

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N. Park Avenue, Room 201**  
**Helena, MT 59601**

**Thursday, May 8, 2014**

**MINUTES**

Scott Moore, President  
Terrence Smith, Vice President  
Bob Bugni, Member  
Mike McGinley, Member  
Melissa Strecker, Member  
Timm Twardoski, Member  
Sheena Wilson, Member

*MPERA Staff*

Roxanne Minnehan, Executive Director – outgoing  
Dore Schwinden, Executive Director - incoming  
Melanie Symons, Chief Legal Counsel  
Barbara Quinn, Fiscal Services Bureau Chief  
Patricia Davis, Member Services Bureau Chief  
Kate Talley, Legal Counsel  
Ali Sturm, DC Accountant  
Sheri Mitchell, Lead Benefit Analyst  
Cynthia Pearson, Executive Assistant

*Public*

Russell Wrigg, AMRPE  
Jerry Williams, MPPA  
Diane Fladmo, MEA-MFT  
Rick Ryan, Ed Cleary, Rick Hansen, George Richards, Doug Neil, MSFA  
Leo Berry, Attorney  
Adam Anfinson, Ryan Evans, OBPP  
Sheri Scurr, Legislative Services Division  
Perry Christie, Ben Hoecheri, Linda Ulrich, Ann Cappel, GWRS  
Yvette Englert, Department of Administration – Human Resources

**Call to Order**

President Scott Moore called the meeting to order at 8:30 a.m.

**Roll Call**

All members of the Board were present.

President Scott Moore introduced Dore Schwinden, the new MPERA executive director.

**Public Introductions**

At the Board's request, public attendees introduced themselves.

**Public/Member Comment**

There was no public comment.

### **Consent Agenda**

1. Board Meeting Minutes – April 10, 2014
2. Lehman Brothers Settlement Check
3. 457 Adoption Agreement – City of Poplar
4. Out-of-State Travel Authorization – NASRA Conference, Asheville, NC, August 1-6, 2014
5. Board Meeting Schedule – July 10, August 14, September 11

Member Sheena Wilson reminded the Board of its intent to move from meeting every month to meeting every other month. She said the transition may be feasible after the October 2014 meeting.

**Motion:** *Member Sheena Wilson moved to approve the consent agenda, as presented.*

**Second:** *Member Timm Twardoski*

*No public comment.*

**Vote:** 7/0

### **Actuarial Valuation Assumptions – Bond Index**

Barbara Quinn, MPERA Fiscal Services Bureau Chief, presented information on the actuarial valuation assumptions for the bond index, and asked the Board to select a bond index for the actuary to use.

Under GASB 67, the actuary is required to use a blended rate if there are not enough assets and contributions to cover the benefits that will be paid in the future. At least one retirement plan, the Sheriff's Retirement System, may need to use a blended rate.

The bond index is used in the calculation of a discounted rate for plans when the plan assumed rate of return does not supply the necessary present value of assets to cover projected future cash flows. At that point, it is necessary to calculate a discounted rate of return using a blending of the actuarial assumed rate and the selected bond index.

Staff recommendation is to accept the Bond Buyer GO 20-Year Bond Municipal Bond Index for the GASB 67 Discount Rate calculation, as proposed by Cheiron and evaluated by the Board of Investments.

**Motion:** *Vice-President Terrence Smith moved to adopt the recommendation of the Bond Buyer GO 20 Year Bond Municipal Bond Index for the GASB 67 Discount Rate calculation.*

**Second:** *Member Sheena Wilson*

*No public comment.*

**Vote:** 7/0

### **Administration of PERS Defined Contribution Retirement Plan, Deferred Compensation/457 Plan**

Patricia Davis, MPERA Member Services Bureau Chief, presented information on administration of the Defined Contribution Retirement Plan and the Deferred Compensation/457 Plan.

#### Addition of Advisory Services

Ms. Davis stated that EIAC recommends making Great-West Financial's suite of advisory services available to participants of the (1) PERS Defined Contribution Retirement Plan and (2) Deferred Compensation/457 Plan, effective July 1, 2014.

Advisory Services provides participants with additional tools to help them reach their retirement goals including; online investment guidance and advice, tools to project retirement income, and the ability to participate in a managed account service, at their expense, if they choose.

