

Legislative Retirement Study Commission Meeting
June 23 and 24, 1973
Gull Lake - Maddens

Minutes

The meeting was called to order at 9:00 A.M. by the chairman, Sen. Chenoweth.

PRESENT: <u>Senators</u>	<u>Representatives</u>
Chenoweth	Don Moe
Mel Hansen	Al Patton
Kleinbaum	
Ogdahl	
Gearty	
Stokowski	

1. Memo - Review of the 1973 Session
2. Memo - Other Areas of Possible Study

Discussion as to other areas of study -

The following suggestions and directions were made:

A statewide fund for police and firemen - non profit groups could be put into this statewide fund.

If they exceed the general law limits, they go into the statewide fund - for instance a \$300 limit - over the \$300 limit, then they go into the statewide fund.

Sen. Chenoweth asked for a synopsis of the information on these funds as to the law effective in 1971 and 1972.

Private Pension Plans

Get the bill now in the "hopper" referred to the commission from the House Labor Committee

Sen. Kleinbaum moved that someone from the Labor Department be asked to come before the commission and explain the new regulations on all private funds--that they must disclose this information--responsibility of employer to employee.

Need to amend the bill and get it passed in January.

Actuarial Bill

Need for some clearer language in the actuarial bill.

Dr. Smith to study the actuarial bill and make some suggestions--Dr. Smith should sit down with the whole commission and discuss this.

Lyle Farmer suggested that the commission meet with the people who are working in the area to get their reasons for doing these things and reasons for requiring them. What value does it have for your fund.

Sen. Chenoweth thinks there is need for some interplay between the commission actuary and the funds' actuaries. Should get the input of a number of actuaries and have Dr. Smith put it together.

The Merger Bill

Need for the establishment of a coordinating board among the funds.

Interested in uniformity of policy and need for coordination.

Chenoweth stated there are too many investment accounts--needs change

Need for building where all the funds can be located.

TRA Fund Problem

Sen. Ogdahl moved that the commission request a Survey of the TRA Fund. Carried

Police State Aid Amendts Bill

H.F. 2226 - bring this bill back to committee - Senate to take a look at it.
(Talk to Chmlienski about the bill).

Chenoweth talked about the commission sponsoring a Legislative Pension Conference on legislative problems.

Social Security and Portability Area - can provide better pensions on our own.

PERA Hospital Problem

Need for a new kind of formula. Change in the definition of hours, etc.

Hold a meeting in the near future - get some new figures - what are the lowest paid people getting and what are the number of hours that these people work - those people who stay a short time.

Staff was directed to put together something on the employment problem in the PERA hospitals--recognizing the part time employee - inclusion as to dollar amount.

Mel Hansen suggested - leave some options within certain ranges.

Chenoweth - include those who are full time with a minimum wage - there should be flexibility.

Deferred Compensation

Hennepin County and the City of Minneapolis have some type of coverage with a private company.

Should extend the deferred compensation plan to school districts, counties, etc.

Mr. Moulton was directed to send a letter to the Minneapolis Fund and Hennepin County requesting information on how they operate. Under what legal authority do they provide this plan for their employees.

Amend plan to provide for PERA, MSRS, ? Does it have to go through IRS again or not?

Local Police and Fire Groups

Sen. Ogdahl moved that the local fire and police funds be required to have a survey done--that the date be moved up--survey to be done under the new assumptions and be presented to the commission under the date of 12/31. Carried.

Sunday Meeting - 9:00 A.M. - June 24, 1973

Review of the priorities discussed the previous day (Saturday):

1. TRA
2. Deferred Compensation
3. Volunteer Fire Departments
Statewide Municipal Fire and Police Fund

Reporting Points: For fire and police funds

1. Optional plan
2. Mandatory plan?
3. Information checked
4. Alternatives
5. Benefits
6. Negative and positive aspects of the problem
7. Police and fire policy for investments

Chairman requested that material for future meetings be mailed out to the commission members at least 3 days before a meeting.

Judges, Legislators, Constitutional Officers Plan

Needs a funding system

Would like to see some different recommendations and give some alternatives

Moe says ought to abolish the constitutional officers plan

Need to get language on the judicial plan. Look at the idea of taking the 8% and investing - put in a matching 8% from the state.

Staff to prepare the amendments - to put it together

Also, should be on a 5 year basis.

Might want to recodify the whole area of the statute - statutes should be in conformity.

Staff directed to send a letter of Harvey Schmidt requesting suggestions and solutions by a date certain - so the commission can start making some decisions.

Have TRA, PERA and various funds come in and give their viewpoints.

Re the local funds and the statewide funds - need to know what the differences are.

Need for a full time actuary to work for the commission.

Future meetings - next meeting

Have Dr. Smith discuss changes in the actuarial reporting law - have Mr. Blixt attend als
Have Mr. Blixt discuss coordinating some of the investments - have Dr. Smith at meeting

Staff to get a report from the major funds on their computer operations and how it is working.

What do you need from these agencies when these people transfer in -

Pin-point and certify what the problem areas are

Talk about the building for all the funds

List of the differences that exist between the 3 major funds

Next Meeting:

Blixt on investments

Dr. Smith re actuarial law

Fund Managers on their computer operations.

Next meeting - Thursday evening - July 12; Friday, July 13.