



April 24, 2007
Room 200 State Office Building

3rd Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Representative Mary Murphy, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 6:10 p.m.

Commission Members Present:

Representatives Mary Murphy, Phyllis Kahn, Michael V. Nelson, Steve Smith, and Paul Thissen
Senators Don Betzold, Dan Larson, Ann Lynch, and Betsy L. Wergin

Commission Members Absent:

Senator Mary A. Olson

Agenda Items

H.F. 2361 (Murphy, M., by request); S.F. 1978 (Betzold): Public Pension Fund Financial Reporting Requirements Modification

Rep. Murphy indicated that the bill would be laid over for interim study.

H.F. 2393 (Hamilton); S.F. 2175 (Vickerman): PERA; Lakefield Nursing Home Privatization

Mr. Edward Burek, Deputy Director, LCPR, reviewed the staff memo and policy issues raised by the bill and noted that the necessary actuarial work has been done by The Segal Company.

Sen. Jim Vickerman and Rep. Rod Hamilton testified in support of their bill.

Sen. Betzold moved H.F. 2393/S.F. 2175 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 2386 (Olin); S.F. xxxx: PERA; Oakland Park Nursing Home Privatization

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

Rep. Dave Olin testified in support of his bill.

Rep. Smith moved H.F. 2386 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1912 (Murphy, M.); S.F. 423 (Betzold): MSRS-C; Include Additional Department of Human Services Employees in Plan Coverage.

Ms. Martha Watson, Director of Human Resources, and Mr. Larry TeBrake, Forensic Administrator, Department of Human Services, testified in support of the bill.

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

Ms. Watson indicated that she was not opposed to the amendments.

Mr. David Bergstrom, Executive Director, MSRS, testified and distributed handouts regarding MSRS-Correctional expansion cost to the plan.

Mr. Martin distributed Mr. Bergstrom's proposal amendment (H1911-5A) to handle additions to the Correctional Plan and to purchase service.

Mr. Erik Skon, Department of Corrections, and Ms. Karen McCarty, Department of Corrections, testified that they would support Mr. Bergstrom's proposal.

Sen. Lynch moved amendment H1911-5A.

Ms. Watson testified in opposition to the creation of a joint committee.

Sen. Lynch amended her motion on amendment H1911-5A, to incorporate deleting page 1, lines 2 to 18. **MOTION PREVAILED.**

Sen. Betzold moved H.F. 1912/S.F. 423, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. Martin noted that the passage of H.F. 1912/S.F. 423, as amended, resolves the issue addressed by H.F. 2363 (Murphy, M., by request); S.F. 2020 (Prettner Solon) and partially resolves the issue addressed by H.F. 2279 (Doty); S.F. 2027 (Koering).

H.F. 2363 (Murphy, M., by request); S.F. 2020 (Prettner Solon): MSRS-C, MSRS-G; Service Credit Transfer from General Plan to Correctional Plan

There was no action on this bill (resolved by the passage of amendment H1911-5A).

H.F. 2279 (Doty); S.F. 2027 (Koering): MSRS-C; Service Credit Purchase, MCF-St. Cloud Stores Clerk

The issue addressed by this bill was partially resolved by the passage of amendment H1911-5A.

Mr. David Bergstrom, Executive Director, MSRS, testified to his concern that the Stores Clerk position service is not eligible for MSRS-Correctional coverage under law.

Mr. Martin indicated that the Commission would need to specifically authorize the Stores Clerk service.

Mr. Burek recommended the adoption of page 1, lines 8 to 22 through the end of the sentence.

Sen. Betzold moved H.F. 2279/S.F. 2027, page 1, lines 6 to 22, through the end of the sentence, and the effective date on page 2, with the instruction that staff be given editing license, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1911 (Murphy, M.); S.F. 937 (Betzold): MSRS-C; Include Additional Department of Corrections Employees in Plan Coverage; Transfers of Prior Service Credit

(Note: this bill was amended during the discussion on H.F. 1912/S.F. 423 by the adoption of amendment H1911-5A.)

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

Ms. Karen McCarty, Human Resources Manager, Department of Corrections, testified in support of the bill.

