



August 20, 2007
Room 10 State Office Building

5th 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 9:35 a.m.

Commission Members Present:

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

Commission Members Absent:

Representative Paul Thissen
Senators Mary A. Olson and Betsy L. Wergin

Agenda Items

Review of the Commission's Principles of Pension Policy – First Consideration

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo.

Mr. Rene Lara, Education Minnesota, testified, suggesting that the principles take into account needs arising out of recent retirees whose benefits are not keeping up with inflation, and younger employees who do not qualify for the Rule of 90.

Members recommended proceeding with further consideration of the Commission's principles.

Commission Member Suggestions for Potential Future Commission Interim Study

Representative Murphy requested members to identify 1 or 2 items of particular concern for potential interim study. The following topics for possible future discussion were suggested:

1. Rep. Kahn – Commission operations:
 - a. committee deadlines, the possibility of the Commission doing its work during the Interim, and a potential deadline for the introduction of pension bills;
 - b. the possibility of a standing Commission meeting time; and
 - c. the potential expansion of the commission to 14 members.
2. Rep. Kahn and Sen. Larson – review Minneapolis Police Relief Association mortality tables.
3. Rep. Kahn – volunteer firefighter relief associations; voluntary statewide plan or consolidation.
4. Rep. Nelson – joint and survivor benefits; mandatory with opt-out, federal ERISA consistency.

Review of Legislative Auditor Report: "Postemployment Benefits for Public Employees"

Mr. James Nobles, Legislative Auditor, began the presentation and then turned it over to Jody Hauer, the manager of the report. Ms. Hauer continued the presentation and Ms. Hauer and Mr. Nobles responded to members' questions.

In response to questions from members, Mr. David Bergstrom, Executive Director, MSRS, and Ms. Laurie Hacking, Executive Director, TRA, presented an update and provided handout materials from the Joint Post Fund Committee.

Mr. Bergstrom noted the Joint Committee's recommendation that the Commission's Standards for Actuarial Work be revised to use the market value of assets, and reviewed the recommended revisions.

Senator Betzold moved adoption of the modifications of Section II of the Commission's Standards for Actuarial Work. **MOTION PREVAILED.**

