

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 North Park, Room 218
Helena, MT 59620

POLICY COMMITTEE
Thursday, April 10, 2014

MINUTES

Committee Members

Melissa Strecker, Committee Chairwoman
Mike McGinley, Committee Member
Sheena Wilson, Committee Member

MPERA Staff

Roxanne Minnehan, Executive Director
Melanie Symons, Chief Legal Counsel
Barbara Quinn, Fiscal Services Bureau Chief
Hollie Koehler, Internal Auditor
Ann Reber, Publication Specialist
Cynthia Pearson, Executive Assistant

Call to Order

Chairwoman Melissa Strecker called the meeting to order at 2:00 p.m.

Roll Call

All committee members were present.

Public Introductions

No members of the public were in attendance.

Public/Member Comment

There was no comment.

Board Policies

Board Proc 01 – Board Processes

The committee and staff made several recommendations for amending the Board Processes policy.

Motion: *Member Mike McGinley moved to change the official titles for the Board leadership to be Board Chair (rather than Board President) and Board Vice Chair (rather than Board Vice President)—under the section Procedures/Board Officers.*

Second: *Member Sheena Wilson*

Vote: *3/0*

Motion: *Member Sheena Wilson moved to change the deadline for providing meeting materials to the Board and public to be no later than 4 working days before Board meeting (current policy is 5 working days)—under the section Procedures/Internal Operating Procedures.*

Second: *Member Mike McGinley*

Vote: 3/0

Motion: *Member Sheena Wilson moved to delete the paragraph on drafting official correspondence—under the section Procedures/Communication with the Governor.*

Second: *Member Mike McGinley*

Vote: 3/0

The committee and staff also discussed (1) making changes to the section Procedures/Board Officers, specifically making the timing of elections for Board leadership to be the second quarter of the year instead of April, (2) making changes to the section Procedures/Approval and Payment of Claims, including adding the State of Montana travel policy for compliance purposes, and (3) making changes to the section Procedures/Per Diem, specifically deleting the paragraph on compensation for actual travel time.

Board Proc 03 – Board Committees

The committee and staff made several recommendations for amending the Board Committees policy.

- Under Procedures, regarding committee compliance with Montana’s constitutional provisions and statutes regarding open meetings and public participation, change the language to reflect that MPERA staff will assist the committee chair in preparing the meeting agenda.
- Under Board Committees/Audit Committee, require the Audit Committee to meet a minimum of three times per year.
- Under Board Committees/Policy Committee, require the Policy Committee to meet no less than twice a year to review board policies as necessary.
- Under Board Committees/Legislative Committee, the Board should decide if the Legislative Committee should continue to consist of all Board members during the Legislative Session, or only the three appointed Legislative Committee members.
- Under Board Committees, remove the 457(b) Deferred Compensation Plan Financial Hardship Committee from the list as the committee membership is MPERA staff.
- Under Other Committees, Employee Investment Advisory Council (EIAC), delete the language that indicates EIAC reviews investment options as it is not reflective of all EIAC does.

Board Admin 09 – Actuarial Valuation Assumptions and Methods

The committee recommended that staff have the authority to automatically update the policy with new actuarial tables and data whenever the Board approves new actuary valuations. This may need to include updates to the section System-Specific Actuarially Equivalent Early Retirement Factors.

Funding Policy (Admin 01)/ Request Actuarial Information (Admin 02) – GASB Changes

Barbara Quinn, MPERA Fiscal Services Bureau Chief, reported she has been working on

recommended revisions to this policy to reflect GASB changes. She also is working to combine the Funding and Benefit Policy (Admin 01) with the Request for Actuarial Information Policy (Admin 02), which will effectively blend the content of the two policies. In addition, the actuary has made some wording recommendations with the goal of having the language in the policy and the actuarial valuation be as consistent as possible.

Melanie Symons, MPERA Chief Legal Counsel, will investigate statutes related to certain recommended changes to the policy, including the requirements for the Board to (1) concur with actuarial valuations and (2) to pay for actuarial studies needed to estimate the fiscal cost of proposed legislation.

Board Prsnl 02 – Performance Appraisals

The committee agreed to postpone making any revisions to this policy until the Personnel Committee can be involved.

Governance Principles

The committee and staff made several recommendations for amending the Governance Principles. Member Sheena Wilson expressed that the document could likely be shortened to a couple of pages—rather than the current six pages—possibly moving some of the language to other policies. Chairwoman Melissa Strecker offered to make initial edits to the document, and then forward it to the other committee members and MPERA staff for comment.

Workplan

The Policy Committee's charter and workplan were not addressed.

Meeting Schedule

The committee scheduled its next meeting for May 8, 2014. By that meeting, Ann Reber, MPERA Publication Specialist, will make modifications to the various policies as discussed, and Melanie Symons, MPERA Chief Legal Counsel, will further investigate statutes related to certain proposed policy changes. The committee hopes to have new draft policies ready to present to the full Board at its June 12 meeting.

Adjournment

There being no further business, Chairwoman Melissa Strecker moved to adjourn the meeting at 3:55 p.m.