

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N Park, Rm 201**  
**Helena MT 59620**

**Board Legislative Committee Minutes**  
**October 1, 2012 - 1:00 pm**

Chairman Terrence Smith called the PERB Legislative Committee conference call to order at 1:00 p.m. on Monday, October 1, 2012. Roll call was taken. Board members and staff present were:

*Committee Members:*  
Terrence Smith, Chair  
Bob Bugni  
Darcy Halpin  
Scott Moore  
Melissa Strecker  
Timm Twardoski

*Staff:*  
Roxanne Minnehan, Executive Director  
Barb Quinn, Fiscal Services Bureau Chief  
Kate Talley, Attorney  
Hollie Koehler, Internal Auditor  
Jenny Weigand, Education Supervisor  
Flora Sebens, Executive Assistant

*Public:*  
Diane Fladmo, MCA MFT  
Jessie Luther, AMT  
Tom Schneider, MPEA  
Shantil Siaperas, MACO  
Mike O'Connor, AMRPE  
Maureen Davey, Stillwater County

- I. Roll Call**  
Roll call was taken. Chairman Terrence Smith, Members Bob Bugni, Darcy Halpin, Scott Moore, Dianna Porter, Melissa Strecker and Timm Twardoski participated via telephone. Member Bob Bugni attended in person.
- II. Public/Member Comment** on any subject of interest to the Board not on the agenda.  
No public comment.
- III. Approval of Legislative Committee Meeting Minutes – September 10, 2012.**  
The minutes of the September 10, 2012, PERB Legislative Committee Meeting were presented.

***Motion: Member Bob Bugni moved to approve the minutes of the September 10, 2012 PERB Legislative Committee Meeting.***

***Second: Member Scott Moore***

***No public comment.***

***Vote: 3/0***

**IV. Executive Director Report – background information and objective**

**A. Legislative Fiscal Committee – verbal update**

The Governor's Plan, the LFC pension model, and PEW were discussed. Senator Carol Williams requested Amy Carlson ensures PEW considers the Governor's proposal during their study of Montana's pension plans. PEW is having a meeting with stakeholders before the next LFC meeting in November.

Chairman Smith questioned why PEW was involved with pension issues. Roxanne responded that she did not know what their qualifications were. She knows they have done research in other states and thinks that one of the reasons they want to be involved in Montana is because they know there are resources available too.

PEW presented a State Legislator's Conference. PEW has a grant from the Arnold Foundation targeted towards helping states with pension reform or pension issues. The amount of the grant is unknown.

PEW, through Amy Carlson, is requesting the 2011 Actuary Valuation member data from the last 10 Annual Reports (CAFRs). Roxanne feels we need an MOU between the actuaries to ensure confidentiality and to ensure that information is only passed back and forth between the actuaries. Kate Talley is drafting this MOU. There is a statute that requires us to provide information to the Legislative Finance Committee.

***Motion: Member Scott Moore moved to send our member information without identifying information to PEW.***

***Second: Member Darcy Halpin***

***Vote: 7/0***

**B. Pension Advocacy Meeting**

Diane Fladmo, MEA-MFT, had a meeting with the stakeholders to discuss issues around pensions and potential ways to promote advocacy among the members of the different retirement plans and the general public. This was in preparation for writing a proposal to the National Public Pension Coalition for funding to launch an advocacy campaign in Montana for public pensions. Members of this coalition include MEA-MFT, AFL-CIO, SEIU and AFSCME.

**C. Messaging for the 2013 Legislative Session**

***Messaging to Legislators***

Discussion included the local impact that public retirement benefits have on main street. The one-page document depicting the breakdown of benefits by county was very helpful last Legislative Session. It showed the legislators the impact that retirement benefits have on their county. This year it is suggested to include TRS benefits and have a combined impact per county. Tom Schneider suggested also distributing this information to the local Chambers because that's where the legislators go to get input. He felt it was important that the local public was also aware of how much money comes into their counties from the pension benefits.

Chairman Smith asked if we could work with Diane Fladmo to distribute this information to the general public. Diane stated she would work with us, but would not provide mailings.

*Messaging to current members*

The "Pension Points" document drafted by Jenny Weigand, Education Supervisor, was discussed. The purpose of this document is to provide a handout to the legislators to educate them on retirement issues and our message. Ms. Weigand explained she was hoping to send this document to legislators prior to the Session starting. Then she would draft one-page documents to be used during the Session.

Ideas for the one-page documents were: 1) Cost of administering a DC plan; 2) DC plans will leave retirees in poverty; 3) how DC Plans work versus DB plans; and 4) the status of 401(k)s today. Member Porter suggested testing the Pension Points document by new legislators to get their feedback on it and tweak as necessary. Mike O'Connor commented on how people focus on the financial aspect of pension issues and tend to forget about the human side of this issue; i.e. what effect does this have on employees? What effect does this have on new hires? We must remember that we are affecting people's lives.

It was agreed that everyone would provide their feedback, comments and suggestions direct to Jenny.

*Messaging to the general public*

It is necessary to educate the legislators first and then focus on getting our message out to them afterwards. We need to make sure we create a document that is going to be visually appealing to the legislators to entice them to read it. We also need to emphasize the human side of the pension issues and the effects it has on people. This is a new approach that we have not taken in the past.

It was agreed this document should definitely be sent to the SAVA Committee and the Legislative Leadership. Chairman Smith asked when Ms. Weigand thought the Pension Points document would be ready. She responded she could make the changes that the Board members provide to her by next week, but it probably would not be ready to print until the week after.

The packet will be broken down into one-page pieces and we will hopefully have a final product to take to the next SAVA meeting.

D. Other Legislative Issues

Roxanne Minnehan distributed a list of the current Retirement Bills.

- a. DC bill sponsored by Senator Lewis which only addresses PERS; not TRS.
- b. Senator Edward has a Walker bill is to eliminate pension eligibility for Legislators.
- c. The SAVA Bills
  - i. LC0197 (increase the time period for the highest average compensation) has been withdrawn.

- d. Senator Art Wittich's bill is to provide incentive for current members to transfer to the DC Plan.
- e. Placeholder Bills
  - i. Bill from Senator Tom Facey to the pro-plan that MEA-MFT is proposing.
  - ii. Bill from Senator Allen Olson to address the Highway Patrol's ideas for their unfunded actuarial liability.

**V. Adjournment**

There being no further business before the Legislative Committee, Chairman Terrence Smith adjourned the meeting at approximately 2:45 p.m.