



May 5, 2011

Room 200 State Office Building

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Representative Morrie Lanning, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:00 p.m.

Commission Members Present:

Representatives Phyllis Kahn, Mary Kiffmeyer, Morrie Lanning, Mary Murphy, and Steve Smith
Senators Roger Chamberlain, Theodore Daley, Sandra Pappas, Lawrence Pogemiller, and Julie Rosen

Agenda Items

Approval of prior Commission meeting minutes.

Sen. Pappas moved approval of the April 29, 2011, April 8, 2011, and August 11, 2010, meeting minutes. **MOTION PREVAILED.**

HF xxxx (Smith); SF 1252 (Olson, G.): TRA; Independent school district #270, Hopkins; part time teacher participant salary credit purchase authorization.

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

Rep. Smith presented and testified in support of his bill. Deborah Cooper, the person affected by the bill, was also present.

Luther Thompson, Assistant Executive Director, TRA, testified that there are no adverse considerations for TRA in the bill. Mr. Thompson informed members that the full actuarial value, assuming a June 2012 retirement date, is \$8,710 and the total contributions plus interest is \$1,446; the member responsibility would be \$723.43 if paid by August 1, 2011, and the school district responsibility would be \$7,986.80.

Chair Lanning laid HFxxxx/SF1252 over for possible inclusion in the omnibus retirement bill.

HF 81 (Rukavina); SF 1398 (Tomassoni): PERA; Purchase of service and salary credit for certain former employees of Babbitt and Buhl for eligible unreported employment.

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

Rep. Tom Rukavina and Sen. David J. Tomassoni presented and testified in support of their bill.

Mary Vanek, Executive Director, PERA, testified that the full actuarial value of the purchase payment is \$8,302, but since the contributions plus interest amount exceeds the full actuarial value, the payment of contributions plus interest would be required. Glen Salo, the person affected by the bill, would be required to pay \$4,408, Babbitt's portion is \$381, and Buhl's portion is \$4,164.

Sen. Pappas moved HF81/SF1398 be laid over for possible inclusion in the omnibus retirement bill.

HF 476 (Kelly); SF 176 (Howe): PERA; Red Wing Port Authority employees included and retroactive retirement coverage validated.

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

Rep. Tim Kelly and Sen. John Sterling Howe presented and testified in support of their bill.

Sen. Daley moved amendment H0476-1A. **MOTION PREVAILED.**

Rep. Kiffmeyer moved amendment H0476-2A. **MOTION PREVAILED.**

Roger Seymour, Employee Services Director, City of Red Wing, testified in support of the bill.

Ms. Vanek testified on the bill, responding to members' questions.

Rep. Kiffmeyer moved HF476/SF176, as amended, be laid over for possible inclusion in the omnibus retirement bill.

HF 1338 (McFarlane); SF 1113 (Chamberlain): White Bear Lake Volunteer Fire Department Relief Association; Use of special actuarial work authorized in determining the 2009 and 2010 special fund financial requirements and minimum municipal obligations.

Rep. Carol McFarlane and Sen. Roger C. Chamberlain presented and testified in support of their bill.

Don Rambow, City of White Bear Lake Finance Director, testified in support of the bill.

Mark Sather, White Bear Lake City Manager, testified in support of the bill.

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

State Auditor Rebecca Otto testified that the Office of the State Auditor is neutral on the bill.

Rep. Kahn moved amendment SCS1113A-1. **MOTION PREVAILED.**

Rep. Kiffmeyer moved HF1338/SF1113, as amended, be laid over for possible inclusion in the omnibus retirement bill.

HF 1415 (Melin); SF 1129 (Tomassoni): Police and fire plans; Relief associations extension provided for submitting reports.

Rep. Carly Melin and Sen. David J. Tomassoni presented and testified in support of their bill.

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

State Auditor Rebecca Otto testified, responding to members' questions.

Rep. Murphy moved HF1415/SF1129 be laid over for possible inclusion in the omnibus retirement bill.

HF 1528 (Morrow); SF 1277 (Sheran): MSRS; Increased annuity provided for surviving spouse and dependent children of employee killed while engaged in emergency response to flooding.

Rep. Terry Morrow and Sen. Kathy Sheran presented and testified in support of their bill.

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

Sen. Pogemiller moved amendment H1528-1A. **MOTION PREVAILED.**

Sen. Pogemiller moved amendment H1528-6A. **MOTION PREVAILED.**

Sen. Pogemiller moved amendment H1528-5A. **MOTION PREVAILED.**

Sen. Daley moved amendment H1528-3A. **MOTION PREVAILED.**

David Bergstrom, Executive Director, MSRS, testified that the benefit currently payable to the surviving spouse is \$191 per month, which is eligible for post-retirement adjustments; that Workers' Compensation and Social Security will provide replacement income for approximately 28 to 30 years; and that the additional benefit under the proposed legislation would be \$2,142 per month in addition to the current \$191 per month.

Julie Bleyhl, Legislative Director, AFSCME, testified in support of the bill.

Rep. Murphy moved HF 1528/SF 1277 be tabled for further discussion at a subsequent meeting.
MOTION PREVAILED.

Adjournment

The meeting adjourned at 10:45 p.m.