

Minutes

**Wednesday April 13, 2011
Meeting Time 1:00 P.M.
MSRS Building
60 Empire Drive, St. Paul, MN 55103**

Board Members Present:

Dave Beberg, Lorene Dimock, Gene Gere, Peggy Hildebrandt, Ruth Husom, Dennis Maki, Richard Mesenburg, Peter Obermeyer

Board Members Excused:

Fred Maurer, Robert Lundahl

Others Present:

Dave Bergstrom, Executive Director MSRS; Laura Dobozenski-Business Service Provider

Set and Approve the Agenda

President Husom explained due to the computer crashing, the agenda will be limited to several key items. Mr. Kuderka would like to discuss memberships and if time allows he will bring the item up. Upon a motion to approve the agenda and a second, the motion carried.

Review of Retirement Design Study Draft

Dave Bergstrom presented the Retirement Design Study Executive Summary and the 2011 Legislative Update. Mr. Bergstrom explained the 2010 Legislation required the three statewide retirement systems to complete a benefit design study, analyzing alternative designs including defined benefit, defined contribution, and hybrid plans comparing features such as overall costs, income security, and investment performance. The study analyzed costs and risks of various plans.

The three retirement systems will recommend to the LCPR;

- a) To carefully analyze the financial impacts of transitioning to an alternative plan structure. Modifications to the current plan may have unintended financial consequences. The appropriate design should be reviewed by the LPCR and a specific long term funding strategy should be in place.

- b) Consider the potential negative effect which closing the DB will have on future investment returns
- c) Analyze benefit adequacy and the impact decisions regarding the design have on Minnesota Public Employees, state and local economies.

All stakeholders are to submit their written reports regarding concerns or support of the recommendations to MSRS by May 2, 2011.

President Husom inquired if the board wanted to submit a letter of support. Upon a motion and second to support the recommendations, the motion carried. Gene, Peter and Dick will draft a strong letter of support and work with Laura to have the letter submitted by the deadline.

LEGISLATIVE UPDATES

HF4/SF81-the bill offers an incentive for workforce reduction and is contained in the Senate and House Government Finance Omnibus Bill.

SF1047/HF577- The bill freezes salaries for existing state employees on July 1, 2011.

HF110/SF163-The bill adds two members from each body to the LCPR.

HF1072-The bill changes membership of the MSRS Correctional Employees Retirement Plan.[this was pulled because it cost more than is saved]

HD1256/SF813-The bill modifies state public employees and employer contributions; the bill is currently tabled in Senate Government Innovation and Veterans.

HF451/SF379-The bill is a tax conformity bill which includes ROTH 457 conformity [has been pulled back]

HF 192- Reinventing Government Employee Act, the bill freezes salaries for existing state employees.

SF627- Modifies mandatory retirement age for Judges

HF542 and HF594 Both Bills stop employee contributions to the public pension plans July 1, 2011.

Insurance Updates

Mr. Bergstrom informed the board about legislation that is included in the State Department Finance Bill in the House. The state would have to offer only high deductible insurance plans. For retirees over 65 they will not be affected, but those under 65 would be impacted by the high deductible plan.

Annual Meeting Updates

Mr. Gere reported the newsletter will be out in the next day or two and will contain the registration form for the Annual Meeting. Our main speaker will be Dave Bergstrom. Two major issues to be discussed are the dues increase and the amendments to the constitution. President Husom reported given the board approved the budget plan, that plan will be presented to the membership at the annual meeting for approval.

Constitution Amendments

Mr. Gere reported the executive committee met a couple times to review and make the proposed changes before the board today. Mr. Gere highlighted each Article and changes contained therein. Upon reviewing all the proposed changes a motion and second was made to present the changes to the membership attending the annual meeting for approval, the motion carried.

President Husom thanked everyone who worked on the amendments and a special thank you to former board member Sally Olsen for her contributions to the constitutional amendments.

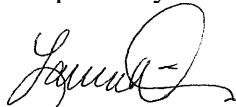
Mr. Kuderka suggested a letter or insert be included in our dues renewal to encourage members to join. Mr. Kuderka will work with the Business Service Provider to develop the language for the insert.

Mr. Obermeyer requested a copy of the letter of interest received from Howard Ward be sent to all board members.

Next Meeting May 11, 2011 Annual Meeting

Meeting Adjourned 3:02 p.m.

Respectfully Submitted,



MRSEA Service Provider
Platinum Professional Management, LLC

