

Montana Teachers' Retirement System Board Meeting

October 3, 2025

BOARD MEMBERS PRESENT

Kari Elliott, Chair
Daniel Chamberlin, Vice Chair
Dee Brown, Member (*Virtual*)
Elliott Crump, Member
Daniel Trost, Member
Brian Youngren, Member

STAFF PRESENT

Shawn Graham, Executive Director
Tammy Rau, Deputy Executive Director
Jim Malizia, Chief Legal Counsel
Nolan Brilz, Accounting/Fiscal Manager
Chris Fish, Auditor
John Noble, Information Systems Manager
Darla Fitzpatrick, Communications Manager
Lexi Newcomer, Communications Specialist

OTHERS PRESENT

Jim Kerins, Consultant, Communication and Management Services, LLC
Todd Green, CavMac
Bryan Hoge, CavMac
Kim Popham, Montana Federation of Public Employees
Nate Weinstein, Osmosis
Jason Kobilka (affiliation unknown)

Call to Order

Chair Kari Elliott called the meeting to order at 8:30 a.m.

Adoption of the Agenda

Chair Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Dee Brown moved to adopt the agenda and Member Elliott Crump seconded the motion. The motion was approved by all members.

Chair Elliott requested a motion to approve the August 1, 2025 minutes.

Motion/Vote: Member Brian Youngren moved to approve the meeting minutes, with Vice Chair Daniel Chamberlin seconding. The motion was approved by all members.

Public Comment on Board Related Items

This is an opportunity for members of the public to comment on any public matter not on the agenda and within the jurisdiction of the Board.

There was no public comment.

Actuarial Valuation

Todd Green and Bryan Hoge of CavMac presented a summary of their July 1, 2025 actuarial valuation of TRS. Mr. Green likened actuaries to “professional savers,” and he explained why a defined benefit (DB) pension needs an actuary. In a DB pension, money coming into the system (contributions and investment earnings) should equal money going out (benefit payments and investment earnings) over the life of the plan. Montana’s public pensions are unique in that benefits and contributions are set in statute. The actuary must use assumptions, such as how long members are likely to live and how much the plan’s assets are expected to grow, to predict whether those fixed contributions will be adequate to cover benefits. However, Mr. Green noted that for Montana’s public pensions, 60% to 70% of benefits paid out are funded by investment earnings.

Mr. Hoge then reviewed the valuation results. The plan had returns of 9.4% as of June 30, 2025, which exceeds the actuarially assumed rate of return of 7.3%. However, returns are smoothed over a 4-year period, and that timeframe includes a loss in fiscal year 2022. As of July 1, 2025, the funded ratio decreased slightly from 74.26% to 73.44%, while the amortization period remained at 21 years. One reason why the amortization period did not increase is that a bill passed by the 2025 Montana Legislature (House Bill 924) will increase employer contributions by 0.01% each year for 20 years, starting July 1, 2027. Without this small increase in contributions, the amortization period would have increased by one year. HB 924 also created a pension reserve fund that could potentially benefit TRS in the event of a major economic crisis.

Mr. Hoge also discussed demographics, including the ratio of active to retired members, expected salary increases, average benefit amounts, and average age at retirement. Mr. Green explained that factors such as better health care and an increase in life expectancy may contribute to members retiring later.

In the spring of 2026, CavMac will complete an experience study that will be included in the July 1, 2026 valuation report. An experience study allows the actuary to compare TRS’s past experience to its actuarial assumptions to determine whether those assumptions were reasonably accurate in predicting costs or if they should be adjusted.

Public Comment

There was no public comment.

Chair Elliott requested a motion to adopt the July 1, 2025 actuarial valuation results.

Motion/Vote: Member Daniel Trost moved to adopt the 2025 actuarial valuation results, Vice Chair Chamberlin seconded the motion, and it was approved by all members.

Administrative Business

Investment Report

Member Trost gave a brief report on TRS investments, stating that TRS is receiving above average returns with lower risk, which is ideal. He reported that the Board of Investments (BOI) is shifting investments toward smaller companies. There is concern that some of the larger companies may be overvalued due to excessive investment in artificial intelligence (AI).