Mr. Erik Skon, Department of Corrections, testified in support of the bill.

Sen. Betzold moved H.F. 1911/S.F. 937, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 2341 (Thissen, by request); S.F. 1892 (Pappas/Larson): SPTRFA; Contribution and aid payments modified, new amortization target date provided, and money appropriated

Sen. Pappas testified in support of her bill.

Mr. Philip Kapler, Executive Director, SPTRFA, testified in support of the bill.

Mr. Brian Rice, General Counsel, SPTRFA, testified in support of the bill.

Mr. Kapler suggested the following amendment: page 5, line 25, delete "rounded" and insert "calculated to" and delete "nearest" and page 5, delete line 26 and insert "third decimal place."

The bill was continued.

H.F. 125 (Murphy, M., by request); S.F. 84 (Betzold, by request): PERA-P&F, PERA-C; Disability and Survivor Benefits Modification

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

Ms. Mary Vanek, Executive Director, PERA, testified in support of the bill, distributed and reviewed handout materials.

Sen. Betzold moved amendment H0125-3A. **MOTION PREVAILED.**

Mr. Tom Marshall, the elected police and fire board representative, testified in support of the bill.

Ms. Wendy Wulff, the spouse of a disabled police officer, testified to her concerns regarding the bill and testified to her support of the "total and permanent disability" amendment.

Mr. Bill Gillespie, Executive Director, MPPOA, testified in support of the bill, noting that the bill came about as a result of a collaborative effort by employer and employee groups and PERA staff.

Ms. Anne Finn, Intergovernmental Relations Representative, League of Minnesota Cities, testified in support of the bill.

Mr. Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of the bill and the "total and permanent disability" amendment.

Mr. Robert Johnson distributed a letter signed by members of the Police Officers Federation of Minneapolis, Teamsters, Minneapolis Fire Fighters Local 82, the Minneapolis Police Federation, and the Minnesota Professional Fire Fighters, requesting that the Commission delay action on the bill and instead form a committee to study the issue.

Sen. Betzold moved amendment H0125-4A. **MOTION PREVAILED.**

Sen. Betzold moved the PERA version of amendment H0125-8A (printed on letter-size paper). **MOTION PREVAILED.**

Rep. Nelson moved H.F. 125/S.F. 84, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 127 (Murphy, M.); S.F. 85 (Betzold): PERA; Disability Benefits Eligibility Determination Modifications

Ms. Mary Vanek, Executive Director, PERA, testified in support of the bill, indicating that their legal advisor recommended consolidating the provisions that were previously scattered throughout statutes into one section. Ms. Vanek testified that they attempted not to make any changes with the exception of revising the three-year limitation.

Sen. Betzold moved amendment H0127-4A. **MOTION PREVAILED.**

Sen. Betzold moved amendment H0127-1A. **MOTION PREVAILED.**

Ms. Wendy Wulff, spouse of an injured police officer, testified to her concerns regarding the bill, and requested a revision to the language concerning unused annual or sick leave on page 6, lines 10-11.

Ms. Vanek said she would be more comfortable with inserting the language "except for a total and permanent disability."

Sen. Betzold moved to amend H.F. 127/S.F. 85, as follows: Page 6, line 5, before "This" insert "Except for a total and permanent disability," and on page 6, line 9, before "No" insert "Except for a total and permanent disability,". **MOTION PREVAILED.**

Sen. Betzold moved H.F. 127/S.F. 85, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 2124/2125 (Murphy, M., by request); S.F. 1664/1663 (Betzold): MSRS-C, State Patrol; Amending Certain Correctional Employee Disability Benefit Provisions; Defining Terms; Amending Age Limits

Rep. Murphy informed members that these bills would be laid over for interim study.

Mr. David Bergstrom, Executive Director, MSRS, testified that MSRS is comfortable laying the bills over.

Mr. Dale A. Ruter of Spicer, Minnesota, and Mr. Daniel E. Primus, testified on the bills.

The bills were laid over for interim study.

