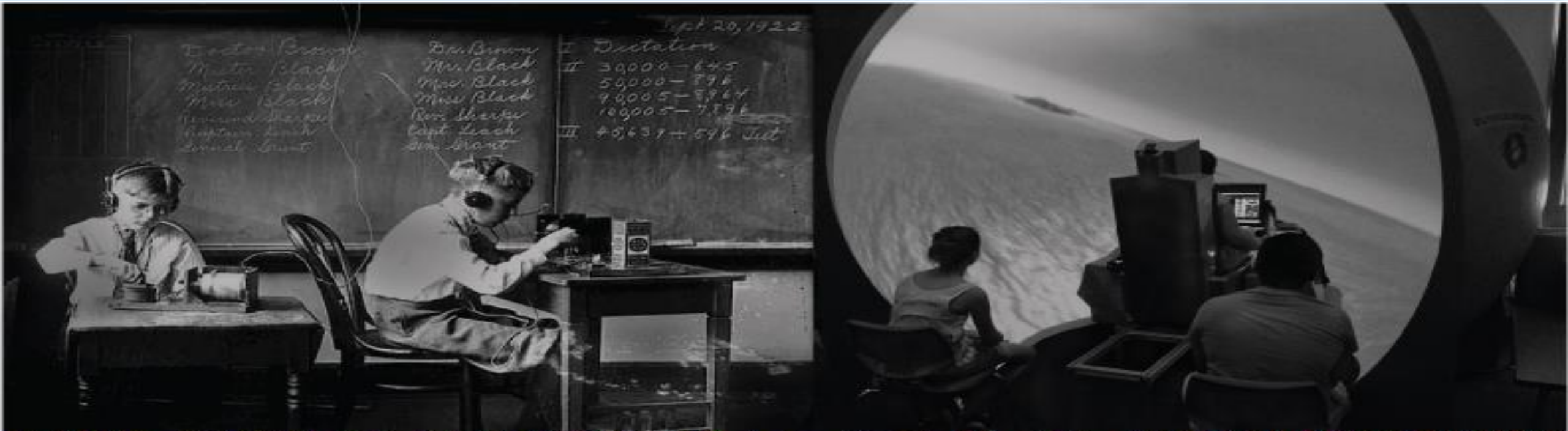


St. Paul Teachers' Retirement Fund Association

Serving the retirement needs of St. Paul Teachers since 1909



Annual Meeting of the Members
March 13, 2025

○ **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
- Board action items noted throughout the presentation

○ **We welcome your feedback!**



"I've got a busy day of Zoom meetings to interrupt."

Annual Meeting of the Members
March 14, 2024, 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 14, 2024, 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: Halla Henderson, SPPS Ex-Officio, Karen Martinsen, 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, 2023. 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 Mike McKay, 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)		
Mike McCollor (300)	Lori Borgeson (294)	Karen Odegard (290)

Receiving one vote each were Aa Tiko' Rujux-xicay, and Kaitlin Prusak.

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

Executive Director Phillip Tencick welcomed Andrew Citron, Director and Relationship Manager and and Bryn Pellowe, Relationship Management, and Hannah Kim, Director and Senior Specialist with BlackRock. Mr. Citron and Ms. Kim provided an overview of the Fixed Income Strategic Opportunities Fund they actively manage for the Association and responded to member questions.

Secretary Tom Koreltz 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, 2022 through June 30, 2023.

Annual Meeting of the Members
March 14, 2024, 4:00 p.m.
St. Paul, Minnesota

Minutes
Via Zoom Virtual Meeting

Next, Mr. Tencick introduced Lori Borgeson, St. Paul Teachers' Pension Political Action Committee (SPTPPAC) Chair, who, in turn, introduced current and former members of the SPTPPAC who were in attendance. Ms. Borgeson provided a review of SPTPPAC activities over the previous year and discussed the importance of member involvement and support in 2024.

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 and key issues, stressing the need for continued communications with legislators regarding the importance of maintaining and funding the defined benefit pension plan for St. Paul teachers.

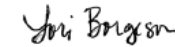
President McCollor opened the floor for discussion of new business. There being none, President McCollor thanked all in attendance for their participation in the meeting and called for a motion to adjourn. *A motion to adjourn was made by Matt Bogenschultz, seconded by Karen Odegard, and approved, whereupon Dr. McCollor declared the meeting adjourned at 5:12 p.m.*

Respectfully Submitted:



Thomas Koreltz
Secretary

Attested:



Lori Borgeson
President

➤ Motion: Approve Minutes

Your Board of Trustees



Lori Borgeson
Board President, Active



Stephanie Pignato
Board Vice President,
Retired



Thomas Koreltz
Board Secretary, Active



Maggi Schiller *
Board Treasurer, Retired



Matt Bogenschultz
Trustee, Retired



Halla Henderson
Ex-Officio, SPPS Board
President



Karen Martinsen *
Trustee, Active



Mike McCollor
Trustee, Retired



Michael McKay *
Trustee, Active



Karen Odegard
Trustee, Retired

Annual Election of Trustees

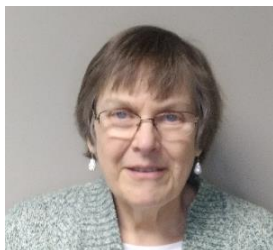
The following individuals have filed letters of intent for election to the SPTRFA Board of Trustees.



