

Teachers' Retirement Board
Board Meeting
100 North Park Avenue, Suite 110
Helena, Montana

AGENDA
Thursday - November 30, 2023

OPEN MEETING

All Times Are Tentative

8:30 I. Call to Order

- Action Items*
- A. Adopt Agenda
 - B. Approval of Minutes – October 6, 2023

8:31 II. Public Comment

8:35 III. Administrative Business

- Discussion Items*
- A. Investment Report – Daniel Trost
 - B. Financial Statements and Budget Reports – Nolan Brilz
 - C. P2F2 Annual Conference Verbal Report – Nolan B
 - D. NCTR Annual Conference Verbal Report – Shawn G, Dee B & Kari E
 - E. Tentative 2024 Meeting Dates – Feb 16, May 3, Aug 2, Oct 4, Dec 6
 - F. Public Comment

- Action Items*
- G. Request for Public Information or Records & Fees Policy

- Information Item*
- H. Next Meeting Date – February 16, 2024

8:50 IV. Executive Director's Report

- Information Items*
- A. Executive Summary
 - 1. Staff Update
 - 2. Operations Update
 - B. SAVA Update – Met on Nov 8th
 - C. BOI Update – Meeting on Dec 12th
 - D. LFC Update – Meeting on Dec 14th
- Discussion Items*
- E. Public Comment

9:05 V. Board Training

- Discussion Items*
- A. Ethics/Conflict of Interest
 - B. Per Diem Election Form

9:40 VI. IT Manager Report

- Discussion Items*
- A. John Noble – TRS IT Manager
 - B. Public Comment

10:15 BREAK

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10:30 VII. Tier 2 Contribution Rate

- Discussion Items*
- A. 19-20-608(2), MCA – Shawn Graham
 - B. Public Comment

10:50 VIII. Strategic Planning

- Discussion Items*
- A. Strategic Planning Summary & Commitment Worksheet Update
 - B. Public Comment

11:00 IX. Legal Counsel's Report

- Information Item*
- A. Summary of Legal Issues

11:15 X. Applications and Benefit Adjustments

- Information Item*
- A. Regular, Survivorship, Adjustment & Corrections

CLOSED MEETING

11:20 XI. Disability Applications

- Discussion Item*
- A. Executive Session to Discuss Disability Applications

OPEN MEETING

- Action Item*
- B. Applications for Disability Retirement Benefits

- Discussion Item*
- C. Public Comment

11:40 XII. Adjournment

NOTE: This will be an in-person board meeting; to join virtually, members of the public can request meeting login information by calling TRS at 406-444-0139 or by sending an email to: TrsOutreach@mt.gov.

The Teachers' Retirement Board is pleased to make reasonable accommodations for any known disability that may interfere with a person's ability to participate in public meetings. If you need an accommodation, you must notify the Board (call 444-3134, e-mail Tina.West@mt.gov, or write to P.O. Box 200139, Helena, Montana 59620) no later than 5 working days prior to the meeting to advise of the nature of the accommodation you need.

OPEN MEETING

I. Call to Order

Action Items

A. Adopt Agenda - Upon recognition of a quorum, a motion must be made to adopt the agenda. If any Board member wishes to add new items or make any changes to the agenda, they must do so at this time.

B. Approval of Minutes - Attached are the minutes from the October 6, 2023 board meeting.

Montana Teachers' Retirement System Board Meeting October 6, 2023

BOARD MEMBERS PRESENT

Kari Elliott, Chair

Daniel Chamberlin, Vice Chair (*virtual*)

Daniel Trost, Member

Dee Brown, Member (*virtual*)

A quorum is reached when three members are present. Two Board seats currently are vacant.

STAFF PRESENT

Shawn Graham, Executive Director

Tammy Rau, Deputy Executive Director

Denise Pizzini, Chief Legal Counsel

Nolan Brilz, Accounting/Fiscal Manager

Darla Fitzpatrick, Communication Manager

John Noble, Information Systems Manager

Chris Fish, Auditor

OTHERS PRESENT

Todd Green, Cavanaugh Macdonald Consulting

Bryan Hoge, Cavanaugh Macdonald Consulting

Jim Kerins, Consultant, Communication and Management Services

Rebecca Power, Legislative Services Division (*virtual*)

Dominick Vergara, Active TRS Member (*virtual*)

Call to Order

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

Adoption of the Agenda

Chairperson Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Daniel Trost moved to adopt the agenda. Member Dee Brown seconded the motion, which was approved.

Approval of Minutes

Chairperson Elliott requested a motion to approve the minutes from the August 10, 2023 meeting.

Motion/Vote: Member Brown moved to approve the August 10, 2023 minutes as written, with Member Daniel Chamberlin 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.

Actuarial Valuation

Todd Green and Bryan Hoge, of the actuarial firm Cavanaugh Macdonald Consulting, presented the results of their July 1, 2023 actuarial valuation of TRS. Mr. Green began by reviewing the purpose of an actuarial valuation, which is to measure the assets and liabilities of a plan as of a point in time while also considering long-term trends to estimate whether contributions and investment returns will be enough to fund benefits for future retirees. Actuaries also make educated guesses about member behavior (when they might retire) and demographics (how long they might live) to estimate the future liabilities of the plan.

Mr. Hoge then reviewed the July 1, 2023 actuarial valuation results. He reminded the Board that the valuation represents a snapshot of the plan as of that date, and repeating the process annually provides a consistent way for the Board to monitor whether funding is on track.

Investment returns as of July 1 were 8.30%. Mr. Hoge explained that Cavanaugh Macdonald employs a smoothing method whereby market gains or losses are averaged over a four-year period. The 8.30% gain for fiscal year 2023 is combined with a -4.13% loss in FY 2022, a large gain of 27.73% in FY 2021, and a small gain of 2.72% in FY 2020. This produces a four-year average of 7.66%, which still exceeds the actuarially assumed rate of return of 7.30%. The valuation also indicates that TRS's funded status has improved to 72.49% and the amortization period has decreased from 25 to 24 years.

Mr. Green and Mr. Hoge fielded questions from the Board and confirmed that, if the actuarial assumptions used for valuing the system are met, the unfunded liability and amortization period will gradually shrink. Several pension plans around the country can adjust contribution rates to ensure stable funding, whereas in Montana, the rates are set by the Legislature. However, Mr. Green feels this method has worked well and the plan is in good shape.

Public Comment

There was no comment.

With no further discussion, Chairperson Elliott requested a motion to adopt the July 1, 2023 actuarial valuation results.

Motion/Vote: Member Trost moved to adopt the valuation results. Member Chamberlin seconded the motion and it was approved by all members present.

Administrative Business

Investment Report

Member Trost, who represents TRS on the Board of Investments (BOI) board, noted that market returns have begun to decline after several months of gains. He summarized the BOI's current views on investing in equities versus fixed income and he noted that, although the economy has slowed, a strong labor market and a housing shortage are two indicators that the economy is not headed for a major recession. Market volatility may continue, but Mr. Trost reminded the Board that the BOI invests TRS assets for the long term to weather these ups and downs.

FY 2023 Budget Status and Financials Report

TRS Accounting/Fiscal Manager Nolan Brilz reviewed the August 31, 2023 fund balance sheet, which shows investment gains for the first two months of the fiscal year. However, as mentioned by Member Trost, markets have since declined.

The operating budget reflects higher costs for personal services, largely due to statutory pay increases that took effect July 1, 2023 for all state employees. Although it is early in the fiscal year, Mr. Brilz expects TRS will finish the year with a budget surplus, although it will be smaller than in recent years. Executive Director Shawn Graham provided context for certain budget line items and there were no further questions or concerns from the Board.

Tentative 2023 Meeting Dates

The last meeting of 2023 was tentatively scheduled for Friday, December 1, but Chairperson Elliott is unable to attend that day. After discussion, the Board agreed to move the meeting to Thursday, November 30, 2023.

Public Comment

There was no comment.

Request for Public Information or Public Records and Fees Policy

Director Graham announced that, although the Board had reviewed a draft revision to this policy at the October meeting, the Department of Administration has just announced new requirements and soon will issue a new policy on public information requests. Because the TRS policy will require additional changes to align with the Department's policy, Director Graham suggests the Board not adopt the revisions discussed at the last meeting.

Motion/Vote: Member Trost moved to table the approval of TRS's policy on Requests for Public Information or Public Records – Fees. Member Brown seconded the motion, which was approved by all members present.

Budget Amendment – Communications FTE

Director Graham presented a request to approve an additional communications FTE as discussed in the strategic planning session in August. He explained the new position has been classified by State Human Resources as Public Relations Specialist 1 and he provided documentation showing the occupational standards for the position and market data justifying the recommended salary range.

The corresponding budget amendment would, if approved, authorize salary for the new FTE as well as a pay increase and reclassification of the existing communications manager's position from Public Relations Specialist 2 to Public Relations Supervisor.

Motion/Vote: Member Chamberlin moved to approve the FY 2024 budget amendment to hire an additional communications FTE and to increase the salary of the existing communications manager. Member Trost seconded the motion, which was approved by all members present.

Next Meeting Date

The next Board meeting will be held on Thursday, November 30, 2023.

Executive Director's Report

Executive Summary – Operations and Staff Update

Director Graham reported that TRS benefit officers have traveled to four cities across Montana for pre-retirement seminars, with two additional trips scheduled for next week. Staff also will travel to Billings for the Montana Federation of Public Employees' annual educator conference. Three webinar dates also have been scheduled in November and December for members who were unable to attend one of the live presentations.

Robert Grotzke was hired in August to fill the imaging technician position that had been vacant for several months. Except for the newly approved communications position, TRS is fully staffed.

Legislative Interim Committee Update

Director Graham reported the State Administration and Veterans' Affairs (SAVA) committee met in mid-September to adopt their work plan, which includes another study of defined benefit pensions as requested by SJ 4. He will attend the SAVA meeting scheduled for November 8, 2023 to present the TRS actuarial valuation results. He reported that four members of the Legislative Finance Committee (LFC) have been appointed to the pension study group.

