ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

100 North Park – PERA Office, 2nd Floor Conference Room

November 20, 2018

CALL TO ORDER

The board meeting of the Association of Montana Retired Public Employees was called to order by Mike O’Connor at 9:30 a.m.

BOARD MEMBERS PRESENT

Mike O’Connor, Jan Brown, Patty Mott, Dale Boespflug, Cathy Kendall, Lyle Manley and Kim Hoxie (staff). Connie Welsh, Jim Lewis, and James Driggers were excused.

GUESTS

Tim Reardon

Dore Schwinden, MPERA

Dave Galt, Browning, Kaleczyc, Berry & Hoven P.C.

Brian Thompson, Browning, Kaleczyc, Berry & Hoven P.C.

MINUTES

Cathy Kendall made a motion to approve the October minutes, Jan Brown seconded the motion, and the October minutes were approved unanimously.

MPERA UPDATE

Dore Schwinden presented the Montana Public Employee Retirement Board Valuation Results. The Experience Study looks for system trends and makes demographic and economic assumptions that are used for future actuarial valuations. The report uses historical data as well as current information to project how the pension plan is going to perform for retirees and current employees. The report stated the investment return for the year ending June 30, 2018 is 8.9%. With the four-year smoothing of market returns the Unfunded Liability will be paid off in 38 years.

Dore Schwinden updated the board on the on-going IT system conversion and the retiree portal access which will be completed July 2019.

REPORTS

**Treasurer’s Report**

The Treasurer’s report was reviewed by the board. Cathy Kendall moved to approve the November financial report. Patty Mott seconded the motion and the motion was approved unanimously.

**Membership**

Patty Mott stated that she has received 19 new memberships since the October board meeting. The total breakdown of new members is as follows: Lifetime 10 (8%); 1 year 67 (56%); 2 year 26 (22%); 3 year 19 (16%).

**Nominating Committee**

Lyle Manley stated that the nominating committee will present a slate of officers at the next month’s meeting. Cathy Kendall and Jan Brown have indicated that they would like to serve another term on the board and Mike O’Connor has elected to end his tenure on the board. The committee will be looking for a new board member to replace Mike O’Connor. Dale Boesplug asked the committee to discuss if the board would consider paying travel costs for board members that do not live in Helena. Committee members are Dale Boespflug, Jan Brown, Jim Lewis and Lyle Manley.

**OLD BUSINESS**

**State Employee Group Benefits Advisory Council**

Mike O’Connor commented that he sent a letter to the SEGBAC board indicating that Connie Welsh, Jim Lewis and Cathy Kendall volunteered for the board position and he has not received a response indicating their choice.

**NEW BUSINESS**

**Newsletter Timeline**

The timeline for the newsletter was discussed and the board decided to determine timeline and topics at the next board meeting.

**Retirement Funds Invested in Real Estate by Hedge Funds**

Mike O’Connor reported that he was notified that a hedge fund that the Board of Investments has invested in is trying to sell a hotel in California at a loss because of the hotel’s ongoing labor dispute. Mike O’Connor recommended the board write a letter to Maggie Peterson, PER Retiree Board Member, that AMRPE is concerned about an investment being sold at a loss. The Public Employee Retirement fund has 70 million dollars invested in this hedge fund.

Patty Mott made a motion for Mike O’Connor, on behalf of the board, to send a letter of concern to Maggie Peterson, PER Retiree Board Member, regarding selling the hotel at a loss. Lyle Manly seconded the motion and the motion was approved unanimously.

Meeting was adjourned at 11:15 am.

The next meeting will be held at Mike O’Connor’s house at 661 N. Warren, December 18th, 2018, 3 p.m.