ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

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

September 17, 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, Connie Welsh, Jan Brown, Jim Lewis and Kim Hoxie (staff). Dale Boespflug and James Driggers were excused.

GUESTS

Julie Reardon

Mike O’Connor

Dore Schwinden, Executive Director, MPERA

Dave Galt, AMRPE Lobbyist

Brian Thompson, AMRPE Lobbyist

MINUTES

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

MPERA UPDATE

Dore Schwinden stated that Mr. Holahan is preparing the list of new retirees for the September new member mailing. This is the last year of the contract for this mailing process and so the board will need to renew the contract through Dore Schwinden.

Dore Schwinden stated that the annual actuary evaluation event will be October 10, 2019.

Dore Schwinden read the first lines of a letter from the Board of Investments that stated there was a net growth of 5.8 % this past year and continued positive growth in the last 10 years. There was a net asset growth of $165.2 million. The Legislative Finance Committee reported that revenue estimates were exceeded by $110 million.

Dore Schwinden attended the organizational meeting of the Legislative Finance sub-committee on pension sustainability. MPERA is paying for a “deep dive” risk analysis to present to the sub-committee to help in their analysis.

Dore Schwinden stated that the annual statements were mailed. MPERA has been working with the software system contractor to get all operational system functions working smoothly. Other enhancements, like the retiree portal, will be completed after the operational glitches have been fixed.

INTERIM STUDY COMMITTEE UPDATES:

Brian Thompson discussed with the board the details of the interim committee on pension sustainability. The four committee members are: Representative Jim Hamilton, Representative Ryan Lynch, Representative Bill Mercer, and Representative Kim Dudik. The introductory meeting consisted of a two-hour presentation on the history of the State pension system. The committee will be discussing the impacts on the general fund but no plan/agenda was presented.

REPORTS

**Treasurer’s Report**

Lyle Manley asked the board to review the September financial statement in James Driggers’ absence.

Leo Hudetz mentioned that the financials were strong.

Patty Mott made a motion to approve the September financial statement. Cathy Kendall seconded the motion, and the September financial statement was approved unanimously.

**Membership**

Patty Mott stated the total breakdown of renewals is as follows: Lifetime, 54(4 %); 1 year, 753(54%); 2 year, 299 (22%); 3 year, 271(20%). AMRPE received 75% of renewals in 2019 which is 12% more than 2018 at this time last year.

The board discussed the September new member letter and decided to add a sentence to the letter that directs them to the website to learn about HB 715. Brian Thompson, BKBH, will write a statement to put on the website. The letter will go out next week.

OLD BUSINESS

**State Employee Group Benefits Advisory Council**

Jim Lewis handed out the 2020 State of Montana medical insurance rates. No increase for current employees but rate increases for retirees. The most significant increases are for non-Medicare retiree and family (22%) and

Medicare Retirees & Family (31%).

Jim Lewis stated that current active employees subsidize 16% of the retiree benefit payments. The State goal is to reduce the subsidy by 2% each year until there is no subsidy.

The board discussed what the board can do to make the membership aware of healthcare issues and a way to decrease their healthcare expenses.

Cathy Kendall made a motion to have Jim Lewis write a short article for the website about his process of buying prescription drugs in Canada and then also put it in the January newsletter. Patty Mott seconded the motion and the motion was approved unanimously.

**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.

**California Rule**

Lyle Manley moved this discussion to the next board meeting.

NEW BUSINESS

**Audit**

Leo Hudetz reviewed the financial audit with the board and stated the association is financially sound.

**Board Member Terms**

Lyle Manley mentioned that Jim Lewis, Dale Boespflug and his board term expires December 31, 2019. Each person must decide if they will accept another term. After a discussion of board member terms, Jan Brown will research how many terms each board member has served and report it to Lyle Manley.

Lyle Manley adjourned the meeting at 11:07a.m.

The next meeting will be held October 15th, 2019, at 9:30 a.m. at 100 North Park – PERA Office, 2nd Floor Conference Room.