

## **House Committee on Retirement**

Minutes of Meeting  
2013 Regular Session  
May 2, 2013

### **I. CALL TO ORDER**

Representative J. Kevin Pearson, Chairman of the House Committee on Retirement, called the meeting to order at 1:01 PM in Room 4, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

### **II. ROLL CALL**

#### **MEMBERS PRESENT:**

Representative J. Kevin Pearson, Chairman  
Representative Nick Lorusso, Vice Chair  
Representative Frank A. Hoffmann  
Representative Paul Hollis  
Representative Barry Ivey  
Representative Sam Jones  
Representative Jack Montoucet  
Representative Edward J. Price  
Representative H. Eugene Reynolds  
Representative Alan Seabaugh  
Representative Kirk Talbot  
Representative Jeff R. Thompson

#### **MEMBERS ABSENT:**

#### **STAFF MEMBERS PRESENT:**

Stephanie Little, Attorney  
Malerie Cacibauda, Secretary

#### **ADDITIONAL ATTENDEES PRESENT:**

Mattie Franklin, Sergeant at Arms  
Danny Leming, Sergeant at Arms

### III. DISCUSSION OF LEGISLATION

#### **House Bill No. 68 by Representative Pearson**

On behalf of Representative Pearson, Ms. Stafford Palmieri, Governor's Office, presented House Bill No. 68, relative to the retirement of persons employed in state government positions on or after July 1, 2013.

Representative Pearson offered a set of amendments in the form of a substitute bill to add to the provisions of the original version of the bill a ten percent interest credit cap on interest credits to a member's cash balance account and delay the effective date of the Cash Balance Plan until the division of administration receives a favorable ruling from the Internal Revenue Service regarding Social Security equivalency of the plan. The amendments would also make technical changes to current law.

Representative Pearson offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 10 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Hollis, Jones, Montoucet, Price, Reynolds, Seabaugh, and Talbot voted yea.

Representative Pearson offered an amendment to make the Cash Balance Plan optional for judges who are first elected on or after the effective date of the plan. Representative Pearson offered a motion to adopt the amendments, to which Representative Montoucet objected. The secretary called the roll, and the motion passed by a vote of 8 yeas and 2 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Price, Reynolds, Seabaugh, and Talbot voted yea. Representatives Jones and Montoucet voted nay.

Representative Jones offered an amendment to change the effective date of the plan specified in the adopted substitute bill to the July first that occurs at least six months after receipt by the division of administration of a favorable ruling from the Internal Revenue Service on the Social Security equivalency of the plan. Representative Jones offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 10 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Hollis, Jones, Montoucet, Price, Reynolds, Seabaugh, and Talbot voted yea.

Speaking in support of the bill was Ms. Stafford Palmieri, Governor's Office, (no address provided), (225) 342-7015.

Speaking in opposition to the bill was Ms. Mary Patricia Wray, Louisiana Federation of Teachers, 9623 Brookline Ave., Baton Rouge, LA 70809, (no telephone number provided).

Speaking to provide information were Ms. Barbara Goodsa, Board of Regents, (no address provided), (225) 342-4253; Mr. Robert Tarca, 228 St. Charles Ave., Ste. 1310, New Orleans, LA 70130, (504) 525-6696; Dr. Steven Procopio, Division of Administration, (no address provided),

(225) 342-7000; Ms. Maureen Westgard, Teachers' Retirement System of Louisiana, 8401 United Plaza Blvd./P.O. Box 94123, Baton Rouge, LA 70804, (225) 925-6454; Ms. Cindy Rougeou and Ms. Maris LeBlanc, Louisiana State Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, LA 70809, (225) 922-0604; and Ms. Shelley Johnson, Teachers' Retirement System of Louisiana and Louisiana State Employees' Retirement System, 13420 Parker Commons Blvd., Ste. 104, Ft. Meyers, FL 33912, (239) 433-5500.

A copy of witness cards of persons in opposition but not speaking and of one person who would provide information if requested is attached. (See Exhibit A.)

Representatives Jones, Montoucet, and Pearson asked questions and discussed the merits of the bill.

Representative Jones offered a motion to involuntarily defer action on House Bill No. 68, to which Representative Pearson offered a substitute motion to report the bill by substitute. By a vote of 6 yeas and 6 nays, the substitute motion failed to pass. Representatives Pearson, Lorusso, Ivey, Seabaugh, Talbot, and Thompson voted yea. Representatives Hoffmann, Hollis, Jones, Montoucet, Price, and Reynolds voted nay.