Public Comment

Rebecca Power with the Legislative Services Division confirmed that the entire SAVA committee will participate in the pension study group along with the four LFC members. The study group will be introduced at the November 8 meeting, with work to begin in earnest in January 2024.

Chairperson Elliott announced that the Board would change the order of topics on the agenda to hear the TRS Internal Auditor Report next.

Annual TRS Internal Auditor Report

Chris Fish, who recently completed her first year in this newly created position, provided a report of audit activities and findings. In fiscal year 2023 she audited 16 small and large employers, and she plans to complete 31 audits in fiscal year 2024.

Ms. Fish described her process for conducting audits and she summarized the most common types of reporting errors she found in FY 2023. Often, the employer has not reported all service performed by a member, such as for coaching, or has failed to report stipends or other reportable compensation. The total amount owed to TRS by these 16 employers was slightly more than \$100,000, and the TRS accounting department worked with them to collect the underpaid contributions. Member Brown commented that the findings in this report illustrate the value of having an auditor on staff.

In response to a question from Member Chamberlin, Director Graham explained that most errors are unintentional. For example, substitute teachers and part-time paraprofessionals who are not already members of TRS may elect to postpone membership until they work at least 210 hours in a fiscal

year. When that threshold is reached, the employer must begin reporting and remitting contributions. However, if the individual works in multiple school districts, the employers may not know the threshold has been exceeded. TRS intends to explore whether the M-Trust pension management system can be modified to help employers track that information.

Public Comment

There was no comment.

Applications and Retirement Benefits

Regular, Survivorship, Adjustments and Corrections

Deputy Executive Director Tammy Rau reported that TRS staff had processed 536 applications for retirement benefits between April 1 and August 31, 2023, the busiest time of year. The average age of these applicants was 60.8 years and they had an average of 23.86 years of creditable service at the time of retirement.

Informal Board Review

Informal Review of Membership Tier for Dominick Vergara

Mr. Vergara requested an informal review of the final staff determination regarding his status as a Tier 2 member of TRS. He had been a Tier 1 member of TRS until 2009, when he left employment and opted to withdraw his contributions, forfeiting all privileges and rights of membership.

In 2013, the Montana Legislature passed laws creating a new membership tier (Tier 2), which took effect July 1, 2013. TRS statute is clear that Tier 2 applies to anyone whose membership began on or after July 1, 2013, including those who previously withdrew from TRS as Tier 1 members and then repurchase their forfeited creditable service. Mr. Vergara returned to TRS-reportable employment in 2014 as a Tier 2 member. In 2020 he repurchased his previously withdrawn service credit and he believes his status as a Tier 1 member should be reinstated.

Mr. Vergara joined the meeting virtually to make a statement for the Board's consideration. Director Graham began by summarizing the final staff determination and the laws on which it was based. Mr. Vergara then spoke about his reasons for requesting reinstatement as a Tier 1 member. After hearing his request, each Board member acknowledged the value of his service to students and to his community, but they agreed their duty as Board members is to follow the law.

Motion/Vote: Member Brown moved to deny Mr. Vergara's request to be reinstated as a Tier 1 member. Member Chamberlin seconded the motion and it was passed by all members present.

Chief Legal Counsel Denise Pizzini explained to Mr. Vergara that he will receive a letter explaining his right to request a contested case hearing.

Strategic Planning

2023-2025 Strategic Planning Summary and Commitment Worksheet

Jim Kerins of Communication Management Services joined the meeting to present the final Strategic Planning Summary document for Board approval. Following a brief review of the

document, Director Graham confirmed that all comments and suggestions made by the Board at the August meeting had been incorporated into the final draft. He will provide a status update on the objectives listed on the commitment worksheet at every meeting and the Board can decide to change the priority of objectives as needed.

Public Comment

No members of the public were present.

Motion/Vote: Member Trost moved to adopt the Strategic Planning Summary and Commitment Worksheet. Member Brown seconded the motion, and it was approved by all members present.

Legal Counsel's Report

Ms. Pizzini reported there are no contested case matters at this time. She will send a letter to Mr. Vergara outlining his contested case hearing rights. Chairperson Elliott asked about the process by which a member may request a contested case hearing. Ms. Pizzini explained that a contested case may be requested even if TRS staff believes there is no legal basis for challenging the decision. In such case, TRS can file for summary judgment.

Election of Officers

Election of Chair and Vice Chair

Chairperson Elliott asked about the status of board appointments. Director Graham stated that Dr. Rob Watson, Executive Director of the School Administrators of Montana (SAM), had made recommendations to the Governor's Office, but it is unknown when an appointment will be made.

Motion/Vote: Member Trost made a motion to reelect Kari Elliott as chair and Dan Chamberlin as vice chair. Member Brown seconded the motion, which was approved by all members present.

Committee Appointments

Members of the Board discussed postponing committee appointments until at least one more member has been appointed.

Motion/Vote: Member Trost moved to table the committee appointment until the November meeting. Member Brown seconded and the motion was passed by all members present.

Disability Applications

Closed Meeting

Executive Session to Discuss Disability Applications

The Board began its executive session at 10:52 a.m. to review one application for disability retirement benefits. This session was closed to the public, as a disability applicant's right to privacy clearly exceeds the merits of public disclosure.

Open Meeting

The meeting was reopened to the public at 11:03 a.m.

Approval of Application for Disability Retirement Benefits

Chairperson Elliott requested a motion to approve or disapprove the disability retirement application of member J.G. Action on this member's request had been tabled during the August meeting to allow time for additional medical review.

Motion/Vote: Member Chamberlin moved to disapprove member J.G.'s request for disability benefits. Member Trost seconded the motion and it was passed by all members present.

Public Comment

No members of the public were present.

Adjournment

With no other business before the Board, Chairperson Elliott requested a motion to adjourn.

Motion/Vote: Member Trost moved to adjourn the meeting and Member Brown seconded. The meeting was adjourned at 11:04 a.m.

Chairperson _____

Executive Director _____

II. Public Comment

Information Item

A. Public comment on Board Related Items. This is an opportunity for the public to comment on any public matter that is not on the agenda of the meeting and is within the jurisdiction of the Teachers' Retirement Board. However, the Board may not take action on any issues raised unless it is included on the agenda and public comment has been allowed. If issues are raised that would require Board action, the issue would need to be included on the agenda for a future meeting. "Public Matter" does not include disability applications, or contested cases and other adjudicative proceedings.

III. Administrative Business

Discussion Items **A. Investment Report** – Daniel Trost will report on the recent activities of the BOI. The attached report from BOI shows our investment returns through October 31, 2023. TRS posted a -1.71% net return in October and the Fiscal Year to Date return is -3.58%. Our net ITD return is now 7.50% which is higher than the long-term assumption of 7.30%.

B. YTD Financial Statements and Budget Reports – Attached for the Board's information are the fiscal reports thru October 31, 2023. Nolan Brilz, Accounting Manager for TRS, will present the financial statements and budget reports and answer questions from the Board.

C. P2F2 Annual Conference: – Nolan Brilz will provide a verbal report to the Board regarding the P2F2 Annual Conference which was held in Denver October 8-11th.

D. NCTR Annual Conference: – Shawn Graham, Dee Brown and Kari Elliott will provide a verbal report to the Board regarding the NCTR Annual Conference which was held in La Jolla October 7-10th.

E. Tentative 2023 Meeting Dates – Tentative 2024 meeting dates: Feb 16, May 3, August 2, October 4, November 29.

Please check your calendar prior to the meeting and bring up any schedule conflicts that you are aware of.

F. Public Comment – Opportunity for any member of the public to comment on the administrative business of the Board.

Action Item **G. Request for Public Information or Records and Fees Policy**

Information Item **H. Next Meeting Date** – February 16, 2024.

	<u>UNITS OUTSTANDING</u>	<u>UNIT VALUE</u>	<u>MARKET VALUES(000)</u>	<u>ALLOCATION (%)</u>
Allocation				
TEACHERS RETIREMENT			4,691,983	100.00
SHORT TERM INVESTMENT POOL (STIP)	86,277,260.68	100.00000	86,277	1.84
Consolidated Asset Pension Pool (CAPP)	2,942,851,678.47	156.50484	4,605,705	98.16

	<u>ITD</u>	<u>INCEPTION DATE</u>
Longest Measurable Plan Return	7.50	7/1/1994

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Returns										
TEACHERS RETIREMENT	(1.71)	(5.13)	(3.58)	4.93	7.03	7.13	7.00	6.92	7.72	1/1/2011
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	(2.57)	(7.52)	(5.17)	3.57	5.36	5.89	6.49		7.47	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.46	1.36	1.82	4.84	1.99	1.86	1.29	1.64	2.35	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.47	1.41	1.87	4.99	2.00	1.78	1.25	1.59	2.28	
Consolidated Asset Pension Pool (CAPP)	(1.74)	(5.20)	(3.63)	4.93	7.10	7.22	-	-	7.04	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	(2.61)	(7.62)	(5.25)	3.55	5.39	5.93	-	-	5.91	

	<u>Plan Market Value \$(000)</u>	<u>Allocation (%)</u>
Allocation - Asset Class		
TEACHERS RETIREMENT	4,691,983	100.00
Domestic Equity - PAC	1,209,929	25.78
International Equity - PAC	632,408	13.48
Private Investments - PAC	849,716	18.11
Real Assets - PAC	296,348	6.32
Real Estate - PAC	586,261	12.49
Core Fixed Income - PAC	645,152	13.75
Non-Core Fixed Income - PAC	332,500	7.09
Cash Equivalents - PAC	53,391	1.14
PENSION CASH	86,277	1.84

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Returns										
Domestic Equity - PAC	(2.88)	(9.48)	(6.13)	7.69	9.65	10.09	10.19	8.65	9.19	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	(2.67)	(9.10)	(5.82)	8.59	9.36	10.39	10.74	9.27	9.86	
International Equity - PAC	(4.21)	(11.66)	(8.28)	10.75	2.14	3.52	2.81	4.98	4.23	4/1/1997
International Equity - PAC Custom Blend (MONIE) - E [2]	(4.33)	(11.39)	(7.67)	11.61	3.02	3.46	2.64	5.43	4.51	
Private Investments - PAC	(0.13)	0.82	0.98	3.81	18.58	14.65	13.17	12.88	12.78	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	(4.84)	(11.47)	(7.75)	(0.69)	8.21	6.64	9.75	11.04	10.05	
Real Assets - PAC	0.43	0.31	1.03	8.98	16.65	5.03	-	-	5.52	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	(1.92)	(5.32)	(2.95)	0.90	13.38	0.15	-	-	1.91	

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Returns										
Real Estate - PAC	(0.61)	(1.28)	(1.75)	(5.94)	8.87	6.44	8.56	-	4.59	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	-	(2.88)	(2.88)	(10.73)	7.04	3.52	5.98	-	4.82	
Core Fixed Income Pre and Post CAPP [3]	(1.58)	(4.95)	(5.13)	0.01	(5.32)	(0.16)	0.95	3.29	4.79	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	(1.58)	(4.69)	(4.76)	0.36	(5.57)	(0.60)	0.63	2.68	4.18	
Non-Core Fixed Income Pre and Post CAPP [4]	(1.38)	(3.20)	(1.75)	5.44	(0.41)	2.05	2.96	-	6.03	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	(1.17)	(2.07)	(0.72)	6.23	1.19	3.04	3.86	-	7.15	
Cash Equivalents - PAC	0.61	1.64	1.64	5.96	2.38	2.16	-	-	2.00	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.47	1.41	1.87	4.99	2.00	1.78	-	-	1.74	

Performance shown on this report is net of all fees.

