



September 18, 1990
Room 15 Capitol

20th 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 1:45 P.M.

Commission members present:

Senators Donald Moe, Steven Morse, Lawrence Pogemiller, Earl Renneke and Gene Waldorf
Representatives Gerald Knickerbocker, Rich O'Connor, Leo Reding and Wayne Simoneau

Commission member absent: Representative Robert A. Johnson (due to illness)

Senator Moe introduced the first item on the agenda, consideration of the recommendation of the Actuarial Services Subcommittee on the interim contract for the provision of actuarial services. Sen. Moe requested a review of the work of the Actuarial Services Subcommittee.

Sen. Morse, Chair of the Subcommittee, distributed copies of the Senate Counsel opinion dated May 31, 1990, regarding the statutory duty to retain an actuary, reviewed the recommendation of the Subcommittee on the interim contract for the provision of actuarial services and noted that the Subcommittee left negotiation of the fees for the actuarial services to the Commission's Executive Committee. Discussion followed.

Sen. Moe recommended using the same escalator for the interim contract as had been used in the past which provides for a 4.5% increase for the current fiscal year.

Rep. Simoneau proposed that the Commission go out for bids for an actuary through a "Request for Proposal".

Sen. Moe moved approval of the recommendation of the Actuarial Services Subcommittee to extend the contract to The Wyatt Company until June 30, 1991, and provide the services as recommended by the Subcommittee at a 4.5% rate increase over the previous fiscal year compensation rate. Discussion followed. **MOTION PREVAILED.**

Senator Moe introduced the second item on the agenda, consideration of the recommendation of the Commission actuary on changes in actuarial assumptions for the July 1, 1990 actuarial valuations. Robert Perkins, The Wyatt Company, referred members to the memo provided in their packets dated July 31, 1990, pertaining to the recommendations from the Commission actuary regarding actuarial assumption changes for the 1990 actuarial valuations. Mr. Perkins reviewed the two recommended changes. The first change would lower the retirement age assumption for the St. Paul Teachers' Retirement Fund and the Duluth Teachers' Retirement Fund. The second change would provide a new set of termination rates for the Teachers Retirement Association Fund. Discussion followed.

Sen. Morse moved approval of the recommendation of the Commission actuary as stated in the July 31, 1990 memo from The Wyatt Company. **MOTION PREVAILED.**

The meeting adjourned at 2:35 P.M.