



February 12-13, 2014

Room 107 Capitol

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

February 12, 2014

Call to order:

Senator Sandra Pappas, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 1:10 p.m.

Commission Members Present:

Representatives Benson, Kahn, Morgan, Nelson, and O' Driscoll
Senators Goodwin, Hayden, Johnson, Pappas, and Thompson

Commission Members Absent:

Representatives Lesch and M. Murphy, and Senators Rosen and Saxhaug

Agenda Items

Commission interim project: Membership inclusions and exclusions, third consideration

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

Gus Froemke, Teamsters Local 320, testified in opposition to changing the membership threshold.

Sarah Lewerenz, Legislative and Political Coordinator, AFSCME Council 65, testified in opposition to changing the membership threshold.

Mary Vanek, Executive Director, PERA, provided historical information on the provisions and testified in support of the proposal, and in support of at least annualizing the membership threshold.

Approval of Minutes

Rep. Nelson moved approval of the January 28-29, 2014, meeting minutes. **MOTION PREVAILED**

Commission interim project: Actuarial assumptions, third consideration; Post-retirement adjustment actuarial assumption options

Mr. Martin reviewed the third consideration memo.

Mary Vanek, Executive Director, PERA, testified that system administrators and the Commission actuary participated in a conference call and that a summary of that discussion would be provided to staff.

Tom Threinen, retired Duluth elementary school principal, provided a handout and recommended that a committee be formed to look at Minnesota public pension plans and return with recommendations.

Commission interim project: PERA-P&F early retirement reduction factors and impact on police officer supply, first consideration

Beau Berentson, General Government Policy Analyst, Association of Minnesota Counties, testified that their survey, while feedback was somewhat limited, indicated no significant concern regarding staff loss.

Sheriff James Franklin, Executive Director, Minnesota Sheriff's Association, testified that a few counties expressed some concern, but there are current jail employees who are POST-eligible to fill those jobs.

Anne Finn, Asst. Intergovernmental Relations Director, League of Minnesota Cities, testified that they surveyed their members and that a few cities are expecting some retirements, they are not associating those retirements with the statutory changes and they do not expect any problems filling the positions.

Brian Rice, representing the Minneapolis Police Federation, testified that they do not expect a significant increase in retirements.

Neil W. Melton, Executive Director, Minnesota Peace Officer Standards & Training (POST) Board, provided a handout indicating that there are currently 1,577 candidates available to fill vacancies.

Mary Most Vanek, Executive Director, PERA, testified on behalf of Dennis J. Flaherty, Executive Director, Minnesota Police and Peace Officers Association (who was unable to attend), that MPPOA does not have any significant concern about the number of anticipated retirements. Ms. Vanek also testified that PERA does not expect any measurable impact on the fund even if there is an increase in retirements.

Chris Parsons, President Minnesota Professional Firefighters, testified that they do not expect to see a significant spike in retirements, and that they have a significant pool of new applicants for vacancies.

Joe Mulford, Asst. Dir., Education Industry Partnerships MnSCU, testified that the training programs are not at capacity and could expand if more recruits are needed due to increased retirements.

S.F. 713 (Pappas); H.F. 872 (Kahn): MnSCU; Eliminate early retirement incentive sunset date.

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

Russ Stanton, Director of Government Relations, Inter-Faculty Organization, testified in support of the bill. Mr. Stanton indicated that he is not opposed to Amendment S0713-2A.

Bill Brady, System Director, Employee Benefits and Compensation, MnSCU, testified in support of the bill.

There was no action on the bill.

S.F. 764 (Pappas); H.F. 871 (Kahn): MnSCU; Eliminate sunset date on eligibility to elect TRA coverage.

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

Russ Stanton, Dir. of Government Relations, Inter-Faculty Organization, testified in support of the bill.

Laurie Hacking, Executive Director, TRA, testified that TRA is not concerned about adverse selection.

There was no action on the bill.

S.F. 765 (Pappas); H.F. 870 (Kahn): MnSCU; Increase maximum salary for the annuitant return-to-work provision

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

Russ Stanton, Dir. of Government Relations, Inter-Faculty Organization, testified in support of the bill.

Luther Thompson, Assistant Executive Director, TRA, testified in support of Amendment S0765-1A and in keeping for administrative purposes a fixed dollar amount rather than a percentage.

There was no action on the bill.

Recess:

The meeting recessed at 3:35 p.m.

February 13, 2014

Call to order:

Chair Pappas called the meeting back to order at 9:05 a.m.

Commission Members Present:

Representatives Benson, Kahn, Morgan, Nelson, and O' Driscoll
Senators Hayden, Johnson, Pappas, and Thompson

Commission Members Absent:

Representatives Lesch and M. Murphy, and Senators Goodwin, Rosen, and Saxhaug

S.F. 1326 (Goodwin); H.F. 1410 (Nelson): MSRS; Deferred members permitted to vote in board elections

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

David Bergstrom, Executive Director, MSRS, testified in support of the bill, indicating that the board considered adding a deferred member position to the board but recommended the current proposal.

There was no action on the bill.

S.F. xxxx; H.F. 1352 (Marquart): PERA-P&F; Disability benefit application deadline extension for certain Wadena County sheriff's deputy

Rep. Morgan presented the bill on behalf of Rep. Marquart.

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

Shana Jones, Retirement Services Specialist, PERA, testified that PERA has no record of contact from Mr. Shaw, the person affected by the bill, until one and one-half years after the application deadline.

There was no action on the bill.

S.F. xxxx; H.F. 1873 (O'Driscoll): PERA-General; Coverage exclusion for St. Cloud Metropolitan Transit Commission employees

Rep. O'Driscoll presented and testified in support of his bill.

Brian Rice, special counsel, St. Cloud Metropolitan Transit Commission, testified in support of the bill, in support of amendment H1873-1A, and in opposition to amendments H1873-2A and -3A.

David Tripp, former Executive Director, St. Cloud MTC, testified in support of the bill.

Daniel Ryan, Executive Director, St. Cloud MTC, testified in support of the bill.

Mary Vanek, Executive Director, PERA, testified that PERA supports the proposed exclusion.

There was no action on the bill.

S.F. xxxx; H.F. 1894 (McNamar): PERA-General; Coverage for Stevens County Housing and Redevelopment Authority employees

Rep. Jay McNamar presented and testified in support of his bill.

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

Josh Heggem, Pemberton Law Office, testified in support of the bill. Mr. Heggem indicated that they intend to work with the U.S. Department of Housing and Urban Development on the issue.

Mary Vanek, Executive Director, PERA, testified that PERA sent a communication to the counties reminding them that Housing and Redevelopment Authority employees are not eligible for PERA coverage, which prompted Stevens County to come forward.

There was no action on the bill.

Adjournment

The meeting adjourned at 11:00 a.m.

Lisa Diesslin, Commission Assistant