1,2 Inception Date shown is earliest date of Net All performance. Actual inception date, respectively is 4/1/1990 (1), 1/1/1997 (2).

* Totals may not sum due to rounding differences.

Allocation of Plan Market Values is an approximation. Plans do not own specific Asset Classes. Values represented are allocated pro rata based on the Plans % ownership of CAPP.

3 Core Fixed Income Pre and Post CAPP:

The Core Fixed Income composite is the result of a consolidation completed on 11/29/2019. Inclusive of the Broad Fixed Income PAC prior to 3/31/2017. Inclusive of the Broad Fixed Income, Intermediate TIPS, Intermediate US Treasury & Agency, Intermediate Investment Grade Credit, Mortgage Backed, and Diversified Strategies PACs from 4/1/2017 through 11/29/2019.

4 Non-Core Fixed Income Pre and Post CAPP:

The composite is inclusive of the following portfolios: MU3N Post Advisory Group – PP from 6/1/2009 to present, MU3M Neuberger Berman – PP from 1/1/2010 to present, MU8R Shenkman Capital Management – PP from 12/1/2017 to present, and MU8P Oaktree Capital Management – PP from 12/5/2017 to present

SHORT TERM CUSTOM BENCHMARK is composed of:

From inception to 4/30/2018: LIBOR 1 Month

5/1/2018 to present: Federal Reserve US Treasury 1M Constant Maturity Index

TEACHERS RETIREMENT CUSTOM BENCHMARK is composed of:

From inception to 3/31/2017: The portfolio weighted average of S&P 1500 Super Composite, MSCI ACWI ex US IMI Net, S&P 1500 + 4% Qtr Lag, LIBOR 1 Month, BBG BARC US Agg, and NCREIF ODCE 1 Qtr Lag (Net).

From 4/1/2017 to present: Equity and Cash Equivalents weighted average of CAPP Custom Benchmark and Short Term Custom Benchmark.

DOMESTIC EQUITY - PAC CUSTOM BLEND is composed of:

From inception to 4/30/2017: S&P 1500 Super Composite

5/1/2017 to present: MSCI US IMI Gross

INTERNATIONAL EQUITY - PAC CUSTOM BLEND is composed of:

From inception to 10/31/2006: MSCI EAFE Net

11/1/2006 to 6/30/2007: MSCI ACWI ex US Net

7/1/2007 to 2/28/2014: 92.5% ACWI ex US + 7.5% ACWI ex US SC IMI

3/1/2014 to present: 100% MSCI ACWI ex US IMI Net

PRIVATE EQUITY PAC CUSTOM is composed of:

From inception to 3/31/2017: S&P 1500 + 4% Qtr Lag

4/1/2017 to 12/31/2020: MSCI USA Small Cap Gross

1/1/2021 to present: The portfolio weighted average of MSCI USA Small Gap Gross and S&P LSTA US Leveraged Loan 100 Index

REAL ASSETS - PAC CUSTOM BLEND is composed of:

From inception to 12/31/2020: MSCI AC World Commodity Prod Net Index 1/1/2021 to present: 33.33% MSCI AC World Commodity Prod Net Index, 33.33% MSCI ACWI Infrastructure Total Return, 33.34% BBG Gbl Inf-Lk US TIPS (Dly)

REAL ESTATE - PAC CUSTOM BLEND is composed of:

From inception to 3/31/2017: NCREIF ODCE 1 Qtr Lag (Net)

4/1/2017 to 6/30/2020: MSCI US REIT INDEX GROSS

7/1/2020 to present: NCREIF ODCE 1 QTR LAG (NET)

Core Fixed Income Custom Benchmark is composed of:

From inception 3/31/2017: BBG BARC Agg (Dly)

4/1/2017 to 11/30/2019: The portfolio weighted average of Broad Fixed Income - PAC Custom Blend, BBG BARC US Corp Int Inv Grd Idx, BBG BARC US MBS Idx, BBG Barclays US Intermediate TIPS, BBG BARC Tsy Int

12/1/2019 to present: BBG Agg (Dly)

THE TEACHERS' RETIREMENT SYSTEM
CONSOLIDATED BALANCE SHEET
as of October 31, 2023

	10/31/2023	10/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
ASSETS		
Current Assets		
Cash	(35,276,898)	3,252,800
Accounts Receivable	111,170	13,263
Interest Receivable	0	0
Total Current Assets	(35,165,728)	3,266,063
Investments		
Short-term Investment Pool	86,277,261	46,566,128
Consolidated Asset Pension Pool (net)	4,692,536,749	4,450,949,958
Security Lending Collateral	0	0
Total Investments	4,778,814,010	4,497,516,087
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(133,554)	(98,714)
Intangible Assets	34,327	446,246
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(385,703)	(220,402)
Total Other Assets	2,569,074	3,181,135
Deferred Outflows - Pension and OPEB	504,594	619,530
TOTAL ASSETS	4,746,721,949	4,504,582,815
LIABILITIES & FUND BAL.		
Liabilities		
Accounts Payable	22,930	16,722
Standard Lease	2,552,852	2,665,407
Uncleared Collections	2,006,455	1,414,168
Compensated Absenses	218,004	216,437
Security Lending	0	0
OPEB Implicit Rate Subsidy	53,547	235,221
Net Pension Liability - PERS	1,851,315	1,394,112
Total Liabilities	6,705,103	5,942,067
Fund Balances		
Pension Accumulation Fund	4,087,261,414	3,883,688,675
Annuity Savings Fund	833,581,700	840,760,809
Year-to-date Income/(Loss)	(181,261,293)	(226,514,057)
Adj Fund Bal	0	0
Total Fund Balance	4,739,581,821	4,497,935,427
Deferred Inflows - Pension and OPEB	435,025	705,321
TOTAL LIABILITIES & FUND BAL.	4,746,721,949	4,504,582,815

THE TEACHERS' RETIREMENT SYSTEM
FUND BALANCE STATEMENT
as of October 31, 2023

	10/31/2023	10/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	56,615,596	56,159,707
Misc Revenue	0	0
Investment Revenue	(86,970,443)	(137,322,391)
TOTAL REVENUE	(30,354,847)	(81,162,684)
EXPENSES		
Benefits Paid	146,179,246	140,945,945
Withdrawals	3,387,789	3,253,360
Admin. Exp	1,124,780	933,314
Depreciation Exp.	11,613	11,613
Amortization Exp.	137,307	137,307
Lease Amortization Exp.	55,100	55,100
Lease Principal & Interest	10,611	14,734
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	150,906,446	145,351,373
REV OVER EXP	(181,261,293)	(226,514,057)
REV OVER EXP	(181,261,293)	(226,514,057)
BEG FUND BAL	4,920,843,113	4,724,449,484
Adj Fund Bal	0	0
END FUND BAL	4,739,581,821	4,497,935,427

THE TEACHERS' RETIREMENT SYSTEM
INVESTMENT REVENUE BY SOURCE & ADMINISTRATIVE EXPENSES BY TYPE
as of October 31, 2023

	10/31/2023	10/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	764,677	292,715
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	33,232,948	29,405,284
Investment Appreciation/(Depreciation)	(120,968,068)	(167,020,390)
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	(86,970,443)	(137,322,391)
Administrative Expense:		
Personal Services	687,698	543,909
Contracted Services	289,005	271,565
Supplies & Material	43,126	30,704
Communications	44,979	28,285
Travel	9,084	13,088
Rent	810	948
Repairs & Maintenance	582	1,233
Other Expenses	49,495	43,582
Depreciation Exp.	11,613	11,613
Amortization Exp.	137,307	137,307
Lease Amortization Exp.	55,100	55,100
Lease Principal & Interest	10,611	14,734
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	1,339,410	1,152,067

**Teachers' Retirement System
Operating Budget Status Report
as of October 31, 2023**

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2023	BUDGET FY 2024	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,512,007	1,688,034	496,501	29.4%	1,660,573	27,461
61300	Per Diem	4,250	8,000	2,400	30.0%	3,500	4,500
61403	Health Insurance	265,608	287,905	103,292	35.9%	296,701	(8,796)
61400	Benefits	261,176	297,023	85,505	28.8%	289,218	7,806
	Total Personal Services	2,043,041	2,280,963	687,698	30.1%	2,249,992	30,970
	OPERATING EXPENSES:						
62100	Contract Services	800,328	870,298	279,459	32.1%	777,500	92,798
62200	Supplies/Materials	43,974	63,550	43,126	67.9%	56,083	7,467
62300	Communications	113,119	133,725	44,979	33.6%	128,487	5,238
62400	Travel	26,547	34,500	9,084	26.3%	42,253	(7,753)
62500	Rent	2,993	3,500	810	23.1%	3,715	(215)
62700	Repairs/Maintenance	16,006	21,669	582	2.7%	21,669	-
62800	Other Expenses	85,793	112,035	49,495	44.2%	105,461	6,574
	Total Operating Expense	1,088,760	1,239,277	427,536	34.5%	1,135,168	104,109
62122	Audit Fees - Biennial Amount	93,579	178,287	9,546	5.4%	178,287	-
	Total Operating and Personal Services	3,225,379	3,698,527	1,124,780	30.4%	3,563,447	135,079
69501	Capital Lease	135,889	158,828	52,943	0.0%	158,828	-
	Subtotal Capital Lease	135,889	158,828	52,943	0.0%	158,828	-
	Totals	3,361,268	3,857,355	1,177,722	30.5%	3,722,275	135,079

