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71ST
ANNUAL REPORT
of the
BOARD OF TRUSTEES

Duluth Teachers Retirement Fund Association

June 30, 1980

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Pursuant to Mn Stat 356.20

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

22 EAST FIRST STREET / DULUTH, MINNESOTA 55802 / Phone (218) 722-2894

E. K. BLANCK, JR.
Executive Secretary

NOTICE OF THE REGULAR ANNUAL MEMBERSHIP MEETING

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

MONDAY - OCTOBER 27, 1980 - 4:15 p.m.
ORDEAN JUNIOR HIGH SCHOOL AUDITORIUM

SOCIAL HOUR - 3:15 - 4:15 p.m.
REFRESHMENTS WILL BE SERVED

Dear Member:

The 71st Annual Meeting of the Membership will be held at Ordean Junior High School Auditorium at 4:15 p.m. on October 27, 1980 for the following purposes:

- 1) To approve the Acts and Proceedings of the Board of Trustees for the period of October 29, 1979 through October 27, 1980.
- 2) To elect two (2) Trustees for the expiring terms of Curtis Miller and George A. Beck. Nominations are from the floor.
- 3) We will discuss proposed plan improvements and 1980 changes in the state laws governing our Association. The Legislature does incorporate the wishes of our membership when possible. Therefore, your attendance and suggestions are very important.
- 4) Transact any other business which may legally come before the meeting.

BOARD OF TRUSTEES

Active Members

Walter J. Garvue, President
Robert J. Childs, Vice-President
Roy Meyer
Curtis Miller
Maxine Stromme

Retired Members

George Beck
Agnes Hansen

School Board Members

Mary Ryland, Treasurer
Richard Braun
John Hawley
Ex Officio

Richard B. Pearson

Executive Secretary

Edward K. Blanck, Jr.

The Board of Trustees hopes you will take an hour or two on Monday, October 27, to meet with us at Ordean to express your goals for our retirement plan.

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

ANNUAL REPORT OF THE EXECUTIVE SECRETARY

Year ending June 30, 1980

Dear Member:

Total membership in our Association decreased from 1272 to 1268 as of June 30, 1980. There were 90 new members, 78 resignations, 15 retirements and one disability. The average age of our group increased to 42 from 41.4. Average service increased to 10.6 years from 9.8 years and average compensation increased to \$18,334 from \$17,154. Total retirees increased to 475 from 471. Our average retirement benefit was \$272.

The Board of Trustees wish to thank the members of our local Legislative delegation for the excellent support they gave our 1980 Legislative program. We owe special thanks to Senator Sam Solon and Representative Tom Berkelman for being our chief authors and doing a great deal of work on our behalf. As a result of our local delegations efforts, we were very close to succeeding in having our plan improved. In the final hours of the session, our legislation was not included in a House and Senate Conference Committee Report, and was therefore not brought to a House and Senate vote.

The Association will pursue our goals again this session with equal enthusiasm and determination. The goals are as follows - pursue an equal increase in benefits for both active and retired members equal to 8.7%. Pensions would be increased by 8.7% and the active members formula increased from 1.15% of high five average salary to 1.25%.

To pay for these improvements, we are suggesting the active membership contribute an additional $\frac{1}{2}\%$ of pay and State match this amount. All other teachers in Minnesota are paying the additional $\frac{1}{2}\%$ effective July 1, 1979. The Trustees are also proposing that all new members after July 1, 1981 be placed under the Statewide benefit structure and all current active members be allowed the choice of the statewide benefit structure or the new Duluth plan. All current and future members will continue to have locally administered benefits.

The membership at the 1979 annual meeting voted to have the Retirement Fund act as a co-sponsor of a non-profit corporation, the purpose of which is to construct a home for retired educators. I am pleased to report significant progress has been made on this project. Final work is being done on incorporation, an architect has been selected, preliminary drawings are being prepared, a financial advisor has been retained to help with financing and we are currently negotiating for an excellent site.

I wish to thank the Board of Trustees and the many ad hoc committee members for the generous donation of their time and help. On behalf of the Board of Trustees, I also wish to thank William D. Watters, Attorney; A. Lee Thurow, Investment Advisor; Robert E. Eikill, CPA; Richard Moody and Kenneth W. Lindberg, Actuaries, for their excellent contributions to our Fund.

Sincerely,

Edward K. Blanck, Jr.
Executive Secretary



Capital Supervisors, Inc. / 135 South La Salle Street, Chicago, Illinois 60603 / Phone (312) 236-8271

A. Lee Thurow

President

August 7, 1980

Mr. Edward K. Blanck, Jr.
Executive Secretary
Duluth Teachers' Retirement
Fund Association
22 East First Street
Duluth, Minnesota 55802

Dear Members of the Board,

Results for the year ended June 30, 1980 were quite gratifying maintaining a pattern of steady gains in a difficult environment. The basic portfolio increased about 11% this year. Common stocks were the best performer while fixed income holdings lagged. This was a reversal of the previous year and shows the benefits of diversification and timing.


To give you some basis of comparison, Standard & Poor's 500 Index increased 16.9% in the 12 months ended 6/30/80 while Dow Jones Industries were +9.4% and Salomon Brothers bond index down 2.4. Your cash equivalent or buying reserves increased about 12% reflecting high interest rates and making a modest positive effect over and above the reduced risk element.

We properly predicted and identified many of our current problems headed by the current recession and inflation. The stock markets ability to shrug these developments off has been a bit surprising. At this point, with much of the difficult news now in, we are turning a bit more positive. One example is recent fixed income committments at average yields over 11%. Another is a gradual move to greater equity exposure started last March.

We see no reason why past policies will not continue to result in good performance. Emphasis will remain on preservation of principal through quality holdings, selectivity, and balance.

Let me also take this opportunity to thank all of you for the privilege of working for you we will be continuing to strive to make this a long and mutually rewarding relationship.

Sincerely,


Lee Thurow
President

LT:bs

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

COMPARATIVE BALANCE SHEET
JUNE 30, 1980 and 1979

<u>ASSETS</u>	<u>1980</u>	<u>1979</u>
Cash - checking and savings accounts	\$ 224,197	\$ 178,811
Accounts Receivable, brokers	721,635	849,560
Accrued interest and dividends declared	336,602	271,148
Investments		
Short-term securities	9,116,675	9,127,666
Marketable corporate stock (at cost) (market value \$10,695,098)	9,704,501	6,448,328
Corporate bonds (market value \$7,326,625)	9,658,160	9,865,060
Mortgage loans secured by real estate	2,320,511	2,658,062
Land and Building	17,878	19,417
Office Furniture and Equipment	1,778	2,587
Deferred Insurance Premiums	932	995
Total Assets	\$32,102,869	\$29,421,634

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 14,987	2,726
Deposits		
Active members	9,102,481	8,241,292
Additional deposits	-	128,661
Fund Balance	22,985,401	21,048,955
Total Liabilities and Fund Balances	\$32,102,869	\$29,421,634

MEMBERSHIP STATISTICS

	<u>1980</u>	<u>1979</u>
Active members - beginning of period	1,272	1,182
New entrants	90	160
Resignations	(78)	(54)
Retirements	(15)	(14)
Deferred Annuities	(0)	(1)
Deaths	(0)	(1)
Disability	(1)	(0)
Total Active Membership	1,268	1,272
Retired Membership	471	469
New Retirees	19*	16*
Deaths	(15)	(14)
Total Retired Membership	475	471
Total Disability Benefits	3	2
Total Deferred Annuities	22	25
Total Beneficiaries	23	21

*Includes statewide combined service annuity participants

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

STATEMENT OF REVENUE AND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 1980 and 1979

	<u>June 30</u>	
	<u>1980</u>	<u>1979</u>
Revenue		
State of Minnesota participation	\$1,382,804	\$1,191,465
Members' contributions	970,206	886,705
Interest on investments, plus discounts earned, less amortized premiums and deferred yield adjustment	1,877,816	1,417,930
Dividends received	440,450	373,804
Rents	1,200	1,440
Tax sheltered annuities overhead contribution	5,514	5,915
Return of prior years' refunds (includes Duluth and statewide members)	<u>16,601</u>	<u>5,985</u>
Total Revenue	<u>\$4,694,591</u>	<u>\$3,883,244</u>
Expenditures		
Benefit expenditures		
Annuities paid members	1,557,406	1,526,989
Contingent beneficiaries	47,411	44,439
Disability	5,335	3,509
Contribution refunds		
Resignation	139,676	126,092
Death	15,914	30,331
Administrative Expenses	<u>141,765</u>	<u>123,433</u>
Total Expenditures	<u>\$1,907,507</u>	<u>\$1,854,793</u>
Excess of revenues over expenditures	2,787,084	2,028,451
Net gain or (losses) of common stocks sold	<u>10,553</u>	<u>(443,695)*</u>
Net increase or (decrease) in fund	<u><u>\$2,797,637</u></u>	<u><u>\$1,584,756</u></u>

*From an accounting point of view, we recognized \$10,553 in net gains on sale of stock. However, our stock portfolio's market value on June 30, 1980 was \$990,597 above our new cost basis. This market appreciation is not registered as investment gains until the equities are actually sold, therefore causing variations in net income as above. It is our Fund's policy to time investment transactions based on investment rather than accounting considerations. If, hypothetically, we would have sold our entire stock portfolio and then re-purchased the identical issues on June 30, 1980, the above gain figure would be \$1,001,150, and the "net increase or (decrease) in fund" would be \$3,788,234. Under the same situation for 1979, net gains would be \$60,729 and net increase in fund would have been \$2,089,130.