Karen Martinsen: When I think of our teacher's pension fund, I think of safety and freedom. I have been teaching in St. Paul for 20+ years. Planning for retirement can seem overwhelming and uncertain. Our pension plan feels like an oasis in a desert of uncertainty. I want to safeguard and grow our fund so it will be there for all of us for many years to come. I want to ensure the system is healthy enough to keep drawing young teachers into the profession. Please consider supporting me with your vote.



Michael (Mike) McKay: I am in my 30th year of teaching Mathematics in Saint Paul and have been at Highland Park Senior High since 2004. I have been a member of the board since 2015 and would like to continue to serve you in preserving and enhancing the benefits of your Pension. I have had the honor of being Treasurer of the Fund and I am presently the Chair of the Audit Committee. My priorities include working to keep retiree's income on pace with inflation, lowering contribution rates and early retirement penalties while maintaining the integrity of the fund. I appreciate your support.



Margaret (Maggi) Schiller: I am a retiree and treasurer of SPTRFA who taught mathematics and statistics in Saint Paul for 28 years. I ask for your vote so I can continue working to protect and improve pension benefits for current and future retirees. I am a tax professional since 1986 and as such have gained invaluable knowledge about retirement options, funding, taxation. I am fiercely supportive of defined benefit pension plans like ours. My extensive experience puts me in a unique position to understand the personal impact of plan changes, like ways SPTRFA can help you take advantage of newly available tax benefits.

Election of Trustees / Final Results

633 valid proxies were received by March 10, 2025, with instructions to be voted as follows:

Board of Trustees THREE-YEAR TERM	
Name	Votes
Margaret (Maggi) Schiller	581
Michael (Mike) McKay	575
Karen Martinsen	550
Write-In Candidates	8
Abstained	25

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

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.



Our SPTRFA Team



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

Dave Andrews
Controller
Second year with SPTRFA

Cynthia Foster
Fund Accountant
Fourth year with SPTRFA

Nancy Langer
Member Services Lead
47 years with SPTRFA

Tamera Zielinski
Administrative Assistant
23 years with SPTRFA

What we do

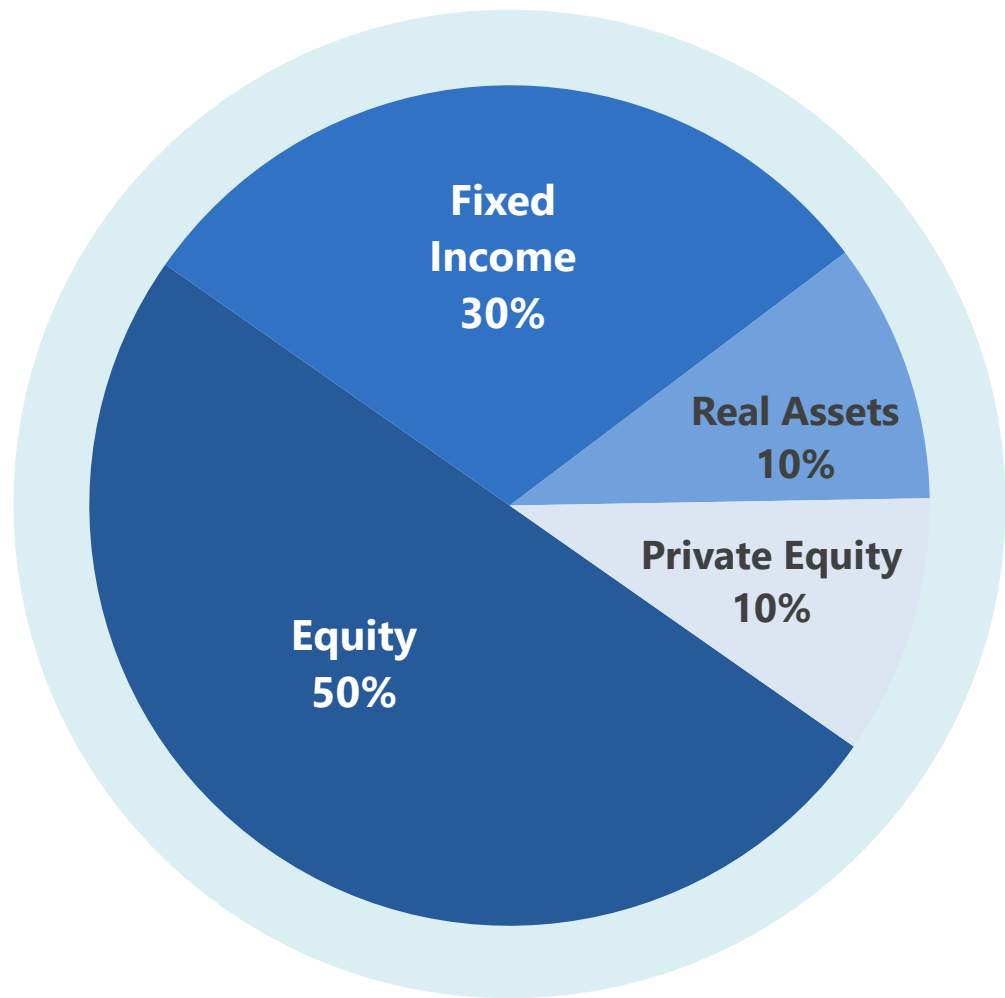
- **Member Education**
- **Pension Estimates**
- **Counseling**
- **Retirement Applications**
- **Account & Pension Verifications**
- **Change Forms**
 - **Address, Phone & Email**
 - **Beneficiary**
 - **Direct Deposit**
 - **Tax withholding**

