

Montana Teachers' Retirement System Board Meeting December 5, 2025

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Daniel Chamberlin, Vice Chair

STAFF PRESENT

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

OTHERS PRESENT

David Severson, Montana Retired Educators' Association (*virtual*)
Dan Villa, Executive Director, Montana Board of Investments
Kevin Schooler, TRS Member

Call to Order

Chair Kari Elliott called the meeting to order at 8:33 a.m.

Adoption of the Agenda

Chair Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Daniel Trost moved to adopt the agenda and Member Brian Youngren seconded the motion. The motion was approved by all members present.

Approval of Minutes

Chair Elliott requested a motion to approve the October 3, 2025 minutes.

Motion/Vote: Member Elliott Crump moved to approve the meeting minutes, with Member Trost seconding. The motion was approved by all members present.

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.

BOI Annual Report

Note: This was presented between the “Financial Statement & Budget Report” and the “P2F2 Conference Update” topics.

Board of Investments Executive Director Dan Villa presented the BOI annual report. Director Villa reviewed the strategic asset allocation and stated that this plan has been working well. There will be no changes in the upcoming calendar year to the allocation. The BOI reports no changes to their goals and investment strategies at the time of the meeting.

When comparing Montana CAPP investments and performance to similar sized public employee retirement plans in other states, Montana’s 5-year policy return of 8.5% was above the U.S. Public median of 7.7% and the peer median of 7.5%. Per Director Villa, BOI has chosen good managers and has had good results due to this.

The Growth and Opportunity Trust created in the 2025 legislative session was explained in detail to the Board. The trust is currently invested in the short-term investment pool. TRS would have access to up to 75 million dollars over 2 fiscal years if BOI was unable to achieve inception-to-date returns of the actuarial limits established by the TRS board. This funding is not applied to actuarial valuations.

Executive Director’s Report

Staff/Operations Update

Executive Director Shawn Graham shared that the newly reclassified Retired Payroll Benefit Officer role was filled by Katie Allen in November. Katie comes to TRS with 18 years of experience in payroll with the Great Falls School District.

Each fall, TRS hosts a series of presentations entitled “TRS 101” and “Ready, Set, Retire” for member education. Due to low in-person attendance in prior years, these presentations are being offered via Zoom webinars. Darla Fitzpatrick, Communication Manager, gave updates on the number of people registered for upcoming December and January webinar dates.

2026 MASS Meetings

Director Graham reported that he is scheduled to attend meetings in each Montana Association of School Superintendents (MASS) region in March through May of 2026.

SAVA Update

The State Administration and Veterans’ Affairs (SAVA) interim committee met on November 17, 2025 and Director Graham presented the results of the July 1, 2025 actuarial valuation of TRS and answered questions. The committee has not requested an interim study of the system. His next report

to the committee will likely be the results of the TRS experience study, which will be completed in May 2026.

BOI Update

As required by statute, Director Graham will attend the Board of Investments' December 10, 2025 meeting to present the TRS actuarial valuation results.

LFC Update

On December 18, 2025, TRS is scheduled to present the actuarial valuation to the Legislative Finance Committee. Chief Legal Counsel Jim Malizia will present the valuation on behalf of Director Graham.

Public Comment

Chair Elliott called for public comment on this topic. There was no public comment.

Board Training

Note: This was presented after the "Tentative 2026 Meeting Dates" topic.

Ethics/Conflict of Interest

Mr. Malizia led the Board through a review of the TRS policy on the ethical obligations of staff, which includes members of the Board. The policy document included some proposed changes to incorporate an increase in allowable gifting amounts and formatting changes consistent with federal ADA 508 Compliance requirements.

Mr. Malizia explained private interests that the Board may encounter. Board and staff members must report any violation of the policy or law or any conflict of interest of which they become aware.

The Board also discussed changes to the Policy on TRS Policy, which would improve the numbering scheme and categorical groupings for TRS Board policies.

Per Diem Election Form

Each year, members of the Board elect to receive either the TRS per diem or their regular salary for the time they spend preparing for and attending TRS Board meetings. Board members who are also public employees may not receive duplicate compensation for the same hours of service. Director Graham explained the purpose of the Board Member Per Diem Election Form and collected a signed copy from Board members attending in person.

