



March 31, 2009
Room 107 Capitol

8th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Don Betzold, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 7:00 p.m.

Commission Members Present:

Representatives Mary Murphy, Phyllis Kahn, Michael V. Nelson, and Steve Smith
Senators Don Betzold, Ann Lynch, Mary A. Olson, Sandra L. Pappas, and Julie A. Rosen

Commission Members Absent:

Representative Paul Thissen

Agenda Items

Approval of prior Commission meeting minutes

Rep. Murphy moved approval of the March 17, 2009, meeting minutes. **MOTION PREVAILED.**

Final consideration of the 2009 Omnibus Retirement Bill; delete-all amendment S0191-DE3

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the omnibus bill to date in the form of the delete-all amendment.

a. Erroneous deduction/overpayment recovery provisions (PERA; First class city teachers).

Mr. Burek reviewed amendments S0191-19A, -20A, and -21A.

Mr. Mark Winson, Duluth Chief Administrative Officer, testified in support of Amendment S0191-20A.

Mr. Erik Simonson, President, Duluth IAFF Local 101, testified in support of Amendment S0191-20A.

Ms. Mary Vanek, Executive Director, PERA, testified in support of amendment S0191-19A.

Rep. Murphy moved Amendment S0191-19A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-20A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-20A. **MOTION PREVAILED.**

b. Commission staff technical correction/clarification amendments.

Mr. Martin reviewed amendments S0191-11A to -16A.

Rep. Murphy moved Amendment S0191-11A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-12A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-13A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-14A. **MOTION PREVAILED.**

Ms. Mary Vanek, Executive Director, PERA, testified in support of amendment S0191-15A.

Rep. Murphy moved Amendment S0191-15A. **MOTION PREVAILED.**

Rep. Murphy moved Amendment S0191-16A. **MOTION PREVAILED.**

Senator Betzold requested clarification of employer and employee contribution rate increases in the teacher benefit article, specifically regarding the increased state aid and the cost to the state.

Mr. Martin reviewed Article 6, Section 1, on pages 86-87.

Ms. Laurie Hacking, Executive Director, TRA, reviewed the costs associated with the proposal.

Mr. David Bergstrom, Executive Director, MSRS, testified that the 2006 contribution rate increase legislation for MSRS members and employers did not include a benefit increase.

Ms. Mary Vanek, Executive Director, PERA, testified that the 2001/2005 PERA employee and employer contribution rate increase legislation did not include any benefit enhancements.

Ms. Jan Alswager, Government Relations Manager, Education Minnesota, testified in response to a question from Sen. Rosen that salaries are not automatically increased to offset contribution increases.

Sen. Betzold recommended on page 87, lines 11 to 12, to strike "and each fiscal year thereafter."

Ms. Hacking indicated that section refers to the state aid adjustment and Mr. Luther Thompson, Assistant Executive Director, TRA, agreed that the language is confusing.

Sen. Pappas moved to amend delete-all amendment S0191-DE3 as follows: page 87, lines 11 to 12, strike "and each fiscal year thereafter." **MOTION PREVAILED.**

Sen. Lynch moved to remove Article 6 from the omnibus bill and move forward separately.

Mr. Mark Haveman, Executive Director, Minnesota Taxpayers Association, testified in opposition to the teacher retirement provisions contained in Article 6.

Ms. Alswager testified in support of the provisions of Article 6.

Sen. Lynch renewed her motion that the provisions of S.F. 506/H.F. 592 (Article 6) be removed from the omnibus bill and move forward as a separate bill. **MOTION FAILED.**

Division was requested. **MOTION FAILED.**

S.F. 1878 (Betzold); H.F. 1983 (Kahn): Minneapolis Firefighters Relief Association; Number of representatives on the board of trustees modified

Mr. Edward Burek, Deputy Director, LCPR, reviewed the staff memo and policy issues raised by the bill.

Mr. Brian Rice, General Counsel, MFRA, testified in support of the bill.

Mr. Walter Schirmer, Executive Director, MFRA, testified in support of the bill.

Rep. Kahn moved S.F. 1878/H.F. 1983 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 1625 (Skoe); H.F. 1923 (Sailer): PERA Privatization; Extend filing date for Clearwater County Memorial Hospital

Ms. Mary Vanek, Executive Director, PERA, testified that an actuarial study was done in 2008 and that the affected parties are concerned that a second actuarial study might be required. Ms. Vanek indicated that PERA is comfortable with the 2008 actuarial work.

Rep. Murphy moved S.F. 1625/H.F. 1923 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Murphy moved delete-all amendment S0191-DE3 to S.F. 191/H.F. 723, as amended, be adopted as the 2009 omnibus pension bill. **MOTION PREVAILED.**

Sen. Betzold indicated that he would call a Commission meeting if an agreement is reached between the City of Minneapolis, MERF, and other interested parties on the MERF consolidation legislation and announced his intent to meet once each month during the interim.

Adjournment

The meeting adjourned at 8:40 p.m.