Service Enhancements

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

Stewards of Your Capital

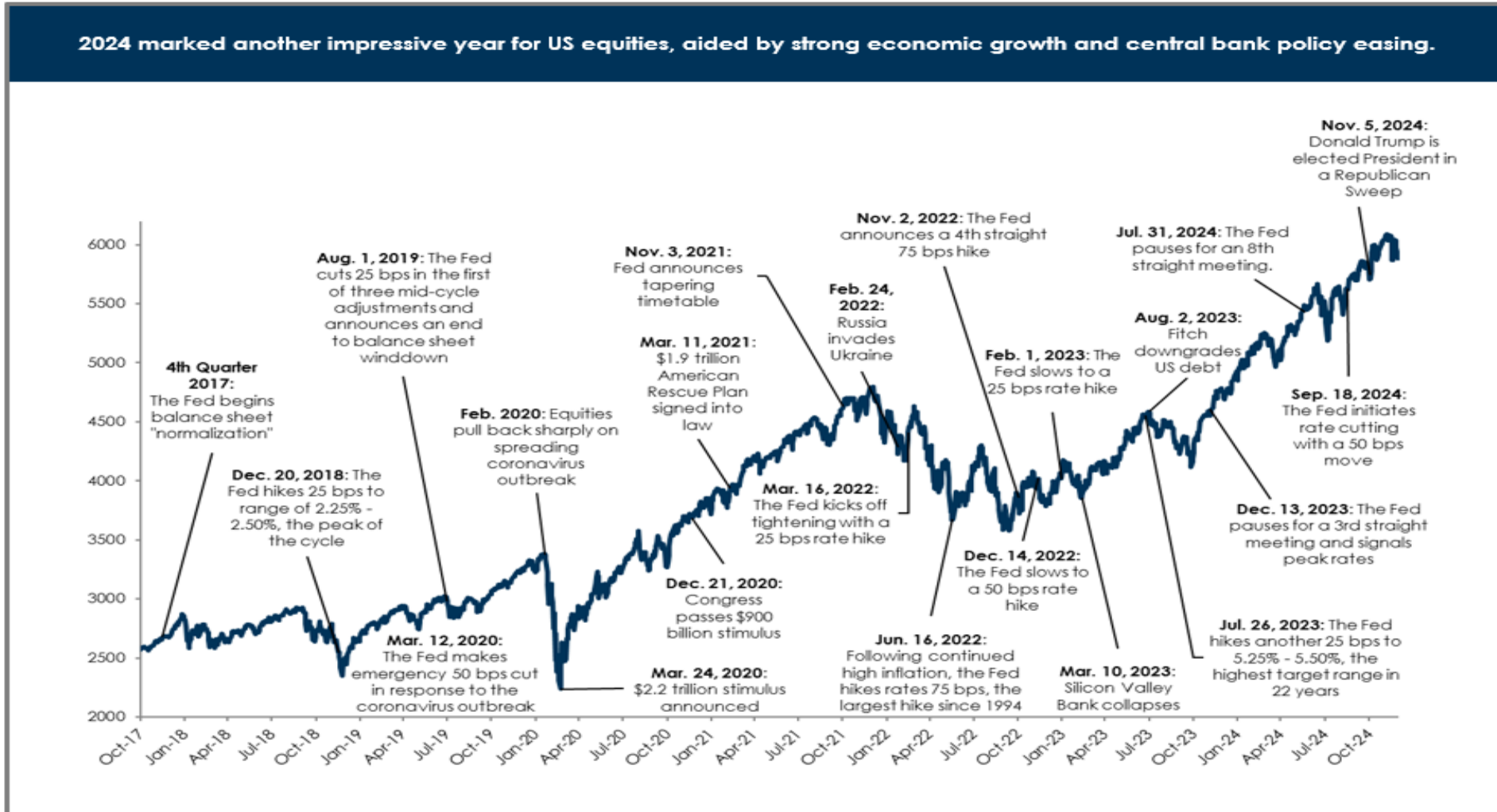
Your Investment Fund and Expenditures



- 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

US Equity Market Performance



Source: ACG Research, Bloomberg (as of December 31, 2024)

Questions for Morgan Stanley?



