

52 updating beneficiary information and the importance of having a will. Carolyn stated that all of us will
53 benefit from these seminars.

54

55 Legislative Report - Leo Berry

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57 Several years ago, Leo's firm put on a retirement seminar, and they are willing to do that again.

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59 The Legislature is winding down. Republican leadership met with the Governor over the week-
60 end, and they are down to just a few issues, higher ed and k-12. The current plan is 40-50
61 million short of what the Governor wants. The pay plan was passed out of committee, but the
62 feeling is that it won't pass the House. The Governor wants a pay plan. Also he wants more
63 money in human services, but he says they're getting close. A lot will depend on the
64 conservative Republicans, who want to cut the governor's budget. But they will compromise.
65 They could be done by Friday, or leave on Thursday and return next week.

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67 We started off the session very concerned about the proposed bills to change retirement systems.
68 Overall, nothing really bad happened, but nothing really good happened. HB 122 is still in the
69 plan which changes the formula and averages out over 5 years instead of 3. It is the only likely
70 bill to survive. HB 192, which we supported, would raise income tax and trigger, but died in
71 committee due to the fiscal note. HB 197, which would have changed our constitution by giving
72 the Legislature the ability to change our existing retirement, died in committee. Leo lobbied
73 hard and so did AMRPE board members. Our bill, HB 238, sponsored by Bill McChesney
74 would have changed board makeup of MPERA. The bill died due to a lot of opposition, even
75 after some alterations.

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77 Other bills were introduced that were to change the existing retirement systems to defined
78 contribution instead of defined benefit, but some Republicans didn't recognize the cost of
79 changing from DB to DC. Joe Balyeat's hybrid bill, affecting teachers' retirement is on the
80 Governor's desk and he will probably veto it. HB 632 would have taken coal tax revenues to
81 help out the retirement systems that are not solvent. This was Leo's idea of helping out the
82 unfunded liability without having to raise any taxes. He gave it to House leadership, who liked
83 it. Rep. Janna Taylor sponsored HB 632, which passed the House, with 56 votes. In fiscal year
84 2014-15, it would have added \$15 million into retirement systems. It languished in the Senate,
85 which finally scheduled a hearing, but Senator Balyeat refused to put any money into the
86 retirement plans until everyone switched to DC plan. So he tied his hybrid bill to Rep. Taylor's
87 HB 632, which doomed it.

88

89 Leo views this as a long term issue, and large issues usually take more than one session to pass.
90 The issue is whether they continue to try to tie it to a DC plan. The employee unions supported
91 Leo's coal tax bill, but they won't support a DC plan. Leo wanted to get the Senators to remove
92 the DC stipulation, and the connection to Senator Balyeat's bill. A lot of people think HB 632
93 has long term merit. However the Governor's office didn't like the bill as it takes money away
94 from the general fund. The current beneficiaries of the coal tax would be frozen at 2013 levels
95 plus an inflation index, but extra money would go to help fund various retirement systems. We
96 had support but not enough to pass. The Senate State Administration Committee chairman
97 really liked the bill. The house didn't take it up soon enough, so it got jammed up late in the
98 session, which didn't give much time to educate the Senators. It was a big bill, and there are
99 folks who like it. Hopefully, we will see it next time around.

100
101 Bob Robinson said that there could be an interim committee to look at the retirement situation.
102 Leo doesn't think that will happen, since there was one this last time and they didn't do anything
103 significant.

104
105 MPERA – Mike O'Connor

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107 Clifford Sheets, Chief Investment Officer for the Board of Investments said the fiscal year to
108 date rate of return is up to 18.8% as of February 28, 2011. Sheets said he is not an optimistic
109 person generally, but with this type of return, he doesn't think that there will be any recession
110 like the last two years. The rate of return is higher than expected.

111
112 Mike is working with MPERA on the distribution of our brochures to new retirees. They
113 changed their procedure and they are no longer being sent to new retirees.

114
115 TREASURER'S REPORT

116 John McEwen submitted the Treasurer's Report for this year to date. We have paid our lobbyist Leo
117 Berry another of his 5 installments. Dues collections have increased due to the reminder letter that was
118 sent. Income is pretty close to what we expected. To save money, John recommended that we meet
119 every other month during legislative off years. Treasurer's report was accepted as presented.

120
121 State Health Insurance Plan Update: John said the state benefits office is considering offering a Medicare
122 advantage plan. Bob said New West is the only Medicare approved program for groups in the state.
123 Others companies are just for individuals. The pharmacy cost is a large part of the cost. It must be
124 comparable to the existing plan.

125
126 There was discussion regarding the difference between the state retirement health plan and Medicare
127 Advantage.

128
129 OLD BUSINESS

130
131 Web Site

132 Martha finally has finally gotten Luke to respond to the update of the website. He sent a new design that
133 Martha shared with the Board. She will continue to work on it over the summer.

134
135 Membership Committee

136 There was a discussion about the folks who paid dues to AFSCME, thinking it was AMRPE. In the next
137 newsletter, there will be an article thanking members for dues and donations. It will explain that dues are
138 for a calendar year and notices are sent out in January. There will be mention of other look-alikes,
139 stressing our name and acronym. Martha suggested that we give those folks who paid AFSCME a free
140 grace year, due to the mix-up, and the Board agreed.

141
142 Bob said that we should write them and acknowledge that they intended to continue their membership but
143 through an error, had sent their dues to AFSCME, but we will continue their membership through this
144 year. We'll remind them that they will be billed again in January, and we hope they continue their
145 membership.

146
147 Membership income is higher than last year at this time. Perhaps that is due to the Legislature in session.
148

149 Carolyn wondered if we should have a link on the web site to the newspaper articles that are significant
150 regarding the legislature, as well as links to retiree articles. She suggested that Leo provide his session
151 report in a format that we can download to our website.

152

153 Bill stressed that we have a lot of members who do not have computer access. These are the most loyal
154 members, and we need to keep the paper forms going.

155

156 NEW BUSINESS

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158 Newsletter

159 Leo will write up a summary for the newsletter after the legislature ends. It would be good to get a draft
160 newsletter by the next meeting. John suggested a two page newsletter, instead of a 4 page. Articles could
161 include the potential Medicare Advantage program, retirement unfunded liability, and the attacks on the
162 retirement system. The newsletter should also include a letter from the President of the Board. It is
163 important that members know we have a lobbyist working for us. Mike will work with Leo to put a good
164 article together. Bob said we should write an article stressing our involvement in this legislature, and that
165 no other group is up there protecting our benefits.

166

167 Submitting Minutes

168 There was discussion on the process for Martha and it was decided to send draft minutes to all members.
169 Martha will rename drafts by number. It will be sent in MS Word format, with line #'s.

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171 Audit Committee

172 There will be the annual audit meeting May 4th, 9 am. 305 Cutler (Barb, Bob, Jim Penner, Carolyn, John)

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175 Meeting adjourned at 11:30 am.

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