

Legislative Retirement Study Commission
330 State Capitol
St. Paul, Minnesota

MINUTES - September 25, 1970

The regular meeting of the Legislative Retirement Study Commission was called to order on Friday, September 25, 1970, in Room 125, State Capitol, by the chairman, Sen. J. A. Josefson.

PRESENT:	<u>Senators</u>	<u>Representatives</u>
	J. A. Josefson	Don Forseth
	Harmon Ogdahl	D. H. Sillers
	Clifford C. Sommer	Helen McMillan
	C. R. (Baldy) Hansen	Calvin Larson

ALSO PRESENT: Dr. Franklin Smith, Stennes & Associates; Frank Moulton, Exec. Sec.; Blair Testin, Assistant; Mrs. Inga Cragg, Retired Teachers Association of Minnesota; Major Bert W. Johnson, Minnesota Highway Patrol; Robert Wetherille, Minneapolis Fire; Mike Ousdigian, PERA; Paul Groschen, MSRS; Arni Ulvi, MSRS; N. Gaasedelen, Minneapolis Teachers Retirement Fund; Carl Gislason, MSCEU; Gus Welter, Bloomington Fire Department; Loren L. Cahlander, Minneapolis Teachers Retirement Fund Association; James L. Jacobs, MSBA; C. Meehan, PERA; Mervin Peterson, PERA-MSRS-TRA; Ralph R. Ruder, Retired Teachers of Minnesota; L. E. Leipold, Jr., MEA; Gordon J. William, PERA; T. E. Campbell, MGEC; Albert E. Schulstad, Municipal Employees Retirement Board; Harvey W. Schmidt, TRA; Edw. H. Bolstad, MP & POA; Richard M. Nelson, Mpls. Police Relief Ass'n. & Minnesota Police Pension Council; Lyle Farmer, St. Paul Teachers; Donald Peterson, Minnesota State Fire Department Association; Ronald Duncan, House Appropriations; St. Clair Beeman, Comm. 13-MMUA; Charles Elliot, TRA; Elton Erdahl, TRA.

MINUTES of August 20, 1970 meeting approved, with the correction that Sen. Sommer's name be added as in attendance.

Bill from Stennes and Associates for actuarial services, August 1 to 31, 1970, approved for payment.

HIGHWAY PATROL - Legislative Requests

Major Bert Johnson discussed the legislative requests of the Highway Patrol. (Copies of the Highway proposals were furnished the Commission and placed on file.)

Major Johnson advised the Commission that he does not believe there is need for recodification at the present time.

(Highway Patrol, continued)

Major Johnson requested that the name of the fund remain the same.

Major Johnson also requested that in the event some "cost of living" adjustment is considered for one fund, that the same be considered for all state funds without a specific request by the funds.

Dr. Smith estimated the cost factor of Proposal #2 of the Highway Patrol legislative requests to be 1/2% of payroll.

MR. ROBERT BLIXT - Unclassified Employees.

Mr. Blixt discussed the problem relating to unclassified employees:

- 1) The plan would cost MSRS the turnover gain of unclassifieds.
- 2) Plan does not involve any new fund.
- 3) Can choose to buy units in the growth or income share funds in varying percents.

MR. PAUL GROSCHEN - Unclassified Employees

Mr. Groschen estimated that there are about 700 to 900 unclassified employees in MSRS.

25% have 10 or more years of service
33% have 10 or more years
4% have 36+ years service
15% have 10+ years service
26% have 14+ years service
50% have 6+ years service

Mr. Groschen proposed that interest be paid to all state employees on MSRS contributions for those employees leaving service after 5 years of service.

Mr. Groschen also proposed that something could be done to increase the value of deferred annuities over the deferred period.

Mr. Groschen suggested a 3% interest on contributions of employees who leave state service after at least 5 years of service.

Mr. Blixt also presented a proposed bill for possible statutory provisions, modifying retirement fund statutes, and requested approval of the concept of the bill.

Sen. Ogdahl moved that the bill be prepared for printing in the form that it presently stands. Motion Carried.

Mr. Lyle Farmer, St. Paul Teachers, asked for clarification of the meaning of "retroactive to 7/1/69". Mr. Blixt will check with the examiner for clarification of this.

Mr. Gaasedelen, Minneapolis Teachers Retirement Fund, will go over the bill and will contact Mr. Moulton.

1915 RETIRED TEACHERS - Mr. Lloyd Cartwright furnished the Commission with copies of the requests of the 1915 teachers. A request for \$350 in addition to the \$60.48 they are now receiving was submitted to the Commission. There are 77 pioneer teachers remaining.

The Commission will give consideration to Mr. Cartwright's requests for the 1915 Pioneer Teachers.

STAFF MEMO - Volunteer Firemen's Relief Association Guidelines Act of 1971.
Mr. Testin went over the proposed guidelines for the volunteer firemen's associations, which is a recommendation of the Statewide Subcommittee.

Rep. Helen McMillan moved that this bill be recommended as drawn. Carried.

STAFF MEMO - Chapter 356 - Suggested Amendment.
Mr. Testin went over this memo with the Commission. It is a recommendation that the Twin City Lines Employees Retirement Plan be added to those required to make actuarial reports to the Commission.

Rep. Cal Larson moved that the Commission accept the suggested amendment to add the name of the Twin City Lines Employees Retirement Plan. Carried.

MR. HARVEY SCHMIDT, TRA. - Housekeeping Bill
Mr. Schmidt discussed the TRA Housekeeping bill as passed by the Statewide Subcommittee. (Copies of bill distributed to Commission).

Sen. Sommer moved to accept the TRA Housekeeping bill. Carried.

Mr. Schmidt also discussed the TRA Social Security collection bill which was passed by the Statewide Subcommittee. This bill is in two parts: (1) to get current and certify Social Security needs as they are paid, (2) to amortize and pick up the lag and then be on a system of paying it up.

Rep. Sillers moved that the bill be recommended to pass and be referred to the Finance and House Appropriations Committees for their consideration and final decision. Carried.

ST. PAUL BUREAU OF HEALTH - Actuarial Survey as of December 31, 1969.
Dr. Smith went over the survey.

The St. Paul Legislative Committee will be sent the survey results. The Commission asks what action the St. Paul Bureau of Health wishes the Commission to consider.

Sen. Josefson suggested that this be referred to the Ramsey County delegation also.

The survey analysis of the St. Paul Teachers will be taken up at the next meeting. Meeting adjourned at 4:30 pm.

E. Diebel, Steno.

Mel Hansen, Secretary

There will be no Commission meeting in October.