

Legislative Commission on Pensions and Retirement

55 State Office Building

100 Rev. Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155-1201

SENATE MEMBERS

Senator Julie A. Rosen, Chair
Senator Sandra L. Pappas, Secretary
Senator Gary H. Dahms
Senator John R. Jasinski
Senator Warren Limmer
Senator Dan Schoen
Senator David H. Senjem

HOUSE MEMBERS

Representative Tim O'Driscoll, Vice Chair
Representative Tony Albright
Representative Sarah Anderson
Representative Mary Murphy
Representative Roz Peterson
Representative Paul Thissen
Representative Bob Vogel

COMMISSION STAFF

Susan Lenczewski, Executive Director
Rachel Barth, Deputy Director
Lisa Diesslin, Commission Assistant
Phone: 651-296-2750
TDD: 651-296-9896
Fax: 651-297-3697
website: www.lcpr.leg.mn

May 8, 2017

Room G-123, Capitol

MINUTES

Call to order:

Senator Julie A. Rosen, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 6:45 p.m., and turned over the gavel to Vice Chair Representative Tim O'Driscoll.

Commission Members Present:

Representatives Albright, Murphy, O'Driscoll, Peterson, Thissen, and Vogel
Senators Dahms, Jasinski, Limmer, Pappas, Rosen, Schoen, and Senjem

Commission Members Absent:

Representative Anderson

Agenda Items

LCPR17-038; Minnesota public employee pension plans; Benefit and contribution changes.

Susan Lenczewski, Executive Director, and Rachel Barth, Deputy Director, Legislative Commission on Pensions and Retirement, jointly reviewed the provisions of LCPR17-038.

Doug Anderson, Executive Director, PERA, testified that the PERA board supports the 7.5% investment return assumption, opposes the proposed changes for the general plan, and supports the proposed changes for the police and fire plan.

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of the PERA police and fire plan provisions and expressed concern regarding the elimination of board authority to initiate general plan contribution rate changes.

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

Brian Rice, representing AFSCME Council 5, testified in opposition to the PERA general plan provisions.

Leonard Krumm, President, Minneapolis Municipal Retirement Association (MMRA), testified in opposition to removing the PERA general plan post-retirement adjustment trigger.

Erin Leonard, Executive Director, MSRS, testified in support of the MSRS provisions, but MSRS would prefer phasing in the COLA delay to normal retirement age provision due to actuarial factor complexity.

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

Dr. Mike McCollor, Vice Chair, SPTRFA Board of Trustees, testified in support of the SPTRFA provisions.

Feryle Borgeson, SPTRFA board member, testified in support of the SPTRFA provisions.

Laurie Hacking, Executive Director, TRA, testified in support of the provisions that were part of the TRA board proposal and in opposition to the provisions that were not part of the TRA board proposal.

Jay Stoffel, Deputy Executive Director, TRA, testified in support of the provisions that were part of the TRA board proposal and in opposition to the provisions that were not part of the TRA board proposal.

Tim Moynihan, Legislative Co-Chair, Retired Educators Association of Minnesota, testified in opposition to the TRA provisions.

Gary Amoroso, Executive Director, Minnesota Association of School Administrators, testified in opposition to any employer contribution increase without additional school district funding.

Rodney Rowe, Worthington Public Schools teacher on leave and Education Minnesota Secretary-Treasurer, testified in opposition to the TRA provisions that were not part of the TRA board proposal.

JoAnna Prosser, Wayzata High School teacher, testified in opposition to the TRA benefit reductions.

Joe Brown, Superintendent, Fairmont Public Schools, testified in opposition to the TRA provisions without a corresponding increase in local government aid.

John Bartholow, St. Michael-Albertville teacher, testified in opposition to the TRA benefit reductions.

LeMoyne Corgard, Anoka-Hennepin teacher on leave and Anoka-Hennepin Education Minnesota President, testified in opposition to the TRA provisions that were not part of the TRA board proposal and in support of the provisions that were part of the TRA board proposal.

Grace Keliher, Director of Government Affairs, Minnesota School Boards Association, testified in support of the early retirement benefit changes, extending the amortization period, and eliminating the contribution stabilizer; and in opposition to the employer contribution rate increase and reducing the investment return assumption.

Louise Sundin, Minneapolis Committee of Thirteen, testified in opposition to the TRA benefit reductions.

Joan Beaver, Government Relations Chair, Education Minnesota Retired, testified in opposition to the TRA provisions.

Julie Bleyhl, Legislative Director, AFSCME Council 5, representing the Minnesota Public Employees' Pension Coalition (consisting of a number of public employee groups and unions), testified in opposition to the bill but in support of the Governor's pension recommendations.

Laurie Hacking, Executive Director, TRA, testified that while augmentation may be confusing, the plans counsel resigning members and provide benefit estimates for both refunds and deferred benefits.

There was no action on the bill.

SF 1705 (Rosen); HF 2126 (O'Driscoll): MSRS; Revising enhanced augmentation rates and the related exception from enhanced augmentation for certain terminated privatized employees (Fairview).

Ms. Lenczewski provided some history on the issue and reviewed the bill and amendments.

Rena Garni, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments.

Gayle Stromquist, who would be affected by the bill, testified in opposition to the bill and amendments.

Dan Kenzie, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments.

Diane Johnson, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments.

Janice Lohman, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments.

David Giese, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments, and read a letter from Karen M. Elrich stating her opposition to the bill.

Laurie Spear, who would be affected by the bill, testified in support of the bill as introduced and in opposition to the amendments.

Timothy Rand, who would be affected by the bill, testified regarding a possible error in MSRS Fairview employee statements and requested that the Commission delay action until MSRS can clarify if there has been a calculation error.

Erin Leonard, Executive Director, MSRS, testified that she is not aware of the situation specifically, that an estimate would only be adjusted in the case of inaccurate salary or service credit information, and indicated that she would look into the issue.

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

There was no action on the bill or the amendments.

LCPR17-035 (Murphy, M.): PERA; Authorizing an eligible Duluth township employee to elect PERA General plan coverage and receive retroactive coverage.

Ms. Barth reviewed the bill and the circumstances leading to the special legislation, noting that the Duluth township board unanimously approved paying the employer portion of the cost.

Shana Jones, Policy Director, PERA, testified that PERA supports the bill.

There was no action on the bill.

LCPR17-036 (Murphy, M.): MSRS-Unclassified; Grandfathering current factors used in the calculation of annuities under the MSRS Unclassified Program.

Ms. Lenczewski reviewed the bill.

Erin Leonard, Executive Director, MSRS, testified that MSRS does not have a formal position on the bill.

There was no action on the bill.

Approval of April 25, 2017, meeting minutes.

Due to the lack of a quorum, there was no action on the minutes.

Adjournment

The meeting adjourned at 8:18 p.m.