



March 25, 2014

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 5:40 p.m.

Commission Members Present:

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

Agenda Items

S.F. 2749 (Tomassoni); H.F. 3118 (Metsa): MnSCU-IRAP, TRA; Authorizing MnSCU employee to elect TRA coverage and transfer past service from IRAP to TRA; offering comparable treatment to similarly situated individuals.

Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill.

Sen. David Tomassoni presented and testified in support of his bill, and offered amendment S2749-2A. Rep. Jason Metsa testified in support of his bill.

Peter Del Caro, the person affected by the bill, testified in support of the bill.

Bill Brady, Assistant Director, Minnesota State Colleges and Universities System (MnSCU), testified that MnSCU was not able to locate Mr. Del Caro's election form, and that MnSCU is not opposed to the bill.

Sen. Saxhaug moved amendment S2749-2A. **MOTION PREVAILED.**

Sen. Saxhaug moved S.F. 2749/H.F. 3118, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2427 (Pappas); H.F. 2790 (Murphy, M.): PERA, PERA-P&F; City of Duluth and Duluth Airport Authority employee salary-supplement payments coverage following Court of Appeals decision.

Mr. Burek reviewed the staff memo and policy issues raised by the bill, and amendment S2427-3A.

Mary Vanek, Executive Director, PERA, testified in support of the bill and acknowledged that PERA accepts responsibility and will bear some of the cost.

Wayne Parson, City Auditor, City of Duluth, testified that the city supports the bill without amendment, and that a local approval clause is not necessary.

Rep. Nelson moved amendment S2427-3A. **MOTION PREVAILED.**

Rep. Murphy moved S.F. 2427/H.F. 2790, as amended be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. xxxx; H.F. 3220 (Radinovich): PERA-P&F; Service credit purchase; Mille Lacs tribal police department service.

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

Rep. Joe Radinovich presented and testified in support of his bill.

Shana Jones, Retirement Services Specialist, PERA, testified that a tribal entity was not eligible for PERA coverage until a federal ruling, and that PERA has no position on the bill.

Sen. Saxhaug moved H.F. 3220 be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2308 (Johnson); H.F. 2604 (Murphy, M., by request): MSRS-Correctional; Modifications of coverage for Department of Human Services employees.

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

Anne Barry, Deputy Commissioner, Department of Human Services, testified in support of the bill.

Rep. Murphy offered amendment S2308-12A.

Deputy Commission Barry testified in opposition to the amendment.

Julie Bleyhl, Legislative Director, AFSCME Council 5, testified in support of the bill as introduced and in opposition to amendment S2308-12A.

John Knobbe, Security Counselor at the Minnesota Security Hospital and Administrative Vice President, AFSCME Local 404, testified in support of the bill.

Richard Kolodziejski, Public Affairs & Communications Director, MAPE, testified in support of the bill in its original format.

Rep. Murphy moved section A (Sections 7 and 13) of Amendment S2308-12A.
Rep. Murphy withdrew her amendment.

Kathleen Lonergan, Department of Corrections, testified in support of amendment S2308-4A.

Rep. Murphy moved amendment S2308-4A. **MOTION PREVAILED.**

Rep. Murphy moved S.F. 2308/H.F. 2604, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2442 (Pappas); H.F. 2827 (Murphy, M.): MSRS, TRA; MSRS: Specifying interest rate for computing joint-and-survivor annuities; revising post-retirement adjustment triggers; revising reemployed annuitant withholding in certain divorce situations; TRA: clarifying medical advisor and resumption of teaching provisions.

David Bergstrom, Executive Director, MSRS, reviewed and testified in support of the bill, and clarified that the contribution increases also apply to the Unclassified Program.

Mr. Burek reviewed amendments S2442-1A, -2A, -3A, and -4A.

Mr. Bergstrom testified that MSRS is not opposed to the amendments.

Rep. Murphy moved amendment S2442-1A. **MOTION PREVAILED.**

Mary Vanek, Executive Director, PERA, testified in support of S2442-2A.
Luther Thompson, Assistant Executive Director, TRA, testified in support of Amendment S2442-2A.

Rep. Murphy moved amendment S2442-2A. **MOTION PREVAILED.**

Mr. Thompson testified in support of amendment S2442-3A.
Paul Doane, Executive Director, SPTRFA, testified in support of amendment S2442-3A.

Sen. Rosen moved amendment S2442-3A. **MOTION PREVAILED.**

Ms. Vanek testified in support of amendment S2442-4A.
Mr. Thompson testified in support of amendment S2442-4A.

Rep. Nelson moved amendment S2442-4A. **MOTION PREVAILED.**

Sen. Saxhaug moved S.F. 2442/H.F. 2827, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2641 (Pappas): Explicit post-retirement adjustment assumption.