A vote on Representative Jones's original motion of involuntarily deferring action on the bill was taken. Without objection, by a vote of 6 yeas and 6 nays, the motion failed to pass. Representatives Hoffmann, Hollis, Jones, Montoucet, Price, and Reynolds voted yea. Representatives Pearson, Lorusso, Ivey, Seabaugh, Talbot, and Thompson voted nay.

Representative Pearson announced that he was voluntarily deferring the bill.

### **House Bill No. 57 by Representative Pearson**

House Bill No. 57 provides relative to the actuarial liabilities of state retirement systems.

Representative Pearson spoke on the need to take action concerning actuarial liabilities of state retirement systems.

A copy of witness cards of one person in support, of persons in opposition, and of persons who would provide information, all of whom did not speak, is attached. (See Exhibit B.)

Representative Pearson announced that he was voluntarily deferring the bill.

**House Bill No. 43 by Representative Thibaut**

Representative Thibaut presented House Bill No. 43, which provides relative to the payment of unfunded accrued liability associated with privatized jobs in local public school systems.

Representative Montoucet offered a set of amendments to remove proposed requirement that present law shall not apply to any city, parish, or other local public school board, to retain present law for any privatization that occurs prior to July 1, 2013, and to provide authorization for a fifteen-year payment period for amounts due under present law for any privatization that occurs on or after July 1, 2013. The amendments also require that employers report on all positions that have been privatized to the Louisiana School Employees' Retirement System by October 15 of each year and authorize the system to audit the records of employers upon reasonable notice to ensure accuracy and compliance with present and proposed law.

Representative Montoucet offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Jones, Montoucet, Price, and Talbot voted yea.

Speaking in favor of the bill were Mr. Scott M. Richard, Louisiana School Boards Association, 7912 Summa Ave., Baton Rouge, LA 70809, (225) 769-3191; Mr. Dan Garrett, Louisiana School Boards Association, 445 N. Blvd., Ste. 810, Baton Rouge, LA 70820, (225) 325-8709; Ms. Linda D'Amico, Pointe Coupee Parish, P.O. Drawer 579, 337 Napoleon St., New Roads, LA, 70760, (225) 618-4801; Ms. Erin Bendily, Board of Elementary and Secondary Education and Louisiana Department of Education, (no contact information provided); and Mr. Lonnie Luce, St. James Parish Schools, 6002 Jonathan Alarve Ave., Gonzales, LA 70737, (225) 445-7753.

Speaking in opposition to the bill was Ms. Mary Patricia Wray, Louisiana Federation of Teachers, 9623 Brookline Ave., Baton Rouge, LA 70809.

Speaking to provide information for the bill was Mr. Charles Bujol, Louisiana School Employees' Retirement System, 8660 United Plaza Blvd., First Floor, Baton Rouge, LA 70809, (225) 925-6486.

A copy of witness cards of persons in opposition but not speaking and of one person who would provide information if requested is attached. (See Exhibit C.)

Representatives Hoffmann, Jones, Montoucet, Pearson, and Price asked questions and discussed the merits of the bill.

Representative Jones offered a motion to report House Bill No. 43 with amendments. Without objection, the motion passed by a vote of 7 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Jones, Montoucet, Price, and Talbot voted yea.

**House Bill No. 49 by Representative Pearson**

On behalf of Representative Pearson, Mr. Andrew Kopplin, City of New Orleans, presented House Bill No. 49, which provides relative to the board of trustees of the Firefighters' Pension and Relief Fund in the city of New Orleans.

Representative Lorusso offered a set of amendments to change the proposed number of members of the board of trustees elected from the active ranks of the system and the proposed number of members elected from the retired ranks of the system. The amendments also change the vote requirement for the board to grant any cost-of-living adjustment or disability benefit from a majority to a two-thirds majority of the full membership.

Representative Lorusso offered a motion to adopt the amendments, to which Representative Pearson objected. The secretary called the roll and the motion passed by a vote of 6 yeas and 3 nays. Representatives Lorusso, Ivey, Jones, Montoucet, Price, and Thompson voted yea. Representatives Pearson, Hollis, and Talbot voted nay.

Speaking in support of the bill were Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900; and Mr. Rodney Braxton, 543 Spanish Town Rd., Baton Rouge, LA 70802.

Speaking in opposition to the bill were Mr. Nicholas Felton and Mr. Richard Hampton, New Orleans Fire Fighters, 3520 General De Gaulle Dr., Ste. 3001, New Orleans, LA 70114, (504) 366-8564; and Representative Arnold.

