



February 26, 2010

Room 123 Capitol

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 9:35 a.m.

Commission Members Present:

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

Agenda Items

Approval of prior Commission meeting minutes

Rep. Murphy moved approval of the February 19, 2010, meeting minutes. **MOTION PREVAILED.**

Retirement fund financial sustainability proposals:

- S.F. 2573 (Betzold); H.F. 2952 (Murphy, M.): MSRS
- S.F. 2631 (Betzold); H.F. 2999 (Murphy, M.): PERA
- S.F. 2499 (Betzold); H.F. 2953 (Murphy, M., by request): TRA
- S.F. 2672 (Betzold); H.F. xxxx: MPPOA recommendation, PERA-P&F

David Bergstrom, Executive Director, MSRS, testified in support of S.F. 2573/H.F. 2952 and provided handout materials on behalf of the statewide retirement system administrators. Mr. Bergstrom indicated that he would ask the MSRS Board to consider an "up to 2 percent" post-retirement increase.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed S.F. 2573/H.F. 2952.

Mary Vanek, Executive Director, PERA, testified in support of S.F. 2631/H.F. 2999 and reviewed the PERA portion of the handout.

Mr. Martin reviewed S.F. 2631/H.F. 2999 and distributed amendment S2631-1A, requested by PERA.

Rep. Nelson moved amendment S2631-1A. **MOTION PREVAILED.**

Laurie Hacking, Executive Director, TRA, testified in support of S.F. 2499/H.F. 2953 and reviewed the TRA portion of the handout.

Rep. Nelson moved amendment S2499-1A. **MOTION PREVAILED.**

Mr. Martin reviewed S.F. 2499/H.F. 2953.

Public Testimony:

Peter Obermeyer, Board Member, Minnesota Retired State Employees Association, testified in support of S.F. 2573/H.F. 2952 and provided handout materials.

Eliot Seide, Executive Director, AFSCME Council 5, testified in support of S.F. 2573/H.F. 2952.

Richard Kolodziejski, Legislative Affairs Director, Minnesota Association of Professional Employees, testified in support of S.F. 2573/H.F. 2952.

Grace Keliher, Governmental Relations Director, Minnesota School Boards Association, testified in support of S.F. 2631/H.F. 2999.

Gary Carlson, Intergovernmental Relations Director, League of Minnesota Cities, testified in support of S.F. 2631/H.F. 2999.

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of S.F. 2631/H.F. 2999 and provided handout materials.

Grant Thorstad, deferred PERA-P&F member, testified in opposition to the elimination of PERA-P&F deferred annuities augmentation contained in S.F. 2631/H.F. 2999 and in S.F. 2672.

Wendy Wulff, spouse of a disabled PERA-P&F member, testified in opposition to the post-retirement increase reductions for disabilitants contained in S.F. 2631/H.F. 2999 and in S.F. 2672.

Dennis Flaherty, Executive Director, Minnesota Police and Peace Officers Association, testified in support of S.F. 2672.

Brian Rice, representing Minnesota Professional Fire Fighters and Police Officers Federation of Minneapolis, testified in support of S.F. 2672.

Mary Vanek, Executive Director, PERA, clarified that PERA-P&F is not part of the proposed assumption changes and that a PERA-P&F experience study is scheduled, testified in opposition to an exception to the post-retirement adjustment provisions for disabilitants due to PERA-General implications, and testified that the PERA Board supports the one percent post-retirement adjustment proposal and has not taken a position on the MPPOA CPI-based proposal.

Charlie Kyte, Executive Director, Minnesota Association of School Administrators, testified in support of S.F. 2499/H.F. 2953.

Charles Hellie, President, Retired Educators Association of Minnesota, testified in support of S.F. 2499/H.F. 2953.

Russ Stanton, Governmental Relations Director, Inter Faculty Organization, testified in support of S.F. 2499/H.F. 2953.

Rose Hermodson, Committee of Thirteen, testified in support of S.F. 2499/H.F. 2953 and provided handout materials.

Roger Aronson, representing the Minnesota Elementary School Principals Association and the Minnesota Association of Secondary School Principals, testified in support of S.F. 2499/H.F. 2953.

Walt Munsterman, President, Education Minnesota Retired, testified in opposition to the post-retirement adjustment suspension and reduction in S.F. 2499/H.F. 2953.

Grace Keliher, Governmental Relations Director, Minnesota School Boards Association, testified in support of S.F. 2499/H.F. 2953, testified in opposition to a benefit increase, and encouraged Commission members to consider granting school districts levy authority for pension costs.

Jan Alswager, Government Relations Director, Education Minnesota, testified in opposition to S.F. 2499/H.F. 2953, in support of S.F. 506/H.F. 592, and provided handout materials.

Lee Warne, Executive Director, Minnesota Rural Education Association, testified in support of S.F. 2499/H.F. 2953.

Douglas Stein, a retired educator, testified in support of a CPI-based post-retirement increase.

Rep. Thissen moved S.F. 2499/H.F. 2953, as amended, and S.F. 2631/H.F. 2999, as amended, be incorporated into S.F. 2573/H.F. 2952. **MOTION PREVAILED.**

The following items were not heard:

- S.F. 2404 (Pappas); H.F. 2951 (Kahn): SPTRFA; Increasing benefits and state aid, revising fiduciary provisions and large plan investment authority
- S.F. 506 (Betzold, by request); H.F. 592 (Thissen): Teacher plans benefit increase
- LCPR10-038 (Murphy, M.): DTRFA; Various benefit changes and contribution increases

Adjournment

The meeting adjourned at 1:00 p.m.