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### **\*\*\*PRESS RELEASE\*\*\***

## **State Auditor Otto Releases Large Public Pension Plan Investment Report**

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**ST. PAUL (12/9/2010)** – 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 2009. Large public pension plans represent the retirement savings of hundreds of thousands of public employees. As of December 31, 2009, these plans, together with the State Board of Investment (SBI), held over \$44 billion in assets.

The individual large public pension plans included in this report are the Bloomington Fire Department Relief Association, the Duluth Teachers’ Retirement Fund Association, the Minneapolis Employees Retirement Fund (MERF), the Minneapolis Firefighters’ Relief Association, the Minneapolis Police Relief Association, and the St. Paul Teachers’ Retirement Fund Association.

Highlights from the report include:

- During 2009, rates of return for the large plans ranged from 15.6 percent (Bloomington Fire) to 27.2 percent (Minneapolis Fire). All of the plans except for Bloomington Fire were able to meet their respective benchmarks.
- All of the large plans ended 2009 with funding ratios below 100 percent. Bloomington Fire was the only plan that experienced an increase in its funding ratio. MERF experienced a large decrease in its funding ratio, becoming the lowest-funded large plan. The plan ended the year only 55.9 percent funded.
- The ten-year period from January 2000 through December 2009 provided minimal investment growth. None of the large plans were able to meet their actuarial assumed rates of return over this period, although most of the plans were able to keep up with or exceed market returns.

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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 0.8 percent and 1.7 percent, respectively. These two plans also had the lowest one-year rates of return in 2009.

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

<http://www.auditor.state.mn.us/default.aspx?page=20101208.000>.

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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 18<sup>th</sup> State Auditor. A high-resolution official photo is available for download at [http://www.auditor.state.mn.us/images/otto\\_hires.jpg](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>*