and called for a motion to adjourn. A motion to adjourn was made by Thomas Koreltz, seconded by Matt Bogenschultz, and approved, whereupon Dr. McCollor declared the meeting adjourned at 5:00 p.m.

Respectfully Submitted:

Thomas Koreltz
Secretary



Attested:

Mike McCollor
President



➤ **Motion: Approve Minutes**

Annual Election of Trustees

The following individuals have filed letters of intent for election to the SPTRFA Board of Trustees.



Lori Borgeson: Advocating for St Paul teachers' pensions is an extremely rewarding part of my career. My goals are to continue stable funding, improve the 62/30 benefit and improve the normal retirement age. Being a trustee since 2012 and a pension PAC member since 1999, has allowed me to be a part of getting recent legislation passed. Experience on two bargaining teams has given me a clear understanding of how our contract fits with our pension benefits. Prior to teaching math at Johnson Senior since 1997, I worked in business. I would greatly appreciate your support!



Mike McCollor: Our St. Paul Teachers' Retirement Fund pension is one of the most important assets for all of us. It is crucial to continue collaborating with our teachers, policy makers, and financial professionals to ensure a secure and dignified retirement for all St. Paul teachers. I am honored to currently serve as the President of the Board of Trustees for our fund and have hundreds of hours of professional development in pensions to benefit all of our members. I would appreciate your support and vote to continue building a strong pension fund for all of us.



Karen Odegard: I will continue to protect and preserve the Fund's defined benefit plan, (SPTRFA), and safeguard its assets. Our fund is in the market for the long term to continue to grow assets with prudent investments. I am proud of new legislative benefits for active members: retiring without an age deduction at 62 with 30 years of St. Paul service, and no age deduction if retiring at 65. My Board decisions will continue to be guided by what is best for members and the Fund. I serve on the Investment Committee and as Chair on the Audit Committee. I ask for your vote.

Election of Trustees / Final Results

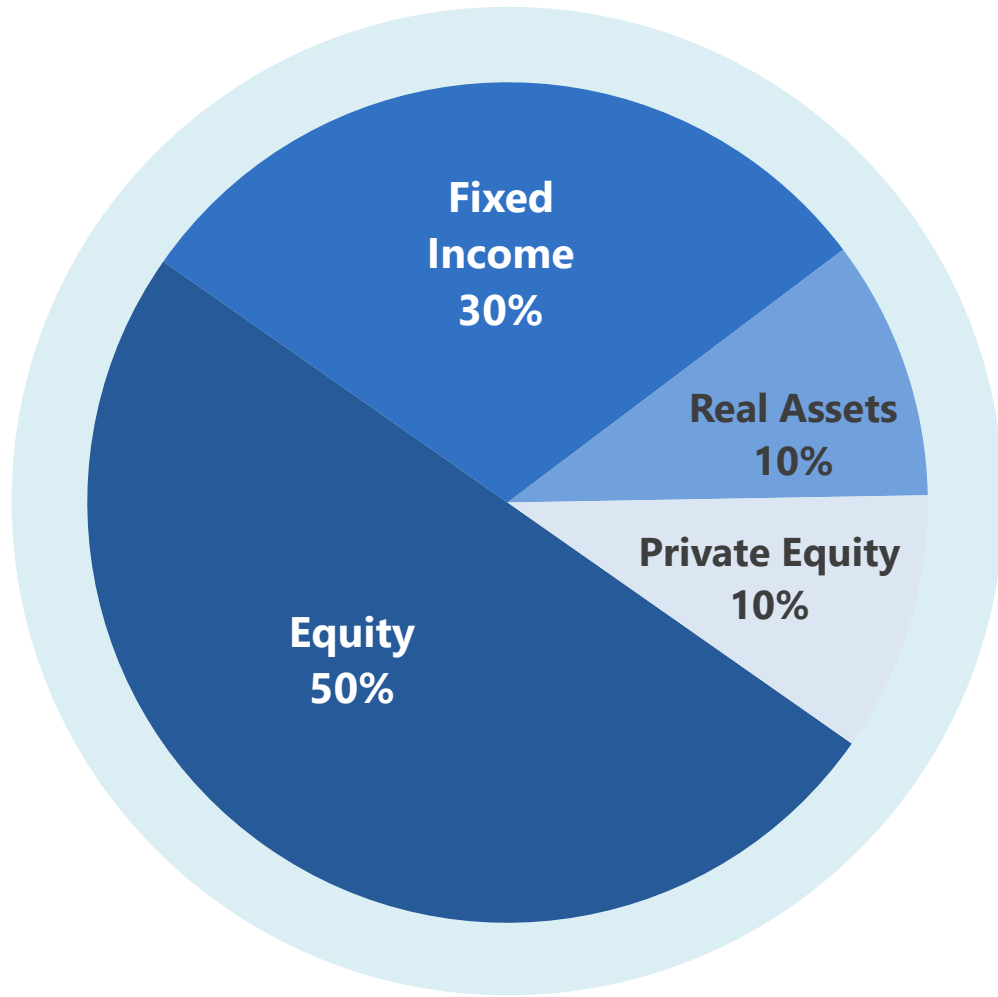
321 valid proxies were received by March 11, 2024, with instructions to be voted as follows:

Board of Trustees THREE-YEAR TERM	
Name	Votes
Lori Borgeson	294
Mike McCollor	300
Karen Odegard	290
Write-In Candidates	2

