

**Teachers' Retirement Board Meeting
Teachers' Retirement Board Room
1500 East 6th Avenue
Helena, MT
August 23, 2013**

BOARD MEMBERS PRESENT

Robert Pancich, Vice Chair
Janice Muller
Kari Peiffer
Lisa Cordingley
Marilyn Ryan
Scott Dubbs

STAFF PRESENT

David Senn, Executive Director
Tammy Rau, Deputy Executive Director
Denise Pizzini, Legal Counsel

Rick Bush, Information Technology Manager
Emma MacKenzie, Communications Manager
Johnelle Sedlock, Benefits Officer
Karla Scharf, Retired Payroll Supervisor

OTHERS PRESENT

Shawn Graham, Executive Director Candidate
Jim Kerins, CMS, LLC

Call to Order

Vice Chairperson Robert Pancich called the meeting to order at 8:09 a.m., in the Montana Teachers' Retirement Board Room 1500 E 6th Ave Helena MT.

Closed Meeting

Executive Session to Discuss Disability Applications

Vice Chairperson Pancich directed the meeting to be closed at 8:10 a.m. to discuss and review the disability applications since the individual's right to privacy pertaining to an application for disability benefits clearly exceeds the merits of public disclosure. The meeting was reopened to the public at 8:23 a.m.

Notice of Conflict of Interest

Mr. Senn reported to the other Board members that Member Ryan has a personal relationship with Dorothy Fangsrud, an applicant for disability benefits, which could give rise to an appearance of a conflict of interest, so would not participate in discussion of or voting on her application for disability benefits.

Open Meeting

Applications for Disability Retirement Benefits

Vice Chairperson Pancich requested motions on the disability applications.

Motion/Vote: Member Peiffer made a motion to approve the disability application of Dorothy Fangsrud. Member Cordingley seconded the motion. The motion passed unanimously, with Member Ryan abstaining.

Motion/Vote: Member Dubbs made a motion to approve the disability application of Theresia Mengershausen. Member Muller seconded the motion. The motion passed unanimously.

Motion/Vote: Member Peiffer made a motion to approve the disability application of Margaret Treat. Member Ryan seconded the motion. The motion passed unanimously.

Interviews for Position of Executive Director

Jim Kerins introduced Shawn Graham as one of the candidates for the position of Executive Director. Mr. Graham gave his presentation as part of the interview and answered questions from the Board.

Jim Kerins introduced Denise Pizzini as one of the candidates for the position of Executive Director. Ms. Pizzini gave her presentation as part of the interview and answered questions from the Board.

Vice Chairperson Pancich closed the meeting at 10:50 a.m. for an executive session of the Board to discuss each candidate's application, resume' and other confidential information. The meeting was reopened to the public at 12:20 p.m.

Direction to Executive Search Consultant

Vice Chairperson Pancich asked Mr. Kerins to complete background checks on the candidate the Board selected for the position of Executive Director. Mr. Pancich said both candidates were very good and it was a tough selection. Mr. Pancich asked when the conference call with the Board would take place after the background checks and it was announced it would be as soon as possible. Executive Director David Senn said he would stay in touch with Mr. Kerins.

Next Meeting Dates

Vice Chairperson Pancich announced the next Board meeting dates as September 27, 2013, and December 6, 2013.

Executive Director's Report

Pension+ System Upgrade

Mr. Senn reported on the Pension+ system upgrade. TRS staff has been working on the sole source purchasing contract with the state Procurement office. The Procurement office wants TRS to issue a Request for Proposal as they had one company respond to the notice to award a sole source contract to Alfred Munksgard and Associates. Mr. Senn said staff was continuing to work with the Procurement Office to clarify the requirements for issuing a sole source contract, and asked the Board for a motion to authorize the Executive Director to sign a contract with Alfred Munksgard and Associates if approved by the State Procurement Office. Mr. Senn said

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he would have exact contract figures at the September board meeting, and he would be contacting the state CIO for assistance with the sole source contract.

Motion/Vote: Member Dubbs made a motion to proceed with the sole source contract and authorize the Executive Director to sign the contract with Alfred Munksgard and Associates. Member Peiffer seconded the motion. The motion passed unanimously.

Information Technology Manager Rick Bush said a demonstration of the new Pension+ system, M-Trust, would take place at the next board meeting, with the goal of the payroll module going live in late October. Vice Chairperson Pancich asked about potential security issues with the new program. Mr. Bush and Retiree Payroll Supervisor Karla Scharf explained the internal controls in place to prevent potential security issues.

Mr. Senn said he would email the charter about the Pension+ upgrades to the Board.

Proposed Telework Policy

Mr. Senn reviewed the proposed telework policy. He said Legal Counsel Denise Pizzini, Communications Manager Emma MacKenzie, and he worked on the draft policy using the state telework policy as a guideline. Vice Chairperson Pancich said the policy would be an action item at the next board meeting.

SAVA Committee report

Mr. Senn reported on the SAVA committee meeting of August 20, 2013. He said he received a few general questions from committee members about TRS and a few questions regarding current TRS investment return assumptions.

Mr. Senn gave an update on the potential lawsuit regarding the GABA reduction. Member Peiffer asked Ms. Pizzini who would represent the Board in the lawsuit. Ms. Pizzini said the Attorney General's office would take the lead, and if the board members are personally named she would try to have removed from the lawsuit.

Adjournment

Having no more business before them, Vice Chairperson Pancich requested a motion to adjourn the meeting.

Motion/Vote: Member Peiffer moved to adjourn. Member Cordingley seconded the motion. The motion passed unanimously.

The meeting adjourned at 1:00 p.m.