Duluth Teacher's Retirement Fund Association
Duluth, Minnesota

FINANCIAL REPORT
June 30, 1980

A. <u>Assets</u>	
Cash in office	\$ 200
Deposits in banks	223,997
Short-term investments	9,116,675
Accounts receivable	721,635
Accrued members' contributions	0
Accrued employee contributions	0
Other	0
Accrued interest on investments	294,755
Dividends on stocks, declared but not yet received	41,847
Investment in bonds at amortized cost	9,658,160
Investment in stocks at cost	9,704,501
Investment in real estate	2,320,511
Equipment at cost, less depreciation	1,778
Land and building, less depreciation	17,878
Other	932
Total Assets	<u>\$32,102,869</u>
B. <u>Unfunded Accrued Liability</u>	\$ 9,912,326
C. <u>Accumulated Members' Contributions</u>	\$ 9,102,481
D. <u>Current Liabilities</u>	
Accounts Payable	\$ 14,987
Annuity payments	0
Survivor benefit payments	0
Refund to members	0
Accrued expenses	0
Suspense items	0
Total Current Liability	<u>\$ 14,987</u>
E. <u>Total Reserves Required as per attached schedule</u>	\$63,577,386

Certification

The above exhibit has been prepared in accordance with the Entry Age Normal Cost (Level Normal Cost) basis, interest at the rate of 5% per annum and other provisions of Minnesota Statutes. The data with respect to assets and employee contributions are those submitted to us by the Association.

Respectfully Submitted,
HEWITT ASSOCIATES

Richard L. Moody
Richard L. Moody
Fellow, Society of Actuaries

Duluth Teacher's Retirement Fund Association

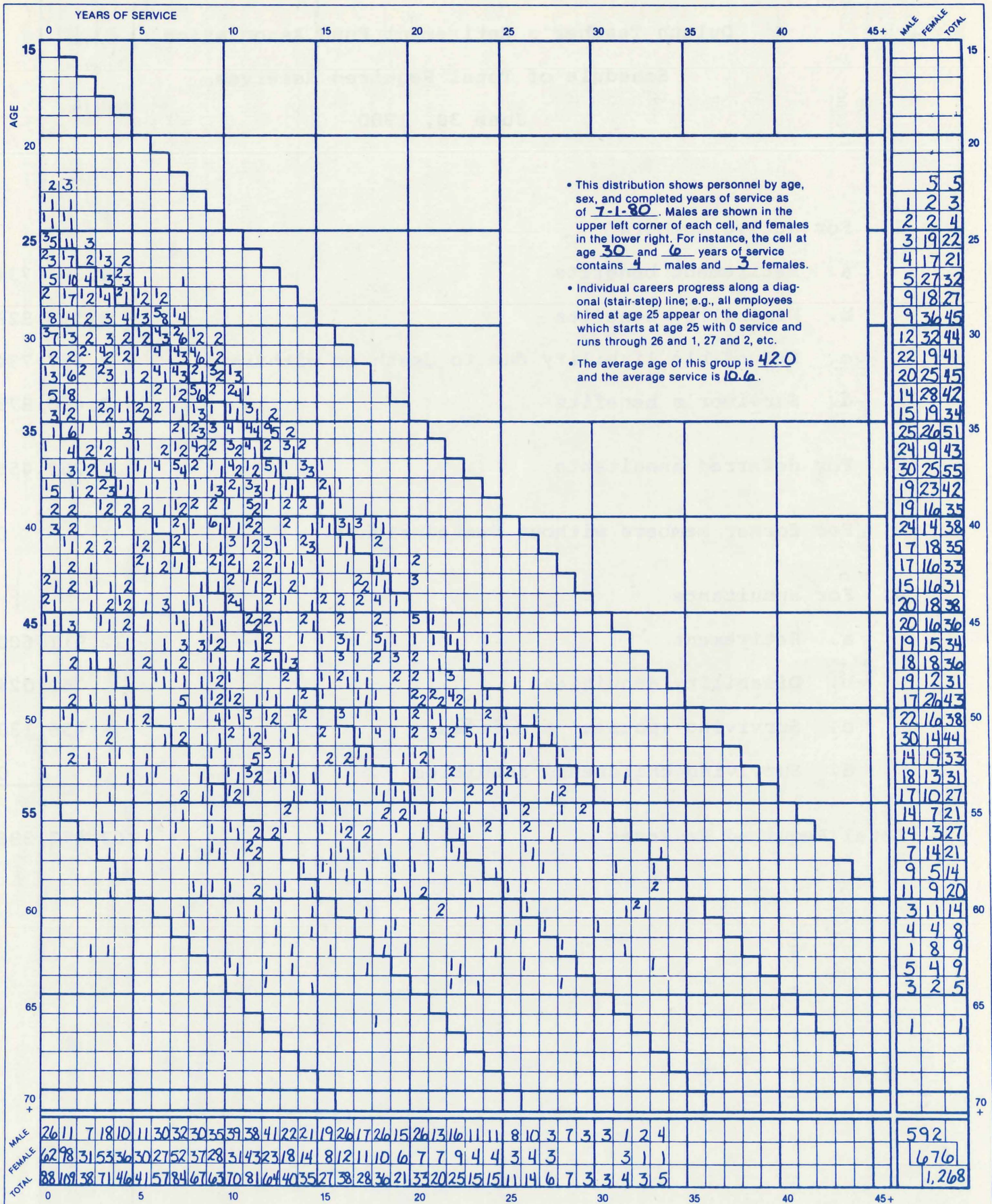
Schedule of Total Required Reserves

June 30, 1980

1. For active members	
a. Retirement benefits	\$39,307,734
b. Disability benefits	3,598,829
c. Refundable liability due to death or withdrawal	3,537,734
d. Survivor's benefits	3,470,879
2. For deferred annuitants	262,456
3. For former members without vested rights	0
4. For annuitants	
a. Retirement	12,911,600
b. Disability annuities	52,024
c. Surviving spouses' annuities	436,130
d. Surviving childrens' annuities	<u>0</u>
Total Required Reserves	\$63,577,386