Report on Membership

2024 Demographic Data

Our Membership

		Women	Men	Basic	Coord.
Actives	9,259	75%	25%	0%	100%
Enrolled	3,472	76%	24%	0%	100%
Deferred*	5,787	74%	26%	0%	100%
Retirees**	4,378	69%	31%	33%	67%
Total Members	13,637	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: 75
- Average New Retiree Age: 63

Their Retirement Benefits

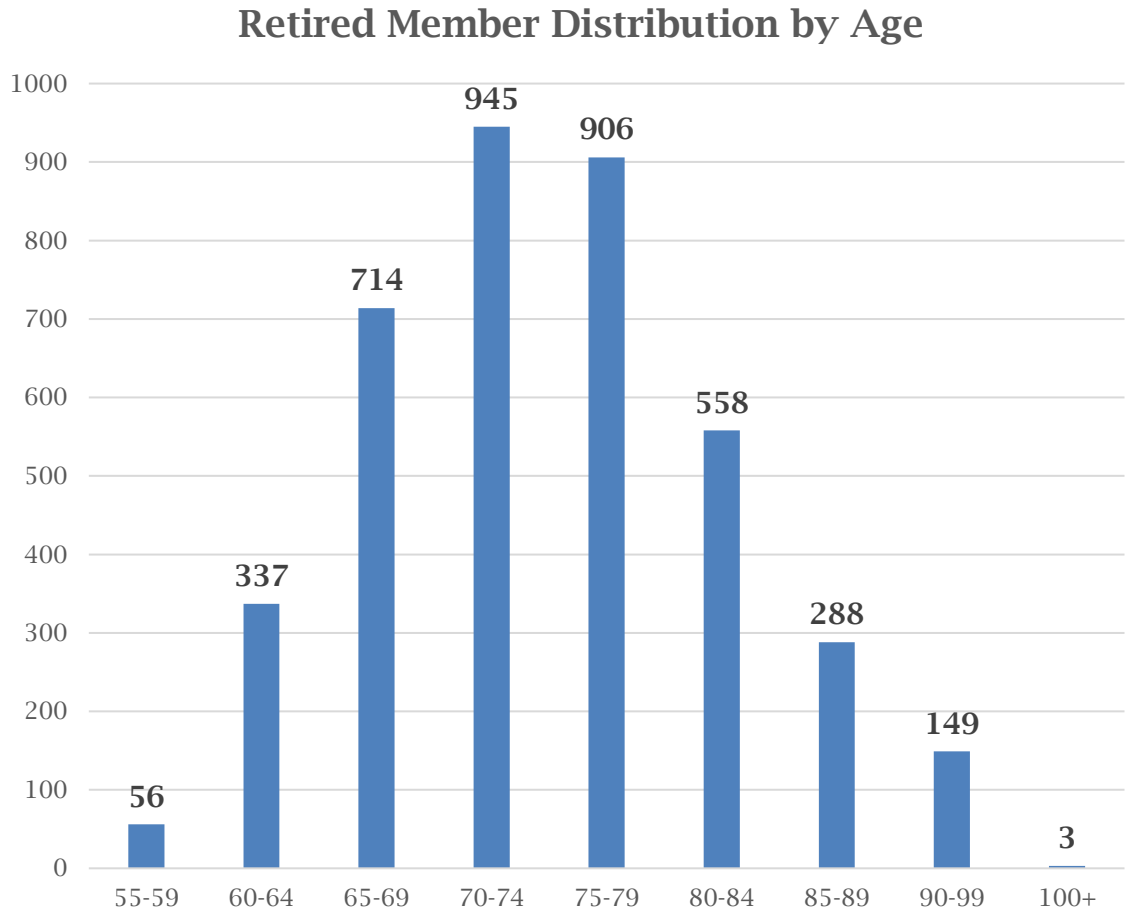
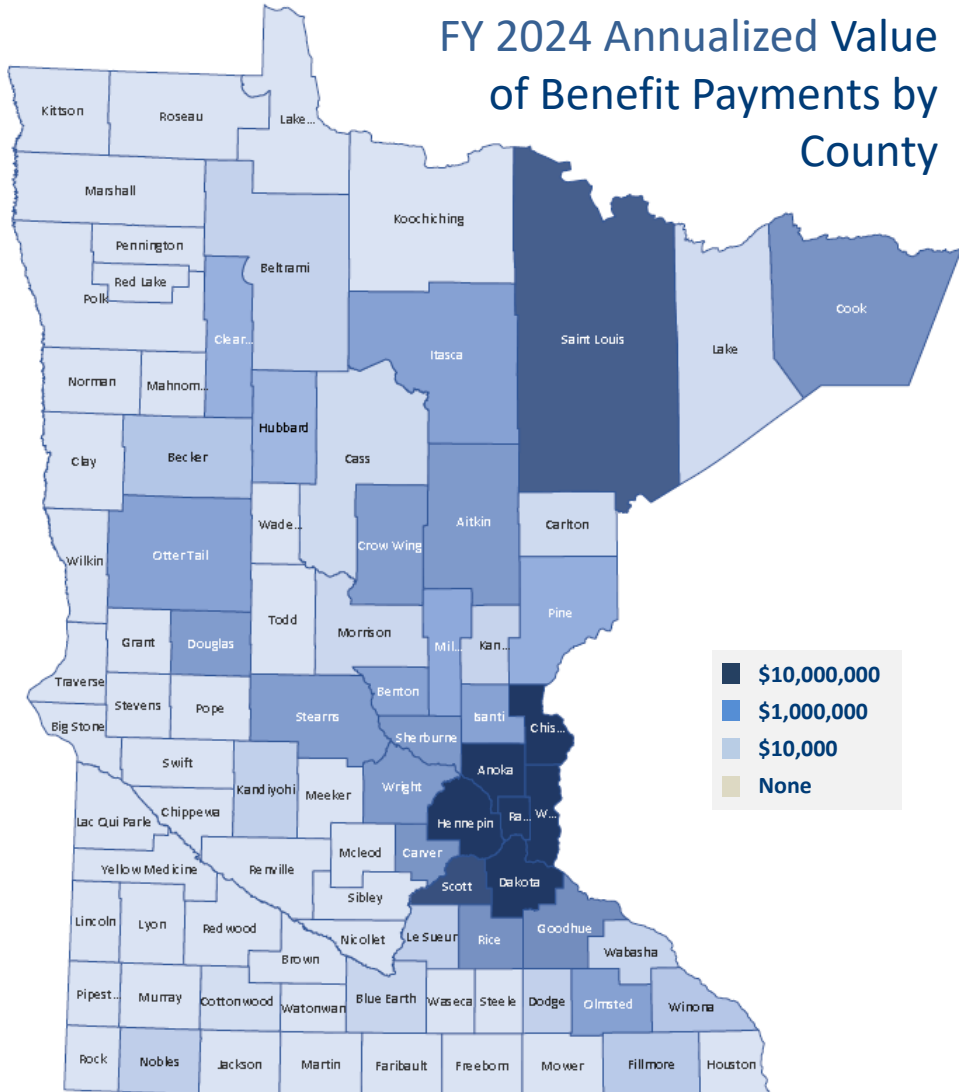
Average SPTRFA Benefit Payments		
	Monthly	Annual
Coordinated	\$1,753	\$21,035
Basic*	\$3,817	\$45,805

