ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

100 North Park Avenue, MPERA Conference Room

February 21, 2017

CALL TO ORDER

The board meeting of the Association of Montana Retired Public Employees was called to order by Lyle Manley at 9:30 A.M.

BOARD MEMBERS PRESENT

Lyle Manley, Jan Brown, John McEwen, James Driggers, Cathy Kendall, Dale Boespflug, Jim Lewis and Kristyn Bohlander (staff). Mike O’Connor and Patty Mott were excused.

GUESTS

Tim Reardon, Steve Garrison, Patricia Davis, and Hollie Koehler.

MINUTES

John McEwen made a motion to approve the minutes, Jan Brown seconded the motion, and the January minutes were approved unanimously.

MPERA UPDATE

Patricia Davis (Member Services Bureau Chief) and Hollie Koehler (Fiscal Services Bureau Chief) of MPERA provided the board with an update on the member self-service portal. The portal will roll-out in May and MPERA is looking for volunteer retirees to test the website in mid-April.

Cathy Kendall urged system testers to pay attention to the language used and ensure it is user-friendly.

LEGISLATIVE SESSION

James Driggers provided a legislative update. He explained that the legislation committee, Dave Galt, and Leo Berry reviewed several bills and bill drafts being tracked by BKBH (Browning, Kaleczyc, Berry, & Hoven). The ones of most interest included HB 436, SB 263, and LC 1770.

HB 436 proposes a constitutional amendment that would require voter approval for employer contribution increases in retirement systems. James Driggers explained that this bill has the potential to negatively impact retirement systems and the amount of money received by state workers. Mike O’Connor and Patty Mott attended the hearing, and Mike spoke in opposition to HB 436.

SB 263 aims to revise laws on public retirement system investments. Retirement funds could no longer be in stocks. Instead, the funds would have to be in passively managed index funds. The legislation committee disapproves of this bill because it would tie the hands of the investment board.

LC 1770 requires actuarial reporting to use an alternative assumption for investment earnings. James Driggers explained that the Standard and Poor U.S. issued investment grade corporate bond index would be used as the actuarial assumed rate of return on investments. This may lead to a safer investment, but a lower rate of return. Currently, no action has been taken on this bill; however, it is of concern to the legislation committee.

TREASURER AND MEMBERSHIP REPORT

John McEwen provided a financial and membership update and assured the board that AMRPE is performing well in both areas. He explained recent account transfers and budgetary adjustments, and mentioned that AMRPE has received over 900 renewals. Cathy Kendall inquired if the renewal rate and donation amount are consistent with previous years. John confirmed that AMRPE is right on track.

John McEwen moved to adjourn. Jim Lewis seconded. The meeting adjourned at 10:20 A.M.

The next meeting will be held in the MPERA conference room at 100 North Park Avenue in Helena on March 21, 2017 at 9:30 A.M.