Percent of FY Complete 33%
Percent of Payroll Complete 31%

Teachers' Retirement System
Budget Analysis - Contracted Services
as of October 31, 2023

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2022	BUDGET FY 2023	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	147,651	148,930	75,618	50.8%
62104	Insurance & Bonds	6,397	0	0	#DIV/0!
62104A	INS & Bonds - Non fixed	169	150	0	0.0%
62108	Legal Fees/Court Costs	1,780	37,500	0	0.0%
62113	Warrant Writing Fees	34,287	37,193	8,934	24.0%
62114	Payroll Service Fees	5,455	5,791	5,791	100.0%
62114A	Workers Comp Mgmt	215	529	529	100.0%
62115	Photographic Services	30	45	10	22.2%
62116	Medical Services	683	1,500	7,008	467.2%
62136	IT Consult & Prof Servs	336,721	359,000	77,578	21.6%
62145	Food Services Expense	0	800	0	0.0%
62148	SABHRS Costs/DOA	132,419	145,660	76,141	0.0%
62186A	Recycling	745	800	0	0.0%
62187	Records Storage	2,580	3,000	946	31.5%
62190	Printing, Pub & Graphics	31,403	35,000	11,730	33.5%
62191	Printing, Other Provider	2,523	4,000	1,020	25.5%
621B1	SITSD Storage Hosting	13,103	16,500	2,623	15.9%
621B2	SITSD Server Hosting Services	28,970	28,000	4,590	0.0%
621B4	SITSD Application Services	576	200	23	11.4%
621B5	SITSD Email	2,676	3,000	461	N/A
621B8	SITSD Operations Support	6,263	8,200	1,349	16.4%
621B9	SITSD Database Hosting	1,674	2,500	398	15.9%
621C5	SITSD Enterprise Services	31,264	30,000	4,710	15.7%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
	SUBTOTAL	787,583	870,298	279,459	32.1%
62122	Audit Fees - Current	73,644	178,287	9,546	5.4%
	TOTAL CONTRACTED SERVICES	861,227	1,048,585	289,005	27.6%

Percent of FY Complete: 33%

**Teachers' Retirement System
Delinquent Agency Report
11/8/2023**

Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
020291	Wyola Elm	Jul - Sept 2023	8,650	9,950
370011	Heart Butte PS	Aug - Sept 2023	16,600	19,000
		Total	25,250	28,950
		Total Due	54,200	

All monthly reports are due by the 15th of the following month.



Montana Teachers' Retirement System

Policy 2-0405-002

Public Information Request Policy and Fee Schedule

Section: Organizational

Effective Date: October 7, 2016

Implementer: All TRS Personnel

Revision Date: November 30, 2023

I. Purpose

The Montana Teachers' Retirement System (TRS) has established this policy to promote consistency and efficiency in responding to public information requests and fees/costs charged for fulfillment. In all record productions, TRS will honor the right to know and the right of individual privacy guaranteed by the Montana Constitution, and comply with other pertinent statutes, regulations, privileges, and judicial decisions.

A request from a TRS member or benefit recipient for information pertaining to their TRS account or benefits is not a request for public information and should be directed to appropriate TRS staff. No fee will be charged for TRS's production of such information to the member or benefit recipient.

II. TRS and the Office of Public Information Requests

TRS must establish a designated contact for public information requests. TRS has entered into a Memorandum of Understanding (MOU) with the Department of Administration, Office of Public Information Requests (OPIR) and has designated OPIR as its public information request contact.

OPIR was established to support executive branch agencies in responding to public information requests. OPIR and TRS are responsible for reviewing records and removing or redacting any that may contain confidential or privileged information prior to production to the requester. OPIR counsel shall provide TRS legal advice and assistance in production of responsive public information; however, TRS retains final authority regarding the response to each response for TRS records.

TRS is subject to Mont. Code Ann. §2-6-1006, which requires agencies to respond to public information requests within specified times. To comply with the statute, the following procedures will be followed.

III. Procedure for Submitting Public Information Requests – TRS Member or Benefit Recipient Request for Their Own Information is Not a Public Information Request

- A. All requests for TRS public information **MUST** be made to OPIR, through one of the following: the link on the TRS website (trs.mt.gov); the OPIR website (opir.mt.gov), by email to OPIR (publicrecords@mt.gov), or by US mail to OPIR (the Office of Public Information Requests, P.O. Box 200101, Helena, MT 59620-0101). If a public information request is not submitted to OPIR as required by this section, TRS and OPIR are not required to respond within the timeframes established in Mont. Code Ann. §2-6-1006.

- B. A public information request must be made in writing utilizing OPIR's website or request form. The requester must:
 - 1. include their name and contact information, including complete mailing address, phone number, and email address (if any); and
 - 2. provide all information in required sections of the OPIR website or form.
- C. Public information requests are public information, and the requester must identify themselves and any organization on whose behalf a request is filed. Anonymous record requests will not be accepted, and any person seeking to make an anonymous request will be directed to provide the required information. If the required information is not provided, OPIR will request the required information and will not begin fulfillment of the request until it is provided.
- D. If a public information request is submitted directly to TRS, the requestor will be redirected to OPIR.
- E. Once a request is received by OPIR, if the information requested is readily available, TRS may provide access to and copying of public information. A TRS staff member will be present during the examination and copying of any public information documents. (See *Sections VII – Confidentiality, Privacy, and Legal Review* and *VIII – Examination of Records*)

IV. TRS Procedure for Responding to Public Information Requests

Mont. Code Ann. §2-6-1006 separates public information requests into different categories. For purposes of this policy, a request for “a single, specific, clearly identifiable, and readily available public record,” as provided in Mont. Code Ann. § 2-6-1006(3)(a)(ii), is considered a simple request. Other requests are considered complex requests. “Requests pertaining only to a specified person or property, including requests for applications, vital records, licenses, permits, or registrations,” as provided in Mont. Code Ann. § 2-6-1006(3)(a)(ii), will be managed according to TRS established statutes, rules, policies, and practices for handling requests for those documents.

- A. **Classifying Requests.** Upon receipt of a properly filed public information request, OPIR will review the request and consult with TRS to determine whether it is a request pertaining only to a specified person or property, a simple public information request, or a complex public information request. TRS and OPIR will make the classification determination within 3 working days.
- B. **Acknowledging Requests.** Upon receipt of a properly filed public information request, after the request is classified but no more than 5 working days from receipt of the request, OPIR will acknowledge receipt of the request to the requester and copy TRS on the acknowledgment. A properly filed public information request is a request made in compliance with *Section III – Procedure for Submitting Public Information Requests*.
- C. **Requests Pertaining Only to a Specified Person or Property.** A “request pertaining only to a specified person or property” refers to a request for specific information about a specific person or property that TRS has a duty to maintain in the ordinary course of the agency's business. To the extent TRS collects applications or vital records or issues licenses, permits,

or registrations under a statutory duty or incidental to running a program authorized by statute, requests for these types of records about specific person (individual or entity) or property should be handled by TRS. TRS is not required to use the procedures set forth in this policy but should follow TRS's established processes for providing such information.

D. Simple Public Information Requests.

1. Definition. A simple public information request is a request:
 - a. that does not require any clarification or additional information from the requester;
 - b. for a single, specific, clearly identifiable, and readily available public record that is easily accessible.
2. Upon receipt of a properly filed simple public information request, OPIR will:
 - a. work with TRS to classify the request;
 - b. acknowledge the request; and
 - c. send the response to the requester within five working days of acknowledgment of the request and copy TRS on the response.
3. TRS will assist OPIR in fulfilling the request by:
 - a. retrieving records that are in the sole possession or control of TRS; and
 - b. advising OPIR whether any confidential material needs to be redacted before the records are provided to the requester.
4. If the request was submitted through the OPIR website or email, the response will be sent to the requester by email or secure file transfer. TRS and OPIR may agree with a requester to transmit the response by another method; however, the requester must pay the cost, if any, of the alternate method of transmission before the response is sent. If the request was submitted on paper, the response will be mailed unless otherwise instructed. Any mailing or copying costs must be paid in advance by the requester.

E. Complex Public Information Requests. All requests that are not requests pertaining only to a specified person or property or simple public information requests are considered complex public information requests. Unless OPIR and TRS determine responding to a request is not feasible within 90 days, OPIR and TRS will respond to all public information requests within 90 days as follows:

1. Upon receipt of a properly filed complex public information request, OPIR will:
 - a. work with TRS to classify the request;
 - b. acknowledge the request;
 - c. conduct a preliminary search of enterprise systems to assist in estimating the time and effort involved in responding to a request;

- d. ask TRS to perform an initial search of agency systems and other locations where records may be stored to assist in estimating the time and effort involved in responding to a request;
 - e. collaborate with TRS to
 - (i) develop an estimate of the time it will take to respond to the request and the cost of collecting and preparing the response; and
 - (ii) determine whether further clarification of the request is necessary; and
 - f. prepare and send the cost estimate and requested clarification, if any, to the requester.
- 2. Upon receipt of the estimated cost and clarification from the requester, if any, OPIR will:
 - a. collect the estimated cost from the requester and instruct TRS to begin its search;
 - b. search enterprise systems to gather responsive records;
 - c. review any responsive records to determine whether a record is confidential or otherwise privileged and redact any such materials. OPIR will note the reasons why records are redacted; and
 - d. notify TRS when OPIR has completed search, review, and redaction.
- 3. Upon receipt of the estimated cost and clarification from the requester, if any, TRS will:
 - a. search agency systems and other locations where records may be stored to gather responsive records; and
 - b. review any responsive records to determine whether a record is confidential or otherwise privileged and redact any such materials. TRS will note the reasons why records are redacted; and
 - c. notify OPIR when TRS has completed search, review, and redaction.
- 4. When both OPIR and TRS have completed search, review, and redaction, they will share their results with each other and review all collected materials to make a final determination regarding which records must be provided in response to the request. The final determination will be made by TRS, and agency will provide OPIR a written explanation of the reasons any records must be withheld as provided in Mont. Code Ann. § 2-6-1009(1).
- 5. OPIR will provide the requester the records determined to be responsive, subject to any withholding or redaction TRS has determined are necessary. If records are withheld, OPIR will communicate to the requester TRS's written explanation of the reasons records were withheld.
- 6. OPIR and the Department of Administration will transfer funds collected from the requester for TRS's portion of the cost of providing records.

