

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 North Park Avenue, Room 201**  
**Helena MT 59601**

**Thursday, April 11, 2019**  
**8:30 am**

**ATTENDANCE**

*Board of Trustees*

Marty Tuttle, President  
Pepper Valdez, Vice President  
Robyn Driscoll, Member (*via telephone*)  
Julie McKenna, Member  
Dave Severson, Member

*MPERA Staff*

Dore Schwinden, Executive Director  
William Holahan, Senior Counsel to the Director  
Melanie Symons, Chief Legal Counsel  
Patricia Davis, Member Services Bureau Chief  
Hollie Koehler, Fiscal Services Bureau Chief  
Angela Riley, Information Technology Bureau Chief  
Ali Rice, Accountant  
Kris Vladic, FLO and QDRO Specialist  
Cynthia Pearson, Executive Assistant

*Public*

Carrie Schell, State Procurement  
Scott Demarois, George Richards, Kelly Lee, MSFA  
Chris Heisel, Empower Retirement  
Michaela McNichol, BKBH  
Diane Fladmo, MFPE  
Yvette Englert, DOA Human Resources

**ACTIONS**

**VI.A. Consent Agenda**

- Member Julie McKenna moved to approve the consent agenda, as presented. Vice-President Pepper Valdez seconded the motion, which passed unanimously.

**VI.B. Legislative Update**

- Member Robyn Driscoll moved that the Board be a proponent for SB 352 (companion bill to HB 2), which proposes amendments to fund the unfunded liability of four pension systems that do not amortize. Vice-President Pepper Valdez seconded the motion, which passed unanimously.

**VI.C. Approve Legislative Committee Meeting Minutes**

- Member Robyn Driscoll moved to approve the minutes of the Legislative Committee's March 26, 2019 meeting, as presented. Member Dave Severson seconded the motion, which passed unanimously.

#### **VI.D. Defined Contribution/Deferred Compensation Plans**

- Carrie Schell of State Procurement provided information on an investment consulting RFP being issued jointly by the Board of Investments and MPERA. No action was taken by the Board.
- Member Julie McKenna moved that, contingent upon the receipt of no comments on or before April 12, 2019, to adopt the proposed rule amendments to ARM 2.43.3502 and 2.43.5102 and approve submittal to the Secretary of State's Office as a Notice of Amendment and Adoption Order. Vice-President Pepper Valdez seconded the motion, which passed unanimously.
- Member Dave Severson moved to adopt Addendum 1 to MPERA's investment consulting services contract with Buck Consultants. Vice-President Pepper Valdez seconded the motion, which passed unanimously.
- Member Julie McKenna moved to adopt the revised Montana Fixed Fund Investment Policy Statement, effective April 30, 2019. Member Robyn Driscoll seconded the motion, which passed unanimously.
- The Board took action on amendments to wrap provider agreements as follows:
  - Voya – Member Julie McKenna moved to approve the Investment Guideline Schedule effective April 30, 2019, and to approve the proposed amendment to the Managed Custody Account Contract effective May 1, 2019. Member Dave Severson seconded the motion, which passed unanimously.
  - Prudential – Vice-President Pepper Valdez moved to approve the amendment to the Synthetic GIC Contract effective April 30, 2019 (note: the reduced wrap fee became effective April 1, 2019). Member Dave Severson seconded the motion, which passed unanimously.
  - Transamerica – Member Julie McKenna moved to approve Rider Number 2 to the contract, incorporating a revised Investment Guidelines Schedule consistent with the newly amended Montana Fixed Fund Investment Policy Statement, effective April 30, 2019. Member Robyn Driscoll seconded the motion, which passed unanimously.
- Vice-President Pepper Valdez moved to approve the amendment of the Investment Management Agreement to incorporate and reference the newly amended Montana Fixed Fund Investment Policy Statement, effective April 30, 2019. Member Julie McKenna seconded the motion, which passed unanimously.
- Member Julie McKenna moved to approve the amendment of ARM 2.43.3502 and 2.43.5102 effective June 7, 2019, to reference the Montana Fixed Fund Investment Policy Statement as amended effective April 30, 2019. Vice-President Pepper Valdez seconded the motion, which passed unanimously. In addition, President Marty Tuttle moved to give MPERA contingent authority to move forward if no public comments are received (if public comments are received, the item will be placed on the June 13, 2019 agenda for further Board action). Member Julie McKenna seconded the motion, which passed unanimously.

#### **VI.E. FY 2020 Budget Approval**

- Member Julie McKenna moved to approve the FY 2020 Budget, as presented. Vice-President Pepper Valdez seconded the motion, which passed unanimously.

#### **BOARD REQUESTS**

- The Board indicated an intent to send a formal letter to Sagitec to express their dissatisfaction with the current functionality of MPERA's pension systems, known as PERIS and ERIC.
- The Board requested that Member Dave Severson be added to the Policy Committee.