➤ **Motion: Accept the certified election results**

Stewards of Your Capital

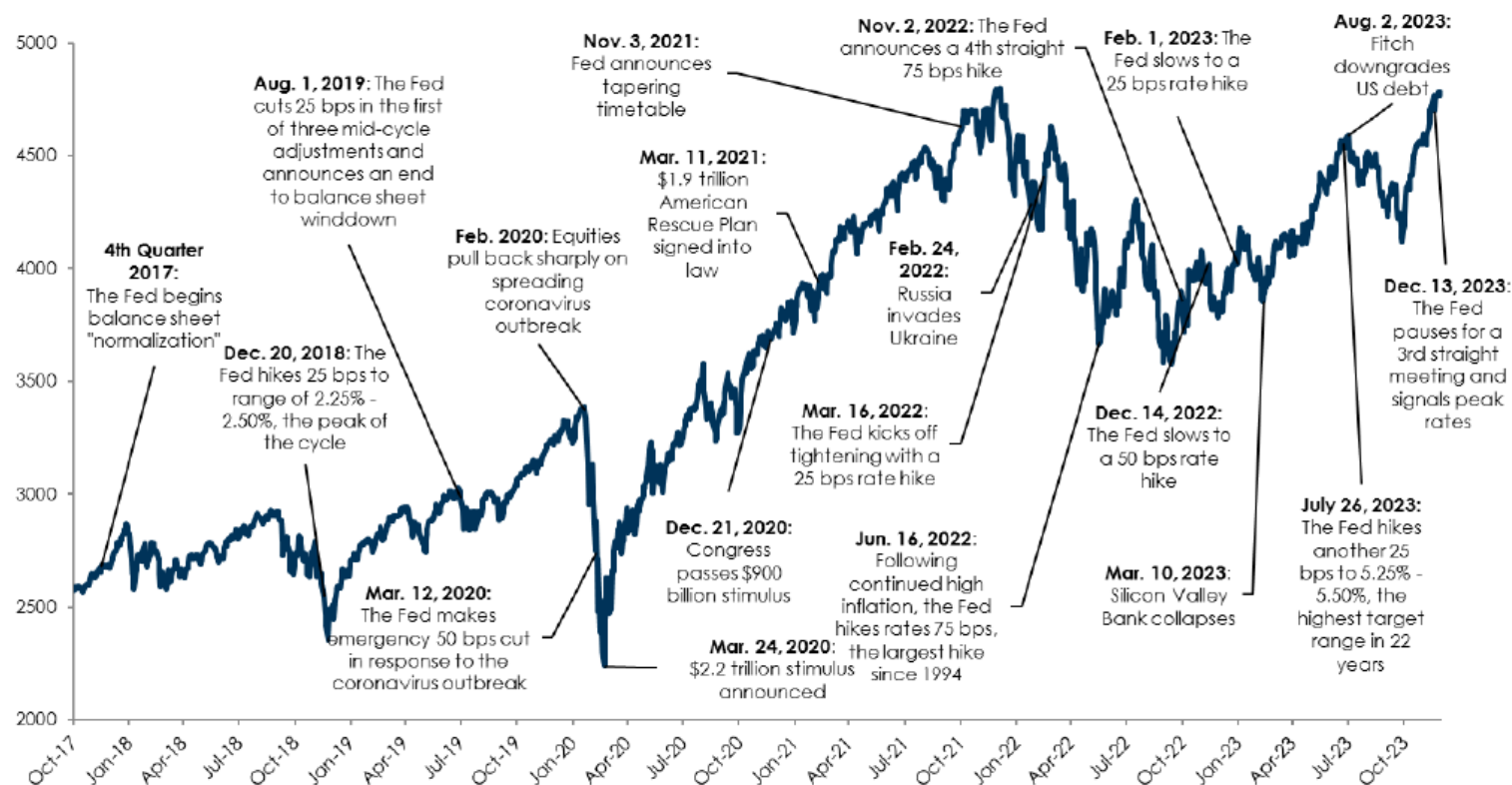
Your Investment Fund and Expenditures



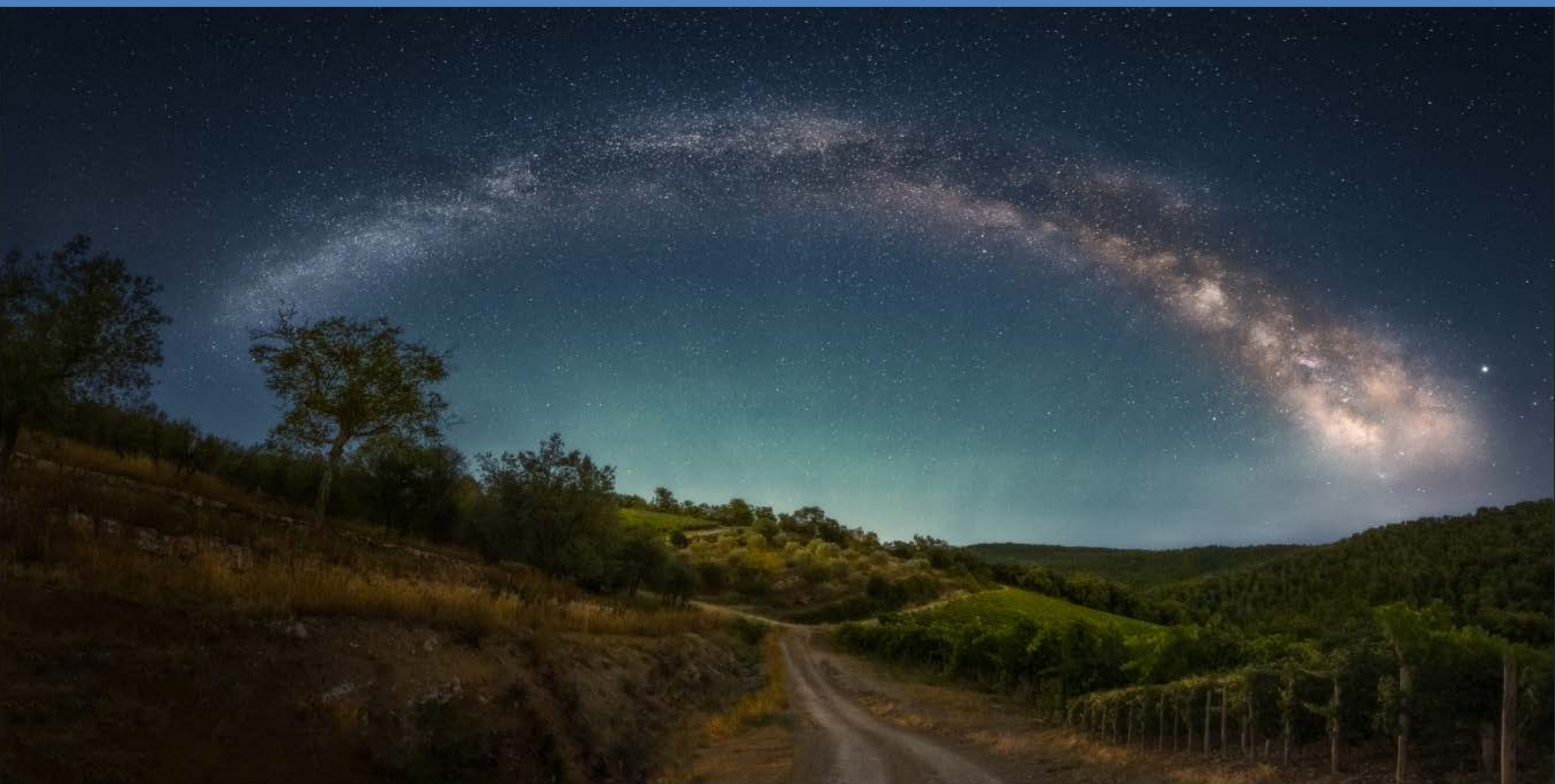
- Diversified portfolio minimizes risk to achieve targeted return
- The benefit of patient investing for the long-term & performance
- Prudent management of administrative expenses
- Asset Allocation Study completed July 2023

5-year Market Review

The S&P 500 rallied strongly in November and December, closing 2023 with a 26.3% return. Growing expectations that the Fed was done hiking rates and cuts would come as soon as the first half of 2024 boosted market sentiment.



Questions for BlackRock?



Report on Membership

2023 Demographic Data

Our Membership

		Women	Men	Basic	Coord.
Actives	8,957	75%	25%	0%	100%
Enrolled	3,456	75%	25%	0%	100%
Deferred*	5,618	74%	26%	0%	100%
Retirees**	4,310	68%	32%	35%	65%
Total Members	13,384	73%	27%	11%	89%

* Deferred includes members deferring their benefit & members only eligible for a refund

** Retirees includes disabilitants and survivors

- Average Active Member Age: 46
- Average Retiree Member Age: 77
- Average New Retiree Age: 63

Their Retirement Benefits

Average SPTRFA Benefit Payments		
	Monthly	Annual
Coordinated	\$1,689	\$20,268
Basic*	\$3,669	\$44,028

