

PUBLIC EMPLOYEES' RETIREMENT BOARD

100 N Park, Rm 201 ~ Helena MT 59601

Board Legislative Committee

Tuesday, April 16, 2013

MINUTES

Chairman Terrence Smith called the PERB Legislative Committee meeting to order at 1:05 p.m. on Tuesday, April 16, 2013. Board Members that participated in the meeting:

Terrence Smith, Chairperson
Scott Moore
Bob Bugni
Timm Twardoski
Sheena Wilson

Staff:

Roxanne Minnehan, Executive Director
Melanie Symons, Chief Legal Counsel
Barbara Quinn, Fiscal Services Bureau Chief
Patricia Davis, Member Services Bureau Chief
Kate Talley, Legal Counsel
Jenny Weigand, Education Supervisor
Kris Vladic, Program Specialist
Janet Ries, Board Secretary

Public:

Tom Schneider, AFSCME, MPEA
Jerry Williams, MPPA
Sheryl Wood, MACo
Diane Fladmo, MEA-MFT

Roll call was taken. Members Bob Bugni, Sheena Wilson and Timm Twardoski were present. Chairman Terrence Smith and member Scott Moore participated by telephone. Members Melissa Strecker and Mike McGinley were absent.

There was no public comment.

The minutes of the April 9, 2013 Legislative Committee were presented. Bob Bugni made a correction to the minutes. On page 4, paragraph 7; change "Board" to "retired".

Motion: *Sheena Wilson made a motion to approve the April 9, 2013 Legislative Committee minutes with requested amendment.*

Second: *Scott Moore*

No public comment.

Vote: *Approved 5/0*

HB 454 – Passed out of Senate Finance & Claims, with amendments 13-7

Roxanne Minnehan reported Senator Sesso's amendments passed 12-8. The amendments include: **1)** Return bill to funding mechanism outlined in bill as introduced, **2)** Increase employee retirement contributions an additional 1% in increments of 0.1% over 10 years, **3)** GABA change to have everyone at 1.5%, decreasing by 0.1% based on funding level and **4)** Require that the Board's actuary present a report to the Labor and Finance Committee (LFC) and the State Administration and Veterans' Affairs (SAVA) interim committees. If the report is not made, \$5 million is removed from the funding.

Failed amendments were **1)** Senator Wanzenried's amendment to remove retirees from the GABA change failed 12-8 and **2)** Senator Lewis' amendment for a non-severability clause failed 11-9. Senator Jent will carry the bill on the floor. The bill will then return to the House over the next nine days.

The Board members discussed their position in the event the House with “does not concur” with the Senate amendments. Mr. Schneider recommended we lobby the Conference Committee to match the GABA trigger language. The regular Conference Committee may only work within the text of the original bill or amendments while in a Free Conference Committee, there can be changes made beyond the title of the bill. The Board prefers the 25 year amortization over 90% funding.

Public Comment: Tom Schneider asked when the next valuation is and how do we know when to reduce or not reduce the GABA.

HB 97 – has been sent to a Free Conference Committee. Representatives appointed are Franke Wilmer, Dennis Lenz, and Joanne Blyton. The Senate has not appointed members yet. Ms. Minnehan asked the Board for direction if we are allowed to speak at the Committee meeting. Scott Moore said that we should leave the 110% and remove the 125 plan. Melanie Symons reported that the tax council has given us amended language in the event that it stays in. This language would ensure that we remain a qualified plan. Ms. Symons has provided the language to the committee members and Sheri Scurr.

Public Comment: Mr. Schneider stated that if Senator Keane is on the committee, the bonus language will remain.

HB 95 – Require contributions on working retiree compensation. HB 95 was transmitted to the Governor on April 12, 2013.

HB 97 – Cap HAC. Free Conference Committee appointed April 15, 2013.

HB 105 – General Revisions. Signed by the Governor on April 12, 2013.

HB 122 – Qualifications Bill. Transmitted to the Governor on April 12, 2013.

HB 336 – HPORS Funding Bill. Transmitted to the Governor on April 12, 2013.

HB 320 – Changed name of ORP to the University Retirement Program.

SR 53 – Confirmed Governor’s appointees, Sheena Wilson and Mike McGinley, to the Public Employees’ Retirement Board (PERB) – no update.

SR 54 – Governor's PERB appointee to Board of Investments, Sheena Wilson. Sent to enrolling on April 12, 2013.

ADJOURNMENT

There being no further business before the Legislative Committee, Chairman Terrence Smith adjourned the meeting at 1:45 p.m.