



March 6, 2009  
Room 107 Capitol

3<sup>rd</sup> Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

**Call to order:**

Senator Don Betzold, 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, and Michael V. Nelson,  
Senators Don Betzold, Ann Lynch, Mary A. Olson, Sandra L. Pappas, and Julie A. Rosen

**Commission Members Absent:**

Representatives Paul Thissen and Steve Smith

Agenda Items

**S.F. 1001 (Betzold); H.F. 1129 (Murphy, M.): Volunteer fire relief association working group recommendations.**

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

State Auditor Rebecca Otto testified in support of the bill and reviewed the substantive changes contained in Article 3.

Ms. Rose Hennessy Allen, Pension Director, Office of the State Auditor, testified in support of the bill. Ms. Hennessy-Allen clarified that volunteer firefighters' relief associations are currently authorized to offer five-year vesting, and that Article 3, Section 7, provides greater flexibility in combined service for firefighters who return to the same fire department.

Mr. Martin reviewed the potential amendments.

Sen. Lynch moved amendment S1001-1A. **MOTION PREVAILED.**

Sen. Lynch moved amendment S1001-2A. **MOTION PREVAILED.**

Rep. Nelson moved S.F. 1001/H.F. 1129, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

**S.F. 557 (Bakk); H.F. 732 (Dill): Brimson Fire; Permit alternate composition of the board of trustees.**

Sen. Thomas M. Bakk and Rep. David Dill testified in support of their bill.

Mr. Michael Unger, President, Brimson Firefighters Relief Association, testified in support of the bill.

Sen. Bakk pointed out that the township reference on line 1.14 is incorrect, that "Ault" should be "Fairbanks."

Rep. Murphy moved to amend S.F. 557; H.F. 732, page 1, line 14, delete "Ault" and insert "Fairbanks". **MOTION PREVAILED.**

Rep. Murphy moved S.F. 557/H.F. 732, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

## **Approval of Prior Commission Meeting Minutes**

Rep. Kahn moved approval of the February 27, 2009, meeting minutes. **MOTION PREVAILED.**

### **S.F. 504 (Betzold); H.F. 825 (Murphy, M.): Volunteer firefighters; Creation of a voluntary statewide lump-sum volunteer firefighter retirement plan.**

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

Mr. Jeff Sandborn, Crane Lake Fire Chief, testified in support of the bill.

Mr. Nyle Zikmund, Spring Lake Park-Blaine-Moundsview Fire Chief, testified in support of the bill.

Mr. Martin reviewed amendment S0504-2A.

Ms. Mary Vanek, Executive Director, PERA, testified that amendment S0504-2A is purely technical.

Rep. Murphy moved amendment S0504-2A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment S0504-5A, which was requested by the State Board of Investment.

Rep. Murphy moved amendment S0504-5A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment S0504-6A.

Mr. Zikmund testified that he is not opposed to the amendment.

Ms. Vanek testified in support of the amendment.

Rep. Murphy moved amendment S0504-6A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment S0504-3A.

Mr. Howard Bicker, Executive Director, State Board of Investment, testified that the amendment is acceptable to the State Board of Investment, but that they would be able to make the investment transfers without the amendment.

Mr. Martin reviewed amendment S0504-4A.

Mr. Zikmund testified in opposition to the amendment.

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

Rep. Murphy moved S.F. 504/H.F. 825, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

### **S.F. 777 (Betzold); H.F. 1111 (Murphy, M., by request): Revising various retirement plan provisions in light of the Minnesota Post Retirement Investment Fund dissolution.**

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

Ms. Laurie Hacking, Executive Director, TRA, testified in support of the bill.

Mr. David Bergstrom, Executive Director, MSRS, testified in support of the bill.

Sen. Lynch moved amendment S0777-1A. **MOTION PREVAILED.**

Sen. Pappas moved amendment S0777-5A. **MOTION PREVAILED.**

Ms. Hacking testified in opposition to amendment S0777-2A.

