



February 21, 2012

Room 5 State Office Building

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Representative Morrie Lanning, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 5:20 p.m.

Commission Members Present:

Representatives Phyllis Kahn, Mary Kiffmeyer, Morrie Lanning, and Mary Murphy
Senators Theodore Daley, D. Scott Dibble, Sandra Pappas, and Julie Rosen

Commission Members Absent:

Representative Steve Smith and Senator Roger Chamberlain

Agenda Items

Approval of prior Commission meeting minutes.

Sen. Pappas moved approval of the February 14, 2012, meeting minutes. **MOTION PREVAILED.**

HF 215 (Rukavina); SF 106 (Tomassoni): Virginia Fire consolidation account merger.

Rep. Tom Rukavina and Sen. David J. Tomassoni testified in support of the bill and amendment H0215-4A.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the bill as previously amended and amendment H0215-4A.

Rep. Lanning moved amendment H0215-4A. **MOTION PREVAILED.**

HF 215/SF 106, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 1626 (Murphy, M.); SF 1367 (Daley): MSRS-Unclassified; Transfer provision clarified.

Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and technical amendment H1626-1A.

David Bergstrom, Executive Director, MSRS, testified in support of the amendment.

Sen. Daley moved amendment H1626-1A. **MOTION PREVAILED.**

HF 1626/SF 1367, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 1555 (Murphy, M.); SF 927 (Rosen): State Auditor investment authority working group bill.

Mr. Burek distributed amendment H1555-39A and reviewed the potential amendments.

Rose Hennessy Allen, Pension Director, Office of the State Auditor, testified in support of H1555-39A.

Rep. Murphy moved amendment H1555-39A. **MOTION PREVAILED.**

HF 1555/SF 927, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 1987 (Lanning); SF 1692 (Rosen): TRA administrative provisions.

Laurie Hacking, Executive Director, TRA, testified in support of the bill.

Luther Thompson, Assistant Executive Director, TRA, presented and testified in support of the bill, in support of amendments H1987-2A (amended on line 9.17 by deleting "by" and inserting "for"), -4A, -6A, and -7A, in opposition to -1A, and that -3A and -5A are not necessary.

Sen. Rosen moved amendments H1987-2A, -4A, -6A, and -7A. **MOTION PREVAILED.**

Ms. Hacking testified that the City of Minneapolis has given TRA a verbal agreement to pay the matching aid shortfall within the next year and that formal action should occur in the near future.

Gene Ranieri, Director of Government Relations, City of Minneapolis, testified that the outstanding amount will be paid in fiscal year 2012, and that formal action should occur on March 10.

HF 1987/SF 1692, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 2265 (Lanning); SF 1890 (Rosen): MSRS health care savings plan administrative provisions.

David Bergstrom, Executive Director, MSRS, presented and testified in support of the bill.

Rep. Kiffmeyer asked Mr. Bergstrom to consider a less vague alternative to the word "future" on 2.20.

HF 2265/SF 1890 was laid over for possible inclusion in the omnibus retirement bill.

HF 2266 (Lanning); SF 1891 (Rosen): PERA administrative provisions.

Mary Vanek, Executive Director, PERA, presented and testified in support of the bill, and testified in support of amendments H2266-1A and -3A and in opposition to amendment H2266-2A.

Sen. Rosen moved amendments H2266-1A and -3A. **MOTION PREVAILED.**

HF 2266/SF 1891, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 2360 (O'Driscoll); SF 2031 (Rosen): PERA; Membership salary threshold increased.

Rep. Tim O'Driscoll presented and testified in support of the bill.

Mr. Martin provided information on the history of and revisions to the salary threshold.

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in opposition to the bill.

Matt Toburen, Service Employees International Union (SEIU) Local 284, and on behalf of Education Minnesota and the Minnesota School Employees Association, testified in opposition to the bill.

Julie Bleyhl, Legislative Director, AFSCME Council 5, testified in opposition to the bill.

Gary Carlson, Intergovernmental Relations Director, League of Minnesota Cities, testified in support of the bill, took no position on the dollar amount or CPI index, and recommended an actuarial analysis.

Rep. Murphy recommended that the proposal be considered for interim study.

HF 2360/SF 2031 was laid over for possible inclusion in the omnibus retirement bill.

HF 2199 (Lanning); SF 1808 (Rosen): MSRS-Corr; DHS plan coverage change recommendations.

Mr. Martin reviewed the staff memo and the potential amendments.

Connie Jones, Human Resources Director, DHS, testified in support of the bill and amendment H2199-2A.

Anne Barry, Deputy Commissioner, DHS, testified in support of the bill and amendment H2199-2A.

Mr. Martin reviewed amendment H2199-2A and distributed alternative amendment H2199-5A.

Sen. Rosen moved amendment H2199-2A. **MOTION PREVAILED.**

David Bergstrom, Executive Director, MSRS, testified in support of the bill as amended.

HF 2199/SF 1808, as amended, was laid over for possible inclusion in the omnibus retirement bill.

HF 2411 (Lanning); SF 2009 (Rosen): Teacher plans; Deferred annuity augmentation rates for pre-2010 deferred retirees.

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

Laurie Hacking, Executive Director, TRA, reviewed the TRA notification process and website issues.

Rep. Murphy requested information on the effect of the proposal on the expected plan cost savings and for the number of affected deferred members and the impact on their anticipated retirement benefits.

Rep. Lanning invited the fund administrators to provide information to the Commission in writing.

HF 2411/SF 2009, as amended, was laid over for possible inclusion in the omnibus retirement bill.

Adjournment

The meeting adjourned at 7:45 p.m.

Lisa Diesslin, Commission Assistant