



December 14, 1988
Room 10
State Office Building

18th 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 2:20 PM.

Commission members present:

Representatives Gerald Knickerbocker, Leo Reding and Wayne Simoneau
Senators Donald Moe, Earl Renneke and Gene Waldorf

Members absent:

Representative Bob Johnson, Senators Lawrence Pogemiller and Darril Wegscheid

A quorum was not present at the time the meeting was called to order but shortly thereafter, Representative Reding and Senators Renneke and Waldorf arrived and a quorum was then present. Representative Karen Clark arrived as the meeting ended.

Representative Simoneau referred members to a magazine article he had provided titled "The jobs you do!" from the December 1988 - January 1989 issue of Modern Maturity.

Rep. Simoneau introduced the second item on the agenda, Part II of the Pension Benefit Adequacy Study which was presented by the Commission Actuary, Mr. Robert Perkins of The Wyatt Company. Mr. Perkins made a presentation reviewing several charts and graphs which were contained in the information he had provided for the members of the Commission. Questions were answered during the presentation.

Rep. Simoneau introduced the third item on the agenda, the Pre-1973 Retiree Lump Sum Bonus Cost and Financing. Mr. Lawrence Martin reviewed his memo, which was included in the Commission members' packets, showing the projected cost of the potential 1989-1990 pre-1973 retiree bonus payments.

Rep. Simoneau introduced the new Deputy Executive Director of the Commission, Mr. Edward Burek. Mr. Martin reviewed Mr. Burek's memo regarding the history of the post-retirement adjustment procedures through the Minnesota Adjustable Fixed Benefit Fund (MAFB) and the Minnesota Post Retirement Investment Fund (MPRIF).

Rep. Simoneau, noting a quorum was present, referred members to the minutes of the meeting of August 22, 1988. Representative Leo Reding moved to approve the minutes. MOTION PREVAILED.

Rep. Simoneau requested Mr. Martin to review the change in the retirement age assumption which was requested by the actuary for seven of the local police and paid firefighters relief associations, Gabriel, Roeder, Smith & Company. This proposed change is the result of the observation by the seven associations' actuary that these relief associations have not been making significant progress towards full funding by the year 2010 as required by law. The proposed change should cause the actuarial assumed retirement age to reflect the earlier actual retirement age of these seven relief associations' members and improve the relief associations' progress toward full funding.

Representative Leo Reding moved to approve the change in the retirement age assumption for the seven local police and paid firefighters relief associations. MOTION PREVAILED.

Rep. Simoneau requested Mr. Martin to review his memo recommending that the Commission approve an amendment to the contract with The Wyatt Company for an increase in the limit on the compensation for additional consulting services and related processing for the balance of the July 1, 1988 - June 30, 1989 fiscal year in the amount of \$50,000.

Senator Earl Renneke moved approval of the amendment. MOTION PREVAILED.

The meeting adjourned at 3:25 P.M.

A handwritten signature in cursive script, reading "Jean A. Liebgott".
Jean Liebgott, Secretary