



February 26, 2013

Room 112 Capitol

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Sandra Pappas, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 5:30 p.m.

Commission Members Present:

Representatives Benson, Kahn, Lesch, Morgan, M. Murphy, Nelson, and O' Driscoll
Senators Hayden, Johnson, Pappas, Rosen, Saxhaug, and Thompson

Commission Members Absent:

Senator Goodwin

Agenda Items

Approval of prior Commission meeting minutes.

Sen. Thompson moved approval of the February 19, 2013, meeting minutes. **MOTION PREVAILED.**

S.F. 279 (Sieben); H.F. 347 (Kahn): MSRS-General; Service credit purchase and Rule of 90 eligibility for certain MSRS-General member.

Rep. Kahn moved amendment S0279-3A. **MOTION PREVAILED.**

Rep. Kahn moved amendment S0279-1A. **MOTION PREVAILED.**

Jeffrey Swanson, the person affected by the bill, testified in support of the bill.

David Bergstrom, Executive Director, MSRS, testified that MSRS did make an error.

Lawrence A. Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill.

Rep. Kahn moved to amend S.F. 279/H.F. 347, as follows: page 1, line 3, delete "39" and insert "30". **MOTION PREVAILED.**

Rep. Kahn moved S.F. 279/H.F. 347, as amended, be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

S.F. 573 (Eaton); H.F. 420 (Hilstrom): Survivor designation termination allowed in public pension plans.

Sen. Eaton and Rep. Hilstrom presented and testified in support of their bill.

Don Cary testified in support of the bill.

Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and the potential amendments.

Mary Vanek, Executive Director, PERA, testified in support of amendments S0573-1A and -2A.

David Bergstrom, Executive Director, MSRS, testified in support of amendments S0573-1A and -2A.

Paul Doane, Executive Director, SPTRFA, testified in support of amendment S0573-3A.

Luther Thompson, Asst. Executive Director, TRA, testified in support of amendments S0573-1A and -2A.

Rep. Nelson moved amendment S0573-1A. **MOTION PREVAILED.**

Rep. Nelson moved amendment S0573-2A. **MOTION PREVAILED.**

Rep. Nelson moved amendment S0573-3A, amended on line 1.19 to delete " the Duluth Teachers Retirement Fund Association and". **MOTION PREVAILED.**

Rep. Nelson moved S.F. 573/H.F. 420, as amended, be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

H.F. 346 (Hortman): TRA; Service credit for voluntary layoff and extended leave of absence; certain Anoka-Hennepin school district teacher.

Rep. Hortman presented her bill, requesting that the Commission not take action on the bill at this meeting but consider it at a future meeting because she is working with the school district on a possible resolution to her constituent's situation.

Luther Thompson, Assistant Executive Director, TRA, provided history on the situation and indicated that the full actuarial value cost estimates related to the service credit purchase are as follows: \$110,000 to purchase the full five years, \$68,870 to purchase the 3 years of extended leave, and \$20,889 to purchase only 1 year of service.

Joel Milteer, Manager of Employee Services, Anoka-Hennepin School District, testified that the school district strongly opposes the bill as written and read a statement from the school district.

Sen. Pappas laid over H.F. 346.

S.F. 594 (Dahle); H.F. 705 (Bly): PERA-General; Service credit purchase for period of unreported Northfield Transit Division employment.

Rep. Bly presented and testified in support of his bill.

David Hermstad, the person affected by the bill, testified in support of the bill.

Mary Most Vanek, Executive Director, PERA, testified that PERA was told by the city that Mr. Hermstad should have been reported to PERA. Ms. Vanek indicated that the cost estimates related to the service credit purchase are as follows: \$16,308 for Mr. Hermstad to repay a refund as required under law, \$5,470.25 is Mr. Hermstad's share of the purchase payment, and \$8,879.95 is the city's responsibility. Ms. Vanek noted that the city has agreed to pay its portion as indicated in an email to PERA.

Sen. Rosen moved S.F. 594/H.F. 705 be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

S.F. 96 (Chamberlain); H.F. 156 (Dean, M.): White Bear Lake Volunteer Firefighter Relief Association; Authorize payment of retired member death benefits from the special fund.

Rep. Dean presented and testified in support of his bill.

Dan Brumm, White Bear Lake Fire Relief Association, testified in support of the bill.

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

Sen. Johnson moved S.F. 96/H.F. 156 be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

S.F. xxxx; H.F. xxxx (Revisor #13-1824): State Auditor's Volunteer Fire Working Group bill.

Rose Hennessey Allen, Pension Director, Office of the State Auditor, presented and testified in support of the bill.

Dave Ganfield, Apple Valley Firefighters Relief Association, testified in support of the bill.

Rep. Murphy moved S.F. xxxx; H.F. xxxx (Revisor #13-1824) be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

S.F. 274 (Pappas); H.F. 340 (Nelson): PERA-SVF; Extend length of time for municipal action on the election of transfer to Statewide Volunteer Firefighter Retirement Plan coverage.

Mary Most Vanek, Executive Director, PERA, presented and testified in support of the bill.

Rep. Murphy moved S.F. 274; H.F. 340 be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

S.F. 280 (Pappas); H.F. 345 (Nelson): MSRS-General; Retirement coverage for MAPE employees.

Richard Kolodziejski, Director of Public Affairs and Communications, Minnesota Association of Professional Employees, presented and testified in support of the bill.

David Bergstrom, Executive Director, MSRS, testified that the MSRS board has no position on the bill, but that it does not present a financial issue and that they did receive a favorable finding from the IRS.

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

Kim Crockett, COO, EVP and General Counsel, Minnesota Free Market Institute at Center of the American Experiment, testified in opposition to the bill.

Rep. Nelson moved S.F. 280; H.F. 345 be recommended to pass and be incorporated into Omnibus Pension Bill I. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 7:05 p.m.