7. If TRS and OPIR determine 90 days is not feasible for a response, TRS will instruct OPIR to send written notice to the requester that the response requires longer than 90 days and explain the reasons it may take the agency up to 6 months (from the date of the initial acknowledgment) to provide the agency's response. Mont. Code Ann. § 2-6-1006(3)(b)(i)(B).

V. Estimating Costs and Fees Associated with Requests for Public Information

- A. TRS charges a fee for fulfilling all public information requests. The fee shall include the cost of the time required to collect information and the actual costs directly incident to fulfilling each request. Mont. Code Ann. § 2-6-1006(1)(c).
- B. For complex public information requests, OPIR will prepare and send a written cost estimate to the requester. The cost estimate will inform the requester that a request may be closed without further response if the estimated costs are not paid within 30 days.
- C. The cost of time spent by TRS and OPIR employees will be computed based on each employee's salary and benefits. Time will be billed in quarter (0.25) hour increments. Employees are required to record and report all time and expenses associated with fulfilling public information requests to TRS and OPIR.
- D. The estimate shall include the cost of:
 1. staff member's time to search, identify and gather the potential items in a preliminary search;
 2. preparing the estimated cost and time for response;
 3. gathering information;
 4. reviewing information; and
 5. providing information.
- E. If a requester does not agree to pay the estimated cost, the agency is not required to provide information. A requester will not be billed for the agency's time spent conducting the preliminary search or preparing the cost estimate, unless the requester chooses to refine their request as provided in *Section VI – Refinement and Clarification of a Request*.
- F. OPIR shall notify the requester that payment of the estimated costs must be made prior to the documents being gathered. The OPIR shall inform the requester that the final cost of production may exceed the initial estimate invoice and may include legal review fees.
- G. If the costs of fulfilling the request exceed the initial estimate paid, an additional estimate must be provided to the requester and must inform the requester that continued work on fulfillment of the information request will cease until the additional fees/cost are paid.
- H. Requesters will have 30 days from the date a cost estimate or revised cost estimate is sent to pay the estimated cost or refine their request as provided in Section VI. If a requester does not pay the estimated cost or refine their request within 30 days, the request will be closed without further response.

- I. TRS and OPIR are not required to alter or customize public information to provide it in a form specifically for the needs of the requesting person. If TRS agrees to customize a records request response, the cost of the customization may be included in the fees charged by the agency to the requester.
- J. Upon fulfillment of a request, if the agency or OPIR determine the estimated costs collected from the requester exceed the actual cost of fulfillment, a refund will be issued to the requester.
- K. TRS and OPIR shall not show bias or favoritism in requesting fees and costs from requesters. Fees and costs are applicable to all public information requests whether made by a citizen, student, the media, a business, or non-profit or for-profit organization.

VI. Refinement and Clarification of a Request

OPIR may communicate with a requester to request additional information, clarification, or refinement of an information request.

- A. OPIR or TRS may ask for more information about a request or request clarification if it is not clear what the requester is seeking, the requester has not provided all of the required information necessary to submit a request, or the agency cannot perform an information search without additional information.
- B. OPIR may request clarification or refinement of a request if it is not clear what the requester is seeking or when OPIR or TRS employees have reason to believe the search may produce more than 1,000 results.
- C. A person requesting public information may decline a request for clarification. If the requester refuses to clarify a request, OPIR or TRS will perform the search to the best of its ability based on the information provided. The actual cost of performing the search must be included in the cost estimate provided to the requester.
- D. When OPIR or TRS request more information, clarification, or refinement of a request, the agency's response time is suspended until the requester clarifies, refines, or responds to the request for additional information.
 - 1. If the requester does not respond within 30 days, the request will be closed without further action.
 - 2. When requesting additional information, clarification, or refinement, OPIR will notify the requester that the request will be closed without further action if the requester does not respond within 30 days.
- E. When OPIR receives additional information, clarification, or refinement, it will conduct a search using the additional information or clarification.
 - 1. OPIR and TRS will prepare an estimate as provided in *Section V – Estimating Costs and Fees Associated with Requests for Public Information* and notify the requester.
 - 2. The requester may clarify or further refine the request as provided in this section; however, OPIR and TRS may charge an additional fee for each clarification or

refinement. OPIR and TRS may require payment of this fee prior to initiating the clarified or refined search.

VII. Confidentiality, Privacy, and Legal Review

- A. All materials provided in response to public information requests may be subject to review by TRS or OPIR legal counsel. Legal review protects individuals' privacy, ensures compliance with confidentiality requirements, and safeguards individual and facility safety.
- B. The "right to know" affords persons the right to examine documents of public bodies or agencies of state government, "except in cases in which the demand if individual privacy clearly exceeds the merits of public disclosure."
- C. Judicial decisions have established that agencies must review information before it is produced to determine whether the information should be protected under an individual's right of privacy or another applicable confidentiality provision or privilege. Such review and analysis typically requires involvement of legal counsel.
- D. TRS and OPIR legal counsel will perform legal review of public information prior to release to determine whether they include "confidential information."
- E. Under Mont. Code Ann. §2-6-1002(1), "confidential information" means information that is accorded confidential status or is prohibited from disclosure as provided by applicable law. The term includes information that is:
 - (a) constitutionally protected from disclosure because an individual privacy interest clearly exceeds the merits of public disclosure.
 - (b) related to judicial deliberations in adversarial proceedings.
 - (c) necessary to maintain the security and integrity of secure facilities or information systems owned by or serving the state; and
 - (d) designated as confidential by statute or through judicial decisions, findings, or orders.
- F. Judicial decisions have established that agencies must review information before it is produced to determine whether the records should be protected under an individual's right of privacy or another applicable confidentiality provision or privilege.

VIII. Examination of Records

When information is readily available for inspection and copying, an agency may make it available for direct public inspection and examination. In such cases, TRS shall protect and maintain the integrity of the original records. TRS employees must supervise the examination and copying of such records.

IX. Fee Schedule

GENERAL CHARGES

Per page (photocopying)	\$0.25 per page + cost of postage
Identifying, gathering, reviewing, redacting, and preparing information for release	Employee hourly wages and benefits x actual time (in ¼ hour increments)
Initial search	Actual cost. If the initial request is not fulfilled, the requester is not obligated to pay the initial search cost.
Second and subsequent searches	\$50. If the request was refined after an initial search, there is a \$50/search fee for each subsequent search.

X. References

Right to know. Mont. Const. Art. II, § 9.

Right of privacy. Mont. Const. Art. II, § 10.

Definitions. Mont. Code Ann. § 2-6-1002.

Public information requests – fees. Mont. Code Ann. § 2-6-1006.

Written notice of denial – civil action – costs to prevailing party. Mont. Code Ann. § 2-6-1009

XI. Signature

By Board action taken on **November 30, 2023** and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

_____ the date of the Board Action set forth above

_____ (date) _____

BY: Daniel Chamberlin, Board Vice Chair

Signature

TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at trs.mt.gov/trsinfo/boardpolicies. Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.

IV. Executive Director's Report

Information Items **A. Executive Summary**

1. **Staff Update:** We advertised and filled our newly created Communications Specialist position since our last board meeting. Jennifer Van Syckle will join our team on December 18th as our new Communications Specialist. Jennifer has an advanced degree in communications, and she has professional experience creating informative/educational content, newsletters, brochures, press releases and social media content, etc. as a state employee for the Department of Health and Human Services.
2. **Operations Update:** We converted the training room into an office with cubicle furniture purchased from another agency. This office will house our new Communications Specialist. Additionally, I started scheduling my attendance at the regional MASS meetings beginning in February and ending in May/June of next spring.

B. SAVA Update: The State Administration and Veteran Affairs committee/ SJ 4 Interim Pension Committee met on November 8th. I presented the results of our July 1, 2023 actuarial valuation to the committee and fielded questions about the valuation results. The study committee spent a considerable amount of time mapping out their workplan for the interim. Topics they are considering for study include the history and impacts of the 2013 pension reform bills, historical contribution levels, changing or eliminating GABA for new hires, moving more systems to layered amortization, making the DC plan the default for PERS new hires and adding a DC plan for TRS. The committee's next meeting will be in January, but an exact date has not been set. I'm expecting a busy interim as the SJ4 committee is planning to meet again in March, May, July, September and October. They will finalize and adopt any pension related committee legislation at their October 2024 meeting.

C. BOI Update: I am scheduled to present the results of our most recent actuarial valuation to the Montana Board of Investments as required under 19-20-215, MCA, on December 12th.

D. LFC Update: I am scheduled to present the results of our most recent actuarial valuation to the Legislative Finance Committee as required by 19-20-216, MCA on December 14th.

Discussion Items

E. Public Comment - This is an opportunity for any member of the public to comment on the Executive Director's report.

V. Board Training

Discussion Items

A. Ethics/Conflict of Interest - Denise Pizzini will conduct the annual Board training related to ethics and conflict of interest. The training will include a review of the TRS Ethics/Conflict of Interest Policy which I have attached for your reference prior to the meeting. Included in your packet you will find an annual disclosure form that Denise will ask each of you to fill out during the board meeting. A clean copy of the form will be passed out during the meeting.