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

Coordinated NEW Retirees Only	\$2,322	\$27,864
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Report on Membership

FY 2024 Demographic Data



Source: July 1, 2024 Actuarial Valuation by GRS

Financial Report

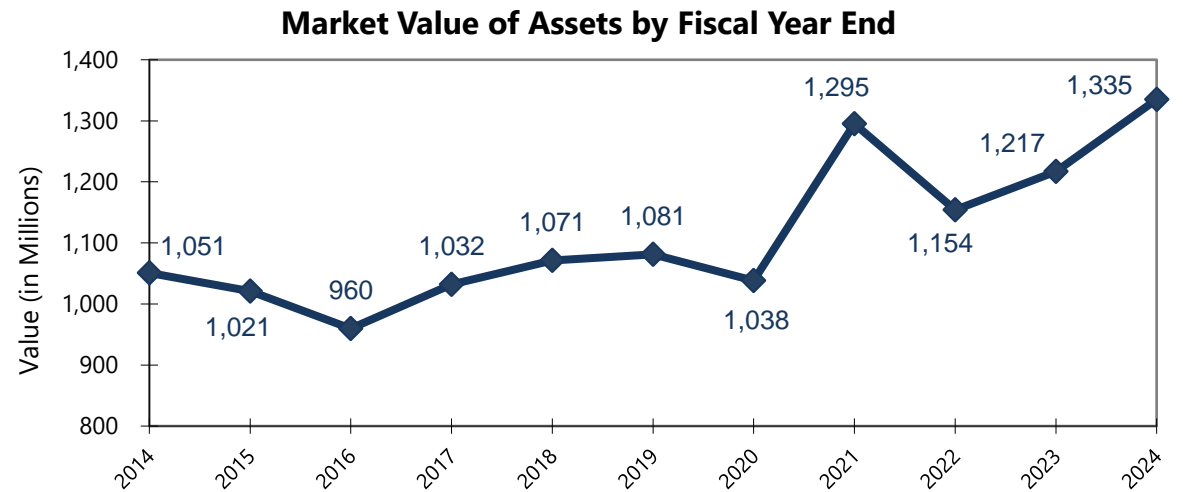
FY 2024 Income Statement

Revenues	
Contributions	\$ 99,056,578
Investments *	\$ 147,343,165
Total Revenues	\$ 246,399,743

Expenditures		
Benefits	\$ 127,304,279	97.7%
Investment Expense *	\$ 2,196,325	1.7%
Admin Expense	\$ 810,655	0.6%
Total Expenditures	\$ 130,311,259	100.0%