Administrative Business

Investment Report

Member Trost reported on results of investments made by the Montana Board of Investments (BOI). He reported that the BOI has engaged the investment consulting firm RVK, Inc. to evaluate their asset allocations.

Financial Statements and Budget Reports

TRS Accounting/Fiscal Manager Nolan Brilz reviewed the October 31, 2025 fund balance sheet and compared it to the October 31, 2024 fund balance sheet. The fund is up by \$270 million, which is

similar to the growth in 2024. Mr. Brilz noted that benefit payments are the largest percentage of expenses in the TRS budget and continue to increase at the expected rate. Withdrawals and administrative costs are similar to 2024.

P2F2 Annual Conference Report

Mr. Brilz thanks the Board for the opportunity to attend the Public Pension Financial Forum (P2F2) conference to network with his counterparts and directors from other retirement systems. He attended sessions on employer reporting and stated that TRS's communication and procedures for handling wage and contribution reporting compare very favorably to most systems.

Mr. Brilz also reported that the TRS accounting team is working on a frequently asked questions section for employers that could be posted on the recently updated TRS website.

NCTR Annual Conference Report

Chair Elliott provided a report on the annual conference of the National Council on Teacher Retirement (NCTR), held in October in Salt Lake City, Utah. She commented on the wide range of attendees which include executive directors from other systems, CEOs, investment professionals, teachers, and more. Member Brown stated she is always impressed with NCTR's selection for Teacher of the Year, and the quality of presentations.

Director Graham echoed their comments and said the conference is a great opportunity for Board members to meet people and learn how other systems operate. He reported that Artificial Intelligence (AI) was one prominent topic of discussion, and several other systems are implementing AI in their call centers to assist with customer support.

Tentative 2026 Meeting Dates

Tentative dates had been set for February 13, May 1, August 7, October 2, and December 4, 2026; however, Director Graham proposed changing the May meeting to May 8 so the actuaries can travel to Montana and present experience study results to TRS and MPERA on consecutive days. Board members agreed with the proposed change and other tentative meeting dates.

Public Comment

There was no public comment.

Action Items

Chair Elliott requested a motion to approve the changes to the Policy on Policies.

Motion/Vote: Member Brown moved to approve changes to the policy along with numbering changes. Member Youngren seconded the motion, and it was approved by all members present.

Chair Elliott requested a motion to approve the changes to the Ethics and Conflict of Interest policy.

Motion/Vote: Member Trost moved to approve changes to the policy, with Member Crump seconding. The motion was approved by all members present.

Next Meeting Date

The next Board meeting is scheduled for February 13, 2026.

IT Manager Report

IT Manager John Noble provided an overview of TRS and State technology. He reported that TRS removed one server when the recently redesigned website was being developed. He also noted that most TRS staff members now use laptops rather than microcomputers. All TRS computers now have been migrated to Windows 11.

Mr. Noble and other TRS staff are working on several system enhancements, including an upgrade to the TRS online portal for active members to make the application fully responsive and accessible. TRS also is pursuing a new identity verification solution, which would provide enhanced security for the member portals.

Public Comment

There was no public comment.

Strategic Planning

Strategic Planning Summary and Commitment Worksheet Update

Director Graham reviewed the strategic planning worksheet and gave status updates on worksheet objectives. TRS is making good progress toward Section 508 compliance, including the enhancements to the Active Member portal mentioned by Mr. Noble. The estimated implementation date is early 2026.

The goal to pursue robust identity verification for the member portals is in progress, and TRS has entered into a contract with the identity verification company ID.me. The implementation of ID.me will be done in phases to provide as little disruption to members as possible.

Director Graham gave an update on succession planning for the Retired Payroll Supervisor role and creating documentation for retired payroll desk procedures. Mr. Malizia will lead this project, and Communications staff will assist in formatting.

Public Comment

There was no public comment.

Applications and Benefit Adjustments

Deputy Executive Director Tammy Rau reported that TRS staff processed 42 applications for retirement between September 1 and October 31, 2025. The average age of those retirees was 62 and they had an average of more than 15 years of service.

Legal Counsel's Report

Summary of Legal Issues

Mr. Malizia reported there are no pending legal issues.