This suite of services will give participants access to professional advice within the plan at no or low cost. All Advise Services, except Managed Accounts, are provided to plan participants at no cost under the new provisions of the Great-West contract, as detailed in their RFP response. Managed Account services are available to participants if they elect (opt-in) to participate for an annual basis point fee depending on their account balance.

Perry Christie and Ben Hoecheri of Great-West Financial gave an educational slide presentation on advisory services and tools that are available to ensure a plan participant is “retirement ready” (able to retire with an adequate amount of sustainable income for life). A copy of the presentation is available upon request at MPERA’s offices.

Staff recommendation is to add Great-West Financial’s advisory service to the PERS Defined Contribution Retirement Plan and the Deferred Compensation/457 Plan.

**Motion:** *Member Mike McGinley moved to accept the recommendation to add Great-West Advisory Service to the plans.*

**Second:** *Vice-President Terrence Smith*  
*No public comment.*

**Vote:** 7/0

#### Plan Document Amendments

Ms. Davis asked the Board to adopt a revised Defined Contribution Plan Document. The revisions incorporate past document amendments, 2011 and 2013 law changes, new rule numbers and the Board’s recent decision regarding the “participant” definition.

Ms. Davis also asked the Board to adopt a revised Deferred Compensation Plan Document. The revisions incorporate the Board-approved changes regarding rollover distributions and pooled trust, as well as the Board’s recent decision regarding the “participant” definition.

She requested the changes be effective today (May 8, 2014). She noted the revised plan documents will need to be adopted by rule.

**Motion:** *Member Bob Bugni moved to adopt the revised Defined Contribution Plan Document, as presented.*

**Second:** *Member Sheena Wilson*  
*No public comment.*

**Vote:** 7/0

**Motion:** *Vice-President Terrence Smith moved to adopt the revised Deferred Compensation Plan Document, as presented.*

**Second:** *Member Sheena Wilson*  
*No public comment.*

**Vote:** 7/0

#### Investment Policy Statements

##### 1. Board Admin 11 – 401(a) PERS-Defined Contribution Retirement Plan

Ms. Davis stated that Wilshire and EIAC conducted the annual review of the Board Admin Policy 11 - 401(a) Investment Policy Statement and the Board Admin Policy 12 – 457 Investment Policy Statement at

EIAC's April 17, 2014 meeting. As a result of the review, EIAC recommends the Board consider adding a socially responsible fund to the Defined Contribution Retirement Plan's Investment Policy.

Calvert Social Investment Equity has been a long standing investment option in the 457 plan. However, it has failed to meet the criteria established in the IPS for at least the last four years. The fund has not been recommended for probation or replacement because it fulfills a specific need for a specific group of 457 participants.

At EIAC's April meeting, Wilshire presented educational material on the different types of socially responsible funds. This class of funds ranges widely in regard to the category of mutual fund and social issues involved. However, given that Calvert continues to violate the IPS, there is a fiduciary responsibility to review the fund and whether or not it should be replaced. At EIAC's request, Wilshire is conducting a search for a new socially responsible fund to replace the Calvert fund in the Deferred Compensation/457 plan. Wilshire intends to present the search results at the July 17, 2014 EIAC meeting.

The addition of a socially responsible investment option to the Defined Contribution Retirement Plan IPS is not a recommendation to add Calvert Social Investment Equity to the current plan investment choices. If the Board accepts the recommended change, it provides the potential to add a socially responsible fund to the Defined Contribution Retirement Plan at some future date should the Board determine that such a fund is appropriate for plan participants.

**Motion:** *Member Mike McGinley moved to adopt the recommendation to potentially add a socially responsible fund to the Defined Contribution Retirement Plan's Investment Policy.*

**Second:** *Member Sheena Wilson*

*No public comment.*

**Vote:** 7/0

## 2. Board Admin 12 – 457(b) Deferred Compensation Plan

Ms. Davis stated that Wilshire and EIAC conducted the annual review of Board Admin Policy 12 – 457(b) Investment Policy Statement at EIAC's April 17, 2014 meeting. No changes were recommended to the existing policy.

Staff recommendation is to approve current Investment Policy with no changes.

**Motion:** *Member Mike McGinley moved to approve the current Deferred Compensation/457 Plan's Investment Policy with no changes.*

**Second:** *Member Sheena Wilson*

*No public comment.*

**Vote:** 7/0

## Administrative Fund Policies

1. Board Admin 13 – 401(a) PERS Defined Contribution Retirement Plan
2. Board Admin 14 – 457(b) Deferred Compensation Plan

Ms. Davis stated that Board Admin Policy 13 was reviewed during the annual participant fee review at EIAC's April 17, 2014 meeting, and it was determined the policy should be updated. With the recommended updates, the policy will accurately reflect the revenue received in the form of assessed per-

participant fees and will clarify that the administrative fund level should be measured against all plan-paid administrative expenses.