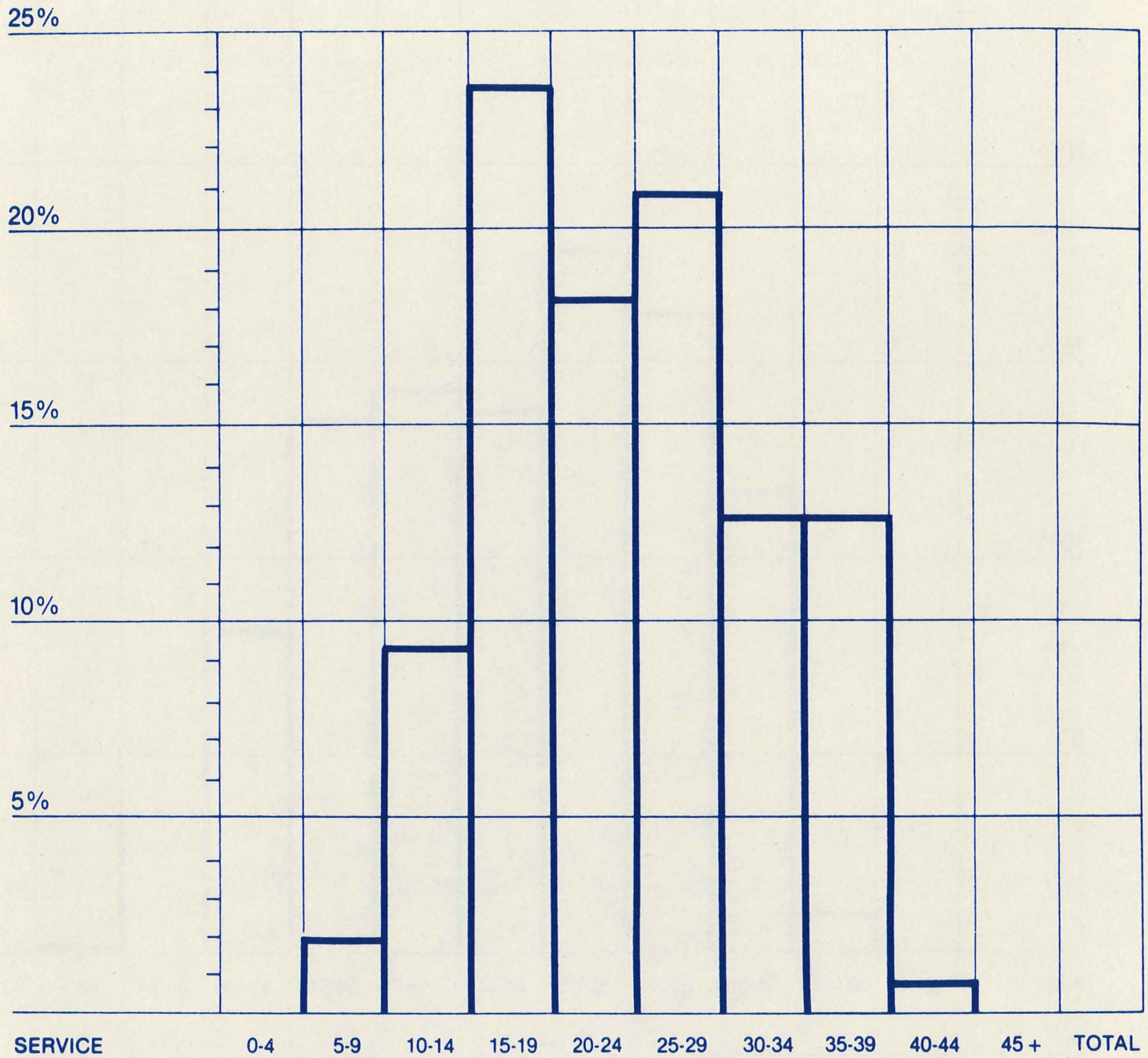
**DISTRIBUTION OF PERSONNEL
BY AGE AND YEARS OF SERVICE**

**DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
ACTIVE MEMBERS**



**DISTRIBUTION OF PERSONNEL BY EXPECTED SERVICE AT AGE 65
(BASED ON PERSONNEL AGE 55 AND OVER)**

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
ACTIVE MEMBERS

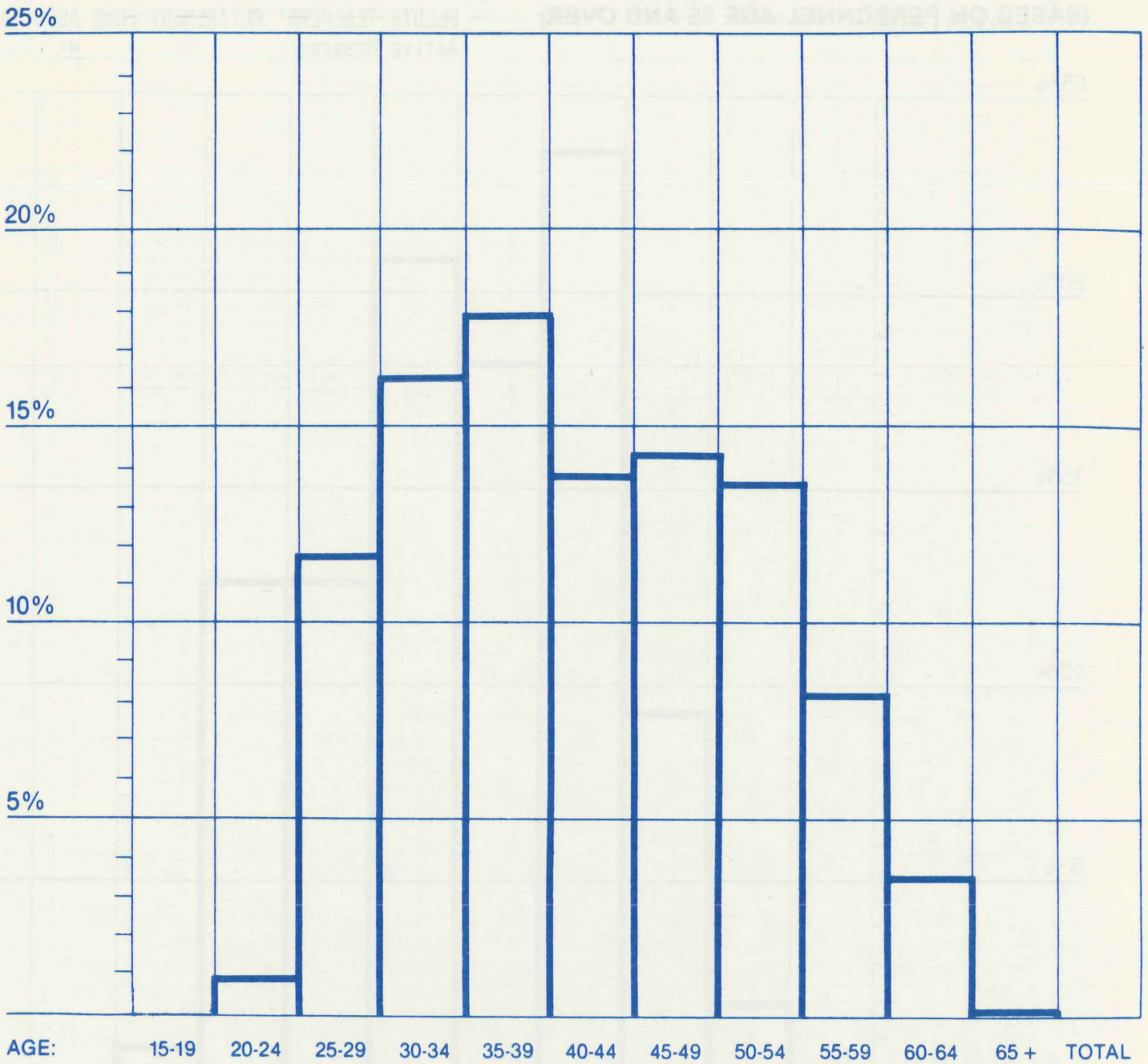


SERVICE	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45 +	TOTAL
NUMBER	0	3	14	35	27	31	19	19	1	0	149
AVERAGE SERVICE AT AGE 65*	0.0	6.8	12.9	17.9	22.9	27.4	32.6	37.4	40.9	0.0	24.6
AVERAGE PAY	0	12,709	19,510	20,770	20,239	21,335	23,325	23,333	19,621	0	21,156

