

52 Leo said that the bill he proposed for us got a late start last year. Rusty asked if the bill should be revised.
53 Leo said that there was a small problem with the technical note, but not much to change. Leo said we
54 might ask for a different sponsor.
55

56 Bill asked how we can get MACo on board; Leo said to give them that report. Jim Smith from the
57 Sheriff's Association supported our bill. Leo said that the administration opposed it was because it would
58 defer \$15M that goes to the general fund. We need to discuss that with the next administration/ governor.
59 There's room to tinker with the bill.
60

61 Leo suggests writing an op-ed piece and talking to the editorial boards of the large papers throughout the
62 state to get them on board. Rusty thinks we should strike while the issue is hot. He appointed Leo and
63 Mike to write the op-ed, and have Rusty sign it, and then the 3 would go around to editorial boards.
64

65 Bill said that a problem has been identified, and we are coming up with a solution. This will look good.
66

67 Leo said it won't solve all problems, but it is a start and no one else is coming up with a solution.
68

69 Bob suggested we use this op-ed to include an education element, covering all points.
70

71 John said we need to point out that the employers will have to come up with the difference, which is
72 going to cut into all government funding in the state.
73

74 Leo said historically that the unfunded liability usually fluctuated between 27-29 years, then for 15 years,
75 the unfunded liability disappeared altogether, due to good stock market returns. So the point is this can
76 change any time. If returns of the stock market come back, then it will be covered by the proposed bill,
77 then the Coal Tax Trust Fund support would disappear as funding.
78

79 The Coal Tax Trust Fund was established as a rainy day fund, and the state has never taken any of the
80 money out of the trust to help out when needed. This is the "rainy day."
81

82 Leo said that there are so many fingers in the pie with the Coal Tax Trust Fund, but feels that the
83 proposed bill can work. Leo has talked with the owners of the Roundup mine, which produces high
84 quality coal, and they have been producing about 1-2 million tons in a year. Last month they produced a
85 million tons in one month. So there is a significant increase in production. Otter Creek Mine will really
86 increase the fund if and when that gets going. Both of these will increase the Trust Fund significantly.
87

88 Mike and Leo will put the op-ed together. Bob said that it is best to have it written, then go to the boards
89 and explain the bill, so that they can think about it and also have time to respond as well. Time is of the
90 essence. Leo said to send it to all newspapers, even the small ones.
91

92 Leo said he thought that Dave Senn's editorial was good and we can highlight some of the same points.
93

94 The Attorney General just issued a ruling on the Teachers Retirement system. TRS got a request to
95 publish the 10 highest retirement amounts with names. The AG ruled that the names were NOT
96 confidential.
97

98 Mike said that the PERS retirement board talked about this confidentiality issue and they hope someone
99 challenges it, as PERS does not want to reveal names.
100

101 John pointed out that there are 4 payment options available to members for taking their retirement, which
102 should be protected. Mike also said the employee has several options to purchase additional years of

103 service. These don't cost the employer anything. Most other states don't have our constitutional right to
104 privacy. When the AG comes out with a ruling, it is a law until someone challenges it in court.
105

106 Last meeting, Leo talked about the Colorado and Minnesota cases, and has written a memo of their legal
107 review. Dave Senn also made an analysis of our system as well. There are several differences. In MN
108 and CO, there is an "implied" contract. The Montana law is clearly a contract by statute, which is a major
109 distinction. Ours also states that the legislature can increase benefits, but it doesn't say anything about
110 decreasing. Ours is a Guaranteed Annual Benefits Adjustment, not Cost Of Living Adjustment,
111 "guaranteed" as opposed to cost of living. There is very good reason to believe we have sound legal
112 arguments for distinction from MN and CO, but don't know what our Supreme Court would decide.
113 Mike pointed out the other changes made at the time of GABA, so they would have to reverse all those
114 changes.
115

116 Bob called Leo about the errors and omissions insurance. Leo talked with a couple of people, but could
117 not imagine what kind of liability we have, since we can't affect the retirement of anyone.
118

119 Rusty said we will have a tough two years ahead of us. As long as we are pushing legislation to bail out
120 the retirement funds, instead of just doing a January newsletter, perhaps we should do a mass mailing to
121 drum up membership. We need to make the retirees aware that the legislature will try to take the GABA
122 away. Leo said that since the AG ruling, we should be able to access their names and addresses. Mike
123 thinks we should take advantage of this ruling. There's a lot of staff resistance to our access to files. The
124 addresses could not be available.
125

126 We are the only group that came up with a solution last legislature, but the Senate killed it. We just didn't
127 have time to build support.
128

129 COMMITTEE REPORTS 130

131 132 AUDIT COMMITTEE – Records Retention Policy

134 The committee met on Monday and took a sample Montana Non-Profit Association policy and revised it
135 to fit our organization. Bob reviewed the policy with the board. Discussion raised some issues of length
136 of retention. We will all review and come back with recommendations at the next meeting.
137

138 PERA BOARD – Mike reported about the actuarial valuation. Actuaries throw out a lot of different
139 numbers and terminology. There weren't any surprises, but in the evaluation it shows the 4 year
140 smoothing of assets. If you look at the loss 4 years ago, it was a 1.4 billion loss, this year, had a 20%
141 return, in 2010 there was a 12% return, so the next 4 years will show the gains and not the big loss 4 years
142 ago. This year's evaluation should be as bad as it gets, we have hit the bottom. If we continue to make
143 the 7.75% each year, we will start to climb up out of the hole.
144

145 Rusty asked about the retirement rate, if it is increasing or decreasing. Last year we had a 4% increase
146 because of the early retirement change that went into affect, but the active members have actually
147 decreased a bit.
148

149 Highway Patrol Retirement System will now take 48 years to pay off their unfunded liability, so they are
150 also in trouble.
151

152 The actuary looks at the asset allocation of the retirement fund and considers whether the rate of return is
153 reasonable.
154

155 Mike met with Roxanne about distributing our brochures; she is going to get back with us, as there is
156 resistance in PERS.

157
158 Martha reported that the website has been updated, but missing March 2011 minutes. Jan mentioned the
159 date on each web page, need to remove. Also remove sign-in/register. Move Martha's sign-in to
160 different location. Need list of board members, phone numbers and email address on front page. On first
161 page, about us, make type bigger on the home page. Everyone likes the look of the website.

162
163 Martha will buy a Tracfone and buy a 60 minute card.

164
165 MEMBERSHIP COMMITTEE

166 Rusty gave the task in researching the estimated cost for mass mailings to the committee. Carolyn, Jim,
167 Jan, Cathy and Martha will meet. It will be a newsletter with a postcard to join or renew. We're talking
168 about 20,000. The committee needs to talk to Roxanne about the procedure.

169
170 Martha questioned whether those paying this late in the year for 2010, if it should be for 2011 or 12,
171 board said for 2011, no breaks for late payees.

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173
174 Meeting was adjourned at 11:27. The next meeting is Tuesday, Nov 15 at 9:30.

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