

February 23, 1984 Meeting
Minutes of the Committee on Minnesota Investments
2:00 P.M., Room 22, State Office Building

Rep. Frank Rodriguez, Chair, opened the meeting.

PRESENT: Frank Rodriguez, Chair
Lyle Farmer, St. Paul TRFA Elmer Herkenhoff, Mpls. Fire
Michael Christiansen, Union Bank & Trust
James A. Drake, Minnesota Laborers Fringe Funds
James Heim, Duluth Fire
Jerry Bridgeman, Minneapolis Police Relief
James Ziebol, St. Cloud Police Relief
Chuck Anderson, West St. Paul Police
John Lohmann, Dain Mortgage
Noel P. Rahn, Investment Advisors.

The Chair announced that he had invited two persons knowledgeable in mortgages and investments to speak. He called upon Noel Rahn, the chief executive officer of Investment Advisors. Mr. Rahn told the committee that his firm manages \$2 billion dollars, does business with many companies, such as 3M, Cargill; also the fire and police and MERF.

Mr. John Lohmann, Dain Mortgage Executive Vice President. Mr. Lohmann explained real estate finance opportunities and the different kinds of mortgages. He particularly spoke about mortgage participation, and recommended buying from well established investors; that it is important to deal with experts.

Mr. Lohmann will mail out to the committee his firm's material on how investments are made and what kind of investments are available for them. He will be given the names and addresses of the committee.

Some questions:

Mr. Rodriguez asked the following:

1. What is the risk? There is a great deal of difference. FHA without risks; conventional loans are virtually riskless.
2. How soon could they be operational? Within 30 days--almost immediately.
3. Assuming we want to consider investing money, is it advisable to have the proposal provide that the investment advisor or the legal service fee be borne by the company we loan the money to? All legal costs borne by investor.

Mr. Rodriguez will go back to the building trades for advisement.

Mike Christiansen, Union Bank & Trust, stated that usually a fee is paid up front; any additional service fees usually certified.

Mr. Rodriguez called for commitments of amounts.
The following verbal commitments were made:

1. Jerry Bridgeman, Minneapolis Police Relief Assn.		\$ 1 million
2. James A. Drake, Minnesota Laborers		\$10 million
3. Newell Gaasedelen, Minneapolis Teachers		\$10 million
4. James Heim, State Fire Service	Paid Fire	\$20 million
	Unpaid Fire	\$10 million
5. Elmer Herkenhoff, Minneapolis Fire		\$ 1 million
		<hr/> \$52 million

Motions:

Jerry Bridgeman moved that Roger Peterson be retained for legal help on a temporary basis. Seconded by Chuck Anderson Motion Carried

Chuck Anderson moved that Noel Rahn and his firm be retained by the committee for investment advice. Seconded by Elmer Herkenhoff. Motion Carried

It was suggested that this committee meet again on March 9 to get some feed back from the material which will be mailed to them by Mr. Lohmann.

Jerry Bridgeman moved that an opportunity be given to any private funds or others who would like to join this group. Chuck Anderson seconded Motion Carried

Next Meeting: March 9, 1984, 10:30 A.M., Room 22.

Eleanor Diebel
Secretary