

March 20, 1989
Room 112
Capitol

5th Meeting



LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator Donald M. Moe, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:20 A.M.

Commission members present:

Senators Donald Moe, Steven Morse, Larry Pogemiller, Earl Renneke, and Gene Waldorf
Representatives Robert A. Johnson, Gerald Knickerbocker, Rich O'Connor, Leo Reding, and Wayne Simoneau

A quorum was present.

Senator Moe presented a schedule of future Commission meetings which showed agenda items that contained all the substantive bills introduced plus minor related bills.

Senator Moe introduced the Commission rules for consideration by the members. Senator Waldorf moved to approve Rules 1 through 8. **MOTION PREVAILLED** and the rules were adopted.

Senator Moe noted that the agenda from the meeting of Friday, March 17, 1989, will be taken up Friday, March 31, 1989.

Senator Moe introduced S.F. 813 (Morse); H.F. 557 (Reding): Police State Aid; Use of Excess Aid. Mr. Lawrence A. Martin, Executive Director of the Commission, reviewed the staff memo and delete everything amendment, LCPR11, on this bill.

Dick Nelson, Minnesota Police Pension Council, testified in support of this bill.

Brian Rice, attorney for the Minnesota Police Pension Council and the Minneapolis Police Relief Association, testified in support of the bill.

Discussion followed.

Representative Simoneau moved adoption of the House Research amendment, H557A1, to the bill.
MOTION PREVAILLED.

Representative Johnson moved adoption of an amendment requiring a pension fund with an unfunded actuarial accrued liability to have the excess state aid transmitted to the relief association. **MOTION PREVAILLED.**

Senator Moe moved approval of S.F. 813; H.F. 557 as amended. **MOTION PREVAILLED.**

Senator Moe introduced the three items listed on the March 20, 1989, agenda, S.F. 305 (Pogemiller); H.F. 549 (Sarna): Minneapolis Police and Fire; Investment Related Automatic Post Retirement Adjustment Maximum and Actuarial Assumption Changes, S.F. 843 (Kroening); H.F. 861 (O'Connor): Police and Paid Fire Funds; Statewide Automatic Post Retirement Adjustments, and S.F. 1048 (Moe, D.M.); H.F. ____ (): Police and Paid Fire Funds; Phase-out of Amortization State Aid.

Senator Pogemiller spoke on behalf of his bill, S.F. 305, noting the bill would provide flexibility in using excess aid, allow investment expenses to be amortized, change the method of recognizing asset values, change the actuarial assumptions for interest and salary increases, and provide a 13th check benefit increase based on investment performance. Senator Pogemiller continued his presentation. Discussion followed.

Mr. Steve Kramer, Minneapolis City Council Member, testified in favor of S.F. 305.

Mr. Bill Bassett, Mankato City Manager, testified in opposition to this bill and the statewide bill.

Mr. Daryl Johnson, Winona Finance Director, testified in opposition to the statewide bill.

Mr. Paul Utesch, Rochester Finance Director, testified in opposition to the statewide bill.

Senator Karl Kroening testified in favor of both bills.

Brian Rice, attorney for the Minnesota Police Pension Council and the Minneapolis Police Relief Association, testified in favor of S.F. 305 and noted that he had a handout for Commission members which would provide additional background information. Discussion followed.

A vote on S.F. 305; H.F. 549 was taken. **MOTION FAILED.**

S.F. 843 (Kroening); H.F. 861 (O'Connor): Police and Paid Fire Funds; Statewide Automatic Post Retirement Adjustments, and S.F. 1048 (Moe, D.M.); H.F. ____ (): Police and Paid Fire Funds; Phase-out of Amortization State Aid were laid over to a future meeting.

The meeting adjourned at 10:00 A.M.