

LCP&R April 2, 1981 Meeting
Room 83 State Office Bldg.
7:00 P.M.

MINUTES

Rep. Sarna, chairman, opened the meeting.

PRESENT: Rep. Sarna, Reding, Rodriguez, Rice, Kaley
Senators Donald Moe, Spear, Frederickson, Renneke, Collin Peterson

Approval of Noncontroversial Bill Items:

The following bill were incorporated into HF 439 (Sarna); SF 305 (Moe,D)

MMER: Refund Repayment:

1. HF 191; SF 128 - Inclusion of Range Cities in PERA
2. HF 364; SF 124 - Inclusion of Soil and Water Conservation District in PERA
3. HF 545; SF 717 - PERA: Suburban Nursing Home Inclusion
4. HF 49; SF 273 - MMER: Refund Repayment
5. HF 5; SF 367 - Fire State Aid; Removal of transitional Limitation
6. HF 406; SF 467 General: Notice and Spouse Signature Requirements for Optional Annuities
7. HF 397; SF 404 - Major Funds: Optional Annuities for Disabilitants
8. HF 468; SF 418 - MSRS: Job-Sharing Program Vesting Service
9. HF 882; SF 848 - StPTRFA: Continuation of Post Retirement Adjust Mechanism
10. HF 82; SF 62 - Thief River Falls Police: Survivor Benefit Increase
11. HF 760; SF 684 - Eveleth Police & Fire Benefit Increase
12. HF 998; SF 865 - Buhl Police: Survivor Benefit Increase
13. HF 1038; SF 1120 Chisholm Police & Fire Benefit Increase
14. HF 394; SF 547 - Ramsey County Mandatory Retirement Age
15. HF 439; SF 305 - MMER: Refund Repayment (Carrier bill for Omnibus Bill)
16. HF 694; SF 858 - PERA: Minimum Salary Requirement
17. + Frederickson Amendment

The above bills had been heard at previous meetings of the Session and were approved for inclusion in an Omnibus Bill.

HF 659 (Norton); SF): St. Paul Teachers Retirement Fund Assn.: Continued Authority to Pay Post Retirement Increases and Early Retirement Reductions in Certain Instances

The bill allows a post retirement increase program for StPTRFA which was enacted in 1979 to continue indefinitely, rather than expire on December 31, 1982. It also allows StPTRFA to reduce the service requirement for a reduced early retirement annuity at age 55 from 25 years to ten years and to reduce the early retirement reduction factor for periods under age 60 for the Basic Program.

Rep. Moe moved that HF 569 be recommended to pass. Motion Carried

HF 976 (Sarna); SF): Minneapolis Teachers Retirement Fund Assn.; Authorizing a post retirement adjustment program and service credit for parental leaves

The bill authorizes MTRFA to make two changes in its articles of incorporation pursuant to the requirements of M.S., Section 354A.12, which requires legislative approval of any articles of incorporation or bylaw amendments prior to their adoption. The first change would be to authorize the fund to establish an annual lump sum post retirement adjustment program to certain eligible annuitants and survivor benefit recipients. The second change would be to authorize MTRFA members to purchase service credit for periods of authorized parental leave.

Dudley Parsons, Trustee of MTRFA, explained the bill.

Sen. Spear moved that HF 976 be recommended to pass. Motion Carried.

HF 860 (Sarna); SF 817 (Spear): MMER: Withdrawal of Investments from State Board of Investment

L. Martin went over the memo.

The bill authorizes the establishment of a post retirement adjustment mechanism, the retirement benefit fund, within the Minneapolis Municipal Employees Retirement Fund (MMER) and the withdrawal of MMER participation from the statewide post retirement mechanism, the Minnesota Post Retirement Investment Fund, for transfer to the newly established MMER retirement benefit fund. Transfer to be on June 30, 1981.

Rep. Reding moved that HF 860; SF 981 be recommended to pass as amended--"Strike everything after the enacting clause amendment". Motion Carried

Howard Bicker, Assistant Director of the State Board of Investment advised that the State Board of Investment approved of this bill.

HF 725 (Reding); SF 805 (Moe, Donald): Investments; Authorized Investments for State Board of Investment

L. Martin went over the staff memo.

The bill makes various technical and administrative changes and clarifications in laws relating to the State Board of Investment. It provides for expanded authority for the State Board of Investment to invest in various types of securities, including venture capital investments, real estate investments, commingled regional, etc.

Rep. Moe moved that HF 725; SF 805 be recommended to pass as amended. Motion Carried

HF 890 (Clark, K.); SF 452 (Spear): Investment Targeting Criteria for State Investments

L. Martin went over staff memo. Sen. Spear moved that HF 890; SF 452 be referred to the respective committees and that no action be taken. Motion Carried

^{bill}
The/ adds additional standards to the traditional standard for investment, the prudent person standard. The added language adds additional standards which encourage investment in the State of Minnesota and which prohibit investment in companies which violate laws regarding human rights, environmental protection, occupational safety and health or labor relations.

HF 901 (Rice); SF 762 (Solon): Investments; Withdrawal of PERA Assets from Investment by the State Board of Investment

L. Martin went over the staff memo.

The bill authorizes the PERA to withdraw all assets attributable to the fund from the jurisdiction of the State Board of Investment and to invest these assets through the PERA Board of Trustees. The bill specifies the duties of the PERA Board of Trustees with respect to the investment of assets, the authorized types of securities for investment and the establishment of a separate post retirement adjustment mechanism.

Mr. McLaren, Executive Director of PERA, discussed the bill and spoke in favor of it.

Rep. Rodriguez moved that HF 901; SF 762 be referred to the respective committees without recommendation. Motion Carried.

SF 348 (Sarna); SF 753 (Peterson, C.C.): PERA Benefit Increase
(held over for next meeting)

HF 536 (F. Rodriguez); SF 712 (Lantry): PERA: Exclusion of St. Paul Housing Agency Employees

L. Martin went over the staff Memo. The bill provides for an exclusion from PERA pension coverage the employees of the St. Paul Public Housing Agency.

Rep. Frank Rodriguez moved that HF 536 be recommended to pass. Motion Carried

The St. Paul Delegation supports bill with no resistance to it; 66 employees covered.