



March 3, 2015

Room 10 State Office Building

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

**Call to order:**

Representative Tim O'Driscoll, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 5:35 p.m.

**Commission Members Present:**

Representatives Albright, Anderson, Erickson, Kresha, Murphy, O'Driscoll, Thissen  
Senators Goodwin, Hayden, Pappas, Rosen, Saxhaug, Thompson

**Commission Members Absent:**

Senator Johnson

**Agenda Items**

**Approval of the minutes**

Rep. Murphy moved approval of the March 25 and July 30, 2014, and February 24, 2015, Commission meeting minutes, and the May 7 and June 26, 2014, Actuarial Services Subcommittee meeting minutes.

**MOTION PREVAILED.**

**H.F. 660 (O'Driscoll); S.F. 613 (Pappas): MSRS, PERA, SPTRFA; Modifying various economic actuarial assumptions.**

David Bergstrom, Executive Director, MSRS, presented the MSRS-related provisions and testified in support of the bill.

Jill Schurtz, Executive Director, SPTRFA, testified in support a lower rate of return and that they do not have a position on the timing of the change.

David DeJonge, Interim Executive Director, PERA, testified in support of the bill.

Laurie Hacking, Executive Director, TRA, testified in support of the bill as introduced, noting that an experience study is underway and TRA will use the interim period to come back with a package of recommendations, possibly including financial sustainability provisions.

Tim Moynihan, Legislative Co-Chair, Retired Educators Association of MN (REAM), testified in opposition to any potential amendment including TRA in the interest rate assumption change.

Louise Sundin, Committee of Thirteen, testified in support of the bill as introduced and in opposition to TRA being included in the interest rate assumption change.

Joan Beaver, Education Minnesota Retired board member, testified in opposition to any amendment to include TRA in an interest rate assumption change.

Julie Bleyhl, Legislative Director, AFSCME Council 5, testified that their board supports the 8% interest rate change for MSRS and PERA.

Valerie Dosland, Minnesota Association of School Administrators, testified in opposition to TRA being included in the interest rate assumption change.

Grace Keliher, Minnesota School Boards Association, testified in opposition to TRA being included in the interest rate assumption change.

Jodee Buhr, Education Minnesota, testified in opposition to TRA being included in the interest rate assumption change.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed amendments H0660-5A and H0660-6A, and if the Commission does not wish to include TRA in the amendment, the appropriate motion would be to exclude the revisions to Chapter 354.

Rep. Thissen moved amendment H0660-5A, excluding the TRA Chapter 354 revisions. **MOTION PREVAILED.**

Rep. Thissen moved amendment H0660-6A, excluding the TRA Chapter 354 revisions. **MOTION PREVAILED.**

Sen. Pappas moved amendment H0660-9A. **MOTION PREVAILED.**

Mr. Bergstrom testified in opposition to amendment H0660-4A to include the Judges Plan.

Ms. Schurtz testified in opposition to SPTRFA being included in amendments H0660-5A and H0660-6A, indicating that they would like to consult with their actuaries to make sure they are appropriate.

HF660/SF613, as amended, was laid over for possible inclusion in an omnibus retirement bill.

**H.F. 565 (O'Driscoll); S.F. 519 (Pappas): MSRS, PERA-P&F, TRA, SPTRFA; Modifying the financial sustainability triggers for postretirement adjustment mechanisms.**

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

J. Michael Stoffel, Deputy Director, TRA, testified in support of the bill and noted that TRA is working to clarify the language on page 8 of the bill relating to eligibility for the cost of living adjustment, and requested to be allowed to come back with suggested modifications.

Jill Schurtz, Executive Director, SPTRFA, testified in support of the bill.

David DeJonge, Interim Executive Director, PERA, testified in support of the bill.

HF565/SF519 was laid over for possible inclusion in an omnibus retirement bill.

**H.F. 566 (O'Driscoll); S.F. 518 (Pappas): Various plans; Modifications in contribution stabilizer provisions.**

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

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

LM explained the difference between the actuarial value of assets and the market value of assets. Mr. Martin noted that some statutes look at market value of assets and some look at actuarial value of assets, that having two systems of assets is problematic, and recommend going to market value.

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

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of the bill.

Mark Haveman, Executive Director, Minnesota Center for Fiscal Excellence, testified in support of giving boards authority to make decisions, that their concern lies in the authority to make decisions to lower contribution rates, and that any triggering mechanism should be based on funding levels of the plan.

Gary Carlson, Intergovernmental Relations Director, League of Minnesota Cities, testified in support of the bill.

Jill Schurtz, Executive Director, SPTRFA, testified that she would like to have the board look at amendment H0566-2A (to include SPTRFA) before the Commission takes action on the amendment.

HF566/SF518 was laid over for possible inclusion in an omnibus retirement bill.

**Adjournment**

The meeting adjourned at 7:15 p.m.

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Lisa Diesslin, Commission Assistant