

State of Minnesota \

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

LCP&R Meeting
January 23, 1986
Room 112 - 3:30 PM

MINUTES

Sen. Donald M. Moe, Chair, opened the meeting.

PRESENT: Representatives Simoneau, Sviggum,
Senators Donald Moe and Earl Renneke
Also present: Robert Perkins, actuary

Correspondence:

Letter placed on file from the Mercer-Medinger, Inc. actuarial firm on behalf of the Minneapolis Teachers Retirement Fund Association, stating that the current contribution rate for the Minneapolis Teachers Fund is insufficient; it should be 31.78% of payroll.

Letter of Violation from the Equal Employment Opportunity Commission of Milwaukee, Wisconsin, alleging that the Minneapolis Police Relief Association is acting in a discriminatory manner in respect to certain Minneapolis Police --"the respondent fails to provide increased pension benefits for employees with over 25 years of service, while continuing to require pension contributions from such employees".

State Board of Investment Report - Howard Bicker, Exec. Dir.

Mr. Bicker talked about the SBI's legislative proposals for the 1986 Session: He reported that currently 14,000 employees invest over \$300 million in the retirement and saving assets through the Minnesota Supplemental Investment Fund. The SBI proposes to expand the group of investment options available; a Money Market Account, Guaranteed Return Account, Bond Market Account, Common Stock Index Account. The SBI would continue the Growth Share Account, Income Share Account, and the Bond Account. (copy attached)

Mr. Bicker presented a "Proposal for Change in the Permanent School Fund". (copy attached)

Report from James Hacking, PERA Executive Director

Mr. Hacking reviewed some of the accomplishments of PERA to date; such as a completed policy manual standardizing the rules, the progress of the election of three members on the board. He also made note of the differences in the analyses of The Wyatt Company and the PERA actuary, David Roenisch. He doesn't know what the tolerance variance is. Out of a possible 28 legislative items and proposals, there will probably be six top items--opposed to the rule of 90, elimination of the offset of PERA disability payments.

Discussion of the Legislative Response to the Winona Situation

Jim Heidelberg reviewed the staff memo, Summary of Provisions of "Winona" Bill to be Introduced. Staff was directed to draft a bill. (copy of memo attached)

Report on the Ad Hoc Police and Fire Task Force Committee - Rep. Wayne Simoneau:

Rep. Simoneau reported that the results of the Task Force are pretty much within the guidelines set out by the chairman, Sen. Donald Moe. One aspect is the disability provisions of PERA. This completes Rep. Simoneau's assignment re the consolidation of the police and fire into PERA P&F. (copy of staff memo attached)

Ron Kastner, Minneapolis Police, commented on the Letter of Violation received, and stated that the EEOC has no authority; the court has to make a decision which would take about a year in negotiation and cost over \$300,000. Mr. Kastner would like to work with the Commission. Sen. Donald Moe stated that this will be on the agenda until it is resolved.

Quorum not present.

Wayne Simoneau
Commission Secretary

Eleanor Diebel, Staff Secretary