

**LEGISLATIVE COUNCIL
May 6, 2005**

1. ROLL CALL

Legislative Council was called to order at 6:23 p.m. by Chairman Pete Kott in the Speakers Chambers and via teleconference.

The roll was taken. In attendance were Council members: Representatives Kott, Gatto, Rokeberg, Senators Cowdery, Gary Stevens, Therriault, Wilken, Wagoner and Davis. Members absent: Senator Ben Stevens, Representatives Harris, Coghill, Weyhrauch, and Berkowitz. Staff present: Varni, Ohmer, Maher, Collins, Clothier, Cook, Ibesate, Johnston, Price and Schofield.

2. APPROVAL OF APRIL 28, 2005 MINUTES

Senator Wilken moved Legislative Council approve the minutes of the April 28, 2005 Council meeting.

The motion was approved unanimously.

3. SECURITY CAMERA CHANGE ORDER APPROVAL

Don Johnston, Building Manager stated that it was discovered that in order to avoid blank spots in the camera coverage an additional 24-fixed cameras were needed. Mr. Johnston further stated that the change order includes materials and labor from Juneau Electric for the additional cameras and multiplexers.

Discussion followed.

Senator Wilken moved that Legislative Council approve the change order for Juneau Electric for the additional cameras and multiplexers.

The motion was approved unanimously.

5. REPORT BY ACTUARIAL SERVICE COMPANY, P.C.

Joseph Esuchanko, Actuarial Consultant from Detroit, Michigan, stated he was contracted to evaluate the current PERS situation and possibilities for a new tier and how it would be designed. Mr. Esuchanko recommended that before any change is considered, it is necessary to study the normal cost, the unfunded actuarial accrued liability and the amortization cost under each method. He also recommended a series of sensitivity analyses be performed. Mr. Esuchanko further stated he likes the defined benefit plan, and stated it will help the state attract and retain quality workers. Mr. Esuchanko recommended that a new tier design should include a medical benefit provision that limits retirement benefit subsidies by relating them to service, increasing the age at which they are available and causing the retiree to share more greatly in cost of medical care. Mr. Esuchanko stated that it certainly appears that, under the current actuarial methods and funding policy, the system will be under funded for some time to come and recommends that a new tier for new hires be strongly recommended. Additional recommendations are:

1. Study operating expenses to determine areas where savings are possible;
2. Work closely with investment managers to determine areas where savings are possible;
3. Encourage participants to delay retirement;
4. Add positive incentives to delay retirement; and
5. Encourage participants to decrease their spending on health care.

(# 4 Moved Down the Calendar)

4. LEGISLATIVE PROCUREMENT CODE AMENDMENT APPROVAL

Ms. Varni, Executive Director of the Legislative Affairs Agency, submitted an amendment to the procurement procedures that would allow legislative agencies to quickly process change orders that are necessary to carry out a construction contract. Ms. Varni stated the amendment would avoid any delay that may be caused by the difficulty of convening a meeting of a committee to approve the change during the construction season which usually occurs when the Legislature is not in session.

Discussion followed.

Senator Wagoner moved to table until a later date.

Discussion followed.

Senator Wagoner withdrew his motion to table until a later date and moved to lower the amount of Amendment 1, Section 1. Procurement Procedures sec. 150(a) from \$25,000 to \$5,000.

Discussion followed.

The motion was approved unanimously.

6. OTHER BUSINESS

Senator Therriault submitted an amendment to the Legislative Drafting Manual in regards to intent language.

Ms. Cook, Director of Research and Legal Services stated the Legislative Drafting Manual is re-printed on a two-year cycle. If changes are needed to the Legislative Drafting Manual a supplement is usually printed and inserted in the Manual. Ms. Cook further stated that the drafter should work closely with the Legislator to ensure that the legislative history of the bill, particularly the record of the committee hearings, provides a basis for the findings of a letter of intent and that it is spread on the Journal.

Discussion followed.

Senator Therriault moved the amendment be incorporated into the Legislative Drafting Manual.

Representative Rokeberg objected.

Discussion followed.

Representative Rokeberg withdrew his objection.

The motion was approved unanimously.

Meeting was adjourned at 7:20 p.m.