

September 22, 1977 Meeting
Room 112 - 7:00 P.M. - State Capitol

Minutes

The chairman, Rep. Al Patton, opened the meeting.

PRESENT: Senator Strand
Representatives Al Patton, David Beauchamp, Donald M. Moe, Leo Reding
Also present: Rep. Doug. St. Onge

Rep. Moe moved payment of the actuarial bills for the period August 1 to August 31, 1977. Motion carried.

Minneapolis Municipal Employees Valuation as of December 31, 1976

Dr. Franklin Smith, actuary, went over the valuation and discussion followed. Mr. Harlan Johnson, Director of the MMER, discussed the MMER rate of return and the increase in disabilitants.

Minneapolis Teachers Retirement Fund Actuarial Valuation as of December 31, 1976.

Dr. Smith went over the valuation and discussion followed. Mr. Gaasedelen, Executive Secretary of the MTRFA, discussed disability requirements. He stated that the requirement for disability benefits is that it be permanent and total.

Mr. Gaasedelen introduced representatives from the investment firm of Peat, Merrick & Mitchell.

Mr. Gaasedelen will provide the commission with a list of the Minneapolis TRFA investments. He stated that investment decisions are made by an advisory committee of eight outstanding investment specialists. Also, he advised that the MTRFA has been investing in real estate for 20 years.

Twin City Lines Valuation as of January 1, 1977

Dr. Smith went over the valuation and discussion followed. Mr. Harry Springer, general manager MTC/TOD told the commission that their 3-year pension agreement expires on December 31st; beginning October 5 if there is no agreement, they will have to arbitrate; that the pension agreement is part of the labor contract.

Re: Letter to City Council of Minneapolis re pension policies pertaining to funding of teachers, city employees and fire and police pension funds in the City of Minneapolis. The chairman explained that this letter will be used as background information in discussions with various bond rating companies.

Police and Fire Funds which Have not Filed 1976 Actuarial Surveys

As of September 22, 1977, 4 funds had not filed the required quadrennial actuarial survey; two responded that the survey was in progress; no response from the other two funds.

September 23, 1977 Meeting

Present: Senators Ogdahl, Strand; Representatives Al Patton, Beauchamp, Moe Biersdorf, Senator Renneke

Establishment of a Legislators-Constitutional Officers Fund - Staff Memo

L. Martin went over the memo and discussion followed.

Discussion as to need for a valuation. Sen. Ogdahl moved that valuations be requested. Motion carried.

Discussion followed re the need for an agreement in a change in the Legislators-Constitutional-Plan, planning the funding--should be the same as all the other funds--change in the retirement age. 62 are drawing pensions with average pension of \$294 and average age of 74. There are 75 deferred legislators who will have a deferred pension.

Sen. Ogdahl moved that a Constitutional Officers-Legislators fund be created on the basis of full funding by employer and employee, apply the same investment policies to this fund as to the other funds; staff to draw up the frame work on this basis; also moves the appointment of a subcommittee on this subject.
Motion Carried

The chairman appointed the following Subcommittee:

Sen. Roger Strand, Chairman
Sen. Harmon Ogdahl
Rep. Donald M. Moe
Rep. Leo Reding

Thirty Year Amortization Proposal - Staff Memo
Larry Martin went over the memo and discussion followed.
There is need for further study on this subject.

Reconsideration of Mandatory Retirement Laws for Public Employees - Staff Memo
Larry Martin went over memo and discussion followed.
The staff was directed to contact various states as to what action, if any, they are taking relative to mandatory retirement for public employees. This subject will be scheduled before the January session begins.

Limitation on Increases in High-Five Average Salary - Staff Memo
(did not take up at this meeting)

Comparison of Results of Summary Information on Disabilitants of Various Police and Fire Funds - Staff Memo
Larry Martin went over the meo and discussion followed.
Staff will find out the number of individuals over age 50 who would normally get a service credit pension but choose a disability benefit.

Collin Peterson, Secretary

E. Diebel
Steno