*OR CURRENT AGE IF OLDER

DISTRIBUTION OF PERSONNEL BY AGE

**DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
ACTIVE MEMBERS**



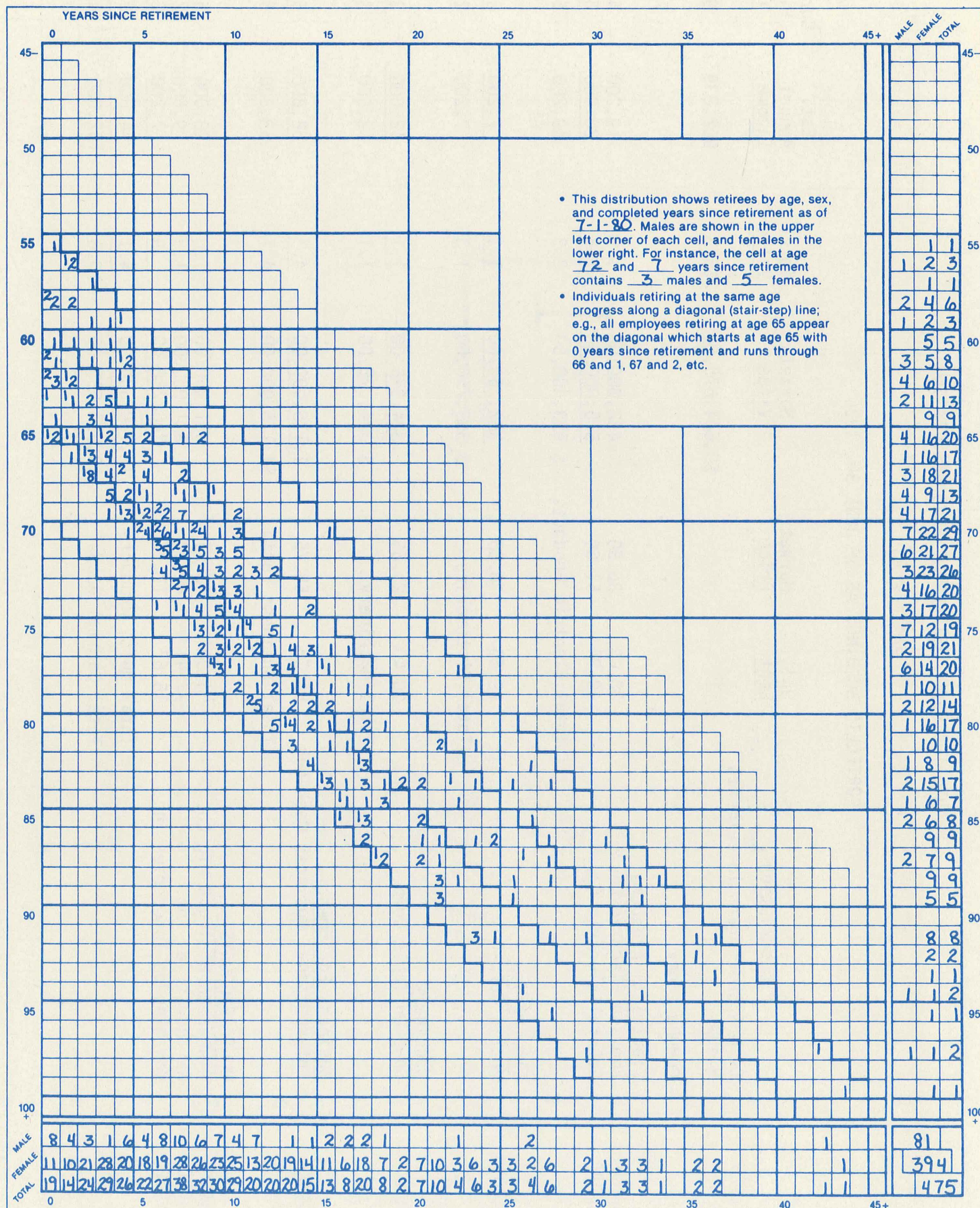
NUMBER		11	147	206	226	175	180	173	103	45	1	1,268
AVERAGE SERVICE		1.1	3.1	5.8	8.7	10.8	13.8	16.0	17.8	19.8	18.8	10.6
AVERAGE PAY		8,362	11,660	14,949	18,865	20,077	20,972	22,034	21,244	20,866	24,238	18,467

DETAIL OF EMPLOYEES AGE 55 & OVER

AGE:	55	56	57	58	59	60	61	62	63	64	65	66	67+
NUMBER	21	27	21	14	20	14	8	9	9	5	0	1	0
AVERAGE SERVICE	20.4	17.1	15.3	19.7	17.4	21.4	19.9	17.7	19.0	20.5	0.0	18.8	0.0
AVERAGE PAY	22,818	21,492	19,295	21,570	21,072	20,759	22,023	20,104	20,893	20,816	0	24,238	0

DISTRIBUTION OF RETIREES BY AGE AND YEARS SINCE RETIREMENT

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION SERVICE RETIREMENTS



DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

BASIC FUND

PORTFOLIO HOLDINGS AS OF JUNE 30, 1980

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
9,604,675	Cash & Short Term Investments 9.40%	1		\$9,604,675.00	33.3	902,839	9.4
	COMMON STOCK						
	<u>Electrical Products</u>						
12,000	Emerson Electric Co.	38.43	36.50	438,000.00	1.5	19,200	4.4
10,000	General Electric Co.	39.24	51.50	515,000.00	1.8	30,000	5.8
	Total Electric Products			\$ 953,000.00	3.3	49,200	5.2
	<u>Electronics</u>						
10,000	Harris Corp-Del	29.66	36.38	363,750.00	1.3	7,200	2.0
	Total Electronics			\$ 363,750.00	1.3	7,200	2.0
	<u>Machinery</u>						
15,000	Snap-On Tools Corp	20.49	21.63	324,375.00	1.1	12,600	3.9
	Total Machinery			\$ 324,375.00	1.1	12,600	3.9
	<u>Business Equipment</u>						
20,000	International Business Machines	55.28	58.75	1,175,000.00	4.1	68,800	5.9
	Total Business Equip.			\$1,175,000.00	4.1	68,800	5.9
	MULTI PRODUCTS						
10,000	Minnesota Mining & Mfg Co.	54.98	53.13	531,250.00	1.8	28,000	5.3
8,000	NL Industries Inc.	37.41	47.63	381,000.00	1.3	9,600	2.5
15,000	Worthington Industries Inc.	16.67	17.75	266,250.00	.9	7,200	2.7
	Total Multi Products			\$1,178,500.00	4.1	44,800	3.8
	Total Capital Goods			\$3,994,625.00	13.8	182,600	4.6

Basic Fund Portfolio Holdings - Page 2

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
	<u>Drugs & Cosmetics</u>						
10,000	Becton Dickinson & Co.	32.94	33.12	331,249.00	1.2	9,200	2.8
10,000	Bristol Myers Co.	33	38.88	388,750.00	1.4	16,000	4.1
5,000	Revlon Inc.	45.26	44.63	223,125.00	.8	7,800	3.5
15,000	Sterling Drug Inc.	16.35	21	<u>315,000.00</u>	<u>1.1</u>	<u>13,800</u>	<u>4.4</u>
	Total Drugs & Cosmetics			\$1,258,124.00	4.4	46,800	3.7
	<u>Foods</u>						
10,000	Amstar Corp	20.41	23.50	<u>235,000.00</u>	<u>.8</u>	<u>13,500</u>	<u>5.7</u>
	Total Foods			235,000.00	.8	13,500	5.7
	<u>Retail & Wholesale</u>						
8,000	Interco Inc.	40.37	43.50	348,000.00	1.2	21,120	6.1
16,000	Sears Roebuck & Co.	45.14	17	<u>272,000.00</u>	<u>.9</u>	<u>21,760</u>	<u>8.0</u>
	Total Retail & Wholesale			620,000.00	2.2	42,880	6.9
	Total Consumer Non-Durables			<u>2,113,124.00</u>	<u>7.3</u>	<u>103,180</u>	<u>4.9</u>
	<u>Chemicals</u>						
12,000	International Minerals & Chemical Corp	33.27	33.75	<u>404,999.00</u>	<u>1.4</u>	<u>27,840</u>	<u>6.9</u>
	Total Chemicals			404,999.00	1.4	27,840	6.9
	<u>Petroleum</u>						
10,000	Phillips Petroleum Co.	23.99	45.50	455,000.00	1.6	18,000	4.0
20,000	Standard Oil Co of Indiana	14.31	57.25	<u>1,145,000.00</u>	<u>4.0</u>	<u>36,000</u>	<u>3.1</u>
	Total Petroleum			1,600,000.00	5.5	54,000	3.4
	<u>Energy Products</u>						
12,000	Central Louisiana Energy	11.63	32.50	<u>390,000.00</u>	<u>1.4</u>	<u>12,000</u>	<u>3.1</u>
	Total Energy Products			390,000.00	1.4	12,000	3.1
	Total Raw Materials			<u>2,394,999.00</u>	<u>8.3</u>	<u>93,840</u>	<u>3.9</u>

