

PUBLIC EMPLOYEES' RETIREMENT BOARD

100 North Park Avenue, Room 201

Helena MT 59601

AGENDA

Thursday, July 12, 2012

BOARD MEETING

President Scott Moore called the regular PERB Meeting to order at 8:30 a.m. on Thursday, July 12, 2012. Roll call was taken. Six Board members present. Member Darcy Halpin participated via telephone for Personnel Committee recommendation. Board members and staff present were:

Scott Moore, President

Terry Smith, Vice President

Bob Bugni, Member

Darcy Halpin, Member (*via conference call for Personnel Committee recommendation only*)

Dianna Porter, Member

Melissa Strecker, Member

Timm Twardoski, Member

Roxanne Minnehan, Executive Director

Melanie Symons, Chief Legal Counsel

Flora Sebens, Executive Assistant

Others present: Don Kinman, AFSCME; Tom Schneider, MPEA; Jim Christnacht, AMPRE; Diane Fladmo, MEA-MFT; Beth Long, GWRS; Jerry Williams, MPPA; Jill Hindoien, MRPEC; *MPERA staff*: Barbara Quinn, Fiscal Services Bureau Chief; Patricia Davis, Member Services Bureau Chief; June Dosier, Information Systems Manager; Kate Talley, Attorney; and Diann Levandowski, Assistant Fiscal Services Bureau Chief joined the meeting.

OPEN MEETING

I. Roll Call

II. Public/Member Comment

III. New Board Member Introduction – *Melissa Strecker*

New member, Melissa Strecker, was introduced and welcomed to the Board. Ms. Strecker is a probation and parole officer in Missoula and a member of the Game Wardens' and Peace Officer's System. She replaces Lee Smith.

IV. GFOA Award for the FY2011 CAFR

The Board's 2011 Comprehensive Annual Fiscal Report (CAFR) once again received the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting. This is the fourteenth consecutive year that we have achieved this prestigious award. This award ensures the report is easily readable, efficiently organized, and satisfies generally accepted accounting principles and applicable legal requirements. We are currently working on the 2012 CAFR and believe that it will continue to meet the program requirements.

Action items

V. Approval of Minutes

A. Board Meeting – June 14, 2012

The minutes of the June 14, 2012, PERB Regular Meeting were presented.

Motion: Member Dianna Porter moved to approve the minutes of the June 14, 2012, PERB Regular Meeting.

Second: Member Timm Twardoski

No public comment.

Vote: 6/0

VI. Executive Director's Report

A. 457 Plan Adoption & Resolution – Miles Community College – *Patricia Davis*

Local government entities may choose to participate in the State's Deferred Compensation Plan. Miles Community College (MCC) has completed a resolution and adoption agreement to offer the deferred compensation plan to their employees. The effective date is the first employer pay period beginning one month after Board approval, or August 1, 2012. MCC has approximately 60 employees. MPERA staff will be providing training and education on the 457 Plan.

Motion: Vice President Terrence Smith moved to approve the 457 Plan Adoption Agreement with Miles Community College.

Second: Member Dianna Porter

No public comment.

Vote: 6/0

B. Personnel Committee Recommendation – *Timm Twardoski*

The Personnel Committee met on Monday, July 9. The Committee recommends the Board award MPERA staff a lump-sum payment to recognize increased workload due to the MPERAtiv Program. The adjustment, effective upon union ratification or agreement, will be provided to staff on MPERA payroll at that date. Staff employed less than six months will receive their adjustment after they have been an MPERA employee for six months.

Motion: Member Dianna Porter moved to accept the Committee's recommendation but applied to all non-executive staff.

Second: Member Timm Twardoski

No public comment.

Vote: 6/1

Non-Union Pay Plan Policy Amendments

The Non-Union Pay Plan Policy amendments clarify the CORE Team occupational pay bands in terms of progression increases. The Board Personnel Committee recommends accepting the amendments.

Motion: President Scott Moore moved to accept the amendments to the Non-Union Pay Plan Policy.

Second: Dianna Porter

No public comment.

Vote: 6/0

Education Items

C. Board Education – Annual Statements – *Marjorie Rowley and Shelly Pardis*

The Annual Statements have undergone a number of changes over the years. Marjorie Rowley and Shelly Pardis provided a presentation on the new format. Statements are provided to each active defined benefit member. They also provided an overview of the review, testing and printing process, as well as a brief explanation of the information provided on the statements. The statements will be mailed Monday, July 16. A message and sample will be posted to the website.

Discussion Items

D. Board Retreat Agenda – *Roxanne Minnehan*

The Board usually retreats each fall. This year's retreat is Wednesday, September 12 at the Fish, Wildlife and Parks Communication/Education Center. Each Board member will complete a Board assessment prior to the retreat. The results will help the Board determine their success in meeting goals and objectives over the past year and plan for the next year. Management Team has started planning for the Annual Retreat and started a list of agenda topics and requested the Board brainstorm additional agenda topics.

