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**To:** Mayor Nelson and Members of the City Council

**From:** Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer

**Date:** January 29, 2026

**Subject:** MN PERA Phased Retirement Option Agreement for Records Technician

One of the City's Police Records Technicians has requested authorization to participate in the Minnesota Public Employees Retirement Association (MnPERA) Phased Retirement Option (PRO). Under MnPERA guidelines, a phased retirement agreement allows an eligible employee to begin receiving PERA retirement benefits while continuing to work for the City on a reduced schedule. Participation in a PRO agreement is discretionary and requires City Council approval.

As part of the City's 2026 Police Department restructuring which created the Administrative Captain position, both Police Records Technicians were reduced from 40 hours per week to 32 hours per week. That staffing adjustment was made to accommodate the new position while managing overall departmental personnel costs.

The proposed phased retirement arrangement would allow one of the two Records Technicians to transition to a reduced schedule under MnPERA's PRO framework, while enabling the City to restore the second Records Technician position back to full time (40 hours per week). This adjustment would help maintain operational coverage and workload balance within the Department, particularly given the implementation of the new Tyler Records system in 2026.

Even with restoring the second Records Technician to full-time status, the City would still realize a net payroll savings of approximately four hours per week compared to what was budgeted for 2026.

Under MnPERA rules, a phased retirement agreement requires a reduction in scheduled work hours of at least 25 percent and limits the employee to no more than 1,044 hours of work per year (approximately 20 hours per week). The agreement must be in writing, entered into prior to termination of active PERA membership, and may not extend beyond five years in total.

Staff is requesting authority to enter into two consecutive one-year Phased Retirement Option (PRO) agreements. During this initial two-year period, the employee would remain eligible for City-provided health and dental insurance benefits. If the City and the employee mutually agree to continue the PRO arrangement beyond the initial two years, any such extension would be without City-provided health or dental insurance benefits, as the employee would be eligible for Medicare.

Any extension of the PRO agreement beyond the initial two-year period would be subject to the sole discretion of the City Council, based on departmental needs and available budget.

Chief Antoine supports this request and believes it will provide additional cost savings to the Department while maintaining appropriate operational coverage during the transition to the Tyler records system. Both affected employees have indicated their support for the proposed changes.

Staff recommends approval of Resolution 2026-05. If you have any questions, please do not hesitate to contact me at 763-784-6491.