

The Alaska Municipal League represents 165 city and borough governments, 64 of whom are employers within PERS. Our members are significantly affected by decisions made by the ARM board.

Recently we expressed concern with the appointment of Mr. Lorne Bretz, in place of Kris Erchinger, to this body. Our concern is not a reflection of Mr. Bretz's experience nor his ability to contribute that experience positively to the work of the ARM board. The objection that we voiced is that Mr. Bretz does not fit the statutory requirements of the seat he fills.

Statutes require that this seat be filled by a finance officer for a participating political subdivision. In their response to our letter, Boards and Commissions express their belief that Mr. Bretz meets this definition, and they go on to define competency requirements, and a wide range of qualifying finance officer professions. Unfortunately, the broadening of the definition of finance officer by Boards and Commissions – to include purchasing and property appraisal – is at odds with our belief that this position should be filled by someone with responsibility for the budget of a municipality – and who is responsible for managing the outcomes of ARM board's decisions. It should be up to the municipality to determine whether an employee therein would be considered a finance officer for these purposes, as the political subdivision being represented.

Quite frankly, the ARM board is lacking in its representation by employers, beyond the largest, and we are concerned that instead of a cost-sharing plan, what has emerged is a cost-shifting plan. This is certainly the case when the largest employer – the State – doesn't experience the same rules as other employers, and the reduction in jobs at the State level result in the increase in net pension liability of all.

We recognize that the direct impact is felt within the additional State contribution, however the greater this becomes the greater interest will be in renegotiating the agreements that have been made to date.

With that greater interest, we believe that it is more important than ever that this board be comprised of individuals who not only can make decisions in the best interest of the system, but who are also fully aware of the consequences of those decisions.