- Board self-assessment
- Review last year's goals
- Review governance principles
- Legislative session
- Strategic plan
 - Public relations
 - Social media
 - Lobbying
 - Board member involvement
 - Stronger/Better defense of DB Plans. More emphasis on sound plans.
 - Identify our allies
- Code of Conduct
- Hire a facilitator for this meeting

E. MPERAtiv Program Update – *June Dossier*

June Dossier, Information Systems Manager, provided a monthly update on the MPERAtiv program. Overall, the program has a “Green Status”. The Line of Business Contract negotiations were completed and the contract with Sagitec was signed by all parties. The data cleansing project team completed data cleansing tasks and Ventera wrote scripts to cleanse data as it is converted into the new Line of Business application. Project documents were submitted by Informatix and accepted by MPERA.

F. Sagitec Introductions – *June Dossier*

June introduced the Line of Business vendors from Sagitec as follows:

- Milt Dahl, Deputy Project Manager
- Albano Lima, Project Manager
- Jeff Bryce, Business / Functional Lead
- Lori Deshler, Business / Functional Lead
- Raja Balasubramaniain, Delivery Manager
- Raj Kathait, Technology Director
- Hunter Nelson, Jr. Business Analyst

G. GFOA Conference Report – *Diann Levandowski*

Diann Levandowski attended the 106th GFOA Annual Conference in Chicago, Illinois, on June 10-13, 2012. In summary, Ms. Levandowski reported the proposed GASB changes in pension reporting are disconnecting pension accounting from funding. GASB has proposed fundamental changes in how state and local government employers account for the cost of pensions and other postemployment benefits (OPEB). The conference explored GASB’s proposals and decisions to date, as well as their potential impact on state and local governments and public employee retirement systems. MPERA’s financial statements will no longer be the Statement of Net Assets and the Statement of Changes in Net Assets; they will be Statement of Plan Net Position and the Statement of Changes in Plan Net Position. Financial note disclosures and the Required Supplemental Information (RSI) in the annual report will significantly change.

MPERA’s accounting and IT staff will be busy in the next year to ensure we are ready for the changes to the financial statements .

H. Committee Reports – *Committee Chairs*

- *Legislative Committee* – Chairman Terrence Smith reported the Legislative Committee has not met since the teleconference on June 7, 2012. The next meeting will be scheduled after the Joint LFC/SAVA Subcommittee meeting on July 26, 2012, and before the SAVA meeting on August 21-22, 2012. Chairman Smith requested staff tentatively schedule Legislative Committee meetings for August 6 or 7 and August 9.
- *Personnel Committee* – Chairman Twardoski recommended a letter be written to the Union, notifying them of our intention to equally distribute a lump sum payment to all non-management staff, in the hopes of avoiding the need for a Union Labor Proposal (ULP). A Memo of Understanding (MOU) should suffice. If the

Union decides they want to go into negotiations then the Personnel Committee would schedule a meeting to discuss.

- *Policy Committee* – No update.
- *Audit Committee* – No update.

I. Board of Investors (BOI) Update – *Member Bob Bugni*

BOI recently released a RFP for an investment consultant to provide performance, independent analysis and recommendations to them for the next 7 years. A sub-committee will be formed to review the responses. The next BOI meeting is scheduled for August 21-22, 2012.

J. Executive Director Update – *Roxanne Minnehan*

Staffing Update

- DC Accounting Tech – Position was filled by Megan Robinson. She started July 2, 2012.
- Disability Examiner – Position was filled by Sarah Skubinna. She starts July 23, 2012.
- DC Accountant – Position was filled by Allison Sturm. She starts July 30, 2012.
- Program Specialist (Paralegal) – Rick Dendinger resigned. His last day is July 13, 2012. The position has been posted in-house. Interested parties have until Tuesday, July 10 to express interest and until July 13 to submit applications.
- Benefit Analyst – Job profile is currently being reviewed.

Montana State Firemen's Association (MASFA) Convention

Executive Director, Roxanne Minnehan, addressed the Montana State Firemen's Association (MASFA) at their Annual Convention in Bozeman on Wednesday, July 11, 2012. The firemen are clearly upset that plan design changes are being considered to FURS. They mentioned that in January the PERB said it would concentrate on systems there were not actuarially sound and then two Board meetings later all systems were being considered. They pointed out that FURS is actuarially sound and is the second best system after JRS. They have passed a resolution to study a separate Board for FURS.

Legislation

There is a joint LFC/SAVA Subcommittee Meeting on Thursday, July 26, 2012, at 10:00 a.m. Representative Hollenbaugh and Representative Gibson have been appointed from the LFC. Senator Jent and Senator Arthun have been appointed from SAVA. The agenda includes a presentation of the Governor's pension proposal with a question and answering period afterward. Ms. Minnehan plans on attending this meeting.

K. Litigation Update – *Melanie Symons/Kate Talley*

There were no Open Meeting updates to report on.

L. SAVA Meeting – *August 8-9 and September 6*

M. LFC – *September 27-28, November 13*

N. Board Meetings – *August 9 and September 13*

O. Board Retreat – *FWP Communication/Education Center, September 12, 2012*

ADJOURNMENT

There being no further business before the Board, President Scott Moore adjourned the Regular meeting at approximately 10:55 a.m. The next regular meeting will be Thursday, August 9, 2012, at 8:30 am.

Scott Moore, President

ATTEST:

Roxanne M. Minnehan, Executive Director