Board Admin Policy 14 also was reviewed during the annual participant fee review at EIAC's April 17, 2014 meeting, and it was determined the policy should be updated. With the recommended updates, the policy will accurately reflect the revenue received in the form of assessed per-participant fees and will clarify that the administrative fund level should be measured against all plan-paid administrative expenses.

Staff recommendation is to approve policy changes for both Board Admin Policy 13 and Board Admin Policy 14.

Vice-President Terrence Smith thought it would be reasonable and more efficient management to amend the timeframe for holding operating expenses in reserve from one year to six months, and expand the corridor from 10% to 25%. Barbara Quinn, MPERA Fiscal Services Bureau Chief, said she was willing to consider these proposed changes but needed more time to analyze the impacts.

The Board discussed ways to edit the policy language in order to establish a framework for maintaining an adequate fund reserve while keeping participant fees reasonable.

**Motion:** *Vice-President Terrence Smith moved to amend Board Admin Policy 13 by changing the timeframe for holding operating expenses in reserve from one year to six months, and expanding the corridor from 10% to 25%.*

**Second:** *Member Sheena Wilson*

*After discussion with MPERA staff, Vice-President Smith requested to pull the motion to allow adequate time for analysis during the next session of the meeting. The Board later came back to this item, and made the following motions.*

**Motion:** *Vice-President Terrence Smith moved to amend Board Admin Policy 13 by changing the timeframe for holding operating expenses in reserve from one year to six months, and expanding the corridor from 10% to 50%.*

**Second:** *Member Mike McGinley.*

*No public comment.*

**Vote:** 7/0

**Motion:** *Vice-President Terrence Smith moved to amend Board Admin Policy 14 by changing the timeframe for holding operating expenses in reserve from one year to six months, and expanding the corridor from 10% to 50%.*

**Second:** *Member Mike McGinley*

*No public comment.*

**Vote:** 7/0

### Fee Review

Ms. Davis and Ms. Quinn discussed how Board Admin Policies 13 and 14 provide guidance for the annual review of fees assessed to participants in the PERS Defined Contribution Retirement Plan and Deferred Compensation/457 Plan. Each year as part of fiduciary duties, there is a review of all fees charged to participants relative to the cost of the plans' administrative expenses in order to determine if the fees are reasonable to cover plan expenses.

MPERA staff presented fee review information at EIAC's April 17, 2014 meeting. At the meeting, EIAC recommended to leave fees unchanged in the Deferred Compensation/457 Plan and to cover all expenses in the Defined Contribution Retirement Plan. Ms. Davis said the recommendation has since been amended to leave fees unchanged in both plans.

**Motion:** *Vice-President Terrence Smith moved to leave fees unchanged for both the PERS Defined Contribution Retirement Plan and the Deferred Compensation/457 Plan.*

**Second:** *Member Mike McGinley*

*No public comment.*

**Vote:** 7/0

Vice-President Terrence Smith reminded the Board that he previously requested a review of fee allocation across the ten MPERA-administered retirement plans, as he felt it may not be equitable. He said he thought there needed to be both internal and external analysis in order to fulfil the Board's fiduciary responsibility. He acknowledged this topic was not on the agenda, and would need to be considered at a later time. He asked the Board to address the issue as soon as possible.

President Scott Moore called for a 15-minute break beginning at 10:30 a.m.

### **Policy Amendments**

Member Melissa Strecker, who chairs the Policy Committee, asked the Board to approve several changes to policies reviewed by the committee on April 10, 2014.

#### 1. Board Proc 01 Policy – Board Processes

There was discussion by the Board on the following changes recommended by the Policy Committee:

- Under Procedures/Board Officers, changing the timing of elections for Board leadership to be the second calendar quarter of the year (current policy is April).
- Under Procedures/Agendas and Information Packets, changing 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).
- Making various changes to the sections Procedures/Per Diem and Procedures/Approval and Payment of Claims, including adding the State of Montana travel policy for compliance purposes.
- Under Procedures/Communication with the Governor, deleting the paragraph on drafting official correspondence.

