



July 23, 2005  
Room 5 State Office Building

5<sup>th</sup> 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 10:08 a.m.

**Commission Members Present:**

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

**Commission Members Absent:**

Representative Phyllis Kahn  
Senators Dan Larson and Mary A. Olson

**Agenda Items**

**Approval of Prior Commission Meeting Minutes**

Senator Betzold moved approval of the April 22, 2008, meeting minutes. **MOTION PREVAILED.**

**Summary of 2008 Legislative Session Pension Legislation**

Mr. Edward Burek, Deputy Director, LCPR, reviewed the summary of the 2008 pension legislation.

**Mandated Study of Teacher Retirement Benefits (Laws 2008, Ch. 349, Art. 1, Sec. 7)**

Representative Murphy reviewed an email communication from Ms. Jan Alswager, Government Relations Manager, Education Minnesota, concerning the study.

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, explained that because the precise approach and particular elements for the mandated study are not specified, more clarity and direction from members would be helpful to the staff.

Mr. Luther Thompson, Assistant Executive Director, TRA, informed members that the three major retirement plans are in the process of a benefit adequacy study, and that a copy of the study will be forwarded to members when it is completed.

Members discussed various items concerning study parameters, timetable, and process; including a regional ranking comparison, obtaining demographic information from the State Demographer, looking at the entire package of retirement, health and life insurance benefits, the scope of the study, a potential November target date, involvement of interested parties, and the involvement of the full Commission rather than establishing a subcommittee.

Representative Nelson asked for feedback from MSRS and PERA about the possibility expanding the mandated study beyond just teachers.

Mr. David Bergstrom, Executive Director, MSRS, responded that it would be appropriate to study the adequacy of general plan retirement benefit adequacy, but that it is difficult to obtain comparative data for correctional plans.

Ms. Mary Vanek, Executive Director, PERA, agreed that there is a need to study the adequacy of the general plans, but that the public safety plans are more difficult.

Mr. Bergstrom said that MSRS does participate in surveys regarding benefits and that they will give access to database to the Commission staff.

Representative Thissen recommended involving others in the process, such as representatives from the education committees, and while the study would concentrate on teachers, we could start gathering information on other plans.

Ms. Sarah Lewerenz, AFSCME Council 96, testified in support of including other employee groups.

Representative Murphy indicated that Sherry Munyon, representing the Minnesota Association of County Probation Officers, would like to be included in the study discussions.

### **Retention of Auditing Consulting Actuary (Laws 2008, Ch. 349, Art. 10, Sec. 9 and 17)**

Representative Murphy announced that there will be a subcommittee to work on this issue. Members of the subcommittee will be Senator Betzold (chair), Representative Smith, and Representative Nelson.

### **Presentation of the Results of the 2000-2006 Experience Study of the St. Paul Teachers Retirement Fund Association (SPTRFA)**

Philip Kapler, SPTRFA Executive Director, testified in support of the proposed actuarial assumption changes and responded to questions from members.

Jim Koss, ASA, Gabriel Roeder Smith & Company, reviewed the results of the experience study as contained in the GRS letter and appendix, testified in support of the proposed assumption changes, and responded to questions from members.

Representative Thissen moved adoption of the proposed actuarial assumption changes for the St. Paul Teachers Retirement Fund Association. **MOTION PREVAILED.**

### **Resumption of Designated Commission Interim Study: Review of the Commission's Principles of Pension Policy**

Mr. Martin discussed the staff materials and reviewed the Commission's previous deliberation on the principles.

Mr. Brian Rice, representing the Minneapolis Firefighters Relief Association, the Minneapolis Police Relief Association, and the St. Paul Teachers Retirement Fund Association, testified regarding tying post-retirement increases to investment versus inflation. Mr. Rice also suggested the Commission consider asking for comments from interested parties rather than spending a lot of time on testimony.

Ms. Mary Vanek, Executive Director, PERA, indicated that she would like to submit comments in writing.

Mr. Bill Gillespe, Executive Director, MPPOA, testified that it is helpful for him to know what the rules are, and what the Commission wants to do with the principles.

Representative Murphy indicated that the review of the principles will be broken up into "chunks" for consideration at future meetings.

### **Non-Agenda Item**

Senator Betzold reminded members that this is Senator Wergin's last meeting as a member of the Commission, and thanked her for her service.

Representative Murphy thanked Senator Wergin for her service on the Commission.

### **Adjournment**

The meeting adjourned at 12:12 p.m.