Speaking to provide information for the bill was Mr. Michael Conefry, New Orleans Fire Fighters, 160 Pleasant Ridge Dr., Belle Chasse, LA 70037, (504) 392-8853.

A copy of witness cards of persons in opposition but not speaking is attached. (See Exhibit D.)

Representatives Jones, Lorusso, Pearson, Price, Talbot, and Thompson asked questions and discussed the merits of the bill.

Representative Pearson offered a motion to report House Bill No. 49 with amendments. Without objection, the motion passed by a vote of 9 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Montoucet, Price, Talbot, and Thompson voted yea.

**House Bill No. 52 by Representative Pearson**

On behalf of Representative Pearson, Mr. Andrew Kopplin, City of New Orleans, presented House Bill No. 52, which provides relative to the Firefighters' Pension and Relief Fund in the city of New Orleans.

Speaking in support of the bill were Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900; and Mr. Rodney Braxton, 543 Spanish Town Rd., Baton Rouge, LA 70802.

Speaking in opposition to the bill were Mr. Nicholas Felton and Mr. Richard Hampton, New Orleans Fire Fighters, 3520 General De Gaulle Dr., Ste. 3001, New Orleans, LA 70114, (504) 366-8564; and Representative Arnold.

A copy of witness cards of persons in opposition but not speaking is attached. (See Exhibit E.)

Mr. Kopplin submitted a handout. (See Exhibit F.)

Representatives Jones and Lorusso asked questions and discussed the merits of the bill.

Representative Pearson offered a motion to report House Bill No. 52 favorably, to which Representative Montoucet objected. The secretary called the roll and by a vote of 4 yeas and 5 nays, the motion failed to pass. Representatives Pearson, Hollis, Ivey, and Talbot voted yea. Representatives Lorusso, Jones, Montoucet, Price, and Thompson voted nay.

#### **House Bill No. 50 by Representative Pearson**

On behalf of Representative Pearson, Mr. Andrew Kopplin, City of New Orleans, Representative Pearson presented House Bill No. 50, which provides relative to employee contributions in the Firefighters' Pension and Relief Fund in the city of New Orleans.

Representative Thompson offered a set of amendments to provide for the phasing-in of the increased assessments against employee salaries. Representative Thompson offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 9 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Montoucet, Price, Talbot, and Thompson voted yea.

Speaking in support of the bill was Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900.

Speaking in opposition of the bill was Representative Arnold and Mr. Nicholas Felton, New Orleans Fire Fighters, 3520 General De Gaulle Dr., New Orleans, LA 70114, (504) 366-8564.

A copy of witness cards of persons in opposition but not speaking is attached. (See Exhibit G.)

Representatives Jones, Montoucet, Talbot, Thompson, and Pearson asked questions and discussed the merits of the bill.

Representative Pearson offered a motion to report House Bill No. 50 with amendments. Without objection, the motion passed by a vote of 9 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Montoucet, Price, Talbot, and Thompson voted yea.

### **House Bill No. 51 by Representative Pearson**

On behalf of Representative Pearson, Mr. Andrew Kopplin, City of New Orleans, presented House Bill No. 51, which provides relative to the computation of benefits in the Firefighters' Pension and Relief Fund in the city of New Orleans.

Speaking in support of the bill was Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900.

A copy of witness cards of one person in support of the bill but not speaking and of persons in opposition to the bill but not speaking is attached. (See Exhibit H.)

There was no further discussion on the bill.

Representative Jones offered a motion to report House Bill No. 51 favorably. Without objection, the motion passed by a vote of 9 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Montoucet, Price, Talbot, and Thompson voted yea.

### **House Bill No. 40 by Representative Arnold**

On behalf of Representative Arnold, Mr. Nicholas Felton, New Orleans Fire Fighters, presented House Bill No. 40, which provides for the rate of judicial interest for delinquent payments owed to the Firefighters' Pension and Relief Fund in the city of New Orleans.

Speaking in support of the bill was Mr. Nicholas Felton, New Orleans Fire Fighters, 3520 General De Gaulle Dr., New Orleans, LA 70114, (504) 366-8564.

Speaking in opposition to the bill was Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900.

A copy of witness cards of persons in support of the bill, of one person in opposition to the bill, and of persons who would provide information on the bill, all of whom did not speak, is attached. (See Exhibit I.)

Representatives from the New Orleans Fire Fighters submitted a group of handouts. (See Exhibit J.)

Representative Jones asked questions and discussed the merits of the bill.

