

MINUTES

July 25, 26, 27, 1980 Meetings  
Walker, Minnesota

July 25, 1980, 6:00 A.M.

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

PRESENT: Representatives Al Patton, Sarna, Biersdorf  
Senators Earl Renneke and Collin Peterson

Fiduciary Standards and Liability (HF 2395 (Patton); SF 2339 (Peterson)  
L. Martin went over the staff memo; also, comments in regard to fiduciary  
responsibility from TRA and from the State Board of Investment were  
considered.

It was reported that the TRA Board of Trustees has no authority to advise  
TRA on investments. This situation is unique with this fund.

Discussion followed relative to questioning whether there is a need for  
a fiduciary responsibility law, definition of fiduciary responsibility,  
and the need to act on some type of state standards on responsibility.

July 26, 1980, 9:00 A.M. -- July 27, 1980, 9:00 A.M.

Karen Dudley, Commission staff, went over the various 1980 Session  
summaries on pension legislation:

Brief Summary of Pension Legislation in 1980  
1980 Legislation Pertaining to the Major Statewide Retirement Funds  
1980 Legislation Applicable to First Class City Funds  
1980 Legislation Governing the State Board of Investment  
1980 Legislation Applicable to Local Police and Firefighters Relief  
Associations  
1980 Legislation Applicable to Governmental Subdivisions

Paul Groschen, Exec. Dir. of MSRS, advised that Congress has amended  
the IRS Code so that the plan can be more flexible; that the Minnesota  
law was changed to offer a fixed and variable annuity through private  
carriers

Lyle Farmer, Sec/Treas of the StPTRFA, discussed his views relative to  
whether there is a need for annual valuations in terms of the value to  
the fund. Because of the cost of annual valuations, he recommended  
biennial valuations.

Harvey Schmidt, Exec. Dir. of TRA, spoke about the time frame that his fund  
has to work around; that it needs more time for the valuations.

Gus Welter, Volunteer Firefighters, discussed the limits on death benefits  
enacted in the 1979 law; certain death benefits were historically paid  
by certain volunteer associations which are now outlawed by the 1979  
legislation.

Roger Strand, Sec.