ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

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

May 21, 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, Leo Hudetz, James Driggers, Jan Brown, Dale Boespflug, Jim Lewis and Kim Hoxie (staff). Connie Welsh was excused.

GUESTS

Tim & Julie Reardon

Mike O’Connor

Dore Schwinden, Executive Director, MPERA

Dave Galt, AMRPE Lobbyist

Brian Thompson, AMRPE Lobbyist

MINUTES

Minutes correction under State Employee Group Benefits Advisory Council, change occur to incur

Cathy Kendall made a motion to approve the amended April minutes, Patty Mott seconded the motion, and the amended April minutes were approved unanimously.

MPERA UPDATE

Dore Schwinden stated that through Senate Resolution 5 & 49 the MPERA board has been approved. The board members are as follows: Marty Tuttle (term expires 2024); Pepper Valdez (term expires 2020); Maggie Peterson (term expires 2024); Julie McKenna (term expires 2022); Sheena Wilson (term expires 2023); Robyn Driscoll (term expires 2023); and David Severson (term expires 2021).

Dore Schwinden presented additional legislative updates:

House Bill 129 that proposed to revise the funding for the Game Wardens’ and Peace Officers’ Retirement System failed to pass.

House Bill 175 which is a pay plan that gives state workers a $ .50 pay increase and House Bill 2 which is the state funding bill of $10.3 billion dollars passed.

House Bill 642 that revised the penalty imposed on participating public employee for delinquent contributions to the retirement systems failed to pass.

House Bill 715 that provides for a financial modernization and risk analysis study to be complete by the Legislative Finance Committee passed. The committee will apply a stress test to the retirement system and study pension liabilities.

House Joint Resolution 39 that requested a performance audit of TRS and PERA to look at operational cost savings passed and will be prioritized by the Audit Committee.

Senate Joint Resolution 29 to study the public employee retirement systems including policy and funding options failed to pass.

LEGISLATIVE SESSION:

Dave Galt and Brian Thompson discussed with the board the details of House Bill 715 and proposed that Brian Thompson work up to 20- 25 hours on monitoring the Legislative Finance Committee activity under the current lobbying contract. Legislative Finance Committee will be meeting to apply a stress test to the retirement system and study pension liabilities.

Dave Galt mentioned that Brian Thompson did at great job of working to amend Senate Joint Resolution 29 and helped to cause it to fail. Dave Galt also mentioned that he is transitioning to retirement from BKBH and Brian Thompson will become the lobbyist for AMRPE.

Cathy Kendall moved that AMRPE agree to accept the offer of Browning Kaleczyc Berry & Hoven P.C. to provide additional interim work to evaluate the activity of HR 715 under the current contract, and agree to pay additional charges should the interim work extend beyond the scope of the current contract. The board will reevaluate the work and need for a contract amendment at the next board meeting. Dale Boespflug seconded the motion. After discussion and a series of emails with proposed amendments by board members following the meeting, the motion passed.

REPORTS

**Treasurer’s Report**

James Driggers presented the May financial statement. Revenue is approximately 98% of what was anticipated for 2019. The CD that will expire in August will be placed into a CD at Stockman’s Bank. Moving this money into the CD will be in keeping with the plan of having three CD’s staggered which allows one third of the money in CD’s will be available each year.

Jim Lewis made a motion to approve the May financial statement. Dales Boespflug seconded the motion, and the May financial statement was approved unanimously.

**Membership**

Patty Mott stated the total breakdown of renewals is as follows: Lifetime, 46(4 %); 1 year, 699 (55%); 2 year, 278 (22%); 3 year, 257 (20%). The May reminder letter will go out next week to about 240 members.

OLD BUSINESS

**Suspicious Emails**

Lyle Manley stated that board members are continuing to get emails that are not generated from him. Please call him if you get an email that seems suspicious.

**State Employee Group Benefits Advisory Council**

Jim Lewis attended the March SEGBAC meeting and will attend the May meeting tomorrow. Jim reviewed some information regarding the medical benefits for the state employees. He noted that the number of state employees has increased since 2013, however, there has been decrease in number of employees using the state medical benefits. From 2013 to 2018 that has been a 7.5% increase in medical claims with the largest claim being $2.1 million dollars. There are about 1,500 retirees with state medical benefits.

NEW BUSINESS

**Audit Schedule**

Leo Hudetz stated that he and Dale Boespflug completed the audit yesterday. They will complete the audit report and give their recommendations in September.

Lyle Manley adjourned the meeting at 11:47 a.m.

The next meeting will be held September 17th, 2019, at 9:30am at 100 North Park – PERA Office, 2nd Floor Conference Room.