Basic Fund Portfolio Holdings - Page 3

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
<u>Finance & Insurance</u>							
12,000	Citicorp	35.85	22.13	\$265,500.00	.9	17,040	6.4
6,499	Marine Midland Banks Inc.	19.08	15.25	99,109.00	.3	5,849	5.9
15,000	NLT Corp	21.62	23.25	348,750.00	1.2	19,800	5.7
Total Finance & Insurance				713,359.00	2.5	42,689	6.0
Total Services				713,359.00	2.5	42,689	6.0
<u>Electric</u>							
16,000	Commonwealth Edison Co.	18.38	22.50	360,000.00	1.3	41,600	11.6
Total Electric				360,000.00	1.3	41,600	11.6
<u>Natural Gas</u>							
9,900	Mountain Fuel Supply Co.	36	39.50	391,050.00	1.4	23,364	6.0
Total Natural Gas				391,050.00	1.4	23,364	6.0
<u>Telephone</u>							
10,000	American Tel & Tel Co.	61.42	52.50	524,998.00	1.8	50,000	9.5
10,000	General Tel & Electronics	30.30	28	280,000.00	1.0	27,200	9.7
Total Telephone				804,998.00	2.8	77,200	9.6
Total Utilities				1,556,048.00	5.4	142,164	9.1
Total Common Stock				10,772,155.00	37.3	564,473	5.2
<u>BONDS</u>							
<u>Corporate Bonds</u>							
200,000	Philadelphia Electric Co. 9.50% 12-15-79	100	100.25	200,500.00	.7	22,000	9.8
20,000	Trailer Train Co Eq Tr 5.375% 12-1-80	100	100	20,000.00	.1	1,075	5.3
150,000	J C Penney Financial Corp 9.45% 10-15-81	103	98.12	147,187.00	.5	14,175	11.0
250,000	National Rural Utils Co-Op Corp 10.50% 11-1-81	100	100.75	251,875.00	.9	26,250	9.8

Basic Fund Portfolio Holdings - Page 4

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
150,000	Southern Calif Edison 1st & Ref 9% 11-1-81	99.50	99	148,500.00	.5	13,500	9.7
250,000	Arco Pipe Line Co GTD Note 8% 1-15-82	99.50	98.25	245,625.00	.9	20,000	9.2
200,000	Security Pacific Corp Notes 7.70% 2-15-82	93.44	96.13	192,250.00	.7	15,400	10.4
250,000	Montgomery Ward Credit Corp 9.50% 1-15-83	100	97.50	243,750.00	.8	23,750	10.6
250,000	Commonwealth Edison Co 1st Mtg 9% 8-1-83	100.85	96	240,000.00	.8	22,500	10.5
250,000	American Brands Notes 8.125% 3-1-85	97.75	92.50	231,250.00	.8	20,312	10.1
250,000	General Electric Credit Corp 8.60% 4-1-85	99.50	94	235,000.00	.8	21,500	10.2
200,000	Spiegel Inc. 5% 4-1-87	94.05	69.88	139,750.00	.5	10,000	11.5
300,000	General Motors Accept Corp Deb Deb 8% 5-1-93	85.10	75	225,000.00	.8	18,750	10.9
200,000	Standard Oil Co Calif S/F Reg 6.25% 8-1-88	78.86	75	150,000.00	.5	11,500	9.2
500,000	General Motors Accept Corp 8% 5-1-93	100.63	80	400,000.00	1.4	40,000	10.9
500,000	Trailer Train Co 11.875% 7-15-96	100	98.11	490,560.00	1.7	59,375	12.1
200,000	Consolidated Edison Co 5.90% 12-15-96	98.31	62.13	124,250.00	.4	11,800	10.9
200,000	Northern Pacific Ry Co 4% 1-1-97	81.50	44.25	88,500.00	.3	8,000	11.7
250,000	Illinois Power Co 1st Mtg 7.625% 6-1-2003	73.17	71.87	179,687.00	.6	19,062	11.0
500,000	Pembroke Cap Co 11.50% 8-1-2005	100	100	500,000.00	1.7	57,500	11.4
<u>Total Corporate Bonds</u>				<u>4,453,684.00</u>	<u>15.4</u>	<u>436,449</u>	
<u>U.S. Government & Agency Bonds</u>							
500,000	U S Treasury Note Reg 7.125% 11-15-80	99.70	99.41	497,030.00	1.7	35,625	8.9
250,000	U S Treasury Note 8.125% 8-15-82	99.22	98.06	245,155.00	.9	20,312	9.1

Basic Fund Portfolio Holdings - Page 5

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
200,000	U S Treasury Note 8.375% 9-30-82	99	98.44	196,874.00	.7	16,750	9.1
300,000	U S Treasury Note Ser B-86 CPN 8% 8-15-86	100	92.56	277,686.00	1.0	24,000	9.6
500,000	Federal Home Loan Bank 7.65% 5-26-87	100	87.50	437,500.00	1.5	38,250	10.2
500,000	Federal National Mtg Assn 7.80% 10-10-91	99.25	80.75	403,750.00	1.4	39,000	10.7
500,000	U S Treasury Bond 7.25% 8-15-92	97.38	92	460,000.00	1.6	36,250	8.3
200,000	U S Treasury Bonds Reg 6.75% 2-15-93	81.17	80.81	161,624.00	.6	13,500	9.3
500,000	Government Natl Mtg Assn 8% 7-15-2007	99.69	99.69	498,435.00	1.7	40,000	8.0
427,500	Federal Home Loan Mtg Corp 8.85% 3-15-2008	99.25	99	432,225.00	1.5	37,833	8.9
460,000	Federal Home Loan Mtg Corp 10.25% 3-15-2009	99.63	95.81	440,726.00	1.5	47,150	10.7
				<hr/>	<hr/>	<hr/>	<hr/>
	Total U.S. Government & Agency Bonds			4,042,005.00	14.0	348,670	
	Total Bonds			8,495,689.00	29.4	785,119	
	Grand Total			28,872,519.00	100.0	2,252,431	

The Seventieth Annual Meeting of the Membership of the Duluth Teachers' Retirement Fund Association was held in the auditorium of Ordean Junior High School on Monday, October 29, 1979 at 4:00 p.m. There were 129 members present with 50 members needed for a quorum to transact business. President Walter Garvue acted as Chairman of the meeting with Edward K. Blanck, Jr., Executive Secretary, acting as Secretary.

Trustees and special guests were introduced by the Chairman.

READING OF THE MINUTES

A motion was made, seconded, and carried to suspend the reading of the minutes of the 69th annual meeting held October 30, 1978.

REPORT OF THE OFFICERS

Chairman Garvue stated the Executive Secretary's report and Treasurer's report had been printed and delivered to each member of record, therefore, they would not be read at that time. Mr. Garvue then reviewed the operations of the Association for the prior 12 months, highlighting items in the 1979 Legislative Session.

Past presidents of the Association were introduced; present were: Adolph Juten, Jerome Benson, William Simmons and Hazel Hanson.

Mr. Garvue read the names of members who became deceased during the year, and a moment of silence was given in their memory.

A motion was then made, seconded, and carried that the report of the Officers, Acts and Proceedings of the Board of Trustees be approved for the period of October 30, 1978 to October 29, 1979.

ELECTION OF THREE TRUSTEES

Three separate elections were called to fill the expiring terms of active members Walter Garvue and Maxine Stromme and retired member Louise Brennan. In two elections nominations for Walter Garvue and Maxine Stromme were made. In each election, no further nominations were made. Nominations were then closed and the secretary was instructed to cast an elected ballot in each case. Nominations for the retired member trustee were opened, and John Moriarity and Agnes Hansen were nominated. There being no further nominations, nominations were closed.

Tellers were appointed and a secret vote was taken. The President announced Agnes Hansen the winner.

NEW BUSINESS

A motion was made seconded and carried to pursue Legislative changes as proposed by the Board of Trustees. Proposed plan and benefit changes are to increase annuities by 8.7%, change the active members formula from 1.15% to 1.25% per year of service, make pre and post retirement survivor benefits equivalent, allow current active members the opportunity to elect the statewide benefit schedule and have all new members after July 1, 1980 covered by the statewide benefit schedule. All members benefits would continue to be locally administered.

NEW BUSINESS (cont.)

To finance the above changes, active members would pay an additional $\frac{1}{2}\%$ of pay, and the State of Minnesota would match this amount.

A motion was made, seconded and carried that the Duluth Teachers' Retirement Fund Association sponsor the creation of a private, non-profit corporation for the purpose of building a home for retired teachers. It is understood that no costs whatsoever or legal responsibilities will ever accrue to the Duluth Teachers' Retirement Fund or any other sponsors. The newly formed corporation will be the legal entity with full authority to apply for federal funding of all costs involved in the acquisition of land and construction of a facility for retired teachers. The proposed corporation will have a board of trustees made up of members of the Duluth Teachers' Retirement Fund Association, the Duluth Retired Teachers Association and the Duluth Federation of Teachers.