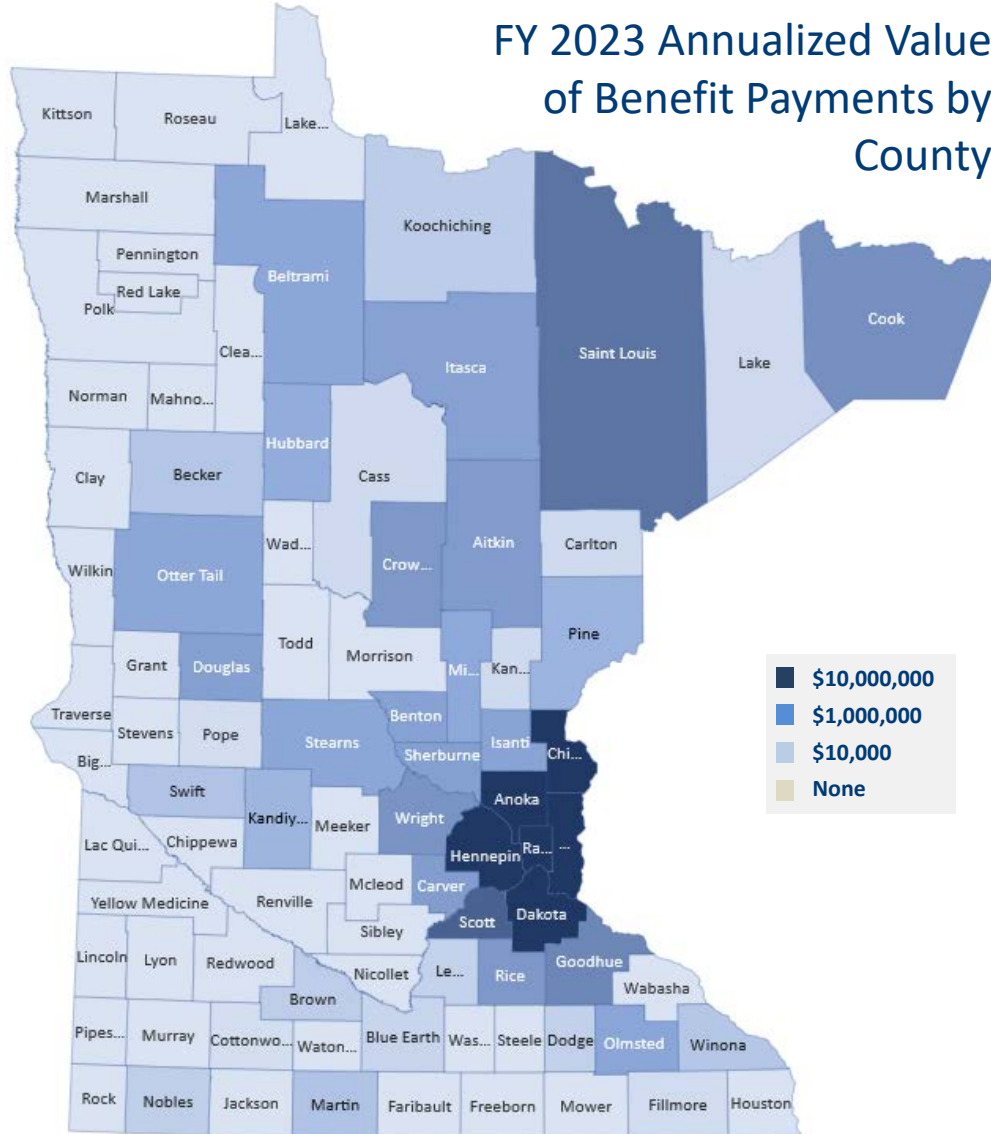
* Basic Plan Members receive **no Social Security benefits** and paid higher contributions during their active careers.

