

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park, Rm 218
Helena MT 59620

Board Legislative Committee Minutes
Tuesday, January 18, 2011
10:30 am

Committee Members (present via telephone):

Dianna Porter, Chair
John Nielsen
Terrence Smith

Other Board Members (present via telephone):

Darcy Halpin
Patrick McKittrick
Scott Moore
Timm Twardoski

Staff:

Roxanne Minnehan
Melanie Symons
Barbara Quinn
Patricia Davis
Mike O'Connor
Jenny Weigand
Flora Sebens

I. Roll Call

II. Public/Member Comment – No public comment.

III. Approval of Legislative Committee Meeting Minutes

The minutes of the Board Legislative Committee meeting of January 11, 2011 were presented.

Motion: Chairwoman Dianna Porter moved to approve the minutes of the January 11, 2011 Board Legislative Committee meeting.

Second: Committee Board Member Terrence Smith

Vote: 2/0 – John Nielsen abstained.

IV. PERB Legislation

Meetings with Leadership Updates

A. HB 70 (LC0160) – General Revisions Bill – Rep. Mike Menahan

This bill was heard Friday, January 14th before the House State Administration Committee. MPERA Executive Director, Ms. Roxanne Minnehan, mentioned that all of our sponsors did a really good job with this bill. She stated there were more

questions than usual for a general revisions bill, which caused her concern about the Board's funding bills due to the contentious nature of the questions.

B. HB 119 (LC0161) – VFCA Revision Bill(Revise laws related to volunteer firefighters compensation) – Rep. Gordon Hendrick

This was heard Friday, January 14th before the House State Administration Committee. Again, there were a lot of question on this bill, as well.

C. HB 85 (LC0162) – Working Retiree Bill – PERS, SRS, FURS – Rep. Franke Wilmer

This bill was heard Friday, January 14th before the House State Administration Committee and Ms. Minnehan mentioned that Representative Franke Wilmer did a good job sponsoring this particular bill. The MACO Assistant Executive Director, Sheryl Wood, testified as a soft information opponent. She further stated that she understood the reasoning behind the bill. However, the Chair stated she appeared to be an opponent. Ms. Wood reluctantly agreed, stating she was, however, her orders are to oppose all bills that increase costs to the counties.

D. HB 122 (LC0407) – PERS Funding Bill(Provide for benefit and funding changes to public employees retirement system) – Rep. Sue Malek

This bill has been referred to House State Administration; however, it hasn't been scheduled for hearing yet. The fiscal note has been released by the Budget Office for Representative Malek to sign off on. It was asked if anyone had heard anything about splitting out this bill and Ms. Minnehan responded that nobody had mentioned it yet, but she expected it would be brought up at this hearing. Representative John Sesso has recommended we acquire as much support for HB122 as we can get. Ms. Minnehan mentioned that she has been trying to get people to become proponents for the bill but is not having much luck other than Tom Schneider and Eric Feaver. She has been appealing to people on her blog and on Facebook, but nobody has responded yet. Representative Sesso also felt it would be a good idea to have Board members present at this hearing. Committee Board Member, Terry Smith, suggested drafting a joint letter from the entire Board with President Mr. John Nielsen's signature that could be read by a MPERA Board member at the hearing, confirming their strong support of this bill. Chairwoman Porter agreed to attend this hearing and Member Terry Smith indicated that as long as the hearing was not this Thursday or Friday he, too, would attend. Member Twardoski stated that he did not have the flexibility to attend the hearings on such a short notice and that he also had some reservations about being so new to the board and felt that maybe someone with a longer history of being on the board should attend in the event he was asked a question that he didn't know the answer to. It was pointed out that witnesses may defer questions to MPERA staff. It was decided that the best approach would be to have as many members of the Board attend the meeting as possible and also have them be introduced individually by the sponsor. This did not mean the members necessarily had to speak on behalf of the bill, but their presence would show their support of it.

Board member Patrick McKittrick departed the meeting at 10:55 a.m. due to prior commitments.

E. HB 134 (LC0405) – GWPORS Funding Bill – Rep. Carolyn Squires

This bill was heard on Monday, January 17th before the House State Administration Committee. Ms. Minnehan stated that Representative Carolyn Squires did a really good job in proposing both HB134 and HB135. The Game Wardens' Association lobbyist, George Golie, testified as a proponent. Mr. Eric Feaver (MEA-MFT) and Tom Schneider (MPEA) were also proponents.

F. HB 135 (LC0406) – SRS Funding Bill – Rep. Carolyn Squires

This bill was heard on Monday, January 17th before the House State Administration Committee. The Sheriff's Retirement System had an opponent in the MACO Assistant Executive Director, Cheryl Wood. Mayor Jim Smith is the lobbyist for the Sheriffs and Peace Officers Association and opposed the bill and mentioned the counties just could not afford any more money. Lewis and Clark County Sheriff, Leo Dutton, also testified in opposition.

