

## LEGISLATIVE RETIREMENT STUDY COMMISSION

November 21, 1969 Meeting

The regular meeting of the Legislative Retirement Study Commission was called to order on Friday, November 21, 1969 in Room 123, State Capitol, at 9:30 A.M. by the chairman, Rep. Calvin Larson.

PRESENT:	<u>Senators</u>	<u>Representatives</u>
	Mel Hansen	Calvin Larson
	J. A. Josefson	D.W. Sillers
	Baldy Hansen	

ALSO PRESENT: Frank Moulton, Exec. Sec., Blair Testin, Assistant; Dr. F. Smith, Stennes & Associates; Mike Ousdigian, PERA; Mrs. C. Meehan, PERA; Berdine Erickson, MSRS; Robert S. Reed, MEA; James L. Jacobs, MSBA; T. W. Anderson, City of St. Paul; N. Gaasedelen, Mpls. Teachers; J. A. Gordon, Governor's Citizens Council; Bert W. Johnson, Highway Patrol; Frank Frison, Council 6; Richard G. Krueger, Budget Division; Raymond Hegna, Mun. Employees Retirement Board, Mpls.; Albert E. Schulstad, Mun. Employees Retirement Board, Mpls.; Edw. H. Bolstad, MP & POA; Robt. Wetherille, Mpls. Fire; Arne Ulvi, MSRS; Paul Groschen, MSRS; Rod Pletan, Minn. Gov't Engr. Council; Louis Claeson, League of Minn. Municipalities; Marvin Schubring, Associated Firefighters; Joe Thill, St. Paul Fire Dept. Relief Association; Harlan E. Johnson, Mun. Employees' Retirement Board; George A. Larson, SERAssociation; Donald Mattice, Austin Police Benefit Association.

Minutes of the October 23 meeting corrected to show Dr. Franklin Smith, Stennes and Associates, present. Minutes approved.

Bill from Stennes and Associates in the amount of \$315 for actuarial services from 8/1/69 to 10/31/69 was approved for payment.

### MSRS

Copy of Mr. Paul Groschen's letter to Gen. Moeglein re the National Guard Technicians was placed on file.

The new MSRS Handbook was distributed to the Commission. This handbook updates the former one and includes the 1969 changes in MSRS law.

A copy of the Public Examiner's Report on MSRS was received and placed on file. Commission memo, re "Public Examiner's Report on MSRS" was read. (Copy in Commission folders).

Mr. Groschen referred the Commission to page 5 of the Public Examiner's Report which recommends that the omitted employer's contributions be collected, plus interest; also, recommends that MSRS come back with a bill, plus added interest.

The problem of the deputy registrars was discussed. There are 26 registrars left in MSRS who are not under Social Security or in the old basic system.

Mr. Moulton will research the subject and report.

Mr. Groschen stated that no person can receive an annuity from both PERA and MSRS where any part of it is for the same service. The amount is fixed at the date the employee terminates and that is what it is going to be at age 65.

STATE BOARD OF INVESTMENT - Mr. Robert Blixt

Mr. Blixt reported on developments and suggested the following two changes in the statutes:

"Proposed amendment to statute so as to make possible sale of Canadian bonds through dealers and investment bankers specializing in such securities."

"Proposed Market Equalization Reserve for Debt Securities making possible the sale and trading of bonds from the Minnesota Adjustable Fixed Benefit Fund without determining future pensions because of sales at a price less book value."

The following Commission Memos were read and discussed: (Copies in folders)

1. Report re Pensions for Federal Employees (FVM)
2. An Approach to Improving Pensions (FVM)
3. Minnesota Adjustable Fixed Benefit Fund (BT)
4. Ohio Fire and Police Pensions (BT)

The Commission members urged PERA and MSRS to more adequately inform their members and retirees as to the benefits of the Minnesota Adjustable Fixed Benefit Fund. Mr. Ousdigian and Mr. Groschen agreed to do something further on this subject.

The PERA Subcommittee meeting is scheduled for December 18 at 7:00 P.M. in Room 123.

The Statewide Fund Subcommittee is scheduled for Thursday, December 18 at 2:00 P.M., Room 123.

Next Commission meeting scheduled for December 19 at 9:30 A.M., Room 123.

Notices relative to the July 1, 1970 deadline for having legislative requests in the Commission Office will be sent out to organizations, funds and groups.

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Mel Hansen, Secretary

E. Diebel, Steno.