B. Per Diem Election Forms – I've included a copy of the Board Member Per Diem Election Form for your consideration prior to the meeting. Each year, TRS Board Members are required to complete the per diem election form acknowledging that they may not receive compensation from more than one public employer for the same hours.



MONTANA TEACHERS' RETIREMENT SYSTEM
POLICY 1-0100-001
ETHICAL CONDUCT / CONFLICT OF INTEREST

Section: Governance
Implementer: All TRS Personnel

Effective Date: September 26, 2014

Purpose

This policy prescribes the standards for ethical conduct which must be met by all TRS personnel to ensure the performance of duties on behalf of TRS and its members in conformity with the legal requirements, fiduciary duties, and best practice standards necessary, and developed in recognition of and commensurate with, the public trust and public duty reposed in TRS and its personnel.

As employees of the State of Montana, TRS personnel must comply with state law and policy providing for ethical standards of conduct. By this policy, TRS adopts the State Ethics Policy. As an addition to the ethical standards applicable to all State of Montana employees, heightened standards apply to TRS and TRS personnel by virtue of the TRS Board's fiduciary status and its obligation to conduct TRS's business to its fiduciary duties.

This policy is not intended to replace or supersede the State Ethics Policy, but to the extent this policy is more specific or more restrictive than the State Ethics Policy, it will enhance the State Ethics Policy.

Definitions

As used in this policy and related procedures and documents:

Advance a private interest – TRS personnel takes official action or performs any other act related to the administration, operations or assets of TRS, which has the primary or subsidiary effect of furthering a private interest of TRS personnel, a family member or a friend.

Beneficiary – a joint annuitant, beneficiary, or alternate payee of a member.

Business – includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Compensation – any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.

Employee – any individual person who is included in TRS personnel.

Family member – the person's spouse (spouse includes a domestic partner), the person's or spouse's ancestor, sibling, or descendent or the spouse, ancestor, sibling, or descendent of any of them.

Gift of substantial value – a gift with a value of \$50 or more. The term does not include: food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity; educational material directly related to official governmental duties; an award publicly presented in recognition of public service; or educational activity that does not place or appear to place the recipient under obligation, clearly serves the public good, and is not lavish or extravagant.

Member – an active, inactive, or retired member of TRS.

Official act or official action – a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority related to the administration, operations, or assets of TRS.

Private interest – an interest held by an individual that is

1. an ownership interest in a business
2. a creditor interest in an insolvent business
3. an employment or prospective employment for which negotiations have begun
4. an ownership interest in real property
5. a loan or other debtor interest
6. a directorship or officership in a business
7. any other personal objective or advantage

It does not include the interest of TRS personnel in the regular and appropriate compensation received directly from TRS or a TRS employer as compensation for services as TRS personnel.

TRS Personnel –

1. Any TRS board member
2. any temporary or permanent employee of TRS
3. any person working under contract to TRS

Transaction or business arrangement – any process, deal or negotiation necessary to the conduct of the business of TRS that involves the collection, expenditure, management or other use of TRS assets. A transaction or business arrangement includes the day-to-day processes and functions related to administration and operation of the retirement system and plan benefits, including, but not limited to, hiring and employing staff, contracting for goods and services, making eligibility and benefit determinations, and paying benefits or any other amounts from the assets of TRS.

Policy

Board has established the following principles of ethical conduct, and has determined that engaging in any action or conduct contrary to or in violation of these principles of ethical conduct is inconsistent, incompatible, in conflict with, or inimical to the duties of TRS personnel.

A. Appropriate Conduct Of Duties

1. TRS personnel shall perform their duties as TRS personnel, at all times, in conformity with applicable law, policy, and the requirements and expectations

communicated to them in initial and on-going training, education, and supervision as TRS personnel. TRS personnel shall:

- a. Recognize and be responsible for upholding and enforcing the fiduciary duties applicable to the conduct of TRS business.
- b. Perform all duties on behalf of TRS in a fair and honest manner.
- c. Strive to provide the highest quality in performance and advice.
- d. Avoid any circumstances or conduct that would constitute a conflict of interest or give rise to an appearance of a conflict of interest.
- e. Exercise prudence and integrity in the handling and management of TRS assets in their care.
- f. Refrain from financial and business dealings that would tend to reflect adversely on the individual's impartiality or interfere with the proper performance of functions and duties.
- g. Communicate promptly to the Executive Director, Chief Legal Counsel, or an appropriate board member or staff member information regarding actions or circumstances of which they become aware that may constitute a violation of this policy, a violation of law, or a conflict of interest.
- h. Use care and discretion in the handling of confidential information received or maintained by TRS.

2. TRS personnel shall not:

- a. Use the prestige or influence of TRS or a TRS personnel position to advance a private interest of TRS personnel, a family member, or a friend.
- b. Use retirement system time, facilities, employees, equipment or supplies to advance a private interest or for any other personal objective.
- c. Use confidential information of TRS to advance a private interest.
- d. Provide confidential information to persons to whom issuance of the information is not authorized.
- e. Receive or accept compensation from a third party for performing duties he/she would be required or expected to render in the regular conduct of their duties on behalf of TRS.
- f. Seek, receive or accept, directly or indirectly, any gift from any person or entity who is doing or is seeking to do business of any kind with TRS or whose activities are regulated or controlled in any way by TRS or the TRS board.
- g. Use their TRS position to influence the employment of a family member or friend with TRS or with any person or entity which does or seeks to do business with TRS.
- h. Perform any act or conduct, other than in their TRS personnel capacity, that they know will or may be subject, directly or indirectly, to control, inspection, review, audit, or enforcement by TRS or the TRS board. This does not prohibit TRS personnel who are also TRS members from taking action necessary to exercise their rights as members of TRS.
- i. Participate in an ex parte communication with other TRS personnel, any party to a contested case, a hearing examiner, a court, or any other person with whom ex parte communications are prohibited regarding the merits, facts, or law pertaining to the contested case.

- j. Publish or make any statement to the media, state administrators, legislators or legislative staff, or members of the public that purports to represent TRS's position or policy on any matter or subject before the board has formally adopted a policy or position on the matter or subject. This section does not prohibit TRS personnel who are acting within the course and scope of their duties, responsibilities, and authority from publishing or making statements regarding well-settled matters pertaining to administration of the retirement system or plan benefits. This section also does not preclude TRS personnel from expressing their personal views as private citizens. In circumstances where the private views of a TRS employee or board member may be mistaken for TRS's position or policy, the TRS personnel shall make clear that he/she is expressing his/her personal views as a private citizen.
- k. Allow family, social, or other personal relationships to influence their conduct or judgment in the performance of their TRS duties.
- l. Falsify any document, record, request for reimbursement or fail to make or record proper entries or information on any books or records of TRS.
- m. Knowingly agree to participate in, condone, or conceal any illegal activity or violation of TRS board policy.

B. Fiduciary Duties/Prohibited Transactions and Self-Dealing

1. **Loyalty/Exclusive Benefit:** TRS personnel shall perform their duties solely in the best interests of all TRS members and their beneficiaries and for the sole purpose of providing the benefits owed to all members and their beneficiaries in conformity with applicable law. The assets of the plan shall be held for the exclusive purpose of providing the benefits owed to TRS members and their beneficiaries, and for defraying the reasonable administrative expenses of the retirement system.
2. **Prudence:** TRS personnel shall discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of like character and with like aims. This requires:
 - a. Undertaking an appropriate analysis of a proposed course of action, including determination of the relevant facts, considering alternative courses of action and obtaining expert advice as needed; and
 - b. Acting in accordance with the documents and instruments governing the retirement system.
3. **Prohibited Transactions:** Except as otherwise provided by law, TRS personnel shall not cause the retirement system to engage in a transaction or business arrangement if they know or should know the transaction or business arrangement constitutes a direct or indirect:
 - a. Sale or exchange or leasing of any property from the system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;

- b. Lending of money or other extension of credit from the retirement system to any person or entity without the receipt of adequate security and a reasonable rate of interest, or from any person or entity with the provision of excessive security or an unreasonably high rate of interest;
 - c. Furnishing of goods, services, or facilities from the retirement system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;
 - d. Transfer to or use by or for the benefit of any person or entity of any assets of the retirement system for less than adequate consideration.
 - e. Acquisition, on behalf of the system, of any employer security, real property, or loan.
4. Prohibition Against Self-Dealing: TRS personnel shall not do any of the following:
- a. Deal with the assets of the retirement system for any purpose other than the legal and ethical conduct of the business of TRS, including for their own private gain or the private gain of a family member or friend.
 - b. In any transaction or business arrangement, whether in their TRS personnel capacity, personal capacity, or any other capacity, act on behalf of a person or entity or represent a party whose interests are adverse to the interests of the retirement system or the interests of all TRS members and their beneficiaries.
 - c. Receive any compensation or other consideration, in any form, from any person or entity with whom/which TRS has been or is involved in a transaction or business arrangement.

C. Conflicts of Interest

1. A conflict of interest exists when a TRS board member's or employee's objectivity or independence in the performance of his/her duties on behalf of TRS is impaired or may reasonably be viewed as being impaired because he/she has a private or other personal interest in a transaction or business arrangement of TRS or has a relationship with a person or entity who has a financial interest or a personal interest in a transaction or business arrangement of TRS. It is not necessary that TRS personnel actually act to advance a private interest for a conflict of interest to exist.
2. When a Conflict of Interest Arises: There is a conflict of interest if TRS personnel:
 - a. Has a personal private interest in any entity, business, property, or any other thing of value, which is or may be the object of or involved in a transaction or business arrangement of TRS.
 - b. Has a relationship with a person (family member or friend) who has or reasonably would be perceived as having a private interest related to a transaction or business arrangement of TRS.