Mr. Martin reviewed the staff memo and policy issues raised by the bill, and distributed amendment S2641-2A, which was suggested by the retirement plan administrators in lieu of the bill as written.

Mary Vanek, Executive Director, PERA, testified in support of amendment S2641-2A, and suggested that the amendment be revised on line 1.12 to delete everything after "attained" and to delete line 1.13.

Dave Bergstrom, Executive Director, MSFS, testified in support of amendment S2641-2A.

Sen. Johnson moved amendment S2641-2A, incorporating the following amendment to the amendment: page 1, line 12, delete everything after "attained"; and page 1, line 13, delete everything before the period. **MOTION PREVAILED.**

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

Sen. Johnson moved S.F. 2641, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2428 (Pappas); H.F. 2682 (Nelson): MSRS, PERA, TRA; Membership inclusion and exclusion provisions reorganized and updated.

Mr. Martin reviewed the staff memo and policy issues raised by the bill, and amendment S2428-4A, which was requested by the Minnesota Historical Society.

Rep. Murphy moved amendment S2428-4A. **MOTION PREVAILED.**

Rep. Murphy moved amendment S2428-5A. **MOTION PREVAILED.**

Mr. Martin distributed amendment S2428-1A-R and reviewed the other amendments.

Mary Vanek, Executive Director, PERA, testified in support of amendment S2428-1A-R.

Rep. O'Driscoll moved amendment S2428-1A-R. **MOTION PREVAILED.**

Keith Carlson, Executive Director, Minnesota Inter-County Association, indicated that he only needed to testify if amendments S2741-2A or -3A were considered.

Rep. O'Driscoll moved S.F. 2428/H.F. 2682, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2741 (Johnson); H.F. 3155 (Kahn): VFRA's; Allowing volunteer firefighter relief associations to pay state fire chiefs association dues from the special fund.

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

George Esbensen, Eden Prairie Fire Chief, representing the Minnesota State Fire Chiefs Association, testified in support of the bill.

Sen Saxhaug moved S.F. 2741/H.F. 3155 be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

Unofficial engrossment of Commission amendment LCPR14-01A: PERA-P&F; Applicability of 2013 post-retirement adjustment modifications to certain county sheriffs.

Mr. Martin reviewed the amendment, indicating that the primary issue is the applicability of the provision to county sheriffs.

James Franklin, Executive Director, Minnesota State Sheriff's Association, testified in support of amendment LCPR14-01A and in support of the amendment to the amendment LCPR1401A-2A.

Rep. Morgan moved amendment LCPR1401A-2A. **MOTION PREVAILED.**

Rep. O'Driscoll moved LCPR14-01A, as amended, be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 2886 (Johnson); H.F. 3229 (Sanders): PERA; Service credit purchase; Hennepin County Medical Center employee omitted contribution period.

The bill was withdrawn at the request of the authors.

S.F. 2169 (Hayden); H.F. 2316 (Kahn): PERA; Service credit purchase; Hennepin County elected service.

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

Randy Johnson, the person affected by the bill, testified in support of the bill.

Mary Vanek, Executive Director, PERA, testified that the PERA Board, on a vote of 6-10, voted not to support the bill.

Rep. Kahn moved S.F. 2886/H.F. 3229 be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

S.F. 1630 (Hayden); H.F. 1800 (Kahn): Local police and fire relief association former members pension benefits adjustment.

Mr. Burek reviewed the staff memo and policy issues raised by the bill and distributed amendment LCPR14-07A.

Mary Vanek, Executive Director, PERA, testified that PERA would study the issue but requested that there not be a mandate.

Brian Rice, not representing any client, testified in support of the bill.

Rep. Kahn moved Paragraph (a) of amendment LCPR14-07A be recommended to pass and be incorporated into the Omnibus Pension Bill. **MOTION PREVAILED.**

Non-Agenda Items

Blind Amendment LCPR14-02A: TRA; Voluntary membership dues deductions.

Louise Sundin, representing the Committee of Thirteen, testified in support of the amendment.

Rep. Kahn moved amendment LCPR14-02A. **MOTION PREVAILED.**

Final action on the Commission's recommendation of the 2014 Omnibus Retirement Bill.

Mr. Martin reviewed two technical amendments, S1803-21A and S1803-22A.

Sen. Goodwin moved amendments S1803-21A, amended on page 1, line 7 to delete the semicolon and insert a comma, and amendment S1803-22A. **MOTION PREVAILED.**

Rep. Murphy moved the contents of S.F. 1803/H.F. 1951, as amended, be adopted as the 2014 Omnibus Retirement Bill. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 8:30 p.m.

Lisa Diesslin, Commission Assistant