Financial Statements and Budget Report

Nolan Brilz, TRS Accounting/Fiscal Manager, reported that, as of August 31, 2025, there has been a \$220 million increase in CAPP (Consolidated Asset Pension Pool) compared to August 31, 2024. The total fund balance has increased from \$5.2 billion to \$5.42 billion over the past year.

Mr. Brilz also provided a budget status update as of August 31, 2025 and reviewed line items with the Board, noting that it is early in the fiscal year and many expenses have not yet been incurred.

Tentative 2026 Meeting Dates

Members of the Board discussed their availability for tentative 2026 meeting dates of February 6, May 1, August 7, October 2, and December 4. Due to scheduling conflicts, the February meeting was moved to February 13, 2026. The date of the May 2026 meeting will be confirmed at the December 5, 2025 meeting.

Public Comment

There was no comment.

Interest Credited to Member Accounts Policy

Executive Director Shawn Graham reviewed the new Interest Rates policy, which the Board reviewed at the August meeting. If approved by the Board, this policy will cap the interest rate credited to member accounts at 2.00%. Director Graham reminded the Board that they have already set the interest rate at 2.00% for Fiscal Year 2026, and the action requested at this meeting is only to approve the new policy.

Chair Elliott requested a motion to approve the Interest Rates policy.

Motion/Vote: Vice Chair Chamberlin motioned to approve the policy. Member Trost seconded the motion, which was approved by all members.

Next Meeting Date

The next Board meeting is scheduled for Friday, December 5, 2025.

Executive Director's Report

Staff/Operations Update

Director Graham reported that TRS has shifted member training opportunities to webinars this fall, and the only in-person member training will be the MFPE Educator Conference in Missoula later this month. Attendance at September webinars was strong, as are registrations for the planned November and December webinars.

Director Graham gave an update on the recruitment for a Retired Payroll team member. The recruitment has been updated to a Benefit Officer job title with a salary increase to attract candidates who are qualified to assist with monthly payroll.

Legislative Interim Committee Update

The Legislative State Administration and Veterans' Affairs Committee (SAVA) has met and is developing a workplan for the interim session. SAVA will not be doing a pension study during the interim, as they completed one in the prior interim.

Public Comment

There was no public comment.

TRS Internal Auditor Report

TRS Auditor Chris Fish provided the annual internal audit report. Now in her third year of employer audits, she has added a process to follow up with schools that had multiple errors in their audits. In the year following their audit, she contacts them to request a month of payroll data to ensure they are no longer making the same reporting errors. Ms. Fish and additional TRS staff also have begun collaborating with Montana Public Employee Retirement System (MPERA) staff to create training for new school clerks.

Ms. Fish completed 23 audits on fiscal year 2024 payroll data between September 1, 2024 and August 2025, and she has 32 audits scheduled for the coming year. Her initial audits focused on larger schools, but future audits will focus primarily on smaller schools.

Public Comment

There was no public comment.

Strategic Planning

Jim Kerins gave an overview of the 2025-2027 strategic plan and commitment worksheet developed at the previous board meeting. He described how he, Director Graham, and the TRS leadership team worked together to eliminate redundancies and ensure the Board's goals and objectives were represented accurately in the final document. He noted that the commitment worksheet also has been made more concise. After review and discussion, the Board made no further revisions to the plan.

Chair Elliott requested a motion to adopt the 2025-27 strategic plan.

Motion/Vote: Member Trost moved to adopt the 2025-2027 strategic planning summary and commitment worksheet as presented. Vice Chair Chamberlin seconded the motion, and it was approved by all members.

Applications and Retirement Benefits

Deputy Director Tammy Rau reported that between April 1 and August 31, 2025, TRS staff processed 495 retirement benefit applications, which were the bulk of applications for members retiring at the end of the 2024-25 school year. Their average age is slightly over 61 years, and they retired with an average of 23.30 years of service.

