



August 11, 2010

Room 107 Capitol

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 11:05 a.m.

Commission Members Present:

Representatives Phyllis Kahn, Mary Murphy, Michael V. Nelson, and Paul Thissen
Senators Don Betzold, Ann Lynch, Mary A. Olson, and Sandra L. Pappas

Commission Members Absent:

Representative Steve Smith and Senator Julie A. Rosen

Agenda Items

Update on the litigation related to the 2010 Omnibus Retirement Bill

Carla Heyl, Assistant Attorney General updated members on the status of the class-action lawsuit challenging the post-retirement adjustment changes enacted in Laws 2010, Chapter 359.

Approval of prior Commission meeting minutes

Rep. Murphy moved approval of the July 8, 2010, meeting minutes. **MOTION PREVAILED.**

Further consideration of proposed revisions to the Commission's Standards for Actuarial Work

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the proposed changes to the Commission's Standards for Actuarial Work.

Laurie Hacking, Executive Director, TRA, testified that TRA agrees with the August 2010 version of the Standards, except for the wording regarding actuarial cost estimates. Ms. Hacking indicated that it appears cost estimates would be required for all pension bills that are introduced, rather than the past practice of obtaining cost estimates only for those bills receiving hearings.

David Bergstrom, Executive Director, MSRS, testified to the same concern as Ms. Hacking, that the funds would have to bear the cost of actuarial cost estimates for bills introduced by any entity.

Phillip Kapler, Executive Director, SPTRFA, testified in agreement with Ms. Hacking and Mr. Bergstrom.

Mary Vanek, Executive Director, PERA, also testified in agreement with the other fund directors. Ms. Vanek noted that if a select group proposes legislation, particularly if the retirement plan board does not support the proposal, that select group should be required to pay for the cost estimate.

Mr. Martin commented that the Commission also has the option of requesting actuarial cost estimates from the Commission's reviewing actuary.

Rep. Murphy moved to amend the proposed Standards, as follows: page 35, paragraphs A and C, delete the new language and reinstate the stricken language. **MOTION PREVAILED.**

Rep. Murphy moved to amend the proposed Standards, as follows: page 18, subparagraph 5, delete everything starting with "For example,". **MOTION PREVAILED.**

Mr. Martin recommended that staff be given latitude to correct bad statutory cross-references and to make grammatical and language usage changes as necessary.

Rep. Murphy moved to adopt the Standards for Actuarial Work, as amended in the updated August 2010 document, with the direction to the staff to correct statutory references and correct any grammatical errors. **MOTION PREVAILED.**

Rep. Kahn city of Minneapolis is pushing a plan of early retirement for police officers as a city money saving issue, and asked staff if that will have any effect on the pension fund

Mr. Martin indicated that because he doesn't know the nature of the proposal he can't gauge the impact.

Gene Ranieri, City of Minneapolis, testified that he doesn't have all of the details of the proposal, but that he will get back to the Commission.

Adjournment

The meeting adjourned at 12:05 p.m.

Lisa Diesslin, Commission Assistant