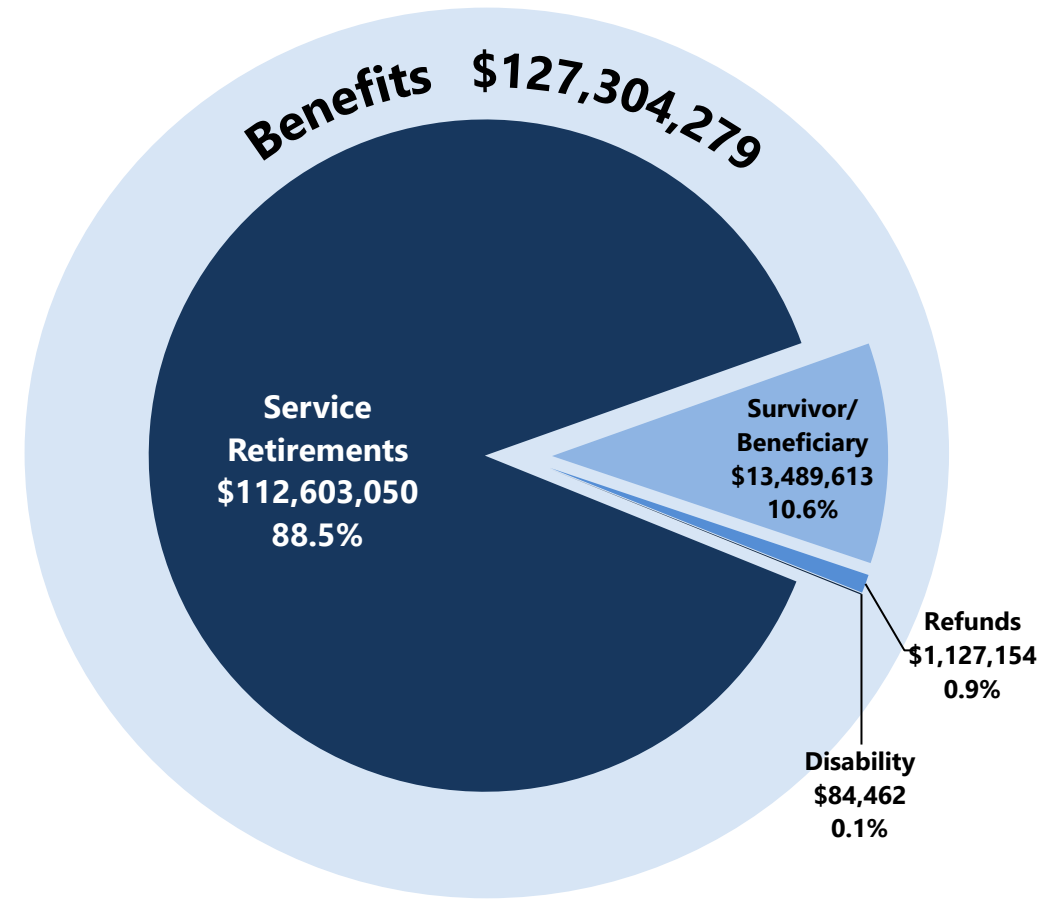
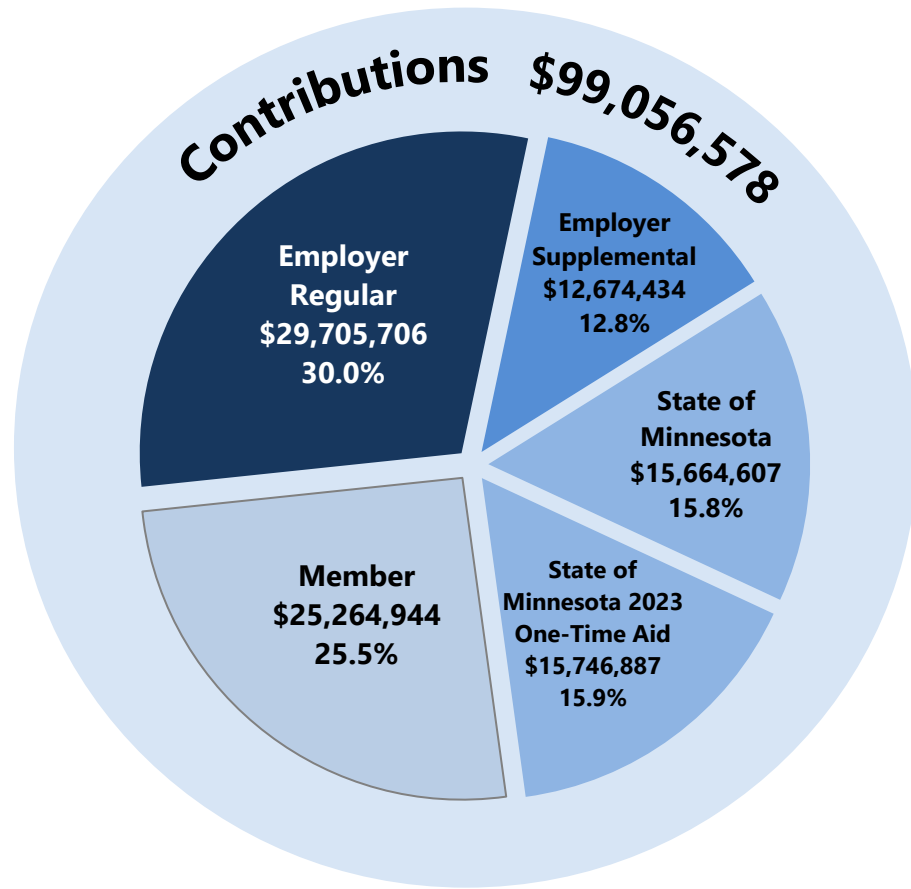
* Investments are Net of Investment Expense and the Investment Expense as a % of Market Value of Assets: 0.20%

Investment Performance as of June 30, 2024				
	FY2024	3 Years	5 Years	10 Years
Total Portfolio	12.29%	3.91%	8.37%	7.62%
<i>Target Index</i>	9.25%	2.76%	7.20%	6.63%

