

Legislative Commission on Pensions and Retirement

55 State Office Building

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

St. Paul, MN 55155-1201

HOUSE MEMBERS

Representative Mary Murphy, Chair
Representative Mike Freiberg
Representative Kaohly Her
Representative Michael V. Nelson
Representative Tim O'Driscoll
Representative Ruth Richardson
Representative Bob Vogel

SENATE MEMBERS

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

COMMISSION STAFF

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March 19, 2019, 2019

Room G-3, State Capitol

MINUTES

Call to order:

Chair Murphy called the meeting to order at 5:10 p.m.

Commission Members Present:

Representatives Freiberg, Murphy, Nelson, O'Driscoll, Richardson, and Vogel
Senators Dahms, Frentz, Jasinski, Limmer, Pappas, Rosen, and Senjem

Commission Members Absent:

Representative Her

Agenda Items

Agenda item

Rep. Vogel moved approval of the March 12, 2019, meeting minutes. **MOTION PREVAILED.**

HF 2373 (Murphy, by request); SF 2491 (Rosen): State Auditor's Volunteer Fire Relief Association Working Group bill.

Rose Hennessy Allen, Pension Director, Office of the State Auditor, responded to a member's question about vesting, testifying that only two fire relief associations in the state require 20 years vesting and that the Working Group intends to study the issue of vesting when the working group reconvenes.

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, clarified that the reason for the changes in Section 9 (regarding augmentation) are just to fix a word.

Rep, Murphy moved 2373, SF2491 be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

LCPR19-030: Implementing the recommendations of the Fire State Aid Work Group.

Jeff Skime, Bemidji volunteer firefighter relief association member, testified in opposition to the bill.

The bill was laid over for interim study.

HF 2310 (Sundin); SF 2366 (Rarick): PERA Statewide Volunteer Fire Plan; Authorizing the termination of plan participation and coverage; distribution of benefits.

Rep. Sundin and Sen. Rarick presented and testified in support of their bill.

Carey Ferrell, Chair, Town of Brevator, testified in support of the bill.

Doug Anderson, Executive Director, PERA, testified that PERA does not oppose the bill, but that the SVF Advisory Board would like to look at this issue.

Sen. Pappas moved amendment H2310-1A. **MOTION PREVAILED.**

Rep. Murphy moved HF2310; SF2366, as amended, be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

Revisor #19-4692: PERA Phased Retirement Program; Eliminate sunset and annual renewal requirement.

Shana Morse, PERA presented and testified in support of the bill.

Gary Carlson, Intergovernmental Relations Director, League of Minnesota Cities, and on behalf of the Association of Minnesota Counties, testified in support of the bill.

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

Sen. Pappas moved Revisor #19-4692 be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

HF 2598 (Freiberg); SF 2490 (Jasinski): PERA; Revising the City of Minneapolis municipal contribution related to the former Minneapolis firefighters and police relief associations.

Rep. Freiberg and Sen. Jasinski presented and testified in support of their bill.

Doug Anderson, PERA, testified in support of the bill.

Mark Ruff, CFO, City of Minneapolis, testified in support of the bill.

Brian Rice, representing the Minnesota Police Fraternal Association, testified in support of the bill.

Sen. Pappas moved HF2598; SF2490 be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

HF 549 (Dettmer); SF 1444 (Anderson, B.): PERA; Military service credit purchase provisions.

Rep. Dettmer and Sen. Anderson presented and testified in support of their bill and the amendment.

Randy Bibeau, St. Paul firefighter on behalf of the Minnesota Professional Fire Fighters, testified in support of the bill.

Brian Rice, representing the Minnesota Professional Fire Fighters, testified in support of the bill and amendment H0549-1A.

Doug Anderson, PERA, testified that PERA is not opposed to the bill and supports the amendment, and that there will be administrative costs to PERA.

Jay Stoffel, Executive Director, TRA, testified, that TRA provides for the purchase of the initial period of enlistment or induction in addition to the purchase of military leave break-in-service.

Erin Leonard, Executive Director, MSRS does not have a provision for the purchase of prior military service, but they do allow break-in-service purchases.

HF 549/SF 1444 was laid over for future consideration.

Revisor #19-4622: MSRS administrative bill.

Erin Leonard, Executive Director, MSRS, presented and testified in support of the bill.

Sen. Pappas moved Revisor #19-4622 be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

Fossil fuel investments

HF 2329 (Long); SF 2276 (Pappas): SBI; Requiring a report on the risks posed by fossil fuel investments.
HF 2294 (Long); SF 2277 (Pappas): Requiring the SBI to divest fossil fuel investments.

Mansco Perry, Executive Director, State Board of Investment (SBI), testified to the SBI approach to environmental, social, and governance (ESG) policy, including climate change investment risk, and that the SBI board has not stated a position on the legislative proposals regarding fossil fuel divestment.

Rep. Long presented and testified in support of his bill.

Sen. Pappas presented a PowerPoint entitled "Environmental Policy and Climate Change."

Veda Kanitz, science teacher at Rosemount High School and TRA member, presented a PowerPoint entitled "Divest" and testified in support of fossil fuel divestment.

Jina Penn-Tracy, Owner of Centered Wealth, testified in support of the two bills.

Melissa Wenzel, Minnesota Board of Water & Soil Resources, previously with the Minnesota Pollution Control Agency, and MAPE member, testified in support of fossil fuel divestment.

David McGill, St. Paul science teacher and SPTRFA member, testified in support of the two bills.

Cathy Geist, SPTRFA retiree, testified in support of the two bills.

Catherine Zimmer, Executive Director, Women Observing Wildlife-MN, testified in support of fossil fuel divestment.

HF 2329 (Long); SF 2276 (Pappas), and HF 2294 (Long); SF 2277 (Pappas) were laid over.

Adjournment

The meeting adjourned at 8:00 p.m.