Public Employees' Retirement Board
Executive Director's Report

June 2014
Dore Schwinden

The June Board meeting is scheduled for **Thursday, June 12, 2014** in the Board's conference room at 100 North Park, room 201. The regular Board meeting will begin at **8:30 am.** Projected adjournment is 2:15 p.m.

We have been notified of two new Board member appointments: Maggie Peterson of Anaconda, and Warren Dupuis of Helena. These appointments replace the positions previously held by Bob Bugni and Terrence Smith.

The Audit Committee will meet upon adjournment of the regular Board meeting.

Lunch is scheduled for 11:45 - 12:30.

Executive Director's Report

A. Consent Agenda

There are three items on the consent agenda. Any item may be removed from the consent agenda for full discussion, upon request.

1. Board Meeting Minutes, May 8, 2014
2. Informal Consideration – Basin VFD, Annual Certificate, VFCA
   Basin VFD is requesting the Board accept a late-filed annual certificate for FY 2007-2008 and an amended annual certificate for FY 2008-2009.
3. Notices of Proposed Amendment of Rules Adopting DCRP and 457(b) Plan Documents and Investment Policy Statements by Reference

B. FY 2015 Budget Approval

Barbara Quinn, MPERA Fiscal Services Bureau Chief, will provide an overview of the budgeting process before presenting the FY 2015 budget. The Board approves its own budget. Staff provides quarterly updates.

C. FY 2014 Reserve – MPERAtiv Program

The Board DB budget must remain under a statutory cap. The Board never spends the entire amount available for expenses. For the past few years, we have been reserving a portion of the unused expenses to assist with the funding of the MPERAtiv Program. Staff recommends the Board continue this process this year.

D. GABA Rate Decision for Next Actuarial Valuation

The actuary has asked that we communicate to him the rate that will be used for the PERS official and supplemental valuations for FY2014. The possible rates are 1.5% or 3% which reflect the GABA rates that are used in PERS. There was a discussion of the pros and cons for choosing either rate at the Board's May meeting.

E. DC/457 Plans Administration

1. Fund Replacement - The Board will be asked to take action on a fund replacement. The recommendation is to remove the Vanguard Total Bond Index Fund (VBTSX) from 401(a) investment options.
2. Employee Investment Advisory Council Re-appointments – The Board will be asked to approve the re-appointment of Diane Fladmo, Director of Research & Bargaining - MEA-MFT, to EIAC for the three year term beginning August 1, 2014 and ending July 31, 2017.

F. Contract Approval

Contracts for the (1) investment consultant and (2) DC Plan recordkeeper need Board approval.

G. Contract Renewals

Contracts for the (1) agency legal services, (2) tax consultants, and (3) actuary need Board approval in order to be renewed for FY 2015.

H. AMRPE v. State

The Board will be asked to determine whether to release the identity of participants eligible for and who have purchased 1 for 5 service as requested in Plaintiffs' First Set of Discovery.

I. Board Committee Appointments

The Board President will update this year's committee rosters to include the two new Board members who were appointed on June 5.