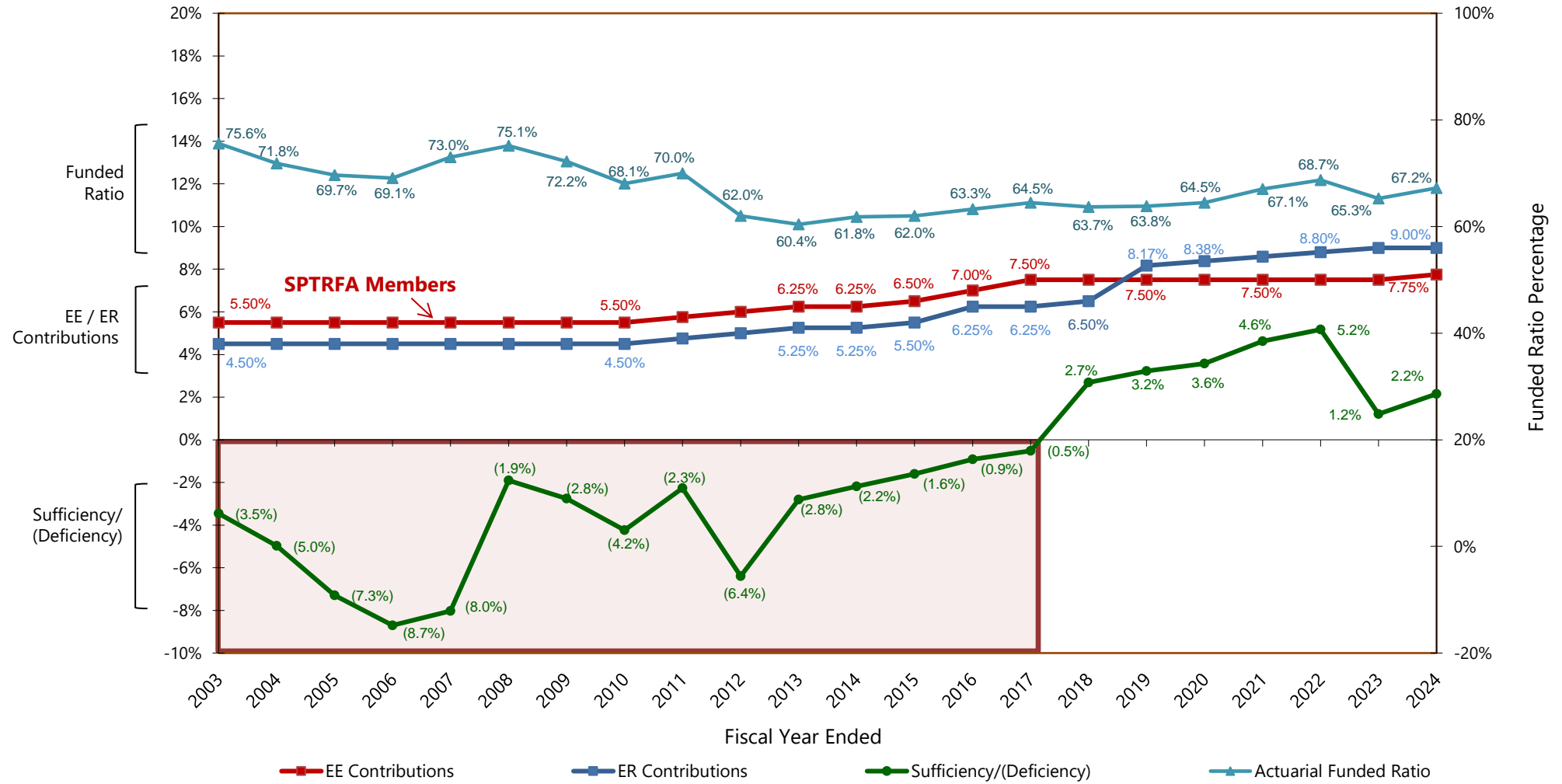


Financial Report

FY 2024 Contributions & Benefits



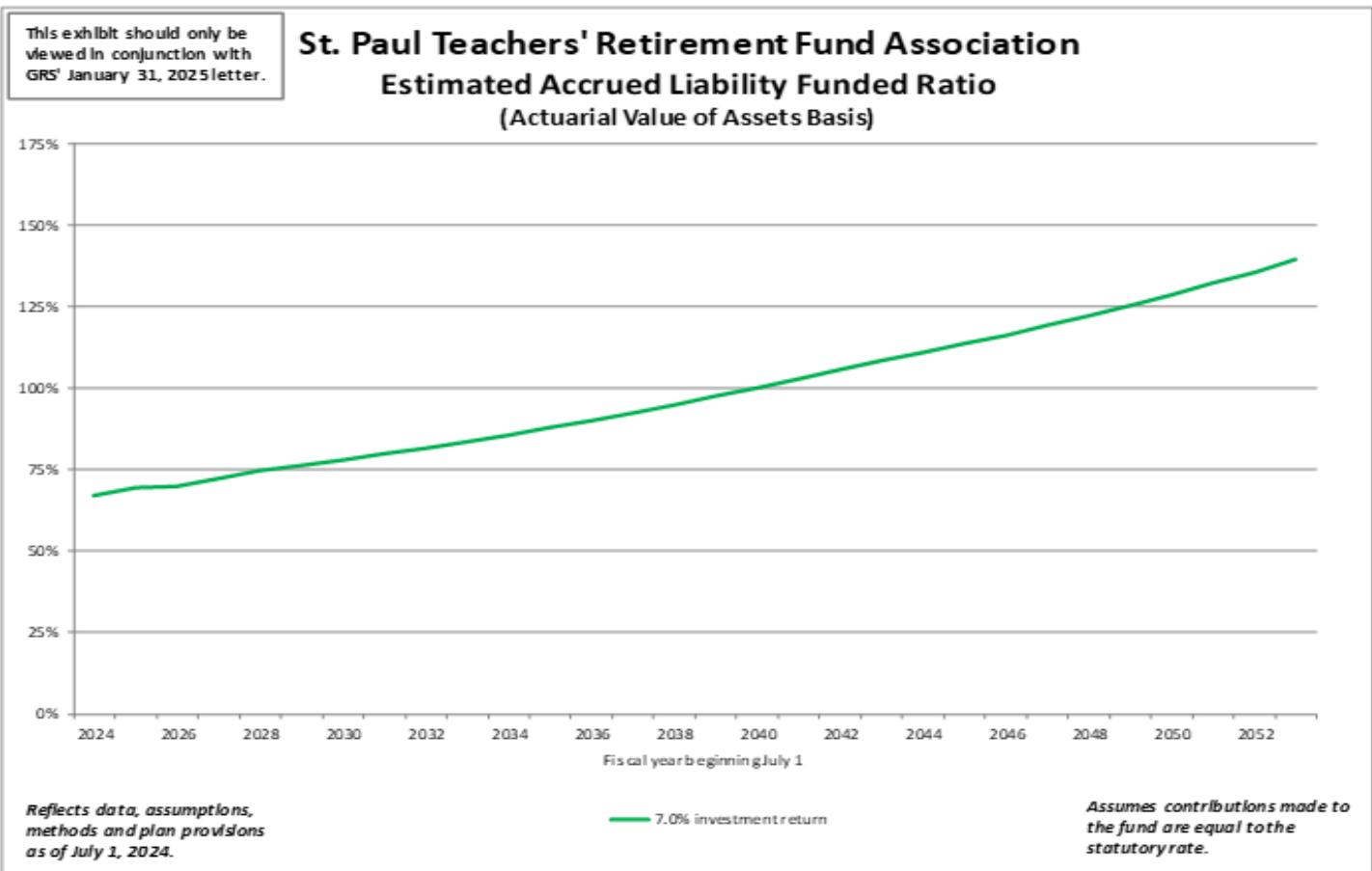
Funding Report Card



* 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.**

Recent Legislative Accomplishments

- **Unreduced early retirement 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
- **Reduced taxes** for Basic Plan pensions and Social Security offsets
- **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)
- **Same Sex marriage joint and survivor benefits** if unable to marry at time of retirement
- **Service buyback** for out of state service and military service
- **Additional funding** to insure pension plan security
- **Conservative rate of return** assumption safeguards the long-term health of your pension plan
- **Contribution Rates**

Effective	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Employee	7.50%	7.75%	7.50%	8.75%	9.00%
Employer	8.80%	9.00%	9.00%	9.75%	9.75%

St. Paul Teacher's Pension PAC

Lori Borgeson, Chair

Thomas Koreltz, Vice Chair

Stephanie Pignato, Treasurer & SPTRFA Rep

Brian Paulson, Secretary

Feryle Borgeson

Patrick Coyne

Lorraine O'Connor

Barbara Outcalt

Brian Paulson

Teresa Vibar

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

St. Paul Teachers Retirement Fund
Hennepin County
Minneapolis Park and Recreation Board
Minnesota Retired Police Pension 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



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

Ellery Carr, President

ellerycarr@gmail.com

Joan Schwarz, 1st Vice President/Program

Dorothy Doring, 2nd Vice President/Chaplain

Joan Schwarz, Recording Secretary

Patricia Meuwissen, Treasurer

Diane Driscoll, Membership Treasurer

driscoll651@gmail.com

**Join us to stay connected with
colleagues and make new friends
email Diane at
driscoll651@gmail.com**

Supporting SPPS teachers proudly since 1945

Saint Paul Retired Teachers, Inc. (SPRTI) is dedicated to educational advocacy and charitable initiatives, supporting both current and future educators.

Meetings: We gather on the second Wednesday of each month, except for January, July, and August, at Ideal Hall (1494 Dale St. N). *Reservations are required for lunch.*

Our Advocacy, Philanthropy and Outreach Include:

- **Scholarships for Educators:** Each year, we award up to eight scholarships of \$3,000 each to tenured teachers and professional staff in Saint Paul Public Schools pursuing graduate studies.
- **Back-to-School Support:** We organize annual school supply drives to benefit local schools.
- **Community Engagement:** Our outreach extends to holiday giving initiatives and other charitable efforts aimed at supporting education and educators.

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!