Coordinated NEW Retirees Only	\$1,918	\$23,016

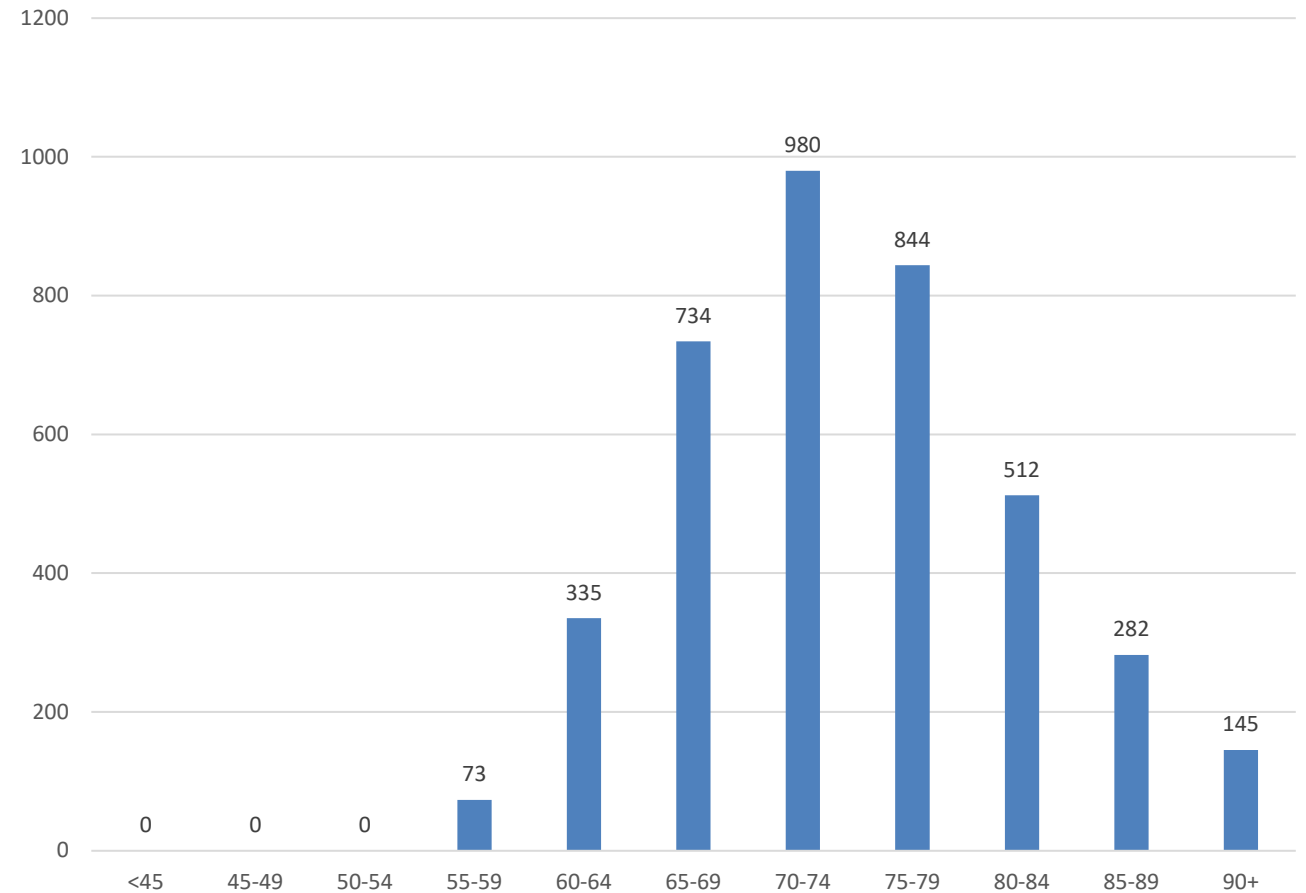
Report on Membership

2023 Demographic Data

FY 2023 Annualized Value
of Benefit Payments by
County



Retired Member Distribution by Age



Source: July 1, 2023 Actuarial Valuation by GRS

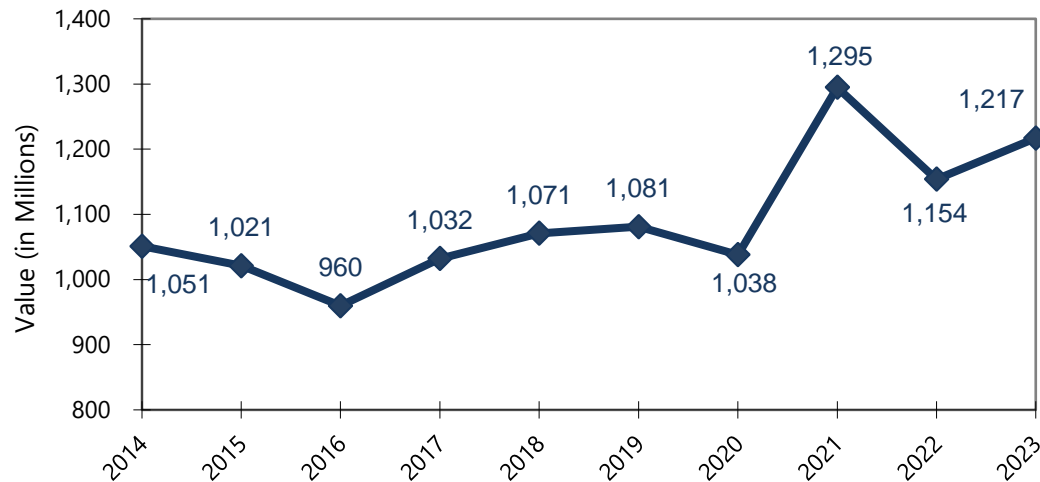
Financial Report

