



March 22, 2016

Room 10 State Office Building

## 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, Kresha, Murphy, O'Driscoll, and Thissen  
Senators Goodwin, Hayden, Johnson, Pappas, Rosen, Saxhaug, and Thompson

## Agenda Items

### Approval of minutes

Sen. Saxhaug moved approval of the March 15, 2016, meeting minutes. **MOTION PREVAILED.**

### **HFxxxx (Anzelc); SFxxxx (Saxhaug), Revisor #16-6859: Coleraine and Bovey Fire Relief Associations consolidation date change.**

Rachel Barth, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the bill.

Rep. Anzelc presented and testified in support of the bill.

Sen. Saxhaug moved HFxxxx/SFxxxx, Revisor #16-6859, be recommended to pass and be incorporated into the 2016 omnibus pension bill. **MOTION PREVAILED.**

### **HFxxxx (Hornstein); SFxxxx (Dibble), LCPR15-029: MSRS; Fairview Hospital privatized employees; revising the treatment for employees who return to public service.**

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the bill.

Rep. Frank Hornstein and Sen. Scott Dibble testified in support of their bill.

David Bergstrom, Executive Director, MSRS, testified that this provision is part of larger Fairview proposal, and testified in support of the bill as a fair resolution to the issue. Mr. Bergstrom indicated that the cost of the proposal would be approximately \$2-5 million, but is actually a foregoing of a gain since the actuary has assumed that the affected individuals would be eligible for the enhanced benefit.

Amendment 16-6647-1A was distributed.

The bill and the amendment were laid over.

**HF1919 (Daniels); SF1972 (Lourey): MSRS-General; Authorize purchases of prior service credit for Rule of 90 eligibility, former Dept. of Corrections Correction Counselor 1 Trainees.**

Ms. Barth reviewed the bill.

Rep. Brian Daniels testified in support of his bill.

Katherine Halvorson, one of the employees affected by the bill, testified in support of the bill.

Kevin Moser, one of the employees affected by the bill, testified in support of the bill.

Mr. Bergstrom testified in opposition to the bill. Mr. Bergstrom indicated that MSRS did not tell the affected employees that they were eligible for the Rule of 90 but rather they were allegedly told by someone in the department, that the MSRS board heard and denied the appeal, and that the court of appeals upheld the MSRS board decision.

Was laid over for possible inclusion in the omnibus pension bill.

**HF2560 (Zerwas); SFxxxx: PERA-P&F; Authorize payment of duty disability benefits and benefit recalculation for former Fridley police officer.**

Ms. Barth reviewed the bill.

Rep. Nick Zerwas reviewed and testified in support of his bill.

Lawrence Farber, the person affected by the bill, testified in support of the bill and provided copies of the Office of Administrative Hearings Workers' Compensation Section Stipulation for Settlement.

Debbie Dahl, Human Resources Director, City of Fridley, testified in opposition to the bill and provided a letter from the City of Fridley City Manager.

Deb Skogen, City Clerk, City of Fridley, testified in opposition to the bill, and requested that if the bill is passed that the Commission consider some sort of appropriation to help the city with the cost.

Shana Jones, Policy Director, PERA, testified that if Mr. Farber's benefits were to be recalculated, while he and his ex-spouse would have been underpaid, his Workers' Compensation payments and county commissioner salary would have to be deducted from benefit and he would actually owe PERA \$9,000.

HF2560 was laid over for possible inclusion in an omnibus retirement bill.

**HF3351 (Theis); SF2890 (Pederson): PERA, MnSCU-IRAP; Service credit purchase, St. Cloud State University employee.**

Ms. Barth reviewed the bill.

Rep. Tama Theis testified in support of her bill.

Linda Donnay, the person affected by the bill, testified in support of the bill.

Derek Hughes, System Director of Compensation and Retirement, Minnesota State Colleges and Universities System (MnSCU), testified in support of the bill and acknowledged the error.

Chris Dale, Senior Director of Labor Relations, MnSCU, testified in support of the bill.

HF3351/SF2890 was laid over for possible inclusion in an omnibus retirement bill.

**HF3422 (Knoblach); SFxxxx: TRA, MnSCU-IRAP; Authorize MnSCU employee to repay refund and elect prospective/retroactive TRA coverage.**

Ms. Barth reviewed the bill.

Rep. Knoblach testified in support of his bill, noting that Ms. LeBlanc was unable to attend.

Mr. Hughes testified that they couldn't find any documentation and this appears to be a fair resolution.

Ms. Barth reviewed technical amendment H3422-1A, which would add an effective date.

Sen. Pappas moved 1A amendment. **MOTION PREVAILED.**

Sen. Pappas assumed the chair.

**HFxxxx (O'Driscoll); SFxxxx (LCPR16-033): PERA; Increase minimum annual and monthly salary thresholds for membership eligibility.**

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

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified that MICA does not have a formal position on the bill, but he encouraged the Commission to look at proposals like this.

Anne Finn, Assistant Intergovernmental Relations Director, League of Minnesota Cities, testified that the LOMC would like to be part of the conversation on the issue.

Julie Bleyhl, Legislative Director, AFSCME Council 5, testified in opposition to the bill.

Sarah Lewerenz, Legislative Coordinator, AFSCME Local 65, testified in opposition to the bill.

Ms. Jones testified that PERA has a provisional reporting process where interest is not collected retroactively if an employee's eligibility changes from what was expected so as not to penalize the employer.

Doug Anderson, Executive Director, PERA, testified that in 2012 the cost was shown as being negligible but that is not safe to conclude that the cost would be negligible at this point in time.

The bill was laid over for possible inclusion in an omnibus retirement bill.

**Adjournment**

The meeting adjourned at 8:00 p.m.

Lisa Diesslin, Commission Assistant