**Motion:** *Member Mike McGinley moved to adopt the changes to the policy on Board Processes, as proposed.*

**Second:** *Member Sheena Wilson*

*No public comment.*

**Vote:** 7/0

#### 2. Board Proc 03 Policy – Board Committees

There was discussion by the Board on the following changes recommended by the Policy Committee:

- 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.

The Board agreed the Legislative Committee should consist of all Board members during the Legislative Session, as is current policy.

**Motion:** *Member Sheena Wilson moved to adopt the changes to the policy on Board Committees, as proposed.*

**Second:** *President Scott Moore*

*No public comment.*

**Vote:** 7/0

Changes to both Board Proc 01 Policy and Board Proc 03 Policy will be effective immediately (May 8, 2014).

### **Board Committee Appointments**

President Scott Moore announced the following committee appointments for the upcoming year.

#### Audit

Mike McGinley, Chair

Terrence Smith - *assuming reappointment; if not, a new appointment will need to be made*  
(Bob Bugni's replacement)

#### Legislative

Sheena Wilson, Chair

Scott Moore

Terrence Smith - *assuming reappointment; if not, a new appointment will need to be made*

#### Personnel

Timm Twardoski, Chair

Sheena Wilson

(Bob Bugni's replacement)

#### Policy

Melissa Strecker, Chair

Scott Moore

Mike McGinley

### **Request for Internet Streaming of PERB Meetings**

A formal request has been received from Sen. Dee Brown of the SAVA Interim Committee, who would like the meetings of this Board, as well as the Teachers' Retirement System (TRS) Board and the Board of Investments (BOI), to be held at the Capitol so public access could be provided via internet streaming.

Sheri Scurr of the Legislative Services Division provided background information to the Board. There

was discussion of the impact of the request, as well as other potential options to meet the intent of the request.

Dore Schwinden, MPERA Executive Director (incoming), suggested a letter be written to Sen. Brown saying the Board desires to carry on its business in an open and transparent way, but would like to postpone consideration of the request until after the upcoming Legislative Session. He also asked the Board's approval to meet with the directors of TRS and BOI to discuss the request. The Board agreed.

#### **Tour of MPERA Office Spaces**

Roxanne Minnehan, MPERA Executive Director (outgoing), led Board members on a brief tour of the agency's (1) newly acquired office space on the parking level and (2) recently remodeled offices on the second floor.

#### **Retirement Luncheon for Roxanne Minnehan**

Board members and MPERA staff had a catered buffet lunch in honor of Roxanne Minnehan's retirement from MPERA. President Scott Moore thanked Ms. Minnehan for her many years of service to the agency, and presented her with a gift from the Board.

#### **Education – Stable Value**

Patricia Davis, MPERA Member Services Bureau Chief, gave an educational presentation on stable value. The presentation contained an explanation of stable value; the entities involved; discussion of book value, market value and crediting rate; overview of recent changes to the stable value structure; and a look toward the future, including next steps.

#### **Budget Review**

Barbara Quinn, MPERA Fiscal Services Bureau Chief, presented a review of the budget for the third quarter of Fiscal Year 2014. At this point, it would be expected that 75% of the fiscal year budget would be spent.

Highlights include the following:

- Upfront items are 100% expended. Other items are being monitored to remain at about 75% of budget.
- There are some fixed cost items from the past fiscal year's budget that were not finalized until after the Board approved the current budget.
- State Information Technology Division expenses are being monitored, but are not expected to go over budget.
- Overall, about 42.5% of the fiscal year budget has been expended. The expenditure breakdown is as follows: Personnel Services, about 65%; Other Services, about 25%; Supplies and Materials, about 24%; Communications, about 40%; Travel, about 22%; Rent, about 61%; Repairs and Maintenance, about 5%; and Other Expenses, about 56%.
- The projected amount for the Defined Benefit Plan is \$388,560 under cap. The actual amount to date is \$1.3 million under cap. This difference is largely due to capitalizing some costs for the MPERAtiv Project.

Ms. Quinn also reviewed the cash balance of the Defined Contribution plans, the MPERAtiv carryover, and the MPERAtiv Project budget.

Ms. Quinn also discussed a change made to the Legislative Fiscal Committee (LFC) reporting on the MPERAtiv Project. She stated she wanted the Board to be aware before the information is presented to the LFC.