H.F. 126 (Murphy, M.); S.F. 7 (Betzold): Statewide plans; Uniform Appeal Procedure

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

Sen. Betzold moved delete-all amendment H0126-4A. **MOTION PREVAILED.**

Ms. Mary Vanek, Executive Director, PERA, testified that the concerns related to the open meeting law have been resolved through amendment to H.F. 1303.

Sen. Betzold moved H.F. 126/S.F. 7, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1139 (Murphy, M., by request); S.F. 629 (Betzold): MSRS Administrative Bill

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

Mr. David Bergstrom, Executive Director, MSRS, testified in support of the bill and in support of amendment H1139-22A.

Ms. Mary Vanek, Executive Director, PERA, testified in support of amendment H1139-16A.

Sen. Wergin moved amendment H1139-16A. **MOTION PREVAILED.**

Sen. Wergin moved amendment H1139-22A. **MOTION PREVAILED.**

Mr. Luther Thompson, Assistant Executive Director, TRA, testified in support of amendment H1139-21A.

Sen. Wergin moved amendment H1139-21A. **MOTION PREVAILED.**

Sen. Wergin moved H.F. 1139/S.F. 629, as amended (*and as amended on March 6*) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 889 (Murphy, M., by request); S.F. 296 (Betzold): PERA Administrative Bill

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

Ms. Mary Vanek, Executive Director, PERA, testified in support of the bill and indicated preference for amendment H0889-2A (re: definition of governmental subdivision).

Rep. Nelson moved amendment H0889-2A. **MOTION PREVAILED.**

Ms. Vanek testified in support of amendment H0889-10A.

Sen. Wergin moved amendment H0889-10A. **MOTION PREVAILED.**

Sen. Betzold moved H.F. 889/S.F. 296, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 79 (Thissen); S.F. 56 (Betzold): TRA Administrative bill

Mr. Luther Thompson, Assistant Executive Director, TRA, testified in support of the bill, in opposition to amendment H0079-3A, and in support of amendment H0079-4A.

Sen. Wergin moved amendment H0079-4A. **MOTION PREVAILED.**

Sen. Betzold moved H.F. 79/S.F. 56, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 2079 (Murphy, M.); S.F. 1841 (Pogemiller): Extend 2006 Early Retirement Incentive

The bill was continued.

H.F. 1977 (Murphy, M.); S.F. 424 (Betzold): TRA; Correction of MTRFA References in 2006 Consolidation Legislation

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

Sen. Betzold moved H.F. 1977/S.F. 424 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1976 (Murphy, M.); S.F. 425 (Betzold): VFRA; Clarify 2006 State Supplemental Aid Eligibility Change

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

Mr. David J. Ganfield, MSFDA, testified in support of the amendments S0425-1A and S0425-2A.

Sen. Lynch moved amendment S0425-2A. **MOTION PREVAILED.**

Sen. Wergin moved amendment S0425-1A. **MOTION PREVAILED.**

Rep. Kahn moved H.F. 1976/S.F. 425, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1978 (Murphy, M.); S.F. 430 (Betzold): Correction of 2006 Drafting Errors

Mr. Martin reviewed the staff memo and policy issues raised by the bill, informing members that the proposed language was sent to the fund directors in December 2006.

Sen. Betzold moved H.F. 1978/S.F. 430 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1313 (Thissen); S.F. 1141 (Betzold); MERF; Authority to Invest with SBI; Liquidity Requirements

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

Mr. Robert Johnson, representing the Minneapolis Municipal Retired Association, testified that they have no position on the bill but would be opposed to amendments.

Ms. Heather Johnston, Budget Director, City of Minneapolis, testified in support of a local approval clause and that the retroactive effective date is necessary to avoid the need for the city to issue bonds.

Mr. Johnson testified that he is not opposed to amendment H1313-9A.

Rep. Kahn moved amendment H1313-9A. **MOTION PREVAILED.**

Rep. Kahn moved amendment H1313-8A. **MOTION PREVAILED.**

Rep. Kahn moved H.F. 1313/S.F. 1141, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

H.F. 1160 (Hilstrom); S.F. 892 (Betzold): Political Subdivisions Postemployment Retirement Benefit Trusts

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

There was no action on the bill.

Adjournment

The meeting adjourned at 11:40 p.m.