

State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

February 7, 1986
Room 15 State Capitol
8:00 to 10:00 A.M.

Sen. Donald Moe, Chair, opened the meeting.

PRESENT: Senators Donald Moe, Spear, Pogemiller, Renneke
Representatives Sviggum, Gutknecht, Knickerbocker
Also, Robert Perkins, Commission Actuary

Sen. Donald Moe spoke about the misuse of authority in public pension fund administration and advised that some administrative restrictions and guidelines may be necessary.

Dudley Parsons, Minneapolis Teachers Retirement Fund, spoke specifically in regard to the hiring of the former Executive Secretary of the Minneapolis Teachers Fund as a consultant during the period that the new executive secretary, Mr. Adams, is adjusting to the position. Mr. Parsons stated that during this breaking-in period the trustees need Mr. Gaasedelen's expertise in real estate and pension law.

Ron Kastner, Secretary of the Minneapolis Police Relief Association, stated that the Minneapolis Police Relief Association has opened its books to the Legislative Audit Commission; that there is no abuse in his fund for lobbying expenses, entertainment, etc. The money comes from a special fund donated by the members.

HF xxxx (Gutknecht); SF xxxx (D. M. Moe): Standardizing Audit Requirements and Clarifying Duties and Responsibilities for Police and Firefighters Relief Associations. The objective of this bill is to minimize the possibility of future mismanagement of police and firefighters relief associations by providing for stronger and standardized financial reporting and audit requirements and providing for greater oversight of relief associations by the municipalities.

Rep. Gutknecht went over section by section summary of the bill. Discussion followed.

Tom Gilbertson, State Auditor's Office, told the Commission that his office wants to be in charge of the audits and that it is more economical. They will be auditing the major funds; they do not have the work force to audit all of the relief associations. The state auditor has the authority to audit the Winona fire relief association right now.

The state auditor will set the format and standardization of the audits. This applies to all relief associations; volunteers also.

Draft of bill was laid over.

Rules of Operation for the Commission: Sen. Renneke moved that the Rules of Operation be accepted. Motion passed.

Benefit provisions, especially for the pre-73 retirees, and the consolidation of the local police and fire funds into PERA-P&F are some of the major concerns for this session.

Wayne Simoneau
Commission Secretary

Eleanor Diebel
Staff Secretary