3. TRS personnel may not:

- a. Engage in substantial financial transactions for their private business purposes with a person whom they inspect or supervise in the course of their duties on behalf of TRS.
- b. Perform official acts directly and substantially having negative economic impacts on businesses or undertakings in competition with a business or undertaking in which they have a significant interest.
- c. Acquire an interest in any business or undertaking the employee has reason to believe may directly and substantially economically benefit from official action TRS is planning.
- d. Perform an official act that will directly and substantially affect the economic benefit of a business or other undertaking in which the employee has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
- e. Lobby on behalf of an organization of which they are a member while performing their duties on behalf of TRS.
- f. Have a private interest in any contract made by TRS.
- g. Within 12 months following voluntary termination of employment with TRS, obtain employment in which they would take direct advantage of matters the employee was directly involved with while employed by TRS. These matters are rules other than rules of general application that they helped to formulate and applications, claims, or contested cases where they actively participated in the decision process.
- h. Within 6 months following termination of employment with TRS, contract or be employed by an individual or entity who contracts with TRS with which the TRS employee was directly involved while employed by TRS. This does not apply to post-termination contracts awarded to the lowest bidder based on a competitive process or to merchandise sold to the highest bidder at public auction, or to an employee terminated because of a reduction in force.

D. Reporting Requirements

- 1. TRS personnel must disclose potential conflicts of interest to the Executive Director or Chief Legal Counsel prior to taking any action that will be or might be in violation of this policy or the law.
- 2. TRS personnel must disclose the nature of any private interest creating a conflict prior to acting in a manner impinging on public duty. TRS personnel must make the disclosure in writing to the commissioner of political practices.
- 3. TRS personnel must annually complete and submit to TRS a questionnaire regarding actual and potential conflicts of interest and private interests impinging on public duty.


Signature

By Board action taken on ***September 26, 2014*** and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

 X the date of the Board action set forth above

_____ (date) _____

BY: Kari Peiffer, Board Chair



Signature

TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at www.trs.mt.gov/trs-info/boardpolicies. Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.

Montana Teachers' Retirement System

Ethical Conduct/Conflict of Interest

Annual Disclosure Statement

Name of TRS Personnel (Print Legibly): _____

TRS Personnel Capacity: ___ Board Member ___ TRS Staff
 ___ TRS Contractor - _____
 Business Name

TRS personnel must annually complete this disclosure statement to advise TRS management and the TRS board of circumstances that constitute a conflict of interest (including circumstances that could lead a reasonable person to believe a conflict of interest exists).

This annual disclosure statement does not negate or fulfill the obligation of TRS personnel to report conflicts of interest when discovered and prior to taking official action, or to immediately report circumstances that may constitute an actual, attempted, or potential violation of law or the ethical standards of conduct applicable to TRS personnel.

Definitions:

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Beneficiary means a joint annuitant, beneficiary, or alternate payee of a member.

Business includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Compensation means any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.

Employment includes service as a member of the TRS board and service as a contractor with TRS.

Family member means the person's spouse (spouse includes a domestic partner), the person's or spouse's ancestor, sibling, or descendent or the spouse, ancestor, sibling, or descendent of any of them.

Gift of substantial value means compensation, goods, services, entertainment, or any other thing of value at no cost or at a cost below the fair market value of the gift, and which gift has a value of \$50 or more. The term does not include: food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity; educational material directly related to official governmental duties; an award publicly presented in recognition of public service; or educational activity that does not place or

appear to place the recipient under obligation, clearly serves the public good, and is not lavish or extravagant.

Member means an active, inactive, or retired member of TRS.

Official act or *official action* means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority related to the administration, operations, or assets of TRS.

Private interest means an interest held by an individual that is

1. an ownership interest in a business
2. a creditor interest in an insolvent business
3. an employment or prospective employment for which negotiations have begun
4. an ownership interest in real property
5. a loan or other debtor interest
6. a directorship or officership in a business
7. any other personal objective or advantage

It does not include the interest of TRS personnel in the regular and appropriate compensation received directly from TRS or a TRS employer as compensation for services as TRS personnel.

TRS Personnel means:

1. Any TRS board member
2. any temporary or permanent employee of TRS
3. any person working under contract to TRS

Transaction or business arrangement means any process, deal or negotiation necessary to the conduct of the business of TRS that involves the collection, expenditure, management or other use of TRS assets. A transaction or business arrangement includes the day-to-day processes and functions related to administration and operation of the retirement system and plan benefits, including, but not limited to, hiring and employing staff, contracting for goods and services, making eligibility and benefit determinations, and paying benefits or any other amounts from the assets of TRS.

_____ (initial) I have reviewed the State Ethics Policy and TRS's Ethical Conduct/Conflict of Interest Policy, and I understand that any violation of applicable laws or deviation from the standards of conduct set forth, or providing false or misleading answers to any of the questions on this questionnaire could result in disciplinary action against me, up to and including termination of my employment with TRS. By signing below, I certify that my responses to the following questions are correct and accurate with respect to my past and current personal status and conduct, and are correct and accurate to the best of my knowledge regarding the past and current status and conduct of family members, close personal friends, and others. I understand that I have a continuing obligation to update my responses to this questionnaire required by any development, including additional information becoming known to me, after the date I sign this questionnaire.

1. Have you, a family member, or a close personal friend had a private interest in any business while TRS was involved in a transaction or business arrangement with that business?
☐ No ☐ Yes

2. Have you, a family member, or a close personal friend received
 - a gift of substantial value; or
 - a loan
 from a person or entity that does or has sought to do business with TRS?
☐ No ☐ Yes

3. Have you engaged in any outside employment or relationship with any provider of supplies or services to TRS?
☐ No ☐ Yes

4. Have you represented TRS in any transaction in which you, a family member or a close personal friend had a private interest, including:
 - a. By taking action to approve or process a claim for any plan benefits payable to you, a family member or a close personal friend;
 - b. By taking action to approve or process any other payment from the assets of TRS payable to you, a family member or a close personal friend; or
 - c. By participating in any negotiation or other official process on behalf of TRS regarding any claim for payment from TRS payable to you, a family member, or a close personal friend.☐ No ☐ Yes

5. Have you or to your knowledge has any other person made or permitted any unauthorized or improper use or disclosure of confidential information of or concerning TRS that has not been authorized by law?
☐ No ☐ Yes

6. Have you directed, participated in, or been aware of any of the following:
 - a. The expenditure of TRS funds for any unauthorized purposes or for authorized purposes as to which you have knowledge that billed amounts or expended amounts are in excess of "fair market" value?
 - b. Any other unauthorized payment to or from any provider of supplies or services to TRS?
 - c. The establishment or maintenance of any fund of TRS monies or other assets not properly recorded on the books of TRS?

- d. Any false, fictitious or artificial entry or failure to properly record in reasonable detail any transaction of TRS, in any records, books or accounts of TRS?
- e. Any false or misleading statement by TRS personnel:
 - i. to any person representing TRS or the state of Montana in connection with any examination or investigation made of the books, records, accounts, or business operations of TRS;
 - ii. to any person representing a law enforcement agency or other person or entity legally authorized to investigate or gather evidence in any legal proceeding related to the books, records, accounts, or business operations of TRS; or
 - iii. to any other person or entity to whom TRS personnel have a duty of candor regarding the books, records, accounts, or business operations of TRS?

☐ No ☐ Yes

7. Are you aware of any other act or practice pertaining to the management, use, or expenditure of TRS assets, or the conduct of the business operations of TRS that would violate law, the State Ethics Policy, or the TRS Ethics/Conflict of Interest Policy?

☐ No ☐ Yes

8. Are you aware of any other relationship or circumstance that would constitute a conflict of interest or would give rise to an appearance of a conflict of interest as between any two or more TRS personnel or between any TRS personnel and any other person or entity?

☐ No ☐ Yes

If you have answered "Yes" to any of the foregoing questions, you must provide a detailed, written explanation of your answer, including but not limited to, as applicable to each question:

- a. The nature of the private interest
- b. The holder of the private interest
- c. The holder's relationship to you
- d. A description of the transaction or business arrangement
- e. A description of the gift or terms of the loan
- f. The recipient of the gift or loan
- g. The person/entity offering the gift or loan
- h. Details regarding the act or conduct

Please provide your explanation below or on a separate sheet and reference the question #s for which detail is provided.

Employee Signature

Date



Montana Teachers' Retirement System

PO Box 200139, Helena MT 59620-0139

BOARD MEMBER PER DIEM ELECTION FORM

§2-2-104, MCA – Rules of conduct for public officers, legislators, and public employees (also known as the "code of ethics" for Montana public employees) – generally prohibits an individual from receiving a salary from two separate public employment positions that overlap for the hours being compensated. A "public employee" means any temporary or permanent employee of the state; a local government (which includes a school district); a member of a quasi-judicial board or commission or of a board, commission or committee with rulemaking authority; or a person under contract to the state (§2-2-102, MCA).

As a member of the TRS board, you are a public employee. You are entitled to receive a single fee of \$50 for preparation and to reimbursement of travel expenses for each TRS Board meeting you attend. These payments do not constitute compensation for overlapping hours of public employment. You are also entitled to receive a \$50 fee for each day in attendance at a TRS board meeting ("per diem"). If you are also employed by another public employer, such as a school district, you may not receive both the \$50 per diem and a salary from your public employer for the same hours of service. If you receive both the TRS per diem and your regular salary, you are required either to reimburse your regular employer for the salary paid to you while you are absent to perform services for TRS, or to have your regular salary reduced by the amount of per diem paid to you by TRS. See §2-2-104(3)(a).

You are not receiving duplicate compensation for the same hours of service if payment from your regular employer is for the use of accrued leave or compensatory time during the period for which you receive a per diem from TRS.

By my signature below, I certify I understand that I may not receive compensation from another public employer for the same hours for which I am paid a per diem to perform services as a TRS board member. I further certify that (mark only one):

- ☐ I am not employed by another public employer (other than TRS).
- ☐ I will receive my regular salary and will not receive a per diem from TRS for the hours spent in service to TRS.
- ☐ I will receive a per diem from TRS and will not receive my salary from my regular employer for the hours spent in service to TRS or any payment from my regular employer will be for my use of accrued leave or compensatory time.
- ☐ I will reimburse my regular employer for the salary paid to me while I am absent to perform services for TRS, or will have my regular salary reduced by the amount of per diem paid to me by TRS.