V. HB 197 (LC1361) – Constitutional amendment allowing legislature to change retirement plans – Rep. Brian Hoven

Ms. Minnehan mentioned that the Constitutional Amendment had been referred to the House State Administration Committee, but that it has not been scheduled for a hearing yet. MPERA Chief Legal Counsel, Melanie Symons, suggested that, because this was such an important bill, we should initiate contact with Representative Brian Hoven ourselves instead of waiting for Representative Scott Reichner to set up a meeting. Ms. Minnehan reminded everyone that she was originally going to have Representative Reichner schedule a meeting between Representative Hoven and herself to talk about the Constitutional Amendment, but since she has not heard anything back from him yet and she agreed with Ms. Symons they should probably take a more direct approach and contact Representative Hoven ourselves. The Legislative Board Committee members unanimously agreed.

White Paper – Ms. Symons reported that she is still working the White Paper and is hopeful it will be completed by the end of this week.

Mr. Twardoski has contacted AFSCME National to find out what legal research has been done in terms of contract rights. Gathering the information will take time and Mr. Twardoski will pass along any information he receives.

VI. Other Retirement Legislation

HB238 –Revise membership of Public Employees' Retirement Board –Representative Bill McChesney

Ms. Minnehan stated that this particular bill is intended to revise the membership of the MPERA Board and that it has been referred to the House State Administration Committee as of January 13th. Ms. Minnehan asked the Committee members for direction on how they wanted staff to respond to this bill. Chairwoman Porter mentioned that she seemed to recall the Board was opposed to it during a past meeting when they were considering this as a possible legislation last year. She felt that when you start limiting at-large or public membership on the Board you start narrowing it down to where you no longer have public representation. Chairwoman Porter asked that a staff member research the past minutes to find out what the Board's final thoughts were on this.

It was asked if there was a bill still going through the Legislature for dispatchers to join the Sheriffs Association. Ms. Minnehan responded that there was (LC0996). The sponsor is Representative Wilmer and it has not been introduced yet. MPERA Fiscal Services Bureau Chief, Ms. Barb Quinn, indicated that they are still collecting information on that particular LC and once we gather all the needed information our programmers will need to do some work on it and then we will have to send it to our actuary. She thought that this could possibly be one reason for the delay. It was asked how we stood as a Board on this particular issue and Chairwoman Porter stated that she felt the Board was in support of it and once again suggested going back through previous minutes to find out for sure what the stance of the Board was.

SB 113 – *Transfer statutory excess retirement funds in trust by school districts to TRS*
– Representative Larry Jent

Ms. Minnehan mentioned that this bill is scheduled for hearing on January 19th at 3:00 p.m. The bill caps school district retirement funds at 20% and transfers any excess reserves proportionately to the Teachers' Retirement System and the Public Employees' Retirement System. The breakout is 86% to TRS and 14% to PERS, based on their 2010 payroll reports.

Motion: Committee Board Member Terrence Smith moved to support Senate Bill 113.

Second: Chairwoman Dianna Porter

Vote: 2/1

HB 32 – *Revise laws regarding general appropriations bills* – Ken Peterson

This bill was heard yesterday. It requests that each individual agency propose a budget to the Legislature. Ms. Minnehan was not sure as to why we were listed on this bill, due to the fact that we do not currently report to the Legislature on our budget, nor do we receive appropriations from them. The Board's feelings were that we wanted to remain status quo and not be required to submit a proposed budget to the Legislature. Our budget cap of 1.5% of benefits paid out is in statute. Mr. O'Conner explained that most of the Legislators today were not around when the 1.5% budget cap was enacted, so most of them are probably under the impression that every state agency goes to the Legislature for appropriations. It was agreed that we would watch the bill and take action on it later, if necessary.

VII. Other Related Legislation

A. SB 120 (LC0449) – *Publishing of Appointed Members to all State Agency Boards* – Rep. John Brenden

This bill has not been scheduled for hearing yet. It had been discussed at the previous meeting that Board members were not comfortable publishing their personal contact information, but felt that if a State of Montana email address could be established for each Board member then that could be published as a way for the public to contact them. The Board was not opposed to the bill as long as the wording was kept as it currently is and that the choice of contact information is not taken away from them.

The Board requested staff to attend the hearing to ensure that the wording was not changed.

B. SB 150 (LC0608) – Provide for protection of rights through actions against public officials – Representative Art Wittich

This bill was reassigned to local government but the hearing is Friday, January 21st. It has already been established that the MPERA Board is opposed to this bill.

VIII. The meeting was adjourned at 11:30 am by Ms. Dianna Porter, Chair.