COMMUNICATIONS

Mr. A. Lee Thurow, President of Capital Supervisors, Chicago, Ill. addressed the membership and discussed our investment performance over the past year and the outlook for the coming year. His major point was one of caution and concern about our nation's economy. He discussed the defensive position of our portfolio as shown by our high yielding short-term cash reserves.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Edward K. Blanck, Jr.
Executive Secretary

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

FIXED SHELTER FUND

BALANCE SHEETS

JUNE 30

	<u>1980</u>	<u>1979</u>
<u>ASSETS</u>		
Cash - checking and savings accounts	\$ 82,686	\$ 52,722
Accounts receivable	3,500	
Interest earned, unpaid	30,052	29,830
Dividends receivable	7,717	3,612
Investments (at cost)		
Short-term securities	1,006,344	908,862
Marketable corporate stocks (market value \$938,316) (note 3)	856,252	647,964
Federal Housing Administration, first mortgage	100,000	100,000
Regular bonds, par value	\$1,377,500	
Unrealized premiums	<u>1,734</u>	
Adjusted cost basis (market value \$1,332,034) (note 4)	1,379,234	1,189,406
Deferred yield adjustment account (note 5)	<u>169,874</u>	<u>183,782</u>
 Totals	 <u>\$3,635,659</u>	 <u>\$3,116,178</u>

LIABILITIES AND FUND BALANCE

Account payable - securities	\$ 200,000	
Members' deposits (held until retirement or termination)	1,795,719	\$1,455,120
Fund balance	<u>1,639,940</u>	<u>1,661,058</u>
 Totals	 <u>\$3,635,659</u>	 <u>\$3,116,178</u>

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

FIXED SHELTER FUND

STATEMENTS OF REVENUE, EXPENDITURES AND FUND BALANCES

	<u>Active Members</u>	<u>Fund Balance</u>	For the Year Ended June 30, <u>1980</u>	For the Year Ended June 30, <u>1979</u>
Revenues				
Members' deposits	\$ 231,306		\$ 231,306	\$ 251,071
Interest earned		\$ 244,196	244,196	174,768
Amortization of deferred yield		(13,908)	(13,908)	(13,908)
Dividends earned		50,434	50,434	41,214
Net gains on sale of common stock				6,016
Transfer from Basic Fund	128,661		128,661	
Totals	<u>\$ 359,967</u>	<u>\$ 280,722</u>	<u>\$ 640,689</u>	<u>\$ 459,161</u>
Expenditures				
Benefits paid				
Monthly		\$ 195,796	\$ 195,796	\$ 182,578
Members' refunds	\$ 99,210		99,210	50,038
Administrative		4,626	4,626	5,027
Net loss on sale of common stock		21,576	21,576	22,045
Totals	<u>\$ 99,210</u>	<u>\$ 221,998</u>	<u>\$ 321,208</u>	<u>\$ 259,688</u>
Excess of revenue over (under) expenditures	\$ 260,757	\$ 58,724	\$ 319,481	\$ 199,473
Transfers				
Upon retirements	(19,103)	19,103		
Interest credited at 6% on members' deposits	98,945	(98,945)		
Fund balances				
Beginning of period	<u>1,455,120</u>	<u>1,661,058</u>	<u>3,116,178</u>	<u>2,916,705</u>
Balances, ending	<u><u>\$1,795,719</u></u>	<u><u>\$1,639,940</u></u>	<u><u>\$3,435,659</u></u>	<u><u>\$3,116,178</u></u>

SUMMARY OF ACTUARIAL RESULTS
TAX SHELTERED FIXED ANNUITY PLAN

Present Value of:	<u>June 30, 1980</u>
Active Member Accounts (Including deferred vested members and retired members who are receiving installment payouts)	\$1,795,719
Retired Member Benefits (Member receiving monthly benefits where the conversion of accounts to monthly benefits involves life contingency functions)	<u>1,879,093</u>
Total Required Assets	\$3,674,812
Cost Value of Assets	\$3,435,659
Percentage of Required Assets	93.49%
Market Value of Assets	\$3,470,523
Percentage of Required Assets	94.44%

SUMMARY OF ACTUARIAL RESULTS
TAX SHELTERED VARIABLE ANNUITY PLAN

Present Value of Units:	<u>June 30, 1980</u>	
	<u>Before Mortality Adjustment</u>	<u>After Mortality Adjustment</u>
Active Member Accounts	561,527.7438	561,527.7438
Retired Member Benefits (Members for whom benefits have commenced)	<u>216,214.8882</u>	<u>222,048.6765</u>
Total Required Variable Units	777,742.6320	783,576.4203
Market Value of Assets From Auditors Report	599,119	599,119
Unit Value	.7703	.7646

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

TAX SHELTERED FIXED FUND

PORTFOLIO HOLDINGS AS OF JUNE 30, 1980

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
1,003,444	Cash & Short Term Investments 9.40%	1		\$1,003,444.00	29.6	94,323	9.4
	COMMON STOCK						
	<u>Electrical Products</u>						
1,000	Emerson Electric	34.50	36.50	36,500.00	1.1	1,600	4.4
1,000	General Electric	46.87	51.50	51,500.00	1.5	3,000	5.8
	Total Electrical Products			\$ 88,000.00	2.6	4,600	5.2
	<u>Business Equipment</u>						
2,400	International Business Machines	58.86	58.75	141,000.00	4.2	8,256	5.9
	Total Business Equipment			\$ 141,000.00	4.2	8,256	5.9
	<u>Multi Products</u>						
1,000	Minnesota Mining & Mfg Co.	55.27	53.12	53,124.00	1.6	2,800	5.3
	Total Multi Products			\$ 53,124.00	1.6	2,800	5.3
	Total Capital Goods			\$ 282,124.00	8.3	15,656	5.6
	<u>Retail & Wholesale</u>						
1,000	Interco Inc.	41.54	43.50	43,500.00	1.3	2,640	6.1
1,200	Sears Roebuck & Co	34.85	17	20,400.00	.6	1,632	8.0
	Total Retail & Wholesale			\$ 63,900.00	1.9	4,272	6.7
	Total Consumer Non-Durables			\$ 63,900.00	1.9	4,272	6.7
	<u>Chemicals</u>						
1,500	International Minerals & Chemical Corp	30.90	33.75	50,625.00	1.5	3,480	6.9
	Total Chemicals			\$ 50,625.00	1.5	3,480	6.9

Fixed Fund Portfolio Holdings - Page 2

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
1,200	<u>Petroleum</u> Exxon Corp	45.69	66.25	\$ 79,500.00	2.4	6,240	7.9
	Total Petroleum			\$ 79,500.00	2.4	6,240	7.9
	<u>Energy Products</u>						
1,000	Central Louisiana Energy	23.25	32.50	32,500.00	1.0	1,000	3.1
2,000	Texas Gas Transmission	19.85	28.38	56,750.00	1.7	2,920	5.2
	Total Energy Products			\$ 89,250.00	2.6	3,920	4.4
	Total Raw Materials			\$ 219,375.00	6.5	13,640	6.2
	<u>Finance & Insurance</u>						
1,000	NLT Corp	21.62	23.25	23,250.00	.7	1,320	5.7
1,650	U S Fidelity & Guaranty Co	22.22	42.87	70,743.00	2.1	4,620	6.5
	Total Finance & Insurance			\$ 93,993.00	2.8	5,940	6.3
	Total Services			\$ 93,993.00	2.8	5,940	6.3
	<u>Utilities</u>						
3,000	Commonwealth Edison Co	18.38	22.50	67,500.00	2.0	7,800	11.6
4,000	Public Service Co of Colorado	13.75	14.75	59,000.00	1.7	6,400	10.9
	Total Electric			\$ 126,500.00	3.7	14,200	11.2
	<u>Natural Gas</u>						
1,000	Mountain Fuel Supply	36	39.50	39,500.00	1.2	2,360	6.0
	Total Natural Gas			\$ 39,500.00	1.2	2,360	6.0
	<u>Telephone</u>						
1,000	American Tel & Tel Co	50.99	52.50	52,500.00	1.6	5,000	9.5
2,973	General Tel & Electronics	33.12	28	83,244.00	2.5	8,086	9.7
	Total Telephone			\$ 135,744.00	4.0	13,086	9.6

