

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00am on Wednesday, January 20, 2016, 152-S of the Capitol.

All members were present

Committee staff present:

David Wiese, Office of Revisor of Statutes
Gordon Self, Office of Revisor of Statutes
Reed Holwegner, Legislative Research Department
Lea Gerard, Kansas Legislative Committee Assistant
Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:

Jim MacMurray, CFA Senior Vice President Finance, KDFA
Alan Conroy, Executive Director KPERS

Others in attendance:

[See Attached List](#)

Chairman Johnson requested feedback from the Committee on how they would like to proceed on the Working After Retirement topic.

Chairman Johnson advised he would like to introduce a couple of bills regarding authority and deferred comp in order to get feedback on whether to move forward on the issues. The Committee will also look to see if there is a need for a report on alternative investments.

Possible bill introductions

The Chairman called for bill introductions.

Representative Kevin Jones requested introduction of a bill on cost of living adjustment for retirees.
There being no objections, the bill was introduced.

Informational briefing:

Jim MacMurray, CFA Senior Vice President Finance, KDFA provided an update on \$1.0 Billion Pension Obligation Bonds ([Attachment 1](#)). The transaction was executed in August, 2015 and provided \$1.0 billion to reduce the KPERS system's unfunded pension liability. The overview provided information on nature of the transaction which included total amount, security, tax status and ratings. The transaction schedule was largely driven by the State Disclosure process. On final structure and pricing, the bonds were issued as serial bonds maturing in 2017 through 2030 and two index-eligible term bonds maturing in 2037 and 2045.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Wednesday, January 20, 2016 in Room 152-S of the Capitol.

Alan Conroy, Executive Director KPERS provided information on how the system invested proceeds of the 2015 pension obligation bond issued in the amount of \$1.0 billion ([Attachment 2](#)).

Jim MacMurray and Alan Conroy stood for committee member questions. Several questions were answered and clarifications made regarding 10 and 15 year bonds, net yield on total bond issue, ratings and total cost of transaction.

The Committee requested information from Alan Conroy regarding employer contribution plus debt service compared to employer contribution without bond proceeds.

The next meeting is scheduled Wednesday, January 27, 2016.

The meeting was adjourned at 10:00 a.m.