



April 13, 1995
Room 300S, State Office Building

8th Meeting



LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Representative Richard Jefferson, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 8:20 A.M.

Commission members present:

Representatives Richard Jefferson, Bob Johnson, Phyllis Kahn, and Steve Smith

1. Consideration of the Future Provision of Actuarial Services to the Commission After the June 30, 1995 Expiration of the Current Contract with Milliman & Robertson, Inc.

Lawrence A. Martin, LCPR Executive Director, reviewed the staff memo regarding the actuarial services bidding process. Mr. Martin noted that the current contract with the Commission actuary, Milliman & Robertson, Inc., expires June 30, 1995. He reviewed the timeline suggested in the staff memo and requested that the dates be pushed back one week since Commission members Session schedule delayed members meeting prior to today. The one week delay would move the RFP issue date to April 20th and move the bidders informational meeting to May 1 rather than April 24. Mr. Martin also noted that the draft RFP was widely circulated and that the responses Commission staff have received were incorporated into the current RFP document.

Rep. Johnson questioned who has access to the RFP response materials. Mr. Martin responded that once a response is received, staff treats the RFP response as public information. Discussion followed.

James Hacking, MERF Executive Director, referred members to the policy issues suggested in the pension fund directors response memo regarding their comments on the draft RFP. Mr. Hacking reviewed the policy issues.

Rep. Johnson asked what the pension funds might pay for a cost estimate on the "Rule of 85" issue.

Mr. Hacking testified that MERF has a fixed fee for actuarial services which includes MERF's actuarial valuation and 20 cost estimates.

Gene Waschbusch, StPTRFA Executive Secretary, testified that the cost would be approximately \$2,000 per fund. Discussion followed.

Mr. Martin stated that the start-up cost for the Commission-retained actuary might be \$2,000 for a cost estimate but estimates for multiple plans do not add a lot of additional cost.

Rep. Jefferson appointed himself, Rep. Johnson, and Rep. Smith to the Actuarial Subcommittee and noted that he will also appoint at least two Senate Commission members. He requested that Rep. Johnson Chair the Subcommittee. Rep. Jefferson also requested that Commission staff circulate the draft RFP document with member's comments from today's meeting to the Senate members and request that they provide their comments by April 18th so that the RFP can be issued April 20th.

The meeting adjourned at 9:00 A.M.


Jean Liebgott, Secretary

Note: The tape player malfunctioned at this meeting and the meeting is not on tape.