Fixed Fund Portfolio Holdings - Page 3

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
	Total Utilities			\$ 301,744.00	8.9	29,646	9.8
	Total Common Stock			961,136.00	28.4	69,154	7.2
BONDS							
<u>Corporate Bonds</u>							
100,000	National Rural Utils Co-op Corp 10.50% 11-1-81	100	100.75	100,750.00	3.0	10,500	9.8
100,000	Arco Pipe Line GTD Note 7.50% 10-1-82	100	96	96,000.00	2.8	7,500	9.5
50,000	Sohio B P Transalaska P/L 8.625% 2-1-83	101.75	95	47,500.00	1.4	4,312	10.8
50,000	Williams Companies Notes 10.25% 4-1-83	100	100.62	50,312.00	1.5	5,125	9.9
100,000	General Electric Credit Corp 8.60% 4-1-85	99.63	94	94,000.00	2.8	8,600	10.2
100,000	Chrysler Corp Secured Note Reg 10.35% 6-1-90	100		100,000.00	3.0	10,350	10.3
100,000	Trailer Train Co 11.875% 7-15-96	100	98.11	98,112.00	2.9	11,875	12.1
100,000	General Motors Accept Corp 8.875% 6-1-99	97.38	83.50	83,500.00	2.5	8,500	10.9
100,000	Union Carbide Corp Deb 8.50% 1-15-2005	100	83	83,000.00	2.5	8,500	10.4
100,000	Pembroke Cap Co 11.50% 8-1-2005	100	100	100,000.00	3.0	11,500	11.4
	Total Corporate Bonds			\$853,174.00	25.2	87,137.00	
<u>U.S. Government & Agency Bonds</u>							
100,000	U S Treasury Note Reg 7.125% 11-15-80	99.63	99.41	99,406.00	2.9	7,125	8.9
100,000	U S Treasury Note 8.375% 9-30-82	100	98.44	98,437.00	2.9	8,375	9.1
100,000	U S Treasury Note Ser B-86 8% B-15-86	100	92.56	92,562.00	2.7	8,000	9.6

Fixed Fund Portfolio Holdings - Page 4

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
100,000	U S Treasury Note 10.75% 11-15-89	105.27	104.38	\$ 104,375.00	3.1	10,750	10.0
85,500	Federal Home Loan Mtg Corp B.85% 3-15-2008	99.16	99	84,645.00	2.5	7,566	8.9
92,000	Federal Home Loan Mtg Corp 10.25% 3-15-2009	99.63	95.81	88,145.00	2.6	9,430	10.7
	Total U.S. Government & Agency Bonds			\$ 567,570.00	16.8	51,246	
	Total Bonds			1,420,744.00	42.0	138,383	
	Total Portfolio			3,385,324.00	100.0	301,860	

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

DULUTH, MINNESOTA

VARIABLE ANNUITY FUND

STATEMENTS OF ASSETS

		<u>June 30</u>	
		<u>1980</u>	<u>1979</u>
<u>ASSETS</u>			
Cash in banks		\$ 67,269	\$ 44,972
Interest earned, unpaid		345	2,526
Dividends receivable			706
Short-term obligations		199,000	285,000
Investments - corporate stock			
	Cost	Market Value	
Amstar	\$ 10,206	\$ 11,750	
Becton Dickinson	9,855	9,938	
Bristol Myers	13,658	15,550	
Central Louisiana Energy	9,300	13,000	
Citicorp	16,408	8,850	
Commonwealth Edison	18,375	22,500	
Emerson Electric	10,623	10,950	
General Electric	8,499	10,300	
General Telephone & Electronics	12,168	11,200	
Harris Corporation	8,897	10,913	
International Business Machines	30,945	35,028	
International Minerals & Chemicals	20,109	18,563	
Interco	12,461	13,050	
Marine Midland Banks	6,182	4,941	
Minnesota Mining & Manufacturing	10,566	10,625	
Mountain Fuel Supply	10,800	11,850	
NL Industries	11,220	14,288	
NLT Corporation	10,810	11,625	
Norton Simon	323	222	
Phillips Petroleum	20,437	27,300	
Revlon	9,053	8,925	
Sear Roebuck	16,225	6,800	
Snapon Tools	10,243	10,813	
Sterling Drug	8,177	10,500	
U.S. Fidelity & Guaranty	7,728	14,149	
Worthington Industries	9,000	8,875	
Totals	<u>\$312,268</u>		
		<u>332,505</u>	<u>187,179</u>
Total assets		<u>\$599,119</u>	<u>\$520,383</u>
Units outstanding		777,742.6320	709,968.0533
Asset values per unit		.7703	.7330

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA
VARIABLE ANNUITY FUND

STATEMENTS OF CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30

	<u>1980</u>	<u>1979</u>
Net assets, beginning	\$520,383	\$459,871
Net excess of revenue over expenditures	58,596	50,146
Sales of investments		
Sales proceeds	\$ 4,400	\$ 72,995
Cost on identified basis	<u>3,261</u>	<u>80,134</u>
Net gain or (loss) on cost basis	1,139	(7,139)
Changes in unrealized appreciation		
Excess of cost over market		
Beginning of year	\$ 1,140	\$(16,365)
End of year	<u>20,141</u>	<u>1,140</u>
Gain or (loss) during year	<u>19,001</u>	<u>17,505</u>
Net assets, end of year	<u>\$599,119</u>	<u>\$520,383</u>

CHANGES IN UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>Active</u>	<u>Retired</u>	<u>Totals</u>
Units, beginning of period	494,597.1130	215,370.9403	709,968.0533
Correction for mortality adjustment		5,133.2433	5,133.2433
Units issued during the year	81,862.7050	11,949.3159	93,812.0209
Retirements	(8,332.2275)	8,332.2275	
Refunds	(6,600.0000)		(6,600.0000)
Annuities paid		(24,570.8388)	(24,570.8388)
Balance, end of period	<u>561,527.5905</u>	<u>216,214.8882</u>	<u>777,742.4787</u>

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
PLAN SUMMARY INCLUDING AMENDMENTS

OCTOBER 27, 1980

- 1) The Duluth Fund was established in 1910, the Tax Shelter Fixed Fund in 1964, and the Tax Shelter Variable Fund in 1973.
- 2) MEMBERSHIP DATA
Membership in the Basic Plan is compulsory for all instructional staff of the Duluth Public School System. As of June 30, 1980, there were 1,268 active members, and 498 retired members. Participation in either tax shelter plan is voluntary.
- 3) CREDITABLE SERVICE
Duluth service for which a state license is required. Time for which a member is granted a leave of absence may be credited if normal contributions are made within two years under our By-laws, or one year under a state program. There are also provisions for reciprocity of service with other Minnesota public funds, effective July 1, 1975.
- 4) WITHDRAWALS AND REFUNDS
Members who have terminated their employment may withdraw their contributions with interest if they do not wish to participate under the Minnesota Combined Service Annuity Law. Members may repay previous refunds to reinstate Duluth service.
- 5) VESTING
Benefits vest after ten year's service or age 60 or participation under the Minnesota Combined Service Annuity Law.
- 6) RETIREMENT REQUIREMENTS AND BENEFIT FORMULAS
Normal Retirement is age 60 with one or more years of credited service. The benefit formula is: highest five years average salary times years of service times 1.15% = annual benefit. State law provides for a 40 year maximum.
Early Retirement - immediate - is available between age 55 and 60 with 10 or more years of service. Benefits are reduced by .5% per month if paid before age 60. The maximum reduction is 30% at age 55. (60 mos. X .5% = 30%)
Early Retirement - deferred - if resignation occurs at any age with 10 or more years of service, an annuity will be payable upon the attainment of age 55 at a reduced rate or at age 60 at full formula. The 10 years required may be the total of service in any Minnesota Fund participating under the Minnesota Combined Service Annuity Law.
Disability Benefit - Full formula is payable at any age with five or more years of service. There is no reduction for age. Member must be totally and permanently disabled from teaching.
Post retirement adjustments are made as additional funds become available. Members retiring before 1966 have received increases of 44%; 1967 - 29.2%; 1969 - 20.5%; 1970 - 14.9%; 1971 - 9.5%; and 1974 - 2%. In addition, pre-1957 retirees received an average monthly increase of \$30.38 and retirees from 1957 to 1970 received an average monthly increase of \$5.34 as a result of state-wide post retirement increase enacted and funded by the 1976 Legislature. Effective December 1, 1977, annuities are paid in advance. Therefore, thirteen checks were received in 1977.

Plan Summary -

Tax Shelter Funds - Annuities are payable upon retirement and are based on member's total tax shelter contributions, age of member and age of spouse if optional survivor benefit is elected, and mortality and interest assumptions in effect at time of retirement. Lump sum refunds are also available. A Fixed, Variable or combination plan is available. Pre and post retirement transfers between funds are permitted.

7) LUMP SUM DEATH BENEFIT

Active Member - Two times member's accumulated contributions with interest paid to named beneficiary; members are covered from first day of service.
Retired Member - Refund of remainder of member's deposits after deduction of total checks received to date of death if no survivor election was made at retirement.

8) SURVIVOR BENEFITS

Active Member - If more than ten years service and beneficiary is spouse of three years, survivor benefit is two times contributions as a refund, or 2.4 x contributions as the cash value of either a deferred or immediate life annuity.

