

State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT



April 8, 1987
Room 5
State Office Building

8th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Representative Wayne Simoneau, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 6:15 PM.

Commission members present:

Representatives:

Clark
B. Johnson
Reding
Simoneau

Senators:

D. Moe
Pogemiller
Renneke
Waldorf
Wegscheid

Member absent

Knickerbocker

A quorum was present.

Rep. Simoneau introduced the 5th item on the agenda, public testimony on the early retirement options.

Glen West, Business Agent for the Minnesota Association for Professional Employees, spoke in favor of normal retirement at age 62 and the level benefit formula as well as extending the Rule of 85 or extending the Rule of 90 beyond PERA.

Don Homuth, Minnesota Federation of Teachers, spoke in support of the Rule of 85, is willing to increase contributions to pay for the Rule of 85, believes some early retirement incentive should be established, and believes whatever early retirement package the Legislature may adopt should be predictable.

Rep. Katie Olson spoke in support of H.F. 991, Rule of 85, which allows a school district that is discontinuing grades to implement the Rule of 85.

Fritz Marshall, Department of Transportation, Chair of the MSRS Coalition to support the Rule of 90, spoke in support of the passage of H.F. 944.

Russ Stanton, Director of Government Relations for the Faculties of the 7 State Universities and 8 Community Colleges, spoke in support of early retirement incentives but prefers other alternatives to the Rule of 85. The members of his

group prefer a defined contribution plan or the opportunity to negotiate for early separation with paid health insurance.

Ken Bresin, Minnesota Education Association, supports early retirement incentives and prefers the Rule of 85.

Herb Clausner, employee of Hennepin County, supports normal retirement at age 62 and the level benefit formula.

Rep. Simoneau introduced the 6th item on the agenda, H.F. 1348; St. Paul Ramsey; H.F. 670; S.F. 608; Albany: H.F. 769; S.F. 910; Canby. Larry Martin reviewed the information provided in member's packets. Mr. Martin noted that St. Paul Ramsey Hospital's situation is different than Albany or Canby as it is still a public or quasi-public facility whereas Albany and Canby have been sold to private corporations, therefore, Albany and Canby employees are ineligible for PERA membership. H.F. 1348 allows all employees hired prior to 9/3/86 to retain coverage in PERA and all employees hired after 9/3/86, both current and future, a one time option to choose whether or not to have PERA coverage.

Mr. Martin went on to note the Albany and Canby bills allow the employees to receive a refund of employer regular and employee contributions plus 6% interest and 5 year employees of the Albany bill would have the option to choose a deferred retirement annuity payable at the age of retirement. Mr. Martin called Commission member's attention to the amendments to the Albany and Canby bills and briefly explained them.

James Hacking, PERA, made a presentation on this issue and stated that PERA is opposed to any further giveaway of PERA assets. PERA supports H.F. 1348.

David Fortney, St. Paul Ramsey, told the Commission of a survey of St. Paul Ramsey employees which had a response from 56% of the employees. All but 19% were in favor of a plan other than PERA. Mr. Fortney continued with his presentation.

Discussion continued and this issue was laid over for further consideration.

Rep. Simoneau introduced the 7th item on the agenda, H.F. 1096; S.F. 317: Police and Paid Fire Voluntary Consolidation into PERA-P&F. Sen. Wegscheid made a presentation on S.F. 317.

Discussion continued. Pat Alexander, Duluth Police, spoke in favor of the bill especially the voluntary aspect and also noted that Duluth has had a voluntary consolidation bill for Duluth Police and Fire introduced.

Brian Rice, lobbyist, made a presentation to the Commission opposing consolidation of local police and paid fire into PERA P&F.

Sen. Pogemiller offered an amendment exempting the Minneapolis Police and Fire.

George Jorgenson former president of Local 421, introduced Red Curran to speak in opposition to S.F. 317, the Voluntary Consolidation bill on behalf of the St. Paul Firefighters Relief Association retirees.

Sen. Pogemiller offered an amendment exempting police relief associations and

paid firefighters relief associations that are members of the Minnesota Police Pension Council or the Minnesota Firefighters Pension Council from the voluntary consolidation bill.

Stan Peskar, League of Minnesota Cities, favors a standard policy of consolidation for all plans. His members are concerned about the cost to the cities for the actuarial valuations to determine feasibility of consolidation.

William Bassett, City Manager of the city of Mankato and Chair of the League of Cities, is concerned that the cities have not had an opportunity to provide input but will be expected to pay for the actuarial costs.

Sen. Wegscheid asked the Commission to proceed with the bill and amendments.

Joe Miller, Rochester Police, opposed to S.F. 317 and Consolidation.

Bill Miller, Rochester Firefighter, noted that the petition the Commission had before it was not the whole Rochester Firefighters Relief Association.

Discussion continued and this issue was laid over for further review.

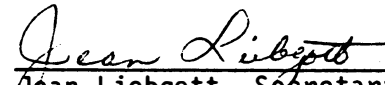
Rep. Simoneau introduced the 8th item on the agenda, H.F. 1026; S.F. 1033: Actuarial Clarification. Larry Martin reviewed the memo and 2 amendments to H.F. 1026.

Sen. Moe moved to recommend the 2 amendments and H.F. 1026. MOTION PREVAILED.

Rep. Simoneau introduced the 12th item on the agenda, H.F. 938; S. F. 1066: Workers Compensation Offsets from Disability Benefits.

Rep. Johnson moved the amendment and H.F. 938. MOTION PREVAILED.

The meeting adjourned at 10:05 P.M.


Jean Liebgott, Secretary