

**S.F. xxx****H.F. 2577**
(Mullery)**Executive Summary of Commission Staff Materials**

Affected Pension Plan(s): Minneapolis Police Relief Association
Relevant Provisions of Law: Minnesota Statutes, Chapter 423B
General Nature of Proposal: Board Salary Increases, Short-Service Retiree Benefit Increases, Junk Bond Investment Authority
Date of Summary: February 9, 2006

Specific Proposed Changes

- Modification of eventual trust fund administration.
- Increases Minneapolis Police Relief Association board salaries.
- Provides service pension increase to active and retired members with less than 20 years' service credit.
- Allows Minneapolis Police Relief Association junk bond investments.

Policy Issues Raised by the Proposed Legislation

1. Appropriateness of proposed trust fund management and administration changes.
2. Appropriateness of the proposed increase in the Minneapolis Police Relief Association board president salary.
3. Appropriateness of the proposed increase in Minneapolis Police Relief Association board member salaries.
4. Appropriate portion of Minneapolis Police Relief Association administration expenses attributable to board salaries.
5. Appropriateness of the current practice of funding Minneapolis Police Relief Association administrative expenses as additional unfunded actuarial accrued liability
6. Appropriateness of a continued separate plan administration for the Minneapolis Police Relief Association.
7. Appropriateness of providing a benefit increase for short-service retirees and active members.
8. Actuarial condition of the Minneapolis Police Relief Association; cost of benefit increase.
9. Appropriateness of the proposed benefit increase retroactivity.
10. Appropriateness of authoring junk bond investments
11. Appropriateness of the past poor investment returns by the Minneapolis Police Relief Association.
12. Unclear municipal support.

Potential Amendments

No Commission staff amendments.

