

March 9, 1984 Meeting
Minutes of the Committee on Minnesota Investments
10:30 A.M., Room 22, State Office Building

Rep. Frank Rodriguez called the meeting to order.

PRESENT: Lyle Farmer, St. Paul TRFA
Michael E. Christiansen, Union Bank & Trust
Noel P. Rahn, Investment Advisors
John Lohmann, Dain Mortgage
Edward Blanck, DTRFA
Robert Litzinger, St. Cloud Fire Dept.
Mike Holman, St. Cloud Fire Dept.
Elmer Herkenhoff, Minneapolis Fire
Mike McCarthy, Moorhead Police Dept.
Dan Hunt, Moorhead Police Dept.
Chuck Anderson, West St. Paul Police
Roger Peterson, Attorney

The chair called upon John Lohmann, Dain Mortgage, to explain various investment options.

Mr. Lohmann discussed various types of mortgages:

1. Residential home mortgages; adjustable and fixed rate; 25-30 year life. Average life of 10-15 years. One to four family categories. Could be either owner or non owner occupied.
2. Commercial mortgages/loans--apartment buildings, office buildings. Permanent and fixed rate; adjustable. Mortgages larger in size, different risk. Investor allowed to take an equity ticker in addition to receiving a rate of interest; will receive a percentage on increase in rents; will receive a percentage on gain in sale on the property.
3. Sale lease-back form of financing. You actually buy the property with an intermediate or long term lease fixed rate of interest in the form of lease payments, fixed rate of interest, and receive return on percentage rents. Because you own the property you will receive full appreciation over time.
4. Land development lending and construction lending--short term from six months to three-four years. Allows you to turn your money over; it's high risk and high reward.

Mr. Rodriguez asked that the individuals go back to their individual funds and make a report. There is need to get pre-approval of being able to invest. Mr. Rodriguez will be willing to go to pension meetings to answer questions. He wants to be assured of the protection of investments.

Arrangements can be made to have Mr. Lohmann and Mr. Rahn speak to the the different boards.

Mr. Rodriguez requested that the interested individuals come back with the authority to make a commitment about June 1, 1984. Come back on June 1 in order to make a commitment effective on July 1, 1984.

Mr. Heim, Duluth Fire, wants to keep the investments in Duluth.

Lyle Farmer, St. Paul Teachers, spoke about looking at the individual projects before investing.

Mr. Rodriguez will send out a letter to the various funds.

The next meeting of this committee is scheduled for June 1, 1984.

Frank Rodriguez, Chair

E. Diebel
Sec.