FY 2023 Income Statement

Revenues

Contributions	\$ 77,107,353
Investments *	\$ 112,696,794
Total Revenues	\$ 189,804,147

Market Value of Assets by Fiscal Year End



* Average rate of investment return last 10-years: 7.82 %

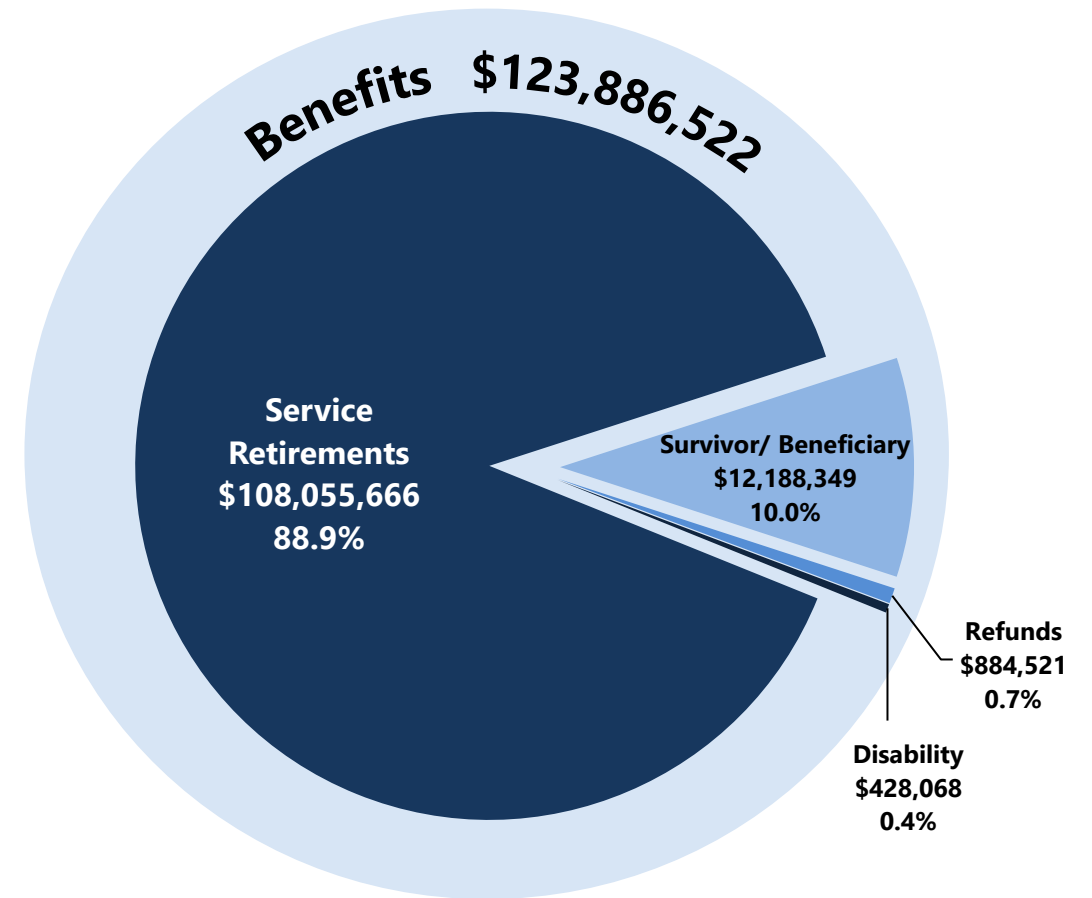
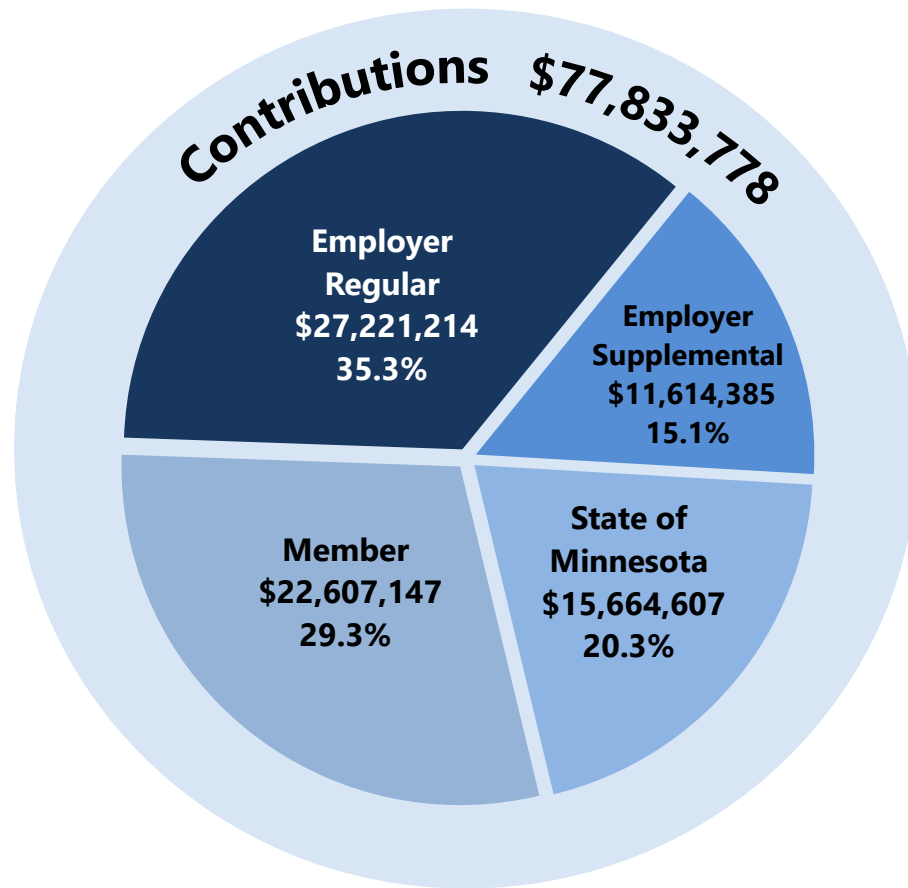
Expenditures

