

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 MICHAEL SCHILTZ

OAH DOCKET NO. 4-3600-2080902

Allen Johnson, et al., Petitioners

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

Michael Schiltz, being first duly sworn, on oath deposes and says:

1. I am retired from the City of Duluth Police Department. I retired in 2005.
2. I was very active with the Police Union and served on the Executive Board for about 20 years of my 26 year career. I served for over 10 years a President and was President of the Police Union up until I retired.
3. I spent a great deal of time with Minnesota Police and Peace Officers Association, rarely missing an annual convention or annual legislative conference. Mary Most Vanek usually presented the PERA information at these conferences.
4. I always understood that the deferred compensation contribution included in our collective bargaining agreement was part of our total compensation. It was an additional form of salary. I believe the deferred compensation amounts were always included on the income side of our paystubs, and also listed as deductions. I knew that I could withdraw deferred compensation contributions as current income subject to penalties and taxation, and I also knew they were available for loans should I choose to withdraw them. Obviously, the City, State and PERA were of the same belief as the amount was computed into my pension projections from the time that benefit was added

to the employment contract and figured in when I obtained my final pension figures prior to my retirement.

5. I kept track of my pension calculations as I made the decision to retire. I retired only after receiving numerous PERA calculations and “doing the math.” I planned around the figures that PERA and the City provided to me as my potential pension.

6. When I received the notice in March of 2009 of the reduction of my monthly annuity, I was shocked. I believe the annuity reduction is about \$150 per month. Had I known that my PERA annuity would be decreased by that amount, it is very possible I would have delayed my decision to retire when I did. I would have had to continued to work in order to reach my retirement income goal. I was never advised by PERA or the City of Duluth at the time I was considering retirement that they could or would impose a unilateral significant decrease in my pension without prior notice to me.

FURTHER YOUR AFFIANT SAYS NOT.

/s/ Michael Schiltz
Michael Schiltz
Duluth Police - Retired
First Witness Child Advocacy Center Trainer

Subscribed and sworn to before me this
11th day of February, 2010.

/s/
Notary Public