

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

Michael V. Nelson, Vice Chair
Tim O'Driscoll, Secretary
Kaela Berg
Luke Frederick
Kaohly Her
Mary Murphy
Jordan Rasmusson

SENATE MEMBERS

Julie A. Rosen, Chair
Nick A. Frentz
Jeff R. Howe
John R. Jasinski
Sandra L. Pappas
Jason Rarick
David H. Senjem

COMMISSION STAFF

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

March 23, 2021

REMOTE MEETING

MINUTES

Call to order:

Senator Julie Rosen called the meeting to order at 5:00 p.m. The meeting was conducted through Zoom and broadcast via YouTube.

Commission Members Present:

Representatives Berg, Frederick, Her, Murphy, Nelson, O'Driscoll, and Rasmusson
Senators Frentz, Howe, Jasinski, Pappas, Rarick, Rosen, and Senjem

Agenda Items

Approval of March 16, 2021, meeting minutes.

Sen. Jasinski moved approval of the March 16, 2021, meeting minutes. **MOTION PREVAILED.**

SF 1303 (Pappas); HF 1459 (Nelson, M.): St. Paul Teachers Retirement Fund Association (SPTRFA); Delays the employee contribution rate increase and makes administrative changes.

Chad Burkitt, Analyst, Legislative Commission on Pensions and Retirement, reviewed the bill.

Jill Schurtz, Executive Director, and Christine MacDonald, CFO/Deputy Director, St. Paul Teachers Retirement Fund Association, presented the bill.

Sen. Pappas moved SF 1303 / HF 1459 be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Murphy
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. Nelson
Sen. Jasinski	Sen. Senjem	Rep. Her	Rep. Rasmusson

Members voting NAY: None

There being 12 ayes and zero nays, the **MOTION PREVAILED.**

SF 2098 (Pratt); HF 2188 (Mortensen): MSRS Correctional; Transfers one state employee's service credit from the general plan to the correctional plan.

Sen. Pratt presented and testified in support of his bill.

Mr. Burkitt reviewed the bill.

Carol Olson, Director of Forensic Services in Direct Care and Treatment, Department of Human Services, testified that Mr. Engle should have been in the correctional plan.

Rep. Mortensen informed members that Mr. Engle is aware of payment amount and he is prepared to make that payment.

Erin Leonard, Executive Director, Minnesota State Retirement System, testified to confirm the cost and payment amounts and that MSRS does not oppose the bill.

Rep. Murphy moved SF 2098 / HF 2188 be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:

Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson
Sen. Jasinski		Rep. Murphy	

Members voting NAY: None

There being 14 ayes and zero nays, the **MOTION PREVAILED.**

LCPR21-024: MSRS Unclassified; Extends the grandfather provision for the use of factors effective in 2016 in computing annuities for retirees who are at least age 63 or have at least 26 years of service.

Mr. Burkitt reviewed the bill.

Erin Leonard, Executive Director, MSRS, provided a letter stating MSRS' position on the bill and testified to the costs associated with the extension of the provision.

In response to comments from members, Chair Rosen indicated that jackets would be requested with revisions to replace the date with a blank and to delete paragraph (d), and the item was laid over.

SF 1993 (Howe); HF 2163 (O'Driscoll): PERA; Extends the time period for purchasing service credit for periods of federally protected military service leave.

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

Sen. Howe moved Amendment S1993-1A.

Members voting AYE:				Members voting NAY: None
Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson	
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll	
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson	
Sen. Jasinski		Rep. Murphy		

There being 14 ayes and zero nays, the **MOTION PREVAILED**, the amendment was adopted.

Doug Anderson, Executive Director, Public Employees Retirement Association, testified that PERA does not have a position on the bill, and that their concerns are addressed by amendment.

Matt Hilgart, Government Relations Manager, Association of Minnesota Counties, and also speaking on behalf of Minnesota Inter-County Association and the Association of Minnesota Counties, provided a joint letter and testified in support of the amendment.

Sen. Howe moved SF 1993 / HF 2163, as amended, be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:				Members voting NAY: None
Chair Rosen	Sen. Pappas	Rep. Berg	Rep. Nelson	
Sen. Frentz	Sen. Rarick	Rep. Frederick	Rep. O'Driscoll	
Sen. Howe	Sen. Senjem	Rep. Her	Rep. Rasmusson	
Sen. Jasinski		Rep. Murphy		

There being 14 ayes and zero nays, the **MOTION PREVAILED**.

LCPR21-023: Revises the requirement for bills drafted by commission staff for agencies and pension systems.

Ms. Lenczewski reviewed the draft bill.

State Auditor Julie Blaha testified that she does not believe the requirement would apply to the State Auditor's Office and requested that the State Auditor be stricken from the definition of "agency."

Sen. Rosen moved LCPR21-023, amended on page 1 to delete line 12, be recommended to pass and be incorporated into the 2021 omnibus pension bill.

Members voting AYE:				Members voting NAY: None
Chair Rosen	Sen. Pappas	Rep. Frederick	Rep. O'Driscoll	
Sen. Frentz	Sen. Rarick	Rep. Her	Rep. Rasmusson	
Sen. Howe	Sen. Senjem	Rep. Murphy		
Sen. Jasinski		Rep. Nelson		

There being 13 ayes and zero nays, the **MOTION PREVAILED**.

SF 609 (Goggin); HF 419 (Drazkowski): Modifies the allocation formula for supplemental state aid paid to relief associations and the PERA Statewide Volunteer Firefighter Plan - Delete-everything Amendment S0609-1A.

Ms. Lenczewski reviewed the bill and amendment.

Sen. Goggin and Rep. Drazkowski testified in support of their bill and Amendment S0609-1A.

Senator Howe moved Amendment S0609-1A.

Members voting AYE:		Members voting NAY:		
Chair Rosen	Sen. Rarick	Sen. Frentz	Rep. Berg	Rep. Murphy
Sen. Howe	Sen. Senjem	Sen. Pappas	Rep. Frederick	Rep. Nelson
Sen. Jasinski			Rep. Her	

There being five ayes and seven nays, the **MOTION FAILED**, the amendment was not adopted.

State Auditor Blaha testified in opposition to the bill.

Nyle Zikmund, City Administrator, City of Mounds View, testified opposition to the bill, and that the issue of relief association overfunding needs to be studied.

Todd Greseth, volunteer firefighter, Wanamingo Fire Department, testified in support of the bill.

Mike Scott, Fire Chief, Eagan Fire Department, testified in support of the bill and that the entire relief association system needs major overhaul.

Brian Rice, representing the Plymouth Firefighters Relief Association, testified in opposition to the bill.

BJ Jungmann, Chair, Minnesota Fire Association Coalition, testified in opposition to the bill.

Kurt Frison, Assistant Fire Chief, White Bear Lake Fire Department, testified in opposition to the bill.

Testimony was submitted to the Commission in advance of the meeting by:

- Craig Clark, City Administrator, City of Austin, in opposition
- Mike Murphy, President, Apple Valley Fire Relief Association, in opposition
- Mark Schlangen, Fire Chief, Two Harbors Fire Department, in opposition
- Allen Lewis, Fire Chief/Emergency Manager, Virginia Fire Department, in support
- Mark Rosenblum, President, Minnesota State Fire Department Association, in opposition
- Joe Carpentier, Assistant Fire Chief, Oakdale Fire Department, in opposition

The bill was tabled.

Adjournment

The meeting adjourned at 7:30 p.m.