

LEGISLATIVE RETIREMENT STUDY COMMISSION

August 15, 1969 Meeting

MINUTES

The regular meeting of the Legislative Retirement Study Commission was called to order by the chairman, Rep. Calvin R. Larson, Frkday, August 15, 1969 in Room 125, State Capitol.

PRESENT:

<u>Senators</u>	<u>Representatives</u>
J. A. Josefson	Calvin R. Larson
Mel Hansen	Edward Tomczyk
Clifford C. Sommer	D. W. Sillers
Harmon T. Ogdahl	J. T. O'Neill

ALSO PRESENT: Inga Cragg, Retired Teachers Association of Minnesota; Marvin Schubring, Associated Fire Fighters of Minnesota; R. M. Scully, Minnesota Police Pension Council and Mpls. Police Relief Ass'n.; Raymond H. Hegna, Municipal Employees Retirement Board; Harlan E. Johnson, Municipal Employees Retirement Board; W. Phillips, Phillips Legislative Service; Arne Ulvi, MSRS; Ona A. Crume, MSRS; Henry J. Hoffmann, MRSE Association; G. J. Williams, PERA; Robert L. Reed, MEA; Harvey W. Schmidt, TRA; E. Erdahl, TRA; N. Gaasedelen, Mpls. Teachers; L. W. Claeson, League of Minnesota Municipalities; Joseph A. Thill, St. Paul Fire Department Relief Association; Robert Wetherille, Mpls. Fire; W. J. Murphy, St. Louis Park; Don Glassing, St. Louis Park-Fire; Ralph Pyle, Mpls. Fire; Robert Richards, Minn. Hwy. Patrol Association; O. M. Ousdigian, PERA; T. W. Anderson, City of St. Paul; R. J. Currie, State Employees Union, Council 6.

MINUTES of the July 25, 1969 meeting were approved as mailed.

SUBCOMMITTEES: The chairman announced the appointment of the following subcommittees:

<u>PERA SUBCOMMITTEE</u>	<u>STATEWIDE FUNDS SUBCOMMITTEE</u>	<u>MUNICIPAL EMPLOYEES SUBCOMMITTEE</u>
D. H. Sillers, Chairman	Mel Hansen, Chairman	Thor Anderson, Chairman
Thor Anderson	Clifford Sommer	Edward Tomczyk
Joseph O'Neill	Harmon Ogdahl	Harmon Ogdahl
Baldy Hansen	Edward Tomczyk	Mel Hansen
J. A. Josefson		

COMMUNICATIONS

Letter from Mr. Jenkins dated 7/28/69 was read and referred to the PERA subcommittee. Letter from Mr. Duane J. Mattheis, chairman of the TRA Board of Trustees and Mr. Harvey W. Schmidt, Executive Secretary of TRA, expressing their appreciation on behalf of TRA to the Commission for the Teachers Retirement Improvement Act of 1969 (H.F. 1).

Bill from Stennes and Associates in the amount of \$435.00 for actuarial services from 6/1/69 to 7/31/69 approved for payment.

MR. HARVEY SCHMIDT, TRA, discussed the legislation passed by the 1969 Legislature affecting teachers retirement.

Mr. Schmidt distributed brochures which were sent out by TRA especially for the new teachers explaining TRA benefits. He explained that TRA plans to get out a series of 4 or 5 brochures in the future to help the members. He also distributed some explanatory data as to how this Teachers Improvement Act of 1969 would affect people who retired 7/1/69. This would be a different situation for teachers retired before 7/1/67.

Mr. Schmidt informed the Commission that after sending out information to all previously retired teachers with explanations of the increases in their retirement pensions, 2,000 accepted and 11 refused to accept the increase. He also stated that there has been 485 retirements this summer--the normal number of retirements is 250. Mr. Schmidt ^{expects} this to total approximately 500 before the end of the summer.

FVM STAFF MEMO - "Judicial Pensions" (Copies to be placed in memo books).

Rep. Joseph O'Neill stated he would like to comment that as far as the retired judge is concerned, he cannot go back to the practice of law after retirement. Retired judges can be called to serve in a retired status hearing cases.

Sen. Ogdahl moved that the Probate Judge matter be ^{ref to Statewide S} sent to the subcommittee on Statewide Funds for study. MOTION CARRIED.

The judges will be scheduled to appear before the subcommittee for a preliminary discussion of the problem.

MR. ROBERT BLIXT - State Board of Investment.

Mr. Blixt went through the various laws passed last Session which affected the investment of pension funds and pointed out some weaknesses and strengths.

Mr. Blixt distributed work sheets on the Minnesota Adjustable Fixed Benefit Fund. The MAFB Fund totals \$250 million. (Copies of this material to be inserted in the Commission memo books).

Mr. Blixt also distributed data on the Supplementary Benefit Funds (Growth and Income) and related investment material. Copies of Mr. Blixt's prepared lecture material on "Bonds -- Fundamentals" to be given at the Graduate School of Banking at the University of Wisconsin were given out to the Commission members.

STAFF MEMOS

"Non-Profit Corporations" - This problem will be looked at by the Subcommittee on Statewide Funds. (Copy of memo to be placed in Commission memo books).

"Police Pension Funds--General Operating Laws--Possible Housekeeping Changes." This subject was turned over to the subcommittee on Statewide Funds. (Copies of memo to be placed in memo books).

Meeting adjourned at 12: 30 P.M.

Next meeting will be Friday, September 19, 1969 at 9:30 A.M.

Executive meeting will be held at 9:00 A.M. immediately preceding the Commission meeting.

Mel Hansen, Secretary

E. Diebel, Steno

