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*****PRESS RELEASE*****

State Auditor Otto Releases Large Public Pension Plan Investment Report

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ST. PAUL (1/10/2013) – State Auditor Rebecca Otto today released the Large Public Pension Plan Investment Report, which reviews the investment performance of Minnesota’s large public pension plans for the 2011 calendar year. The three individual large local public pension plans included in this report are the Bloomington Fire Department Relief Association, the Duluth Teachers’ Retirement Fund Association, and the St. Paul Teachers’ Retirement Fund Association.

Oversight of these pension plans is important to safeguard the pensions of public employees and to control local and state liabilities. This report informs lawmakers of the large plans’ investment performance, educates fiduciaries and members of the plans, and provides transparency to the public.

Highlights from the report include:

Current Trends

- During 2011, rates of return for the large plans ranged from negative 0.7 percent (Duluth Teachers’) to 0.3 percent (Bloomington Fire). All of the plans failed to meet their respective benchmarks.
- All of the large plans except for Bloomington Fire ended 2011 with funding ratios below 100 percent. St. Paul Teachers’ was the only plan that experienced an increase in its funding ratio. St. Paul Teachers’ had a funding ratio of 70.0 percent. Bloomington Fire and Duluth Teachers’ both saw decreases in their funding ratios. Their funding ratios were 102.7 percent and 73.2 percent, respectively.

Long-Term Trends

- The ten-year period from January 2002 through December 2011 provided minimal investment growth. Although none of the large plans were able to meet their actuarial assumed rates of return over this period, most of the plans were able to keep up with or exceed market returns. The best-performing plan over the ten-year period was St. Paul Teachers,’ which earned 5.9 percent.

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- The plans with the lowest rates of return for the ten-year period were Bloomington Fire and Duluth Teachers,' with returns of 3.3 percent and 3.8 percent, respectively.

To view the complete report, which includes an Executive Summary, graphs and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20130109.000>.

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The Office of the State Auditor is a constitutional office that is charged with overseeing more than \$20 billion spent annually by local governments in Minnesota. The Office of the State Auditor does this by performing audits of local government financial statements, and by reviewing documents, data, reports, and complaints reported to the Office. The financial information collected from local governments is analyzed and is the basis of statutory reports issued by the Office of the State Auditor.

Rebecca Otto is Minnesota's 18th State Auditor. A high-resolution official photo is available for download at http://www.auditor.state.mn.us/images/otto_hires.jpg. To learn more about State Auditor Otto, see <http://www.auditor.state.mn.us/default.aspx?page=bio>.