

LEGISLATIVE RETIREMENT STUDY COMMISSION

330 State Capitol
St. Paul, Minnesota

The regular meeting of the Legislative Retirement Study Commission was called to order by the chairman, Rep. Calvin R. Larson, January 16, 1970, at 9:30 A.M. in Room 125, State Capitol.

PRESENT:	<u>SENATORS</u>	<u>REPRESENTATIVES</u>
	Baldy Hansen	Don Forseth
	Mel Hansen	Calvin Larson
	J. A. Josefson	Helen McMillan
	Harmon T. Ogdahl	Jos. T. O'Neill
	C. C. Sommer	D. H. Sillers

ALSO PRESENT: Frank Moulton, Exec. Sec.; Blair Testin, Assistant; Dr. Franklin Smith, Stennes and Associates; Mrs. Inga Cragg, Retired Teachers Association of Minnesota; Mike Ousdigian, PERA; Harvey Schmidt, TRA; John Gardner, TRA; E. Erdahl, TRA; Robert Wetherille, Jr., Mpls. Fire; Bert W. Johnson, Highway Patrol; Jim Clark, State Retired Employees Association; Robert S. Reed, MEA; C. Meehan, PERA; W. D. Dunlap, Austin Utilities (PERA); T. E. Wermager, Minnesota Association School Adm.; Gordon J. Williams, PERA; Paul Groschen, MSRS; Arne Ulvi, MSRS; Arne Ulvi, MSRS; T. W. Anderson, City of St. Paul; R. Krueger, Budget Adm.; Edward H. Bolstad, MP & POA; J. L. Jacobs, MSBA; R. M. Scully, Mpls. Police Relief Assoc. & Minn. Police Pension Council; Leo A. Bernat, MFT; Albert E. Schulstad Mun. Employees Retirement Board.

MINUTES of the December 19 meeting were approved with the correction that Rep. Joseph T. O'Neill's name be added to the attendance.

PERA SUBCOMMITTEE REPORT - Rep. Sillers, PERA Subcommittee chairman, reported the following action was taken at the subcommittee meeting, January 15:

Rep. O'Neill moved that the staff prepare a letter to the seven hospitals which have not held a referenda for coordination with Social Security, requesting that they hold a referenda for their employees. MOTION ADOPTED

Rep. O'Neill moved that the staff prepare legislative language changing the hospital referenda law in reference to newly formed hospitals and any hospitals which have not coordinated to date. MOTION ADOPTED

Rep. O'Neill moved that the staff prepare the consolidation language for the regular and hospital coordinated laws. MOTION ADOPTED

Rep. Forseth moved that the Duluth Memorial Hospital amendment be a PERA Subcommittee recommendation to the full Commission MOTION ADOPTED

Sen. Baldy Hansen moved that the staff go over the PERA recommended deletions for recodification and revision of the PERA law and report back. MOTION ADOPTED.

STATE BOARD OF INVESTMENT - Mr. Robert Blixt, Executive Secretary, reviewed the supplemental retirement fund performance for the last year; also, the Minnesota Adjustable Fixed Benefit Fund problems. One suggestion as to these funds is that 12 dates be used over a two year period instead of 6 dates in one year when determining average market value.

Mr. Moulton and Mr. Blixt will discuss these problems and draw up the necessary legislative language. Sen. Baldy Hansen would like to discuss a few suggestions relative to these problems before it is finalized.

Rep. O'Neill moved that Dr. Smith and the Commission staff go over Mr. Blixt's proposed changes. MOTION ADOPTED

Staff Memo: - "Protection of Pension Fund Investments" (FVM) (Copies in memo folders). Discussion followed, and Mr. Moulton and Rep. Cal Larson will get in touch with the Investment Board and reaffirm the investment policy of this Commission.

HIGHWAY PATROL FUND Dr. Smith - GVS Memo No. 69-6.
Memo was read and discussed: "Consolidated Highway Patrol - State Police Officers Valuation as of June 30, 1969."

TRA VALUATION as of June 30, 1969 - GVS Memo No. 69-7.
Dr. Smith went over this valuation with the Commission and discussion followed. Dr. Smith will give a supplemental report on the TRA turnover gain at a later date.

Bill from Stennes and Associates in the amount of \$885 for actuarial services from November 1, 1969 to December 24, 1969 was approved for payment.

PERA 38th Annual Report was distributed and filed.

PROBATE JUDGES - Judge Gilman Gandrud discussed the Probate Judges Retirement Plans and stated that they would like a plan based on the plan of the constitutional officers. Judge Peterson talked re the Probate Judges' pensions. He would like to have uniformity in the plans. Judge Peterson stated that they will get more actuarial information and will work with the Commission.

The Commission staff was directed to prepare a memo re the Probate Judges' Pensions for the Commission.

Next Commission meeting February 20 at 9:30 A.M., Room 15.
Statewide Fund Subcommittee meeting, February 20 at 2:00 P.M., Room 15.
PERA Subcommittee meeting February 19 at 2:00 P.M., Room 15.

Mel Hansen, Secretary

E. Diebel, Steno.