

MINUTES

February 18, 1980
Room 15

Rep. Al Patton opened the meeting.

PRESENT: Senators Ogdahl, Renneke, Strand, Collin Peterson, Schmitz
Representatives Al Patton, Moe, Kaley, Sarna, Biersdorf

HF (Moe); SF 1965 (Peterson) Local Police and Salaried Firefighters' Relief Associations: Phase-Out into the PERA-Police and Fire Fund by Local Action

L. Martin went over the staff memo: The bill authorizes municipalities in which is located a local police or salaried firefighters relief association by local option to put all new police officers and salaried firefighters into the Public Employees Police and Fire Fund, also it grants increases to all employees with more than 25 years of service; and it appropriates from General Revenue \$6.6 million a year for the next 30 years, ending in the year 2010. No part of the bill would go into effect unless approved by a resolution of each city council.

Phase out into PERA Police and Fire is less costly for several reasons; retirement age requirement of 55 rather than 50, normal cost is lower, allows portability, no escalation.

Testimony from the Police and Fire Groups:

Lloyd Berg, President of the Minneapolis Police Relief Association: Oppose anything that is regressive, and are not in favor of increasing the retirement age requirement to 55.

Stan Peskar, League of Minnesota Cities: Mr. Peskar reported that the League received resolutions of approval from 5 cities in addition to Minneapolis and St. Paul.

John Elwell, Mayor of St. Louis Park, and chaired the Police and Fire Task Force Committee, stated that they support the phase out; that employee contributions to the local fund be made to the same formula as contributions being made to PERA regardless of which fund they are in-- 60/40.

Harvey Lang, Mayor of Robbinsdale, co-chaired the committee on state aid, stated that they want aid of some kind for all cities and that there should be a statutory limit on state aid.

Bill Bassett, Manager of Mankato, stated that they have adopted a resolution supporting the position of the League of Minnesota Cities.

Earl Laufenberger, Mayor of Winona, stated that the city council approved a resolution supporting the League of Minnesota Cities' proposal.

Darrell Johnson, Finance Director of Winona, spoke in favor of the bill.

Donald Fraser, Mayor of the City of Minneapolis, stated that the Minneapolis City Council voted 10 to 2 in favor of putting police and fire into PERA Police and Fire; that there is an arrangement with the fire and police that they would support an increase of 8% member contribution in exchange that they would get a 1 unit

George Latimer, Mayor of St. Paul, advised that on December 18, 1979 an agreement was signed by members of the fire and police associations supporting an increase in employee contributions from 6% to 8%; and one half of one percent of payroll would be used to permit the continued benefits of members of police and fire who have served 25 years.

Tom Moore, Minnesota Professional Firefighters, stated they are not in favor of new employees into the PERA Police and Fire Fund; that PERA benefits are not adequate; that the state aid should be applied to their current pensions.

Tom Dickinson, Secretary of the Minneapolis Fire, spoke in opposition to the bill.

Merrill Stewart, Rochester, spoke in opposition to the bill.

Jim Heim, Secretary of the Duluth Firemen's Relief Association, stated that his fund is waiting for more information for their actuary, and would like to reserve the right to discuss this later.

Dick Nelson, Retired Minneapolis Police Officers, spoke about physical and mental stress on the job and that it is no longer a young man's job. Mr. Nelson questioned whether there is a sound reason for change.

Mayor Fraser confirmed that a vote of agreement by city council did not necessarily have the acceptance of the police and fire.

Rep. Kaley questioned the mayors of St. Paul and Minneapolis as to whether all the police and firefighters were in agreement with the bill. Mayor Latimer stated that the city council got together with the police and fire and came to a mutual agreement as to what they could support and that the bill responds to this. Mayor Fraser answered that they did not come to an agreement with the police and fire; agreed that they would support the increase in contributions from 6 to 8%.

Discussion to be continued on February 19, 1980.

Roger Strand, Secretary

Eleanor Diebel
Staff Secretary