

Legislative Retirement Study Commission  
August 20, 1970 Meeting  
PERA Board Room, Capitol Square Building

The regular meeting of the Legislative Retirement Study Commission was called to order by the chairman, Sen. J A. Josefson, Thursday, August 20, 1970, in the PERA Board Room, Capitol Square Building.

PRESENT:	<u>Senators</u>	<u>Representatives</u>
	J. A. Josefson	Calvin Larson
	Harmon Ogdahl	Joseph O'Neill
	Baldy Hansen	D. H. Sillers
	Mel Hansen	Helen McMillan

ALSO PRESENT: Frank Moulton, Exec. Sec.; Blair Testin, Assistant; Dr. Franklin Smith, actuary; Lyle T. Ibeling, State Board of Investment; Mike Ousdigian, PERA; Eugene Sullivan, Jr., St. Paul Teachers and PERA; Harvey W. Schmidt, TRA; John Gardner, TRA; Charles Elliott, TRA; Lyle Farmer, St. Paul Teachers; H. F. Jeronimus, Duluth Teachers; Louis Claeson, League of Minnesota Municipalities; Robert F. Flott, Brown, Conrad, Richardson & Flott; Bert W. Johnson, Minnesota Highway Patrol; Carl Gislason, MSCEU; Archie Shand, Municipal Employees Retirement Board; Imogene Elsner, Minneapolis Municipal Retirement Board; Sidney M. Erickson, Minneapolis Municipal Retirement Board; C. Meehan, PERA; Gordon Williams, PERA; Willis Harris, MERA; Robt. Wetherille, Mpls. Fire; Genevieve Johnston, Mpls. Teachers; Norman Tewilliger, Minneapolis Teachers Retirement Fund Association; Douglas Mewhorter, MSRS; E. Campbell, MGEC; Albert E. Schulstad, Mpls. Emp. Ret. Board; Loren L. Cahlander, Mpls. Teachers; John L. Ryan, St. Paul Teachers; St. Clair Beeman, Comm. 13; N. Gaasedelen, Mpls. Teachers; W. L. Phillips, Phillips Leg. Serv.; Ralph Reeder, Retired Teachers of Minnesota; John Belk, Minn. Fed. Teachers; Charles Purfeerst, St. Paul Education Association; William Lieb, St. Paul Education Association; Edward H. Bolstad, Mpls Police Relief Association and Minnesota Police Pension Council; William Si

#### CORRESPONDENCE

Communication of May 26, 1970 from MSRS relative to the operation of this fund on a calendar year rather than a fiscal year and the need for an actuarial valuation as of June 30, 1970.

The annual MSRS Statement to Employees as of December 31, 1969, was received and placed on file.

A communication from MSRS relative to the National Guard Technicians and General Moeglein's letter of 11/26/70 and Mr. Groschen's reply relative to the refundment of employer contributions to the federal government was placed on file.

## LEAGUE OF MINNESOTA MUNICIPALITIES

Mr. Louis Claeson presented the 1970-71 Municipal Policy and Legislative Proposals of the League of Minnesota Municipalities:

The League supports adequate funding and urges that pension benefits avoid preference to selected individuals.

They recommend increase in PERA benefits in the basic and coordinated programs. They will support increase in the contribution rate up to 7.5% on the basic and 3.75% in the coordinated by employer and employee.

They oppose any increase in present rates to amortize the deficit.

The League supports improving police and fire benefits along the lines of the State Highway Patrol if present financing rates are sufficient.

The League urges that the LRSC investigate the possibility of merging the four statewide pension funds as to fiduciary administration, retaining individual policy authority to the present boards.

The League recommends placing the volunteer firemen's associations on an actuarial sound basis, with changes in benefits subject to municipal approval. Adequate financing should be required.

The League commends the LRSC and the Legislature for the police and fire guidelines act of 1969 and opposes any weakening of this act.

The League requests that the municipal employees have an opportunity to have tax sheltered annuities should federal law be amended to so allow.

## STAFF MEMOS

Current Summary of Minnesota Funds' Valuations and Comparison of the Teachers' Retirement Funds - Blair Testin went over these memos. Memos contained background summary information on the local funds.

St. Paul Teachers' Fund - GVS Minnesota Memorandum No. 70-8

St. Paul Teachers' Retirement Fund Actuarial Survey as of December 31, 1969.

Dr. Smith went over the survey with the Commission and discussion followed.

Dr. Smith will do some additional work on this analysis.

STAFF MEMO - Statutory Assumptions - Mr. Moulton went over this memo and discussion followed.

Association of Minnesota Counties - Comments on PERA Proposals - Mr. Ralph Keyes: Mr. Keyes advised that the county boards are opposed to any increases in the deficit. They are concerned about any increase in the contribution rate on their part. They are of the opinion that the board's proposals appear to be weighted more in favor of the basic group employees than the coordinated group. In the future, the Association would like to work more closely with the retirement commission.

Duluth Teachers' Fund - Dr. Smith - Actuarial Survey as of December 31, 1969.  
Mr. Jeronimus, Exec. Sec. of the Duluth Teachers' Fund and Mr. Nordell Anderson, President of the Duluth Teachers' Fund, were available for comments and questions. Dr. Smith went over the Duluth survey with the Commission.

Minneapolis Teachers' Fund - GVS Memorandum No. 70-2  
Minneapolis Teachers' Retirement Fund Actuarial Survey as of December 31, 1969.  
Dr. Smith went over the survey and discussion followed. Mr. Flott, actuary for the Minneapolis Teachers' Fund and Mr. Loren Cahlander, President of the Board, were available for comments and questions.

Minneapolis Municipal Employees Retirement Fund Actuarial Survey as of December 31, 1969 - GVS Memorandum No. 70-5.  
Dr. Smith went over the survey and discussion followed. Mr. Schulstad, Executive Secretary of the Minneapolis Municipal Employees' Retirement Fund, and Mr. Flott, their actuary, were available for comments and questions.

Mr. Moulton will have a memo re the Adjustable Fixed Benefit Fund for the September meeting.

Rep. Cal Larson requested that the staff prepare material pertaining to possible guidelines for the first class city funds for further consideration.

Mr. Robert Blixt, State Board of Investment, will be on the September agenda.

Rep. Jos. O'Neill moved that a bill be prepared that will amend Chapter 355.73, the hospital referendum. MOTION CARRIED.

Meeting adjourned at 2:30 pm.

Next Commission meeting - September 25, 1970 - Room 125 - 9:00 am.

Next PERA Subcommittee meeting - Thursday, September 24th - 2 to 5 pm - Room 125.

Mel Hansen  
Secretary

E. Diebel, Steno