



March 10, 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 5:40 p.m.

Commission Members Present:

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

Commission Members Absent:

Representative Kresha and Senator Goodwin

Agenda Items

Approval of the March 3, 2015, meeting minutes.

Rep. Albright moved the March 3, 2015, meeting minutes. **MOTION PREVAILED.**

H.F. 41 (Hausman); S.F. 61 (Marty): Options for the governance and administration of the Roseville Volunteer Firefighters Relief Association.

Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill. Mr. Martin recommended an oral amendment on page 1, line 15, to delete "and not by the Public" and on page 1, line 16, to delete everything before the period.

Rep. O'Driscoll moved amendment H0041-1A, amended as follows: page 1, line 15, delete "and not by the Public" and page 1, line 16, delete everything before the period. **MOTION PREVAILED.**

Rep. Alice Hausman presented and testified in support of her bill.

David Breen, President, Roseville Firefighters Relief Association, testified in support of the bill.

Jim Bodsgard, Roseville Fire Department, and retired member of the relief association board, testified in support of the bill.

HF41/SF61, as amended, was laid over for possible inclusion in an omnibus retirement bill.

H.F. 298 (Runbeck); S.F. 251 (Chamberlain): Providing for continued retirement coverage by the Centennial Volunteer Firefighter Relief Association upon withdrawal of one city from the Centennial Fire Department joint powers agreement.

Mr. Martin reviewed the staff memo and policy issues raised by the bill and the delete-all amendment.

Rep. Erickson moved delete-all amendment H0298-2A. **MOTION PREVAILED.**

Rep. Linda Runbeck presented and testified in support of her bill as amended.

Pat Devaney, Fire Chief, Centennial Fire District, testified in support of the bill.

Randy Rolstad, President, Centennial Fire Relief Association, testified in support of the bill.

HF298/SF251, as amended, was laid over for possible inclusion in an omnibus retirement bill.

H.F. 45 (Murphy, M. by request); S.F. 215 (Bakk): Permitting the Proctor Volunteer Firefighters Relief Association to limit application of an increase in service pensions.

Rep. Murphy presented the bill.

State Auditor Rebecca Otto testified that the bill will create an additional administrative burden for the Office of the State Auditor.

Nyle Zikmund, Executive Director, Minnesota State Fire Chiefs Association, testified that he will continue to work with the Proctor Fire Chief on the issue, that the December 31, 2013, date was chosen because a number of employments occurred at that time, and that the bill will affect the newer firefighters. Mr. Zikmund clarified that his testimony was not in support or opposition but to provide information.

HF45/SF215 was laid over for possible inclusion in an omnibus retirement bill.

H.F. 599 (Murphy, M.); S.F. 537 (Johnson): PERA-SVFRP; Establishing a monthly benefit division in the statewide volunteer fire plan to permit transfers of local monthly benefit volunteer firefighter relief associations plan administration to PERA.

Sen. Johnson presented and testified in support of her bill.

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

Nyle Zikmund, Fire Chief, Spring Lake Park-Blaine-Mounds View Fire Department, reviewed the fire department's situation and testified in support of the bill.

Shana Jones, Policy Director, PERA, testified that PERA is willing to take on the administration of a monthly benefit division, but they need to make sure the pieces are in place to administer the plan. Ms. Jones testified in support of amendments H0599-3A and -5A. Ms. Jones also indicated that there is not currently any accommodation in the bill for ongoing costs for auditing and for the internal administration cost per person, and those issues would need to be resolved before PERA would not oppose the bill.

Mr. Martin reviewed amendments H0599-1A, -2A, and -3A.

Rep. O'Driscoll moved amendment H0599-1A. **MOTION PREVAILED.**

Rep. O'Driscoll moved amendment H0599-2A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment H0599-3A, noting that the Spring Lake Park-Blaine-Mounds View Fire Department has expressed its willingness to pay the upfront costs.

Ms. Jones explained that the \$200,000 estimated set up costs represent the PERA IT Department's estimate of the staff hours required for programming.

Mr. Zikmund testified that the Spring Lake Park-Blaine-Mounds View Fire Department is dismayed at the amount of the upfront cost, but that the fire department board still supports the amendment.

Rep. O'Driscoll moved amendment H0599-3A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment H0599-4A.

State Auditor Otto testified that she is not opposed to amendment H0599-4A.

Mr. Martin was directed to determine if there is a fiscal impact to the H0599-4A amendment.

Rep. O'Driscoll moved amendment H0599-4A. **MOTION PREVAILED.**

Mr. Martin reviewed amendment H0599-5A.

Ms. Jones testified in support of amendment H0599-5A.

Mr. Zikmund testified in support of amendment H0599-5A.

Rep. O'Driscoll moved amendment H0599-5A. **MOTION PREVAILED.**

HF599/SF537, as amended, was laid over for possible inclusion in an omnibus retirement bill.

H.F. 826 (Murphy, M.); S.F. 884 (Rosen): VFRA; Implementing the recommendations of the State Auditor's Volunteer Fire Relief Association Working Group.

State Auditor Rebecca Otto presented and testified in support of the bill. Auditor Otto reviewed the working group process, noting that all of the proposed changes received unanimous consent.

Rose Hennessey Allen, Pension Director, Office of the State Auditor, testified in support of the bill and responded to members' questions.

Mr. Martin reviewed the potential amendments.

Auditor Otto testified in support of amendment H0286-3A.

Rep. Thissen moved amendment H0826-3A. **MOTION PREVAILED.**

Auditor Otto testified that the proposed language may not include the statewide volunteer fire plan.

Mr. Martin indicated that he will review the language to see if any corrections are needed.

HF826/SF884, as amended, was laid over for possible inclusion in an omnibus retirement bill.

H.F. 1204 (O'Driscoll); S.F. 1140 (Pappas): PERA-SVFRP; Implementing the recommendations of the PERA Volunteer Fire Advisory Board.

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

Nyle Zikmund, Executive Director, Minnesota Fire Chiefs Association, and member of the PERA Volunteer Fire Advisory Board, testified in support of the bill.

Shana Jones, Policy Director, PERA, testified in support of the bill but indicated that the language on page 3, lines 4 and 5 would restrict PERA and requested that those lines be stricken.

Mr. Martin recommended deleting paragraph (b), and to also delete the "(a)" on page 2, line 14

Rep. O'Driscoll moved to amend HF1204/SF1140 as follows: page 2, line 14, delete "(a)", and on page 3, delete lines 4-5. **MOTION PREVAILED.**

HF1204/SF1140, as amended, was laid over for possible inclusion in an omnibus retirement bill.

Non-Agenda Items

Motion LCPR15-M1; approval of mortality actuarial assumptions proposed by Van Iwaarden Associates on behalf of a monthly volunteer firefighter relief association.

Mr. Martin reviewed commission's role in approving actuarial assumption changes and reviewed the motion, indicating that no action is necessary at this meeting but wanted to draw their attention that the Commission has been asked by actuarial firm to approve the requested changes.

Adjournment

The meeting adjourned at 7:27 p.m.

Lisa Diesslin, Commission Assistant