



April 7, 1989
Room 500N
State Office Building

8th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator Donald M. Moe, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 7:45 A.M.

Commission members present:

Senators Donald Moe, Steven Morse, Larry Pogemiller, Earl Renneke, and Gene Waldorf
Representatives Robert A. Johnson, Gerald Knickerbocker, Rich O'Connor, and Wayne Simoneau

Commission members absent:

Representative Leo Reding

A quorum was present.

Senator Moe introduced the first item on the agenda, S.F. 349 (Waldorf); H.F. 617 (Wynia), and S.F. 474 (Cohen); H.F. 382 (O'Connor): St. Paul Police; Survivor Benefit Increase. Mr. Lawrence A. Martin, Executive Director of the Commission, reviewed the staff memo on these bills and noted three pension policy concerns - the actuarial cost of the benefit increase, the appropriateness of the benefit increase and whether the bills have local approval.

Rep. Rich O'Connor spoke in support of his bill and offered an amendment to the bill which stated that the relief association would pay a surviving spouse a pension of not less than 22 1/2 nor more than 27 1/2 units.

Dan Vanelli, director of the St. Paul Police Relief Association, testified in support of this bill.

Dick Feider, Board member of the St. Paul Police Relief Association, testified in support of this bill as amended. Mr. Feider noted that the amendment would offer a range of benefits from 22 1/2% to 27 1/2% to be phased in at the discretion of the City of St. Paul as the city's financial situation permits.

Gary Norstrem, Treasurer of the City of St. Paul, testified in support of this bill as amended and noted that the city will pay the benefit increase by maintaining the levy limit at its current level for a longer period than previously established.

John Mercado, Board member of the St. Paul Police Relief Association, testified in support of this bill as amended.

Discussion followed.

Sen. Moe moved approval of the unnumbered amendment to S.F. 349; H.F. 617 with unit amounts ranging from 22 1/2% to 27 1/2%. **MOTION PREVAILED.**

George Jurgenson, Board member of the St. Paul Fire Relief Association, testified in support of this bill as amended.

Sen. Moe moved approval of S.F. 349; H.F. 617. **MOTION PREVAILED.**

Sen. Moe introduced the eighth item on the agenda, S.F. 268 (Cohen); H.F. 11 (O'Connor): St. Paul Police and Fire Consolidation; Size of Membership Voting Majority. Mr. Edward Burek, Deputy Executive Director of the Commission, reviewed the staff memo on this bill. Mr. Burek noted that this bill changes the definition of a majority vote on a consolidation referendum to be a number equal to or greater than 50% of the relief association membership.

Dick Feider testified in opposition of this bill.

Gary Norstrem noted that if the bill is approved it should contain a local approval clause.

John Mercado testified in support of this bill and noted that the retirees believe that consolidation would eliminate the retirees chance of future benefit increases. Discussion followed.

Dick Nelson, Director of Police Pension Council, testified in support of this bill and noted that consolidation would eliminate the board of trustees of relief associations that consolidate.

Mr. Griffin, 42 year veteran of the St. Paul Police Department, testified in support of this bill.

Brian Rice, attorney for the Minnesota Police Pension Council and the Minneapolis Police Relief Association, testified in support of this bill.

Rep. O'Connor spoke in support of his bill. Discussion followed.

A vote was taken on approval of S.F. 268; H.F. 11. **MOTION FAILED.**

Senator Moe introduced the fourth item on the agenda, S.F. 925 (Taylor); H.F. 1120 (Dorn): Mankato Fire; Duty and Nonduty Disability Benefit Amounts. Mr. Lawrence Martin reviewed the staff memo and amendments, LCPR5 and LCPR6, on this bill and noted that the Mankato Fire Relief Association is possibly the only local relief association that does not currently have a nonduty disability benefit. Discussion followed.

Bill Bassett, Mankato City Manager, spoke in support of this bill and noted that this bill does have local support.

Rep. Simoneau moved approval of S.F. 925; H.F. 1120 with amendments LCPR5 and LCPR6. **MOTION PREVAILED.**

Senator Moe introduced the third item on the agenda, S.F. 56 (Solon); H.F. 111 (Munger): Duluth Police; Combined Service Annuity for a Certain Person. Mr. Burek reviewed the staff memo on this bill.

Sen. Moe laid over S.F. 56; H.F. 111.

Senator Moe introduced the fifth item on the agenda, S.F. 1224 (Dicklich); H.F. 1400 (Rukavina): Virginia Police; Benefit Increase. Mr. Martin reviewed the staff memo on this bill and noted that this bill provides both active and retired member increases. Mr. Martin also noted that staff had received notification that the Virginia City Council is in support of this bill. Discussion followed.

Sen. Moe moved approval of S.F. 1224; H.F. 1400. **MOTION PREVAILED.**

Senator Moe introduced the sixth item on the agenda, S.F. 1327 (Luther); H.F. 1342 (Carruthers): Brooklyn Center Fire; Local Law Repealer. Mr. Martin responded to a question on this bill regarding the purpose of the bill and noted that this bill would eliminate the local laws Brooklyn Center Fire has been operating under and cover them under the general volunteer firefighters relief association law enacted in 1979. Discussion followed.

Sen. Moe moved approval of S.F. 1327; H.F. 1342. **MOTION PREVAILED.**

Senator Moe introduced the seventh item on the agenda, S.F. 1346 (Olson); H.F. 1403 (Knickerbocker): Minnetonka Volunteer Fire; Increased Short Service Vested Service Pension. Mr. Martin reviewed the staff memo on this bill and noted that this bill provides an exception for Minnetonka Volunteer Fire from the general volunteer firefighters relief association law by permitting them to provide the full accrued service pension amount with 10 years of service. Discussion followed.

A vote was taken on approval of S.F. 1346; H.F. 1403. **MOTION PREVAILED.**

Senator Moe introduced the ninth item on the agenda, S.F. 843 (Kroening); H.F. 861 (O'Connor): Police and Paid Fire Funds; Automatic Post Retirement Adjustments.

Rep. Simoneau noted that the disparity in the forecasts of the cost of the statewide thirteenth check are so broad that he recommends the Commission lay it over temporarily.

Rep. O'Connor supplied Commission members with a fiscal note from the Department of Finance on this issue which showed a savings to the state of five million dollars. He also provided members with information from Touche Ross.

Senator Moe laid the bill over.

The meeting adjourned at 10:00 A.M.