ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES

Board Minutes

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

January 21, 2020

CALL TO ORDER

The board meeting of the Association of Montana Retired Public Employees was called to order by Cathy Kendall at 9:30 a.m.

BOARD MEMBERS PRESENT

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

GUESTS

Brian Thompson, AMRPE Lobbyist

Dore Schwinden, Executive Director, MPERA

Mike O’Connor

Bob Runkel

MINUTES

Jan Brown made a motion to approve the December minutes, Patty Mott seconded the motion, and the December minutes were approved unanimously.

MPERA UPDATE

Dore Schwinden stated that MPERA participated in legislative week last week. He attended the Audit Committee meeting where MPERA’s audit was given a clean audit.

MPERA has asked the actuary to produce a stress test report on the pension plans in the system and make the report available for the Legislative Interim Finance Committee.

Dore Schwinden stated the GABA statements will go out at the end of the week. The Employee Advisory Council will meet next week to go over the pension portfolio and review the investment policy.

Dore Schwinden stated that the MPERA Board determined that Lewis and Clark County (PureView Health Center) pay the estimated $5 million dollars in unfunded liability. Lewis and Clark County and MPERA will continue to discuss this matter and steps forward may happen in the next two weeks.

LEGISLATIVE FINANCE COMMITTEE UPDATES

Brian Thompson and Mike O’Connor presented updates from last week’s Legislative Finance Committee meeting.

Mike O’Connor felt the presentations from Cherion, consulting actuary, and Cavanaugh Macdonald (PERS and TRS actuary) were very educational for the legislators. Dan Villa, Board of Investments, presented as well and mentioned that he did not feel any changes needed to be made to the pension plans.

Brian Thompson stated that he, Lyle Manley and Mike O’Connor had a meeting with Representatives Jim Hamilton, Tom Burnett and Dave Fern to discuss that AMPRE wants to keep communication open and be involved in the discussion on any ideas to change or modify the pension plan.

REPORTS

**Treasurer’s Report**

James Driggers presented the 2020 Budget. James mentioned that he used historical data and estimates to finalize the budget.

Jim Lewis made a motion to approve the 2020 Budget, Jan Brown seconded the motion, and the 2020 Budget was approved unanimously.

James Driggers mentioned that one CD needs to be renewed and he will be moving the CD to Rocky Mountain Credit union because the returns are higher than Stockman Bank. James also mentioned that he received a letter from PayneWest that related to the board officer’s insurance regarding additional endorsements that can be purchased for claims after the policy has been terminated. James Driggers will follow-up with PayneWest and report to the board his findings next month.

**Membership**

Patty Mott stated that there are a total of 137 new members which make up 6% of the 2,346 letters sent to new retirees. The total breakdown of new members is as follows: Lifetime, 11 (8%); 1 year, 72 (53%); 2 year, 28 (20%); 3 year, 26 (19%).

Patty Mott also stated that over eight hundred renewal letters will be going out this week and she will have an update at the next month’s meeting on how that is progressing.

NEW BUSINESS

**Healthcare Insurance Costs**

Bob Runkel spoke to the Board about the continuing increases in State insurance premiums for retirees.

He asked if the Board would assist him in making the Governor aware of the continuing increases and discuss ways to soften the effects it has on retirees. Jim Lewis stated he would be willing to review the figures with Bob Runkel and send a letter to the Governor. However, Jim Lewis did mention that he did not want to discourage the idea but he did not see any positive response in his own efforts to decrease healthcare insurance for retirees.

**Renewal of CMS contract**

Cathy Kendall decided to move the discussion until February meeting.

OLD BUSINESS

**Updated Yearly Schedule**

Patty Mott presented the yearly schedule and mentioned that if anyone has anything else to add, please send it to Kim Hoxie. She will then email the final document for the board members to review.

**Newsletter**

The board discussed that there will be three articles in the 2020 newsletter: President’s message, an article from Brian Thompson with updates on legislative issues and an article explaining why PureView Health Center’s (Lewis and Clark County) withdrawal from the PERS pension system is important to retirees.

**Committee Assignments**

All board members reviewed the 2020 committee assignments and approved of their assignments.

Jim Lewis moved to adjourn the meeting, James Driggers seconded and the meeting adjourned at 11:21 a.m.

The next meeting will be held February 18, 2020, 9:30 a.m. at 100 North Park – PERA Office, 2nd Floor Conference Room