Ms. Hacking testified in support of amendment S0777-3A, that the amendment corrects an oversight.

Rep. Kahn moved amendment S0777-3A. **MOTION PREVAILED.**

Ms. Hacking informed members that the "corridor" language found on page 30, lines 30 to 35, could be deleted from the bill if members were uncomfortable making that change this year.

Sen. Rosen moved to delete lines 30 to 35 on page 30. **MOTION PREVAILED.**

Rep. Murphy moved S.F. 777/H.F. 1111, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

**S.F. 686 (Pappas); H.F. xxx: SPTRFA; Cost-of-living adjustment; repeal investment trigger; bylaws revision.**

Sen. Pappas testified in support of her bill and distributed a handout.

Mr. Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill.

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

Mr. Burek reviewed the potential amendments.

Mr. Brian Rice, representing the St. Paul Teachers Retirement Fund Association (SPTRFA) and The Committee of 9, testified in support of the bill.

Sen. Olson moved amendment S0686-4A.

Mr. Kapler testified in opposition to the amendment, and indicated his opposition to any amendment.

Sen. Pappas moved the bill be laid over.

The bill was laid over at the request of the author.

**S.F. xxxx; H.F. 347 (Lenczewski): Eliminating mandatory retirement age for administrative law judges and compensation judges.**

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

Rep. Ann Lenczewski testified in support of her bill.

Judge John Ellefson, Workers' Compensation Judge, testified in support of the bill.

Judge Raymond Krause, Chief Administrative Law Judge, Office of Administrative Hearings, testified in opposition to the bill.

The bill was laid over.

**Amendment LCPR09-01A: PERA Privatization; Weiner Memorial Medical Center, Inc.**

Mr. Burek reviewed the amendment.

Rep. Kahn moved amendment LCPR09-01A be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

**S.F. 193 (Betzold); H.F. 727 (Murphy, M.): MSRS-Correctional; Disability benefit program revisions.**

Mr. David Bergstrom, Executive Director, MSRS, testified that delete-all amendment S0193-6A represents an agreement worked out between the various parties, and that the amendment is supported by AFSCME, MAPE, and the Nurses Association.

Sen. Lynch moved amendment S0193-6A. **MOTION PREVAILED.**

Rep. Nelson moved S.F. 193/H.F. 727, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

**Unreviewed portions of S.F. 578 (Betzold); H.F. 1123 (Murphy, M.): Major plans; Administrative and benefit-related provisions.**

Mr. Burek reviewed the staff memo and the groupings of the remaining portions of the bill.

Rep. Murphy moved Group 1 (Sections 3-4, 6-8, 14-16, 18, 20, 24, 32, 34-35, and 46) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Nelson moved amendment S0578-25A. **MOTION PREVAILED.**

Rep. Nelson moved Group 2 (Sections 41-44), as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Rep. Kahn moved amendment S0578-26A. **MOTION PREVAILED.**

Rep. Kahn moved Group 3 (Section 28) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Ms. Mary Vanek, Executive Director, PERA, testified in support of Section 45.

Rep. Kahn moved Group 4 (Section 45) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. Luther Thompson, Assistant Executive Director, TRA, testified in support of the Group 5 provisions.

Rep. Kahn moved Group 5 (Sections 23 and 26) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. Thompson testified in support of the Group 6 provisions, and that an immediate effective date is acceptable.

Rep. Nelson moved to revise the effective dates for Sections 22 and 27 to be immediate effective dates. **MOTION PREVAILED.**

Rep. Nelson moved Group 6 (Sections 22 and 27), as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Ms. Vanek testified in support of Group 7, indicating the changes are technical rather than substantive.

Sen. Lynch moved Group 7 (Sections 10-13) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Mr. J. Michael Stoffel, Executive Secretary, DTRFA, testified in support of Section 36.

Rep. Murphy moved Group 8 (Section 36) be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

**Adjournment**

The meeting adjourned at 12:30 p.m.