- An additional \$3.5 million in costs will now be in the MPERAtiv Project report. This is the result of including MPERA internal costs, rather than only reporting MPERAtiv Project vendor costs. This includes a projection of employee salaries for time allocated directly to MPERAtiv.
- The amount of \$1.1 million for MPERAtiv Line of Business Hosting – Service Provider ITSD, will be removed from the report. These are costs that will be incurred after implementation of the new computer system. Only \$190,000 belongs in the current MPERAtiv budget.
- The net increase is \$2.4 million for the MPERAtiv Project.

### **GABA Rate**

Barbara Quinn, MPERA Fiscal Services Bureau Chief, and Melanie Symons, Chief Legal Counsel, presented information to help the Board make a determination on the GABA rate to be used for the official and supplemental valuations. The Board will vote on the GABA rate at its June meeting.

Specifically, the actuary has asked for direction on the GABA rate to use for PERS members hired before July 1, 2007 for the PERS FY2014 official and supplemental valuations. The possible rates are 1.5% or 3%, the current and previous GABA rates in PERS statute. Last year the Board chose to have the official valuation performed at the rate of 1.5%. The supplemental valuation used the 3% rate. The official rate will also be used for the GASB disclosures required by the implementation of the new standards.

The Board reviewed a list of pros and cons compiled by MPERA staff, as well as a letter from the actuary outlining the disclosures deemed necessary for the Board's consideration.

The Board discussed (1) the current GABA lawsuit and preliminary injunction, and its impact on the GABA rate determination, and (2) the need for both the official and supplemental valuations. The Board also heard public comment on the issue from Leo Berry, Diane Fladmo, and Sheri Scurr.

Dore Schwinden, MPERA Executive Director (incoming), reported the SAVA Interim Committee is considering a GABA-related triggers bill and MPERA will attend the hearing. There will need to be Board discussion on the matter.

### **Record Keeper Contract**

Melanie Symons, MPERA Chief Legal Counsel, provided an update on the progress of contracting with Great-West Financial, the selected record keeper. The contract is close to being finalized.

### **Stable Value Option**

Patricia Davis, MPERA Member Services Bureau Chief, presented an update on stable value product/structure analysis, which included a recap and discussion by Jim Penner, CFA, of stable value as used by the PERS Defined Contribution Plan and the Deferred Compensation/457 Plan.

### **Committee Updates**

#### Policy Committee

Chairwoman Melissa Strecker made note of the two policies that were changed earlier today (May 8, 2014). The committee meeting scheduled for later today will be rescheduled for June or July.

#### Personnel Committee

Chairman Timm Twardoski said there is a Labor Management Committee meeting scheduled for June 3. The committee is beginning to work on executive director recruitment, selection, and performance appraisal in order to improve those processes.

#### Audit Committee

Past chairman Bob Bugni reported the committee will meet next on June 12. Newly elected chairman Mike McGinley will be assuming the lead role.

#### Legislative Committee

Newly elected chairwoman Sheena Wilson said legislative concepts approved by the Board in April have set the agenda for the committee's work. She said she will look to the knowledge of past chairman Terrence Smith for guidance. The committee has not scheduled its next meeting.

#### **Board of Investments Update**

Member Sheena Wilson reported the Board of Investments' next meeting is May 20-21.

#### **Executive Director's Verbal Update**

Roxanne Minnehan, MPERA Executive Director, provided the Board with informational updates.

#### Board Appointments

Ms. Minnehan said there is no word yet from the Governor's Office regarding Board appointments.

#### Staffing Update

- The receptionist position is posted and will close on May 14.
- Deborah Jenkins has been hired as the temporary accountant. She is scheduled to start on May 12.
- The attorney position is in the process of being filled.
- The imaging clerk position is posted and will close on May 20.

#### Labor Management Committee

The Labor Management Committee will meet on June 3.

#### New Office Space

Sagitec has moved out of MPERA's second floor space and into the newly leased parking-level space.

#### 2015 Legislation

There are two bill draft requests on LAWS: LC 33 from Senator Sue Malek and LC 79 from Senator Jim Keane.

#### External Meetings

- MPERA will be presenting legislative concepts to the SAVA Interim Committee on August 12.
- Legislative Fiscal Committee will meet on June 5-6.
- Legislative Audit Committee will meet on May 23.

#### Legislative Auditors

The Information Systems Audit started on May 1. The audit is expected to continue through the summer, with a report made to the Legislative Audit Committee in the fall.

