

Legislative Commission on Pensions and Retirement

55 State Office Building

100 Rev. Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155-1201

SENATE MEMBERS

Senator Julie A. Rosen, Chair
Senator Sandra L. Pappas, Secretary
Senator Gary H. Dahms
Senator Nick A. Frentz
Senator John R. Jasinski
Senator Warren Limmer
Senator David H. Senjem

HOUSE MEMBERS

Representative Tim O'Driscoll, Vice Chair
Representative Tony Albright
Representative Sarah Anderson
Representative Mary Murphy
Representative Roz Peterson
Representative Paul Thissen
Representative Bob Vogel

COMMISSION STAFF

Susan Lenczewski, Executive Director
Rachel Barth, Deputy Director
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March 6, 2018

Room 1200, Minnesota Senate Building

MINUTES

Call to order:

Senator Julie A. Rosen, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 5:40 p.m.

Commission Members Present:

Representatives Albright, Anderson, Murphy, O'Driscoll, Peterson, Thissen, and Vogel
Senators Dahms, Frentz, Jasinski, Limmer, Pappas, Rosen, and Senjem

Agenda Items

Follow-up from the February 27 meeting:

Erin Leonard, Executive Director, MSRS, reviewed a chart entitled "*Minnesota Retirement Funds; Comparison of 30-year Employer and State Contributions to 30-year Member Contribution Increases and Benefit Reforms*" prepared in response to questions from members at the February 27, 2018, meeting.

Approval of February 27, 2018, meeting minutes

Sen. Jasinski moved approval of the February 27, 2018, meeting minutes. **MOTION PREVAILED.**

SF 2622 (Utke); HF 2957 (Grossell): Clearbrook Fire Department Relief Association; Extension for submitting reports for fire state aid eligibility.

Sen. Paul J. Utke and Rep. Matt Grossell presented and testified in support of their bill.

Sen Jasinski moved SF2622/HF2957 be recommended to pass and be incorporated into the 2018 omnibus pension bill. **MOTION PREVAILED.**

SF 2743 (Latz): TRA/MnState; TRA coverage election authority for certain employee.

Sen. Ron Latz presented and testified in support of his bill.

Steven Gednalske, the person affected by the bill, testified in support of the bill.

Derek Hughes, System Director, Compensation & Retirement, Minnesota State, testified that Minnesota State does not oppose the bill and are prepared to pay the actuarial value payment difference.

Rachel Barth, Deputy Director, Legislative Commission on Pensions and Retirement, clarified the actuarial value payment provisions.

Rep Thissen moved SF2743 be recommended to pass and be incorporated into the 2018 omnibus pension bill. **MOTION PREVAILED.**

HF 3145 (Newberger): PERA DC; Permitting distributions while employed; clarifying provisions.

Rep. Jim Newberger presented and testified in support of his bill affecting a township supervisor and indicated that the Minnesota Association of Townships conveyed to him its support.

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, clarified that this provision would apply to all plan members and because it is a defined contribution plan, there is no reason to keep members' money in the plan once they reach age 65.

Shana Jones, Policy Director, PERA, testified that PERA has no concerns over the change.

Rep. O'Driscoll moved HF3145 be recommended to pass and be incorporated into the 2018 omnibus pension bill. **MOTION PREVAILED.**

Amendment S2620-2A: PERA-P&F; Expanding coverage for certain paramedics and emergency medical technicians employed by Hennepin Healthcare System, Inc.

Rep. Albright presented and testified in support of the amendment.

Andrew Mitchell, Sr. Assistant Attorney, Hennepin County, testified in support of the amendment.

Doug Gesme, Director of EMS, Hennepin Healthcare, testified in support of the amendment.

Shana Jones, Policy Director, PERA, informed members that whether or not part-time employees are eligible for the plan is at the employer's discretion.

Rep. O'Driscoll moved Amendment S2620-2A. **MOTION PREVAILED.**

LCPR18-012: Hennepin County supplemental retirement plan; expanding investment authority.

Mansco Perry, Executive Director, State Board of Investment, testified in support of the bill.

Rick Heller, representing Twice Exceptional, Print Disabled, testified regarding the inaccessibility of SFxxxx/HFxxxx legislation in the form of bill drafts, such as LCPR18-012, as opposed to introduced bills.

Rep. O'Driscoll moved LCPR18-012 be recommended to pass and be incorporated into the 2018 omnibus pension bill. **MOTION PREVAILED.**

Public Testimony on SF 2620 (Rosen); HF 3053 (O'Driscoll), the 2018 Omnibus Retirement Bill

Public safety provisions

Dave Metusalem, Executive Director, Minnesota Police and Peace Officers Association, testified in support of the bill.

Lt. Bob Kroll, President, Police Officers Federation of Minneapolis, testified in support of the bill.

Trooper Joe Dellwo, President, Minnesota State Troopers Association, testified in support of the bill.

Brian Rice, representing the Minnesota Professional Fire Fighters and Minnesota Police Fraternal Association, testified in support of the bill.

MSRS provisions

Mark Toso, Minnesota Pollution Control Agency employee, testified in opposition to the elimination of early retirement factors and deferred annuities augmentation.

Shanna Schmitt, Minnesota Pollution Control Agency employee, testified in opposition to the elimination of early retirement factors and deferred annuities augmentation.

Tammy Miller, UMHC/Fairview employee, testified in opposition to the Fairview provisions.

Steve Bennett, UMHC/Fairview employee, testified in opposition to the Fairview provisions.

Chris Senn, UMHC/Fairview employee, testified in opposition to the Fairview provisions.

PERA provisions

Sarah Lewerenz, Political Coordinator, AFSCME Council 65, testified in support of the bill.

Julie Bleyhl, Legislative Director, AFSCME Council 5, (handout) testified in support of the bill.

Leonard Krumm, President, MMRA, testified in support of the bill.

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of the bill.

TRA provisions

Joan Beaver, Board Member, Education Minnesota Retired, testified in support of the bill.

Lonnie Duberstein, President, Retired Educators Association of Minnesota, testified in support of the bill.

Louise Sundin, Minneapolis Committee of Thirteen, testified in support of the bill as submitted.

Rodney Rowe, Secretary-Treasurer, Education Minnesota, testified in support of the bill.

Fred Nolan, Ph.D., Executive Director, Minnesota Rural Education Association, testified in support of the bill.

Scott Croonquist, Executive Director, Association of Metropolitan School Districts, testified in support of the bill.

Valerie Dosland, representing the Minnesota Association of School Administrators, testified in support of the bill.

Grace Keliher, Minnesota School Boards Association, testified in support of the bill.

Joel Albright, District 196 school board (Rosemount-Apple Valley-Eagan), testified in support of the bill.

SPTRFA provisions

Dr. Michael McCollor, Vice President, SPTRFA Board of Trustees, testified in support of the bill.

Mary Gilbert, Legislative Liaison, St. Paul Public Schools, testified in support of the bill.

Provisions related to all/multiple plans

Mark Haveman, Executive Director, Minnesota Center for Fiscal Excellence, testified that the benefit reform provisions in the bill are insufficient and not equitable between employee cohort groups.

Mary O'Connor, MSRS retiree from Brooklyn Center, testified in opposition to any post-retirement increases until the pension funds are fully funded.

There was no action on the bill.

Adjournment

The meeting adjourned at 7:45 p.m.

Lisa Diesslin, Commission Assistant