ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

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

March 19, 2019

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, Patty Mott, Cathy Kendall, Jan Brown, Connie Welsh, James Driggers and Kim Hoxie (staff) were present in the board room. Leo Hudetz and Dale Boespflug were present by conference call. Jim Lewis was excused.

GUESTS

Tim Reardon

Mike O’Connor

Dave Galt, AMRPE Lobbyist

Bill Holahan, Senior Counsel to the Director, MPERA

MINUTES

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

MPERA UPDATE

Bill Holahan represented Dore Schwinden at the board meeting today and had several updates from the legislative session. First, there was an amendment proposed to increase the employee contribution to the Game Wardens’ and Peace Officers’ Retirement Systems funding bill, but the bill was tabled. Second, Representative Jim Hamilton is working on a bill that will change the fees for employers that send their retirement funds late. Currently the fee is 9% of total years funds or $10 a day depending on which is greater. The change would be 10% plus the prime rate so approximately 15.5%. Smaller employers have commented the current fees are too high and would like to see the fee changed. Third, Representative Tom Winters is presenting LC 2828 named Montana Saves, which is a Roth IRA for small employers that cannot provide any retirement benefits. Montana Saves proposes that the Department of Labor will manage the program. Mike O’Connor commented that state retirement funds should not be used to assist in this program.

Bill Holahan also stated that the Governor has announced that Marty Tuttle and Maggie Peterson have been re-appointed to the MPERA Board and Dave Severson has joined the board replacing Timm Twardoski.

LEGISLATIVE SESSION:

Dave Galt presented HB 404, for the board to review. HB 404 decreases the amount of medical expenses that must exceed Montana adjusted gross income in order to be deductible. Connie Welsh stated that she would look at the bill and see if it is something AMRPE should support or lobby against. Dave Galt also is watching SB 217 which revises the taxation of social security benefits.

Dave Galt commented that he believes LC 2828 is not going to pass but will continue to watch the progress of that bill. He also stated that Tom Burnett continues work on a study resolution to combine TRS and MPERA.

REPORTS

**Treasurer’s Report**

James Driggers presented the March financial statement.

Patty Mott made a motion to approve the March financial statement. Connie Welsh seconded the motion, and the March financial statement was approved unanimously.

Leo Hudetz and Dale Boesplug are planning to do the audit in May after the board meeting.

James Driggers stated that the website now has the ability to take a donation when members are renewing their memberships online.

**Membership**

Patty Mott stated the total breakdown of renewals is as follows: Lifetime, 42(3 %); 1 year, 670 (54%); 2 year, 271 (22%); 3 year, 249 (20%). The total in membership renewals and donations is $37,570.

Patty Mott stated that with the database error there were about 300 people that were sent renewal letters one year early. If that was the case when they renewed, their membership was extended the numbers of years that they renewed. In addition, there were several lifetime members that paid lifetime memberships on the newsletter renewal form. Those lifetime members have been contacted and asked if they would like to donate the money or receive their check back.

OLD BUSINESS

**Telecommunications during Board meetings**

The board discussed how the conference call sound worked for the board members that called in for the meeting today.

**Hotel workers and the Board of Investments**

Lyle Manley stated that he has not received a response to the follow-up letter he sent to the Board of Investments.

**Renewal Incentives**

Patty Mott stated that the Membership Committee has not yet met to discuss renewal incentives.

However, she suggested to increase the one year membership fee to $18 to provide an incentive to members to renew two or three years. Jan Brown will email Kim the history of membership dues before the next meeting. The board decided to finalize the renewal incentive in April.

**State Employment Recruitment issues**

The board discussed the mission of AMPRE and decided to set this idea aside. The board discussed and determined that the membership is made up of state, city and county retirees. It is difficult for AMRPE to promote one employer over another employer that is represented in the same association.

NEW BUSINESS

**Suspicious Emails**

Lyle Manley informed the board that several board members have received scam emails from him in the past month. Please call him if you get an email that seems suspicious.

**Signatory Authority**

James Driggers stated that with the change in board officers there must be new signatory authority on the Rocky Mountain Credit Union and Valley Bank accounts.

James Driggers moved to remove Mike O’Connor and add Lyle Manley as signatories to the Rocky Mountain Credit Union and Valley Bank accounts. Patty Mott seconded the motion. The motion to was approved unanimously.

**California Rule**

The board discussed the California courts recent decision that stated there is a distinction between core benefits and peripheral benefits. The California ruling states that the benefits can be adjusted or traded as long as the benefits remain equal or greater than prior to the adjustment. During the past lawsuit the Montana judge followed the California rule. Mike O’Connor and Lyle Manley will make an appointment to see Leo Berry, at BKBH, to see if there is anything to be concerned about at this time.

Cathy Kendall moved to adjourn the meeting. James Driggers seconded the motion. The motion to adjourn was approved unanimously. The meeting adjourned at 11:22 A.M.

The next meeting will be held April 16th, 2019 at 100 North Park – PERA Office, 2nd Floor Conference Room.