Retired Member - At retirement, a member may choose a survivor option. An actuarial reduction is made from the normal amount to provide one of the following: equal amount to survivor; one half amount to survivor; 5, 10, 15 or 20 year term certain to survivor; or any plan of actuarial equivalence to the above.

9) FINANCING

Basic Fund - Benefits are financed jointly. Members contribute 4% of their total earnings. The State of Minnesota contributes 5.79% of earnings.

Tax Shelter Funds - Benefits are financed entirely from member's deposits and investment income.

10) INVESTMENTS

Basic Fund - Equity investments are limited to 65% of Assets; Bonds are also limited to 65% of Assets, and no single holding of either stocks or bonds shall exceed 6% of total Assets. Investments are limited to permissible holdings under the state law. Benefits are currently funded with Assets of \$32.1 million, book value.

Tax Shelter Funds - Limited to permissible holdings under the state law. Benefits are currently funded with Assets of \$4.0 million, book value.

11) ADMINISTRATION

The Fund is administered by a Board of Trustees of eleven members; three members of the Board of Education of Duluth, the Superintendent of Schools ex-officio, five active members and two retired members. Active and retired members are elected by the entire active and retired membership.

12) SOCIAL SECURITY COVERAGE

Since 1957, all members are covered under Social Security. All benefits are in addition to Social Security.

Social Security Leveling Adjustment - Any member retiring before age 62 may elect to receive a higher benefit from the Duluth Fund until eligible to receive Social Security.

EDWARD K. BLANCK, JR., Executive Secretary
Duluth Teachers' Retirement Fund Association
22 East First Street
Duluth, Minnesota 55802

Telephone: 722-2894

Office hours: 8:30-5:00 and by appointment
Parking is available behind our office

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
Benefit Estimator
Monthly Amounts Due if Retirement at Age 60 or Older

High 5 average salary \$10,000	<u>Years of Service</u>									
	1	2	3	4	5	6	7	8	9	10
\$ 9.58	\$ 19.17	\$ 28.75	\$ 38.33	\$ 47.92	\$ 57.50	\$ 67.08	\$ 76.65	\$ 86.25	\$ 95.83	
\$11,000	10.54	21.08	31.63	42.17	52.71	63.25	73.79	84.33	94.88	105.42
\$12,000	11.50	23.00	34.50	46.00	57.50	69.00	80.50	92.00	103.50	115.00
\$13,000	12.46	24.92	37.38	49.83	62.29	74.75	87.21	99.67	112.13	124.58
\$14,000	13.42	26.83	40.25	53.67	67.08	80.50	93.92	107.33	120.75	134.17
\$15,000	14.38	28.75	43.13	57.50	71.88	86.25	100.63	115.00	129.38	143.75
\$16,000	15.34	30.83	46.00	61.33	76.67	92.00	107.33	122.67	138.00	153.33
\$17,000	16.29	32.58	48.88	65.17	81.46	97.75	114.04	130.33	146.63	162.92
\$18,000	17.25	34.50	51.75	69.00	86.25	103.50	120.75	138.00	155.25	172.50
\$19,000	18.21	36.42	54.63	72.83	91.04	109.25	127.46	145.67	163.88	182.08
\$20,000	19.17	38.33	57.50	76.67	95.83	115.00	134.17	153.33	172.50	191.67
\$21,000	20.13	40.25	60.38	80.50	100.62	120.75	140.88	161.00	181.13	201.25
\$22,000	21.08	42.17	63.25	84.33	105.42	126.50	147.58	168.67	189.75	210.83
\$23,000	22.04	44.08	66.13	88.17	110.21	132.25	154.29	176.33	198.38	220.42
\$24,000	23.00	46.00	69.00	92.00	115.00	138.00	161.00	184.00	207.00	230.00
\$25,000	23.96	47.92	71.88	95.83	119.79	143.75	167.71	191.67	215.63	239.58

Early Retirement Age 55 to 60 - Early reduction factor .5% per month under age 60, maximum reduction is 30% for age 55

Any length of service may be estimated through simple addition or multiplication of the above amounts
(Example: 18 yrs. service with \$12,000 av. salary, benefit equals \$92.00 + \$115.00 or \$207.00 mo.)

SURVIVOR BENEFITS - UNISEX - SAMPLE AGES

Percentage of Formula Benefit Payable to Provide Lifetime or Term Income to Survivor

<u>Selected Ages at Retirement</u>		<u>OPTION I</u> 100% Continued to Survivor	<u>OPTION II</u> 50% Continued to Survivor	<u>OPTION III</u> Remainder of Term to Survivor			
Member	Beneficiary	Member	Member	5 yr	10 yr	15 yr	20 yr
55	55	86.42%	92.72%				
	60	89.38	94.39				
	62	90.50	95.02				
	65	92.10	95.89				
	-			99.36%	97.50%	94.61%	90.96%
60	55	80.52%	89.21%				
	60	84.23	91.44				
	62	85.70	92.30				
	65	87.86	93.53				
	-			98.89	95.78	91.20	85.89
62	55	77.73%	87.47%				
	60	81.71	89.93				
	62	83.32	90.90				
	65	85.70	92.30				
	-			98.62	94.78	89.35	83.31
65	55	73.11%	84.47%				
	60	77.42	87.27				
	62	79.21	88.40				
	65	81.93	90.07				
	-			98.04	92.84	85.96	78.80

1980 EXAMPLE: Member age 65, 31 yrs service, beneficiary age 62, high 5 year average salary \$18,000

Duluth Teachers' Retirement Fund	Member	Survivor
Formula Benefit (\$534.75 x 100%)	\$534.75	\$ 0
OPTION I (\$534.75 x 79.21%)	423.57	423.57
OPTION II (\$534.75 X 88.40%)	472.71	236.35
OPTION III		
5 yr (\$534.75 x 98.04%)	524.26	Equal amount for remainder of term
10 yr (\$534.75 x 92.84%)	496.46	
15 yr (\$534.75 x 85.96%)	459.67	
20 yr (\$534.75 x 78.80%)	421.38	

Maximum 1980 Social Security Benefit
 65 year old Male or female member \$527.50
 62 year old Dependent spouse 197.00

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

Historical Data

Year	Assets At Book Value	Unfunded Liabilities	Percent Funded	Membership		Total Annual Benefits	Average Monthly Benefits
				Active	Retired		
1980	\$32,102,869	\$9,912,000	77.3	1,268	501		\$272
1979	29,421,634	8,108,046	78.4	1,272	494	1,620,677	273
1978	27,999,592	7,738,456	78.3	1,182	494	1,597,220	269
1977	26,703,570	6,781,018	79.7	1,207	483	1,513,682	261
1976	24,718,012	6,391,346	79.5	1,175	473	1,451,889	255
1975	23,537,352	5,901,268	80.0	1,173	487	1,426,309	244
1974	23,667,142	2,990,776	88.8	1,201	456	1,287,043	235
1973	22,635,801	1,827,569	92.5	1,136	432	1,203,739	232
1972	21,368,470	5,897,285	78.4	1,270	426	1,111,079	217
1971	19,782,599	5,861,972	77.1	1,158	378	977,952	215
1969	18,893,566	(1,897,691)	110.0	1,159	331	778,023	195
1967	15,989,940	(796,321)	105.0	939	315	633,374	167
1965	13,383,460	(85,497)	100.6	874	285	489,480	143
1962	10,793,087	737,730	93.6	775	286	467,317	136
1959	9,149,200	1,247,697	88.0	716	242	344,378	118
1954	6,542,424	1,660,379	79.8	632	198	234,172	98
1952	5,603,225	1,432,453	79.6	575	172	176,255	85
1949	4,511,251	1,199,422	78.9	565	167	160,999	80
1946	3,894,364	1,738,199	69.1	581	125	112,672	75
1943	3,530,411	1,206,314	74.5	615	111	97,786	73
1940	3,184,300	977,648	76.5	678	86	77,302	74
1937	2,790,459	928,520	75.0	690	67	50,421	62
1934	2,385,690	974,835	71.0	713	53	38,386	60
1931	1,787,097	975,331	64.7	736	46	27,258	49
1928	1,202,626	965,750	55.5	724	42	21,009	41
1925	714,317	986,157	42.0	679	39	17,533	37
1922	313,523	973,787	24.4	587	30	12,844	35
1919	95,879	740,671	11.5	-	-	-	-
1916	69,716	-	-	-	-	-	-
1913	34,736	-	-	-	-	-	-
1911	7,725	-	-	-	-	-	-