

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

In the Matter of the PERA Salary
Determinations Affecting Retired and
Active Employees of the City of Duluth

**AFFIDAVIT OF
ELIZABETH A. STORAASLI**

Allen Johnson, et al., Petitioners

OAH Docket No. 4-3600-2080902

STATE OF MINNESOTA)
) SS.
COUNTY OF ST. LOUIS)

Elizabeth A. Storaasli, being first duly sworn on oath, deposes and says:

1. I am the attorney representing Petitioners Paul Ostman, Doug Michog, John Edwards, Mark Behning, Terry Purcell, Doug Belanger, Dave Salvesson, Anne Peterson, L. J. Harvey, William L. Johnson and Dave Wedin in this matter.

2. This Affidavit is submitted in response to PERA's Motion for Summary Judgment, and in support of the Petitioners' Motion for Summary Judgment.

3. The collective bargaining agreements between the City of Duluth and its employees set forth the deferred compensation plan at issue. Complete copies of the bargaining agreements are available on the City of Duluth's website. PERA, in the Affidavit of Jon K Murphy, has attached portions of certain agreements. For ease of analysis, I have prepared and attached hereto as **Exhibit A** a summary listing the specific contract language in the applicable contracts for each year.

4. As part of the discovery process in this proceeding, the Office of State Auditor responded to Requests for Production of Documents. Attached hereto as **Exhibit B** are copies of selected documents provided by the State Auditor which constitute working papers and memoranda

relating to the City of Duluth audits.

5. The City of Duluth medical reimbursement fund was established by Duluth Minnesota Code Chapter 20, Article 2, Section 20-24, in 1992 (through Ordinance 9896, adopted March 10, 2008). A copy of the Code section is attached hereto as **Exhibit C**.

6. By letter dated October 16, 2009, counsel for PERA Jon K. Murphy directed a letter to the undersigned at the request of Judge Johnson identifying legislative history relating to the PERA definition of salary. A copy of that correspondence and the enclosures to the October 16, 2009 letter are attached hereto as **Exhibit D**.

7. In response to the Petitioners' Request for Production of Documents, PERA produced documents and attached hereto as **Exhibit E** are true and correct copies of the following documents provided by PERA through Responses to Request for Production of Documents:

- E-1 PERA Reporting Manual, July 1, 1993, Section 3, pages 8-9
- E-2 PERA Reporting Manual, April 1, 1996, Section 8, pages 2-4
- E-3 PERA Employer Manual, September 1999, pages 3-15, 3-17
- E-4 PERA Employer Manual, July 2002, pages 5-17 - 5-21
- E-5 The PERA "Phrase" April 1994
- E-6 The PERA "Phrase" August 1994
- E-7 The PERA "Phrase" January 1995
- E-8 Wayne Parson e-mail to Chris Arcand, September 19, 2008
- E-9 Wayne Parson communication to Chris Arcand, October 8, 2008
- E-10 Vanek e-mail to Marney Bureau Kesler dated December 16, 2008
- E-11 Vanek Memorandum to PERA Board of Trustees dated February 5, 2009
- E-12 Mary Most Vanek letter to Potswald, February 10, 2009
- E-13 PERA Board of Trustees Minutes, February 12, 2009
- E-14 PERA Board of Trustees Minutes, April 9, 2009
- E-15 Vanek e-mail to Mary Murphy dated May 11, 2009
- E-16 Vanek Memorandum to PERA Board of Trustees dated May 12, 2009
- E-17 Vanek letter to Montgomery dated May 21, 2009
- E-18 Legislative Audit of PERA, 2009
- E-19 Potswald letter to Vanek, September 15, 2008

FURTHER YOUR AFFIANT SAYS NOT.

/s/ Elizabeth A. Storaasli
Elizabeth A. Storaasli

Subscribed and sworn before me
this 12th day of February, 2010

Notary Public