

STATEWIDE FUND SUBCOMMITTEE  
Friday, February 20, 1970 - Room 15

PRESENT: Mel Hansen, Cal Larson, Harmon Ogdahl, Helen McMillan, J. A. Josefson

MINUTES of the January 16 meeting approved.

MINNESOTA VOLUNTEER FIREMEN'S ASSOCIATION - Mr. Gus Welter

Mr. Welter presented the legislative program of the Minnesota Volunteer Firemen's Association. This was followed by staff memos and comments. (Copies in memo folders)

Sen. Ogdahl moved that the Statewide Subcommittee recommend to the full Commission that legislation be drawn for the 1971 Session containing the features of the volunteer firemen's proposals along with the 1969 Guidelines Act. CARRIED.

STATE COLLEGES - Mr. Arthur Gillen

Mr. Gillen told the subcommittee they were interested in supplemental retirement program started in 1965 and the features of the law of 1967. Mr. Gillen introduced members of the IFO: Mr. Wesley Winter, Pres.; Mr. Rod Henry, Mr. Neil B. Thompson and Walter Larson

Mr. Winter, Pres. of IFO and from Bemidji State College, stated that the college organization will have a meeting in April, and after that they will be in a better position to present their views.

Mr. Gillen requested that there be an administrative amendment for the next Session re having the deductions spread over the entire year's salary.

Mr. Gillen will furnish the Commission subcommittee with copies of two memos:

- 1) Investment of Trust Funds in School Bonds
- 2) Role of the Inter-Faculty Organizations of Minnesota State Colleges

STAFF MEMO - Comparision of Retirement Contributions - State Colleges (BT)  
Memo was read and discussed. (Copies in memo folders)

In answer to Mr. Testin's memo, Mr. Winter stated that they liked the supplemental retirement program enacted by the legislature, but would like to leave the ground rules alone until they get more operating experience.

Mr. Gillen requested that something be prepared on tax sheltered annuities, with information as to how tax sheltered annuities can be used.

Mr. Gillen would also like to have clarification and a memo re tax sheltered status of the supplemental fund., ref. Section 136.87.

Re survivor benefits, Mr. Gillen advised that a declining type of insurance might be a low cost answer to this problem.

Harvey Schmidt, re supplemental retirement (Section 136.82, subd. 2), suggested taking a look at this section in which retirees are authorized to redeem shares at retirement for purposes of an annuity. A teacher must make a request for redemption within one year after retirement. Maybe this should be more flexible. This will have to be taken into consideration with any study of tax sheltered annuities.

Mel Hansen: The legislature wants to do something about the \$6,000 level and there is quite a bit of pressure statewide for supplemental pensions.

STAFF MEMO - Institutions of Higher Learning; Comparison of Retirement Contributions (BT) Memo was read and discussed.

This is a memo reflecting the total support on an assumed salary of \$15,000.

Sen. Ogdahl moved that language be prepared to level out the deductions over the entire pay period so that it does not start after the \$6,000.

This should be figured out from both points of view: (1) taking into account Social Security, and (2) not taking into account Social Security.

STAFF MEMO - Public Acquisition of Twin City Lines (BT)

Memo was read and discussed. There is about \$15 million deficit. Would like to find out how this is broken down.

Should also find out if there were additional benefits in the last contract and find out what we need to know about the \$15 million deficit.

Look into the Duluth Transit Company - call the Mayor of Duluth and let Sen. Ogdahl know. This will be continued and there will be a progress report for the next meeting.

PROBATE JUDGES - Judge Gandrud - Might go to 7% contribution of pay.

STAFF MEMO - Comparison of Basic Features - Probate Judges (BT)

Judge Gandrud will furnish Commission with information re ages, etc.

Next meeting - Feb. 20 at 1:30 P.M., Room 123.