

September 12, 13, 14, 1980  
Duluth, Minnesota

MINUTES - September 12, 1980; 7:00 P.M.

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

PRESENT: Representatives Patton, Sarna, Biersdorf

Regular Periodic Actuarial Valuations for the Legislators Retirement Plan and the Elective State Officers Retirement Plan:

Mr. Paul Groschen, Executive Director of the Minnesota State Retirement System, discussed a request received by MSRS that annual actuarial valuations be performed for the Legislators' and Elective Officer' Plans. This request came from the office of the Legislative Auditor. Mr. Groschen explained that it was his opinion that MSRS did not have the statutory authority to do the valuation and the appropriation to pay for the expense. A copy of an Attorney General's opinion that under present law, Chapter 356, MSRS is not required to have the valuation was presented. The Commission will advise the Legislative Auditor that it has taken this matter under consideration and will resolve the issue.

Local Police and Salaried Firefighters Relief Associations Electing Not to Phase-Out into PERA-P&F:

Larry Martin, Executive Secretary of the Commission, went over the memo. Out of 51 funds, 48 funds are on a phase out basis.

September 13, 1980; 9:00 A.M.

PRESENT: Senator Schmitz, Representatives Patton, Beirsdorf, Sarna  
(Sen. Ann Stokowski was also present)

Review of Request of the Department of Corrections for Inclusion of an Additional Classification in the MSRS Correctional Employees Retirement Plan:

The Corrections Department seeks to add another employment classification as a position covered by the Minnesota State Retirement System Correctional Employees Retirement Plan--that of "Correctional Counselor Supervisor". A letter will be sent to Mr. Jack Young, Commissioner of the Department of Corrections, requesting clarification of the position as to the responsibilities of a "Correctional Counselor Supervisor" and the extent of direct inmate contact. The Commission will request that either the Commissioner or a member of his staff appear before the Commission's October 15, 1980 meeting to provide this additional information.

State Board of Investment-Revised Investment Law of the 1980 Session:

Mr. Jonathan White, Executive Director of the State Board of Investment, was unable to attend the meeting, and therefore presented the Commission with a brief status report on the implementation of the 1980 investment legislation. He stated; "the new law has broadened the Board's investment horizons, as indicated by the sizable purchases of Banker's Acceptances and Certificates of Deposit". The State Board of Investment will appear at the October 15 meeting of the Commission relative to this topic.

Item "B" Combined Investment Fund of the report stating "The Board does not plan to establish commingled equity and cash accounts for funds with common objectives due to opposition expressed by the retirement funds" will be discussed at the Commission's October 15 meeting. The funds are to be prepared to respond at this meeting.

September 13, 1980 Meeting continued:

Executive Branch Authority to Reduce Public Pension Fund Employer Contributions and the Impact of Potential Reductions in State Contributions to Public Retirement Funds:

Larry Martin went over the memo. Uniform treatment of pensions funds should be required. Staff was directed to find out whether the Governor has any plans to reduce contributions to pension programs.

Mr. Ward Wells, retired faculty member of the Duluth University of Minnesota, discussed a buy-back problem relative to the University of Minnesota faculty. The Commission Subcommittee on Buybacks is continuing its study of this topic and will develop a general policy on buybacks.

September 14, 1980; 9:00 A.M.

PRESENT: Representative Patton, Biersdorf

Larry Martin reviewed the chapters of the Commission's Report to the 1980 Legislature which will be out of printer's office very soon.

Roger Strand,  
Secretary

Eleanor Diebel  
Staff Secretary