



May 26, 1988  
Room 10  
State Office Building

15th Meeting

### LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

#### MINUTES

Representative Wayne Simoneau, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 4:05 PM.

#### Commission members present:

Representatives Karen Clark, Bob A. Johnson, Gerald Knickerbocker, Leo Reding and Wayne Simoneau  
Senators Donald Moe, Lawrence Pogemiller, Gene Waldorf, and Darril Wegscheid

#### Member absent:

Senator Earl Renneke

A quorum was present.

Rep. Simoneau introduced the first item on the agenda, the minutes of the meeting of February 15, 1988.  
Representative Gerald Knickerbocker moved approval of the minutes. MOTION PREVAILED.

Rep. Simoneau introduced the second item on the agenda, the contract for actuarial services with The Wyatt Company. Mr. Lawrence Martin, Executive Director of the Commission, referred members to several items in their packets relating to the contract for actuarial services. Mr. Martin began by stating that the current contract with The Wyatt Company for the provision of actuarial services expires on June 30, 1988. Mr. Martin went on to review a proposed amendment to the current contract with The Wyatt Company explaining that the current contract with The Wyatt Company does not adequately deal with two actuarial services that extend beyond the current contract's expiration date. The two items are the review of the 1988 Standards for Actuarial Work and the 1986-1987 period Annual Experience Study. An amendment is suggested to permit The Wyatt Company to perform these services and set the compensation rate for the performance of these services.

Mr. Martin then referred members to the two versions of the actuarial contract contained in their packets. One version is a clean document which basically extends the contract with The Wyatt Company for two years, the second version contains strikeouts and underscores to show the deletions and the insertions in the current contract to permit members to note the changes in the new contract over the current contract.

Senator Wegscheid moved to adopt the amendment to the current contract with The Wyatt Company to permit performance of the 1986-1987 period Annual Experience Study and the review of the 1988 Standards for Actuarial Work. MOTION PREVAILED.

Senator Wegscheid moved to adopt the new two year contract with The Wyatt Company and authorized the Chair to execute the contract for actuarial services on behalf of the Commission. MOTION PREVAILED.

Rep. Simoneau introduced the third item on the agenda, personnel matters. Discussion followed. It was agreed that Mr. Martin would rewrite the job description and follow standard procedures for advertising and posting the position. A search committee was established to review the applications for this position and present five or ten finalists for review by the Commission. The search committee consists of the following members of the Commission:

Senator Donald M. Moe  
Senator Darril Wegscheid

Representative Wayne Simoneau  
Representative Gerald Knickerbocker

Rep. Simoneau introduced the fourth item on the agenda, future potential benefit increase issues, mentioning that his thought was to study the issues of pension benefit adequacy and health care adequacy. Representative Simoneau read an excerpt from a letter from Senator Earl Renneke regarding a study done by the Commission

during the early 80s on the subject of pension benefit adequacy and suggesting the Commission continue and expand on this study as a basis for its current study of this issue. Discussion followed. It was agreed that Mr. Martin and Mr. Robert Perkins of The Wyatt Company should meet to discuss the various components of this study and that a projected timeframe for assembling the information be prepared for Commission review. It was also agreed that the study should be completed, reviewed by the Commission and the recommendations adopted by the Commission, including cost figures for possible benefit increases, and be provided to the leaders of the Senate and the House Appropriation and Finance Committees in time to permit their review prior to the next legislative session.

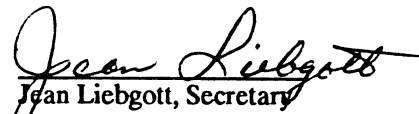
Rep. Simoneau brought members attention to the other items contained in their packets. These items included a letter regarding the recent election of new members to the MSRS Board, several press clippings and a Summary of the Pension Legislation Enacted by the 1988 Legislature.

Rep. Simoneau requested that Mr. Martin review his memo and the attached compendium of the actuarial cost estimates prepared by The Wyatt Company since 1986.

Rep. Simoneau recognized Rep. Bob Johnson who requested an opportunity at a future Commission meeting to speak on the topic of medical and health care coverage for retirees. Rep. Simoneau agreed to Rep. Johnson's request.

Rep. Simoneau requested, after discussion by Commission members, that Commission staff prepare a letter to be circulated and previewed by Commission members then sent to all House and Senate members requesting, as per past policy, that draft pension legislation be reviewed by the Commission prior to being considered by the Legislature.

The meeting adjourned at 5:15 P.M.

  
Jean Liebgott, Secretary