



April 20, 2005  
Room 15 Capitol

6<sup>th</sup> Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

**Call to order:**

Senator Lawrence Pogemiller, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:00 a.m.

**Commission Members Present:**

Representatives Mary Murphy, Dennis Ozment, Steve Smith, Paul Thissen, and Lynn Wardlow  
Senators Don Betzold, Keith Langseth, Cal Larson, Geoff Michel, and Lawrence Pogemiller

**Agenda Items**

**S.F. 1557 (Betzold); H.F. 1738 (Murphy): MnSCU IRAP/TRA; Higher Education IRAP Members Permitted Up to Five Years to Elect Between Defined Benefit and Defined Contribution Plan Coverage.**

Mr. Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill.

Mr. Gary Janikowski, Assistant Director for Personnel, MnSCU, testified in support of the bill, stating that this recommendation came out of their faculty IRAP advisory committee with regard to simplifying the plan and making it easier for members to understand.

Mr. Russ Stanton, Director of Government Relations for the Inter-Faculty Organization, testified in support of the bill, also stating that this proposal came out of a joint employee/management task force and this represents one of their higher priorities.

Mr. Michael Lang, State Cloud State Technical College faculty member, representing the Minnesota state college faculty of the two-year colleges and Education Minnesota, testified in support of the bill.

Mr. Gary Austin, Executive Director, TRA, testified that they talked with their actuary about the adverse selection situation and it is difficult to quantify. Mr. Austin stated that one year should be adequate.

Representative Murphy moved amendment LCPR05-147, inserting "one year" into the blank on line 3. **MOTION PREVAILED.**

Representative Murphy moved S.F. 1557; H.F. 1738, as amended, be added by amendment to the omnibus retirement bill. **MOTION PREVAILED.**

**S.F. 1963 (Betzold); H.F. xxx: PERA; Privatized Water and Wastewater Facility Employees Coverage Elimination.**

Mr. Burek reviewed the staff memo and policy issues raised by the bill.

Ms. Mary Vanek, Executive Director, PERA, testified that PERA came across this provision while doing some research on privatization last year, and that the current model should be followed. Ms. Vanek also expressed PERA's desire to work over the upcoming legislative interim on the augmentation issue.

Senator Betzold moved technical amendment LCPR05-217. **MOTION PREVAILED.**

Senator Betzold moved S.F. 1963, as amended, be added by amendment to the omnibus retirement bill. **MOTION PREVAILED.**

**S.F. xxx (Pogemiller); H.F. xxx, Document LCPR05-091: PERA; Providing Interest on Minneapolis Community Development Agency Service Credit Purchase Payment Overages and Permitting Purchasers to Revoke Purchase.**

Ms. Vanek testified that many of the affected employees have already purchased past service based on overstated eligible salary figures and therefore overpaid on the purchases. Ms. Vanek said the law does not allow for the payment of interest on that returned overpayment, and PERA is asking that these individuals be allowed to receive interest in order to make them whole.

Senator Larson moved LCPR05-091, amended to add a June 30, 2005, expiration date for Section 2, be added by amendment to the omnibus retirement bill. **MOTION PREVAILED.**

**S.F. xxx; H.F. 1504 (Thissen): Minneapolis Fire; Service Credit Clarified, Disability Benefits Recomputed, Pension Benefit Reductions Prohibited.**

Mr. Walter Schirmer, Executive Secretary, Minneapolis Firefighters Relief Association, testified in support of the bill.

Mr. Brian Rice, attorney representing the Minneapolis Firefighters Relief Association, testified in support of the bill and provided background information on the proposed legislation.

Representative Thissen moved amendment LCPR05-256. **MOTION PREVAILED.**

Representative Thissen moved amendment LCPR05-152. **MOTION PREVAILED.**

Mr. Pat Born, Chief Financial Officer, City of Minneapolis, testified in support of the bill as amended.

Representative Thissen moved H.F. 1504, as amended, be added by amendment to the omnibus retirement bill. **MOTION PREVAILED.**

**S.F. xxx (Pogemiller); H.F. xxx, Document A05-0388: Minneapolis Police; Service Pension Schedules Applicable if Funding Ratio is Less than 90 Percent.**

Mr. Rice, representing the Minneapolis Police Relief Association, testified in support of the bill.

Senator Betzold moved amendment LCPR05-255. **MOTION PREVAILED.**

Mr. Born testified in support of the bill as amended.

Mr. Dick Nelson testified in support of the bill.

Senator Betzold moved A05-0388, as amended, be added by amendment to the omnibus retirement bill. **MOTION PREVAILED.**

**S.F. xxx; H.F. 853 (Kelliher): MERF; Executive Director Salary; Fund Investment, and Transfer Liquidity Flexibility.**

Representative Kelliher testified in support of the bill.

Ms. Judith Johnson, Executive Director, MERF, testified in support of the bill, indicating that she met with Commission staff on the issue and that the proposal was approved by both the MERF Board and by the Minneapolis City Council in December, although they still expect to see a local approval clause.

Mr. Born testified that the Minneapolis City Council did approve the provision in its current form and supports the bill. Mr. Born also stated the city's position that the salary cap does presents problems and should be eliminated.

The bill was laid over.

**Adjournment**

The meeting adjourned at 9:00 a.m.



Lisa Diesslin, Administrative Secretary