

MINUTES

JOINT COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

September 23, 2003
Room 519-S—Statehouse

Members Present

Representative John Edmonds, Chairperson
Senator Dave Kerr, Vice Chairperson (telephone conference call)
Senator Jim Barone
Senator Anthony Hensley
Senator Steve Morris
Senator Ruth Teichman
Representative Ray Cox
Representative Geraldine Flaharty
Representative Vaughn Flora
Representative Margaret Long
Representative Bill McCreary
Representative Melvin Neufeld
Representative Clark Shultz

Staff Present:

Alan Conroy, Legislative Research Department
Julian Efird, Legislative Research Department
J.G. Scott, Legislative Research Department
Mike Corrigan, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Carol Doel, Committee Secretary

Conferees:

Glen Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)
Stephen R. Weatherford, President, Kansas Development Finance Authority (KDFA)

Tuesday Afternoon Session

Chairperson Edmonds called the meeting to order at 1:30 p.m., with all members present. Senator Kerr participated by telephone conference call.

Stephen R. Weatherford, President, Kansas Development Finance Authority (KDFA), presented information requested at the August Committee meeting on the structuring and sizing options for the proposed pension obligation bond issue (Attachment 1). Five options, with two additional sub-options, were reviewed. Supporting tables for each option were included in the Appendix A. A brief review of synthetic fixed bonds also was presented in Appendix B, and it was pointed out that this method could be applied to any of the other seven options to reduce the interest rates by 10 to 15 basis points.

Glen Deck, Executive Director, Kansas Public Employees Retirement System (KPERS), delivered a letter from the KPERS Board of Trustees in response to a request from the August Committee meeting that the Board make a statement regarding the proposed bond issue (Attachment 2).

After completing the scheduled presentations of the two conferees, the Chairperson asked if anyone else wished to address the Committee on the subject of pension obligation bonds. After no responses from the audience, the Chairperson closed the public hearing portion of the meeting.

Chairperson Edmonds stated that it was his opinion that the Committee was not yet in possession of enough information to make a recommendation on the bond issue. The Chairperson adjourned the meeting. No dates were set for subsequent Committee meetings during the 2003 Interim.

Prepared by Carol Doel
Edited by Julian Efir

Approved by Committee on:

October 29, 2003