Benefits	\$ 123,886,522	97.1%
Investment Expense *	\$ 2,482,484	1.9%
Admin Expense	\$ 1,193,114	0.9%
Total Expenditures	\$ 127,562,120	100.0%

* Investment Expense as a % of Market Value of Assets: 0.20%

Financial Report

FY 2023 Contributions & Benefits



Member Services Review

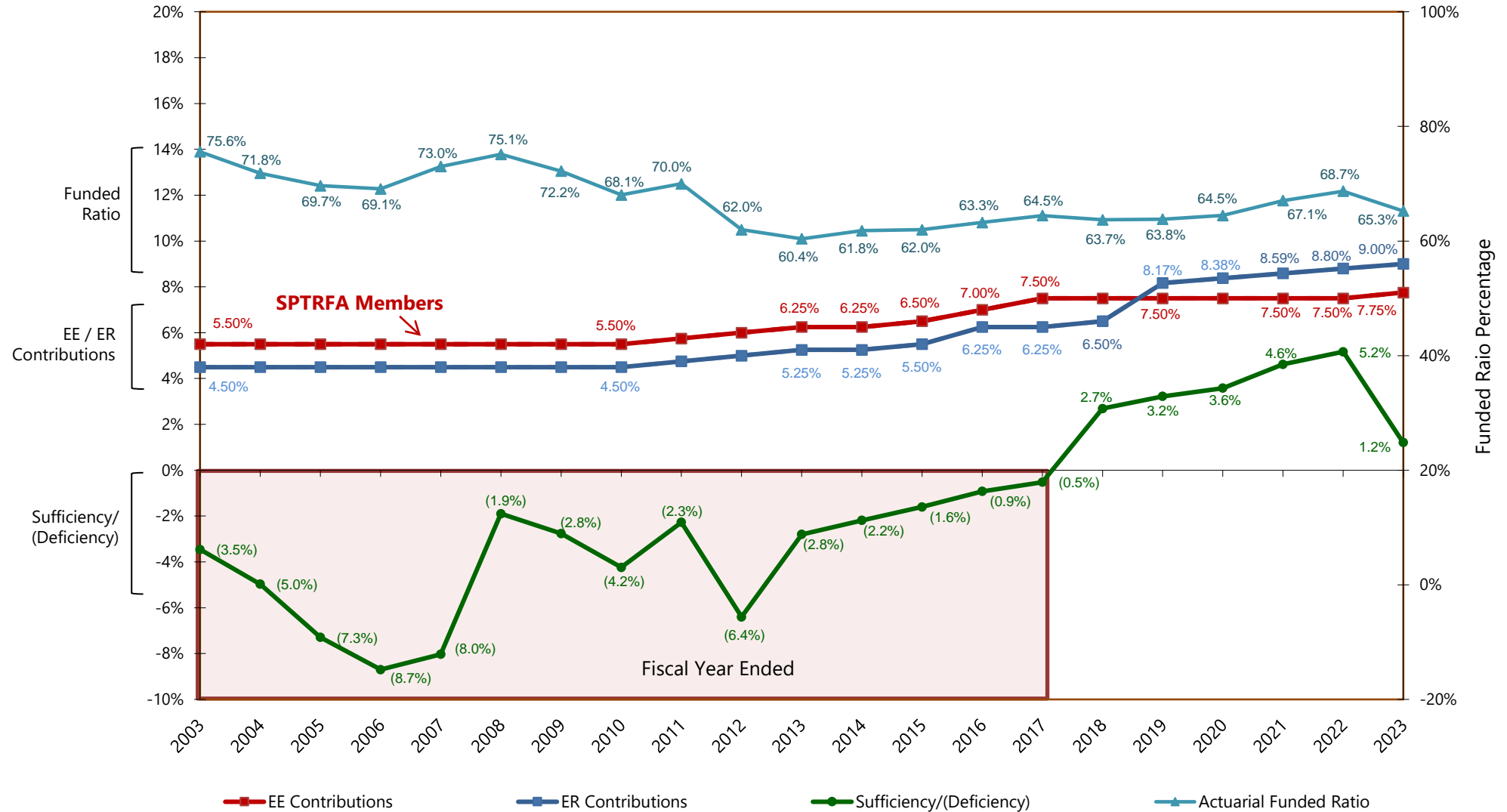
What we do

- **Retirement Applications**
- **Counseling**
- **Benefit Estimates**
- **Member Education**
- **Change Forms**
 - **Address**
 - **Beneficiary**
 - **Direct Deposit**
 - **Tax withholding**

Service Enhancements

- **Secure document transfer portal**
- **Digital files & document management system**
- **Member inquiry workflow: info@sptrfa.org**
- **Legislation implementation**

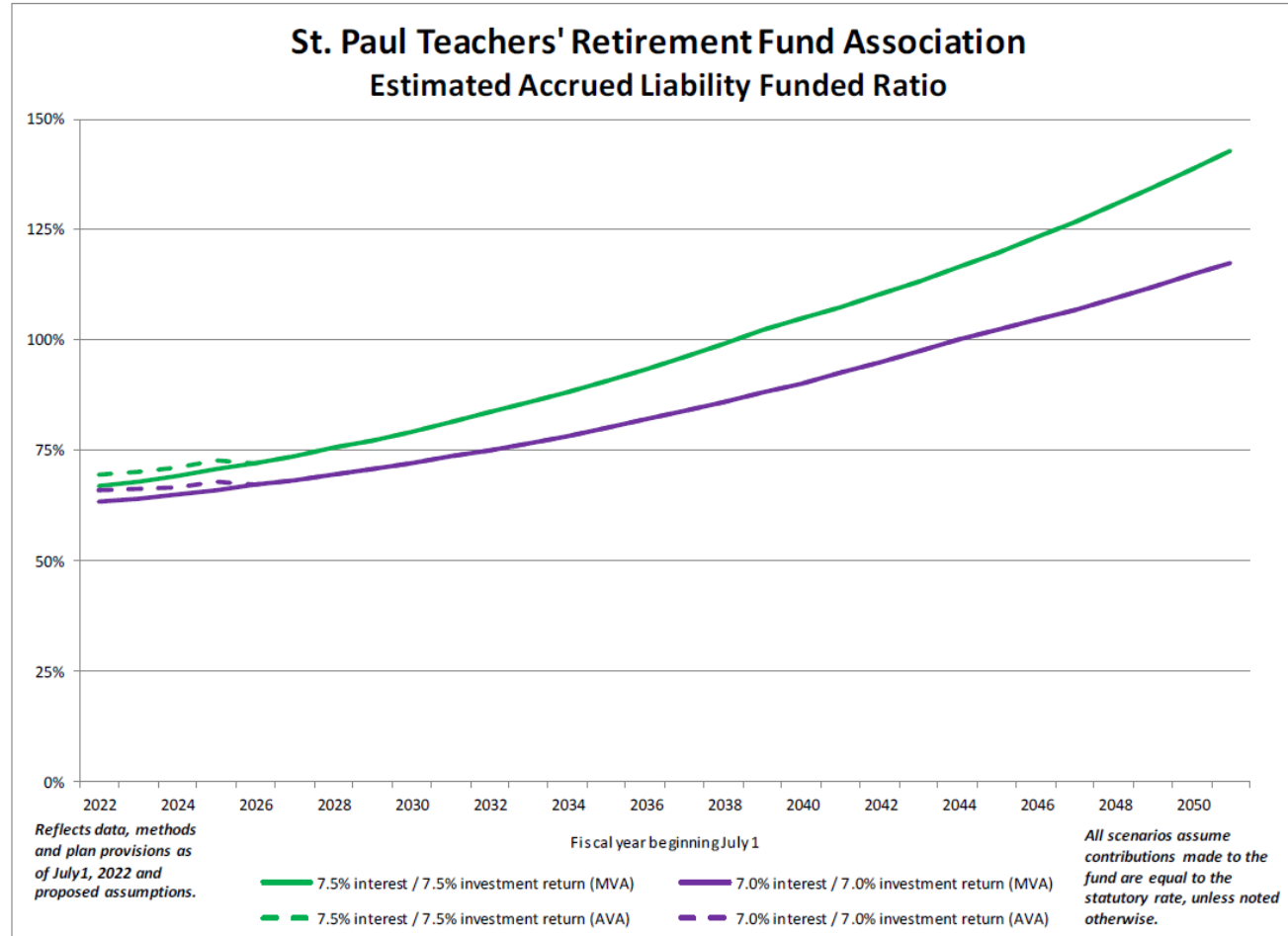
Funding Report Card



* The Employer also pays a Supplemental Amount of 3.84% and \$800,000 annually to address certain past underfunding.