#### Board Strategic Plan

The progress on the Board Strategic Plan should probably be reviewed at the June 12 meeting.

#### **Litigation Update**

Kate Talley, MPERA Legal Counsel, gave an update on the *Fauque* case. MPERA is awaiting a decision from the Supreme Court. Documents were included in the meeting packet.

Melanie Symons, MPERA Chief Legal Counsel, gave an update on the *Ober Spear* case. A letter will be written to the Judge at the one year mark, to ask for a decision.

Ms. Symons reported on the AMRPE lawsuit regarding GABA. Both Ms. Symons and Ms. Talley are busy with the case, and believe they will need a continuance of the discovery deadline due to the large volume of information being requested.

Ms. Symons also gave an update on the Plan Choice Rate lawsuit. The plaintiff's response to MPERA's request for summary judgment is due tomorrow (May 9, 2014). MPERA's reply will be due the first week of June.

### **Informational Items**

There was no discussion by the Board on the following items: MPERATiv Written Update; Conference Reports Written Update – Institutional Investors Forum; Operational Board Summary; and Interim Newsletter.

### **Adjournment**

President Scott Moore adjourned the open meeting at 2:28 p.m.

## **CLOSED MEETING SUMMARY**

The following portion of the meeting relates to matters of individual privacy. The Board President determined that the demands of individual privacy clearly exceed the merits of public disclosure. As such, this portion of the meeting was closed at 2:38 p.m.

### **Consent Agenda**

- Closed Meeting Minutes – *April 10, 2014*
- Disability Report
- Finalized Service Retirements/Death Benefits

**Motion:** *Vice-President Terrence Smith moved to approve the consent agenda as presented.*

**Second:** *Member Sheena Wilson*

**Vote:** 7/0

### **Informal Consideration – Service Credit Transfer, PERS, CJ**

Patricia Davis, MPERA Member Services Bureau Chief, presented information on the informal consideration of CJ, who is requesting an appeal of an MPERA staff decision made in April 2004 in which the agency transferred contributions originally made to the Teachers Retirement System (TRS) for service. CJ is concerned the TRS service record is not equal to the service granted in PERS.

Staff recommendation is to deny this appeal request.

The Board discussed the way service is reported by TRS and by PERS, and whether a loophole exists. It was agreed the transfer of service from TRS to PERS could not be handled differently under the law.

**Motion:** *President Scott Moore moved to deny the appeal request of CJ.*

**Second:** *Member Timm Twardoski*

**Vote:** 7/0

**Informal Consideration – Disability, GWPORS, TW**

Kate Talley, Legal Counsel, provided information on the informal consideration of TW, who is requesting that the Board grant his application for GWPORS disability retirement benefits. The Board denied TW's application upon initial review.

TW filed an untimely appeal, which was denied in 2012 but has recently submitted additional medical records which may be considered as allowed under ARM 2.43.1501(8). These records were reviewed by MPERA staff, the disability examiner and the medical consultant. It was concluded that the records support a disability finding.

Staff recommendation is to reverse the denial and, therefore, grant TW's disability application.

**Motion:** *President Scott Moore moved to reverse the denial of TW and therefore grant GWPORS disability retirement benefits.*

**Second:** *Member Sheena Wilson*

**Vote:** *6/0. Member Melissa Strecker recused herself from the vote due to a conflict of interest.*

**Informal Consideration – Disability, PERS, LG**

Kate Talley, Legal Counsel, presented information on the informal consideration of LG. The Board denied LG's application for PERS disability benefits upon initial review.

LG subsequently requested an informal reconsideration, and has submitted additional medical records, which were reviewed by the Board's medical consultant and disability examiner. Both concluded the records support a disability at the present time.

Staff recommendation is to reverse the denial and grant LG's disability retirement benefits with annual review.

**Motion:** *Member Sheena Wilson moved to reverse the denial of LG and grant disability retirement benefits with annual review.*

**Second:** *Member Timm Twardoski*

**Vote:** *7/0*

**Legal Cases Update**

Melanie Symons, MPERA Chief Legal Counsel, and Kate Talley, MPERA Legal Counsel, had no additional updates beyond what was reported in the open meeting.

Ms. Symons gave an update on the recruitment and hiring of an additional MPERA legal counsel.

**Adjournment**

President Scott Moore adjourned the closed meeting at 2:57 p.m. The next regular meeting will be June 12, 2014.