

LEGISLATIVE RETIREMENT STUDY COMMISSION
December 2 and 3, 1974 Meetings
Room 112, State Capitol

MINUTES

The chairman, Rep. Richard Parish, opened the meeting at 9:30 A.M.

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| PRESENT: | <u>Senators</u> | <u>Representatives</u> |
| | John Chenoweth | Richard Parish |
| | Mel Hansen | Don Moe |
| | Jack Kleinbaum | Calvin Larson |
| | | Al Patton |

The minutes of the September 16 and 17, 1974 meeting were approved.

MTC

Cy Smythe, Labor Relations Associates, explained that about three years ago the MTC received an arbitration award which terminates on 12/31/74; that he wants "the input that this commission can give in regard to bargaining".

Mr. David Doty, legal counsel to the MTC, presented a legal opinion explaining why the MTC feels compelled to bargain on pensions.

It was concluded that the Commission should seek clarification of the legal opinion regarding bargaining.

Sen. Chenoweth moved that the LRSC get an attorney general's opinion on the matter before the commission as to whether or not the MTC has the authority to negotiate under the Minnesota Public Employees Bargaining Act on pension benefits. Seconded. Motion carried.

It was pointed out that any changes in the present MTC pension plan would have to go through the Legislature the same as the other public plans do.

Mr. Smythe stated that the MTC does want to do what the commission and the Legislature wants it to do; that the MTC want to receive direction from the LRSC.

Bill to Revise Actuarial Chapter 356:

Mr. Mandeville reviewed the staff memo "Bill to revise actuarial Chapter 356" and discussion followed.

Sen. Chenoweth moved that Dr. Smith be requested to prepare for the LRSC alternatives to the existing language that would incorporate the concepts of the Federal Private Pension Act--a fixed funding period for each plan. Motion carried.

The commission will hold up action on this matter until Dr. Smith's memo is completed and presented to the commission.

Mr. Jim Jacobs, Minnesota School Boards Association, stated that the School Boards Association objects to the concept of the 30 year floating date if it means that the employer additional contribution will be continued indefinitely beyond 1997.

Dr. Smith went over the following memos:

1. Two Problems Concerning the Minnesota Adjustable Fixed Benefit Fund (GVS 74-1)
2. Highway Patrolmen Valuation as of 6/30/74 (GVS 74-2)
3. MSRS Valuation as of June 40, 1974 (GVS No. 74-3)

Volunteer Fire Subcommittee

The minutes of the Volunteer Fire Subcommittee meeting held on September 24, 1974 were presented.

Mr. Welter and Mr. Lund will have a report on this subject ready for the January meeting of the commission.

Combined Service Annuity - Mr. Paul Groschen

Mr. Paul Groschen, MSRS, went over proposed language for a bill re "Combined Service Annuity". This bill includes PERA, MSRS and TRA but at this time does not include MMER. The concept of the "Combined Service Annuity" is to give a public employee the same benefits that he would receive if he had worked for one employer all the time.

The staff was directed to review the language carefully. It was also concluded that there should be some discussion with the other retirement funds to determine their interest and input.

Retired Employees

Mr. Richard Moe, Minneapolis Municipal Retired Employees, read a letter which set forth the requests of the Minneapolis retired employees--feels that a cost of living increase should be given to the retired Minneapolis employees.

December 3, 1974 Meeting - 9:00 A.M.

Present: Senators Ogdahl, Chenoweth, Mel Hansen, ~~Ogdahl~~ *Kleinbaum*
Representatives Parish, ~~Kleinbaum~~, Cal Larson, Al Patton, Don Moe

Minnesota Private Pension Act - Mrs. Phyllis Spielman

Mrs. Spielman, Administrator of the Minnesota Private Pension Act, reviewed the Minnesota Private Pension Act as to where it stands today and how it ties in with the Federal legislation; that she is concerned largely with group terminations. Mrs. Spielman explained that she is having difficulty getting a list of firms which have terminated in Minnesota prior to 5/1/74; that her office can handle union complaints and non-union complaints.

Mr. Robert Blixt, State Board of Investment

Mr. Blixt went over possible statutory changes in the Minnesota Adjustable Fixed Benefit Fund and discussion followed.

Mr. Blixt also discussed the "Deferred Compantion Plan". It was brought out that this plan does not meet the original intent.

Mr. Blixt was asked to send to the commission an outline as to how the State Board of Investment functions.

TRA Proposals - Mr. Harvey Schmidt

Mr. Schmidt went over the TRA revised bill and explained the 1975 Legislative Changes. Mr. Schmidt also listed various other TRA legislation suggestions.

Minnesota Retired State Employees - Mr. James Clark

Mr. Clark, President, spoke in behalf of the retirees and presented their legislative requests.

Minnesota Retired Peace Officers Association - Mr. Bert Johnson

Mr. Johnson spoke in behalf of the retirees.

Judge Henry Polkinghorn

Judge Polkinghorn presented a proposal to reduce required minimum years for Judges normal retirement--from ten years to eight years.

The bills for actuarial services covering the periods June 1 to June 30, 1974; September 1 to September 30, 1974; October 1 to October 31, 1974 were approved for payment to Stennes and Associates.

No date was set for the January meeting.

Don Moe, Secretary

E. Diebel, Steno.