Funding Projections

Path to Full Funding



- **Fulfill our covenant to provide our members with a lifetime pension benefit.**
- **Advance the goals of recruitment, retention, and retirement.**
- **Ensure generational equity amongst our members.**
- **Balance the interests of our multiple stakeholders.**
- **Manage assets for the maximum benefit of our members.**

2023 Legislative Session Accomplishments

- **Unreduced early retirement benefits at age 62 with 30 years** of retirement service credit, effective July 1, 2023, only for SPTRFA members
- **Decreased normal retirement to age 65** for all Minnesota teachers, effective July 1, 2025
- **One-time 1.5% COLA** in addition to 1.0% annual increase (2.5% total COLA for 2024)
- **Additional one-time 1.5% COLA** for Basic Plan retirees (Basic Plan 4.0% total COLA for 2024)
- **Reduced taxes** for Basic Plan pensions and Social Security
- **Same Sex marriage joint and survivor benefits** if unable to marry at time of retirement
- **Military service buyback** timeframe extended
- **Additional funding** to insure pension plan security
- **Conservative rate of return** assumption safeguards the long-term health of your pension plan

St. Paul Teacher's Pension PAC

Lori Borgeson, Chair

Teresa Vibar, Vice Chair

Stephanie Pignato, Treasurer & SPTRFA Rep

Thomas Koreltz, Secretary

Feryle Borgeson

Patrick Coyne

Lorraine O'Connor

Barbara Outcalt

Brian Paulson

Phillip Tencick, Consultant

Brian Rice, Legislative Counsel

We are your nonpartisan voice
for retirement security

- We're your **Pension Political Action Committee (PAC)** – working on behalf of St. Paul's 13,000+ active, retired, and former teachers **to protect teachers' retirement benefits.**
- We operate solely on your behalf to work with and educate DFL and Republican Legislators and the Governor on issues that are critically important to your retirement security.
- Your contributions allow us to retain the services of our extremely effective Legislative counsel, Brian Rice, who consistently provides our teachers with exceptional representation at the Capitol.

Brian F. Rice – Legislative Counsel

Rice, Walther & Mosley, LLP 330 2nd Avenue South, Suite 360 Minneapolis, MN 55401



Areas of Practice:

Government affairs, municipal law,
public pension law, and election law

Education:

J.D., University of Minnesota, 1982
B.A., magna cum laude, English,
University of Notre Dame, 1979
DeLaSalle High School, 1975. Class Valedictorian

Bar Admissions:

State of Minnesota, 1982
United States District Court – Minnesota
United States Court of Appeals – 8th Circuit

Professional Activities and Memberships:

Member, Minnesota State Bar Association
Member, Hennepin County Bar Association
Member, American Bar Association
Phi Beta Kappa

Current Lobbying Clients:

AFSCME Council 5
St. Paul Teachers Pension Fund
Creative Water Solutions
Hennepin County
Minneapolis Park and Recreation Board
Minnesota Police Fraternal Association
Minnesota Professional Fire Fighters

Government Experience:

General Counsel, Minneapolis Park and
Recreation Board 1985 – present
General Counsel, Minneapolis Police and
Fire Relief Associations 1983 - 2011
Consultant for Hennepin County redistricting
1992, 2002, 2012 and 2022
Member, Governor Mark Dayton's Civil War
Commemorative Task Force 2011-2015

St. Paul Retired Teacher's, Inc. (SPRTI)

Ellery Carr, President

ellerycarr@gmail.com

C. Linda Siluk, 1st Vice President/Program

Dorothy Doring, 2nd Vice President/Chaplain

Joan Schwarz, Recording Secretary

Mike LaBerge, Corresponding Secretary

Patricia Meuwissen, Treasurer

Diane Driscoll, Membership Treasurer

driscoll651@gmail.com

Barb Wencil, Past President

Reconnect with colleagues and make new friends

- Saint Paul Retired Teachers, Inc. is organized exclusively for charitable and educational purposes.
- Meetings are held on the second Wednesday of each month except for January, July, and August at Ideal Hall. *(Reservations required for lunch).*
- Our Philanthropy and Outreach Include:
 - **Providing scholarships to active teachers in Saint Paul Public Schools – up to eight \$3,000 scholarships are awarded each year to tenured teachers and professional staff for graduate studies.**
 - Organizing school supply drives that benefit two schools each year
 - Providing holiday gifts to residents at Ramsey County Care Center
 - Having a Food Share Drive in March for Saint Paul food shelves.
 - Sending cards to members who are ill, hospitalized or need cheer
 - Sending bi-annual newsletters
 - And more

Questions?



St. Paul Teachers' Retirement Fund Association

Serving the retirement needs of St. Paul Teachers since 1909

- Call for New Business
- Motion: Adjourn the Meeting

Thank you for attending!

