



Legislative Council

61st Montana Legislature

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COMMITTEE STAFF

SUSAN FOX, Executive Director
GREG PETESCH, Legal Division Director
DAWN FIELD, Secretary

MINUTES

Conference Call to approve \$200,000 SAVA Appropriation

November 16, 2009

Room 102, State Capitol
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

COMMITTEE MEMBERS PRESENT

REP. DENNIS HIMMELBERGER, Chair
SEN. CAROL WILLIAMS, Vice Chair - excused

SEN. JOHN BRUEGGEMAN - excused
SEN. JEFF ESSMANN
SEN. JESSE LASLOVICH
SEN. ROBERT STORY
SEN. DAVID WANZENRIED

REP. BOB BERGREN - excused
REP. MARGARETT CAMPBELL - excused
REP. TOM MCGILLVRAY
REP. JESSE O'HARA
REP. MIKE PHILLIPS

STAFF PRESENT

Susan Fox, Executive Director, LSD
Greg Petesch, Legal Director, LSD
Karen Berger, Financial Services Manager, LSD
Rachel Weiss, Research Analyst and SAVA Staff, LSD,
Dawn Field, Legislative Secretary, LSD

COMMITTEE ACTION

The Legislative Council approved a \$200,000 appropriation, as contained in HB 659 (2009), to the State Administration and Veterans' Affairs Interim Committee, of which up to \$125,000 may be used for consulting services, with the remaining balance of \$75,000 to be used for actuarial and legal review expenses.

CALL TO ORDER AND ROLL CALL

- 00:00:00 REP. HIMMELBERGER called the teleconference meeting to order at 10:13 a.m. The Secretary took roll, SEN. ESSMANN, SEN. LASLOVICH, SEN. STORY, SEN. WANZENRIED, REP. MCGILLVRAY, REP. O'HARA, REP. PHILLIPS, and REP. HIMMELBERGER were present via conference call.
- 00:00:59 REP. HIMMELBERGER referred to a letter sent out by Susan Fox for the purpose of the teleconference meeting (EXHIBIT #1). He briefly reviewed HB 659, which assigned the State Administration and Veterans' Affairs Interim Committee (SAVA) the task of reviewing the Montana public employee and teacher retirement systems. HB 659 included a \$200,000 appropriation with which the SAVA was to use for certain expenses related to the study. He noted that Legislative Council approval is necessary before SAVA may access the appropriation.
- 00:02:09 **Rachel Wiess, Research Analyst, LSD, SAVA Staff,,** reviewed the Request for proposal (RFP) for a plan design consultant for the public employee and teacher retirement system. Ms. Weiss said that the money would be used for plan design services only, and that SAVA had decided to use current actuaries because it would be more cost efficient. Ms. Weiss elaborated on the RFP requirements and said that SAVA would finalize the RFP process by the end of January of 2010.

Council Questions

- 00:05:11 REP. PHILLIPS asked for more details on how the \$200,000 would be expended. Ms. Weiss said that the SAVA chose to cap the cost of the consultant at \$125,000 in order to leave funding for other expenses, which will include the actuarial and legal review costs. REP. PHILLIPS asked about the SAVA work plan. Ms. Weiss said that the work plan currently includes four meetings with the consultant. She explained the time line and outline of the work to be done with consultant.
- 00:07:26 REP. PHILLIPS asked how many responses to the RFI were received. Ms. Weiss said that five responses were received and that she anticipated about the same amount for the RFP.
- 00:08:30 SEN. ESSMANN asked if the entire \$200,000 is to be approved or if the Council is voting to approve just the \$125,000 for the consultant. REP. HIMMELBERGER the motion should be to allocate the entire \$200,000 to SAVA and, he said, any funds not expended will revert to the general fund. **Susan Fox, Executive Director, Legislative Services Division,** said that is correct, that the motion would be to approve the \$200,000 as specified in HB 659. SEN. ESSMANN said he would like the motion to specify that no more than \$125,000 could be used for the consultant, and that the remaining \$75,000 would be reserved for actuarial and legal review costs.

- 00:10:43 **SEN. ESSMANN moved to approve the expenditure of up to \$125,000 to retain the services of a planning consultant to work with the SAVA and to reserve the remaining balance of \$75,000 for actuarial and legal review costs.**
- 00:11:20 REP. MCGILLVRAY asked if Montana's Constitutional requirements have been considered by the SAVA in its study. Ms. Weiss said yes, and explained that the requirements will be addressed in the course of the study.
- 00:13:07 SEN. STORY asked if the meetings with the consultant will be in addition to the regular SAVA meetings. Ms. Weiss said that the meetings with the consultant will occur in conjunction with already scheduled meetings but that a meeting may need to be scheduled for August of 2010. SEN. STORY said that the SAVA has taken on a very ambitious work load.
- 00:17:28 SEN. ESSMANN asked about the emerging issues contingency fund, administered by the Legislative Council, and how much an additional SAVA meeting would cost. Ms. Fox said that the fund has \$55,000 and that an eight-person interim committee meeting typically costs around \$3-\$4,000.
- 00:18:17 SEN. STORY asked what will happen if the RFP comes in for more than \$125,000. There was no comment.
- 00:19:17 **SEN. ESSMANN's motion carried on a 7-1 roll call vote, with SEN. STORY voting no.**

Public Comment

00:20:49 No public comment was given.

Other Business

- 00:21:06 SEN. ESSMANN asked if the December 14, 2009, meeting agenda has been set. Ms. Fox said that some of the Council Subcommittees will meet first, beginning between 9:00 and 10:00 a.m., and that the full Council will meet in the afternoon.
- 00:22:14 REP. HIMMELBERGER reminded the Council that a retirement for party for Clayton Schenck is scheduled for December 3, 2009, and that it is necessary to R.S.V.P.

Adjourn

00:22:53 With no further business before the Legislative Council, REP. HIMMELBERGER adjourned the meeting. The next meeting is scheduled for December 14, 2009, in Helena.

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