Representative Jones offered a motion to report House Bill No. 40 favorably, to which Representative Pearson objected. The secretary called the roll and by a vote of 1 yeas and 7 nays, the motion failed to pass. Representative Jones voted yea. Representatives Pearson, Lorusso, Hollis, Ivey, Price, Talbot, and Thompson voted nay.

### **House Bill No. 41 by Representative Arnold**

Representative Arnold presented House Bill No. 41, which provides relative to the board of trustees of the Firefighters' Pension and Relief Fund in the city of New Orleans.

Representative Pearson offered a set of amendments to

1. Change the proposed number of members of the board of trustees elected from the active ranks of the system and the proposed number of members elected from the retired ranks of the system.
2. Add requirement that the proposed member appointed by the mayor of the city of New Orleans be an elector of the city.
3. Remove proposed additional board members who would be selected by the state representatives and state senators whose districts include any part of New Orleans.
4. Remove proposed extension of the terms of the board members.
5. Change the date the elections to the board of trustees are held.
6. Repeal present law provisions relative to which board members may vote to increase the assessments by the board against employee salaries.
7. Change the vote needed for the board to grant any cost-of-living adjustment disability retirement from a simple majority to a two-thirds majority of the full membership.
8. Provide that current elected members of the board shall have their terms of office terminated on the effective date of the act, to provide that the board must call a special election to fill the vacancies created by the provisions of the act, and to require current board members to continue to serve until their successor is elected pursuant to the proposed bill.



Representative Pearson offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Price, Talbot, and Thompson voted yea.

A copy of witness cards of persons in support of the bill, of persons in opposition to the bill, and of one person who would provide information, all of whom did not speak, is attached. (See Exhibit K.)

Representatives from the New Orleans Fire Fighters submitted a group of handouts. (See Exhibit J.)

There was no further discussion on the bill.

Representative Price offered a motion to report House Bill No. 41 with amendments. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Price, Talbot, and Thompson voted yea.

#### **House Bill No. 42 by Representative Arnold**

Representative Arnold presented House Bill No. 42, which provides for a final average compensation for members of the Firefighters' Pension and Relief Fund in the city of New Orleans.

A copy of witness cards of persons present to support the bill but not speaking and of one person who would provide information if requested is attached. (See Exhibit L.)

There was no further discussion on the bill.

Representative Pearson offered a motion to report House Bill No. 42 favorably. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Price, Talbot, and Thompson voted yea.

#### **House Bill No. 55 by Representative Arnold**

House Bill No. 55 provides generally relative to the Harbor Police Retirement System in the city of New Orleans.

A copy of a witness card of one person in support of the bill but not speaking is attached. (See Exhibit M.)

Representative Arnold stated that he would like to voluntarily defer the bill, and Representative Pearson announced that the bill was voluntarily deferred.

**House Bill No. 64 by Representative Arnold**

Representative Arnold presented House Bill No. 64, which provides for payment of the unfunded accrued liability of the Firefighters' Pension and Relief Fund in the city of New Orleans by application of increased employee contributions.

Representative Jones offered a set of amendments to provide for the phasing-in of the increased assessments against employee salaries. Representative Jones offered a motion to adopt the amendments. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Pearson, Lorusso, Hollis, Ivey, Jones, Price, Talbot, and Thompson voted yea.

Speaking in support of the bill was Mr. Nicholas Felton, New Orleans Fire Fighters, 3520 General De Gaulle Dr., New Orleans, LA 70114, (504) 366-8564.

Speaking in opposition to the bill was Mr. Andrew Kopplin, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, (504) 658-8900.

Speaking to provide information was Mr. Michael Conefry, New Orleans Fire Fighters, 160 Pleasant Ridge Dr., Belle Chasse, LA 70037, (504) 392-8853.

A copy of witness cards of two persons in support of the bill but not speaking and of one person in opposition to the bill but not speaking is attached. (See Exhibit N.)

Representatives from the New Orleans Fire Fighters submitted a group of handouts. (See Exhibit J.)

Representative Pearson asked questions and discussed the merits of the bill.

Representative Jones offered a motion to report House Bill No. 64 with amendments, to which Representative Pearson objected. The secretary called the roll, and by a vote of 1 yeas and 7 nays, the motion failed to pass. Representative Jones voted yea. Representatives Pearson, Lorusso, Hollis, Ivey, Price, Talbot, and Thompson voted nay.

**IV. OTHER BUSINESS**

**V. ANNOUNCEMENTS**

**VI. ADJOURNMENT**

The meeting was adjourned at 6:24 PM.

Respectfully submitted,

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J. Kevin Pearson, Chairman  
House Committee on Retirement

Date approved: \_\_\_\_\_

/mcc