Name Printed _____

Signature _____ Date _____

VI. IT Manager's Report

Discussion Items **A. IT Manager's Report:** John Noble, TRS IT Manager, will lead the board through a discussion of the attached IT Manager's Report which provides information about progress made on several TRS IT initiatives.

B. Public Comment - This is an opportunity for any member of the public to comment on the IT Manager's report.

TRS IT Infrastructure – Update

Server Environment

- Fully virtualized – no physical servers
- Hosted on State Information Technology Services Division (SITSD) virtual infrastructure at the State of Montana Data Center (SMDC) in Helena
- 15 virtual servers providing
 - Development, Test, Staging and Production environments for
 - M-Trust pension management software system
 - TRS.mt.gov web site including member and employer secure online portals
 - M-Trust Report server
 - Development, Test, Staging Microsoft SQL Server database environment
 - Production Microsoft SQL Server database environment
 - File server
 - Application servers (2)
 - Source code and software version control server

Workstation Environment

- Predominantly virtualized – most computing performed on virtualized Windows desktops
 - Document imaging processing is performed on physical devices directly connected to document scanners
 - Certain ‘heavy compute’, e.g., high-cpu and/or high-memory processes are performed on physical devices
- Physical hosts a mix of
 - Mini-PC computers – 3
 - Laptop computers – 21(22)

19 of 22(23) TRS FTE have assigned laptop computers enabling them to work from home (ROWS). The 3 remaining FTE are not in ROWS-qualified positions (Executive Secretary; 2 Imaging Technicians).

- Contractor/Developer environments
 - Virtualized Windows desktops for developers/contractors
 - All computing/storage in TRS-owned environment

TRS IT Expenditure - Update

<u>FY 2022</u>				<u>FY 2023</u>				<u>FY 2024 YTD</u>		
Account Code	Account Description	Expense		Account Code	Account Description	Expense		Account Code	Account Description	Expense
62245	Hardware	\$ 8,987.18		62245	Hardware	\$ 5,887.83		62245	Hardware	\$ 2,208.29
62249	Software	\$ -		62249	Software	\$ -		62249	Software	\$ -
621B1	ITSD storage hosting	\$ 13,102.93		621B1	ITSD storage hosting	\$ 13,067.91		621B1	ITSD storage hosting	\$ 2,623.48
621B2	ITSD server hosting	\$ 28,969.56		621B2	ITSD server hosting	\$ 28,510.20		621B2	ITSD server hosting	\$ 4,589.64
621B4	ITSD application hosting	\$ 575.52		621B4	ITSD application hosting	\$ 266.64		621B4	ITSD application hosting	\$ 22.80
621B5	ITSD email services	\$ 2,676.31		621B5	ITSD email services	\$ 2,664.17		621B5	ITSD email services	\$ 460.80
621B6	ITSD imaging services	\$ -		621B6	ITSD imaging services	\$ -		621B6	ITSD imaging services	\$ -
621B8	ITSD operational support	\$ 6,263.28		621B8	ITSD operational support	\$ 6,263.28		621B8	ITSD operational support	\$ 1,348.64
621B9	ITSD database hosting	\$ 1,674.36		621B9	ITSD database hosting	\$ 2,353.92		621B9	ITSD database hosting	\$ 397.76
621C5	ITSD enterprise services	\$ 31,264.44		621C5	ITSD enterprise services	\$ 31,264.44		621C5	ITSD enterprise services	\$ 4,710.14
621C6	ITSD professional services	\$ -		621C6	ITSD professional services	\$ 554.28		621C6	ITSD professional services	\$ 554.28
622B1	ITSD Asset Broker	\$ 18,296.61		622B1	ITSD Asset Broker	\$ 26,546.36		622B1	ITSD Asset Broker	\$ 37,897.98
623B0	ITSD voice services	\$ 7,288.50		623B0	ITSD voice services	\$ 7,335.36		623B0	ITSD voice services	\$ 1,009.62
623B1	ITSD video services	\$ 460.08		623B1	ITSD video services	\$ 460.08		623B1	ITSD video services	\$ 79.64
623B2	ITSD network services	\$ 20,613.30		623B2	ITSD network services	\$ 20,832.10		623B2	ITSD network services	\$ 4,213.86
623B4	ITSD long distance	\$ 3,376.96		623B4	ITSD long distance	\$ 2,868.40		623B4	ITSD long distance	\$ 413.29
62750	Software maintenance	\$ 17,457.99		62750	Software maintenance	\$ 16,006.13		62750	Software maintenance	\$ 582.00
	Total	\$ 162,007.02			Total	\$ 164,881.10			Total	\$ 60,557.94

Current software maintenance agreements/subscriptions:

- Adobe ColdFusion Enterprise
- Gurock TestRail Server; test management and QA software system
- Twilio Verify & SendGrid; multi-factor authentication software as a service
- ActivePDF DocConverter; bulk document converter software
- Atlassian Jira; issue and project tracking software

Potential future software purchases

- Lexis Nexis Risk Solutions Threat Matrix for Government; identity verification software as a service

Recently completed TRS IT Projects

- M-Trust Report Server:
The purpose of the reporting server is to distribute report processing off the primary M-Trust application server improving performance for all other M-Trust processes.
- Jira Migration:
TRS successfully migrated its on-premise Jira server environment to the vendor's (Atlassian's) cloud-hosting environment.
- Windows Server Upgrade:
All TRS servers were successfully replaced with Windows Server 2022 edition.

Upcoming TRS IT Projects

- Adobe ColdFusion upgrade: All TRS application servers were migrated to ColdFusion 2021 but significant performance issues resulted. Troubleshooting by Rex Merrick and TRS contractors, AMA, identified significant CPU-utilization and memory consumption with standard business processes when run on ColdFusion 2021 servers; the same business processes do not exhibit the issues when run on ColdFusion 2018 servers. All application servers had ColdFusion 2018 reinstalled pending a resolution. TRS is working to contract with an Adobe ColdFusion and Java server performance consultant and is hoping to resolve the issue soon.
- Source Code Repository Migration: planned for Q1 2024
The current source code repository and version control system used by TRS is Apache Subversion running on Collabnet Subversion Edge. The vendor (Collabnet) has ceased development and maintenance of Subversion Edge necessitating a change. SITSD hosts a GitLab environment (for Git source control and version control) with costs built into the enterprise rate making it the preferred option for migration. While Git and Subversion do basically the same thing there are some fundamental differences. TRS IT staff recently participated in Git and GitLab training to become familiar with the product(s) and has begun to develop a migration plan and revise/update relevant TRS documentation.

VII. Tier 2 Contribution Rate

Discussion Items

A. 19-20-608(2) MCA – House Bill 377, which passed during the 2013 legislative session, included a provision (19-20-608(2), MCA) that gives the TRS Board the authority to add a supplemental contribution to the Tier 2 member contribution rate on or after January 1, 2023, if certain triggers are met. As a reminder, the normal contribution rate for Tier 2 members is currently 8.15% of reportable compensation. This matches the current Tier 1 contribution rate, which is made up of a normal contribution rate of 7.15% plus the 1.00% supplemental contribution that went into effect July 1, 2013. The board does not have the authority to increase Tier 1 supplemental contributions.

Based on the statutory language highlighted below, the TRS Board is obligated to discuss a supplemental contribution for Tier 2 members, since we currently are less than 80% funded and we do not amortize in 20 years or less. However, there are several points the board should consider as part of that discussion.

The provision says, "the board may require a tier two member to contribute a supplemental amount". It does not say the board must require this. The normal cost rate for Tier 2 members is 10.39%, which is lower than the normal cost rate of 11.02% for Tier 1 members. This means it is cheaper to provide Tier 2 benefits than it is to provide Tier 1 benefits. The blended normal rate in the valuation is 10.75%, which accounts for both Tier 1 and Tier 2 members.

The board may require a supplemental contribution for Tier 2 members if all three of the following triggers have been met:

1. The average funded ratio of the system based on the last three actuarial valuations is equal to or less than 80%.
2. The period necessary to amortize all liabilities of the system based on the last three valuations is greater than 20 years; and
3. A state or employer contribution rate increase or a flat dollar contribution to the retirement system trust fund has been enacted that is equivalent or greater than the supplemental contribution rate imposed by the board pursuant to this subsection.

The current funded ratio of TRS is 72.49% and the current amortization period is 24 years. However, both measures are expected to improve each year if our actuarial assumptions are met.

As for the third trigger, the state or employer contribution rate increase or flat dollar contribution requirement of the provision has been met since House Bill 377 went into effect on July 1, 2013. The State has contributed \$25 million annually and an employer supplemental contribution rate of 1.00% has been in effect since July 1, 2013. Additionally, the employer supplemental contribution rate has increased by 0.10% every year for the last ten years so the total employer supplemental contribution rate is currently 2.00%.

Once a supplemental contribution rate has been imposed by the board, the triggers for decreasing or eliminating the supplemental contribution rate become more onerous. The

board may only decrease the Tier 2 supplemental contribution rate if both of the following triggers are met:

1. The average funded ratio of the system based on the last three actuarial valuations is equal to or greater than 90%, and
2. The period necessary to amortize all unfunded liabilities of the system based on the latest actuarial valuation is 15 years or less.

Attached you will find a report prepared by the actuary which explains the impact to TRS if the board were to enact a Tier 2 supplemental contribution of 0.50%. As of the July 1, 2023 valuation results, the amortization period of TRS is 24 years. By enacting a 0.50% supplemental contribution, the funded status of the plan would not change but the amortization period would decrease by one year to 23 years. If the board were to enact an additional 0.50% increase the following year, as allowed in the statute, the funded ratio of the system still would not change but the amortization period would decrease by one additional year to 22 years.

The board reviews the most recent actuarial valuation at the October meeting each year, which makes the November/December meeting the ideal time to discuss this issue. If the board decides to implement the supplemental increase it would be an additional 0.50% effective July 1, 2024, increasing the Tier 2 contribution rate from 8.15% to 8.65%.

The soonest the board could take action on this issue would be at our meeting in February 2024. The board could decide to postpone action until a later date, or they could decide not to take action at all. Either way, we need to include this as an agenda item for the November/December meeting so there is a record of the discussion and consideration by the board.

Member Supplemental Contribution -- Actuarially Determined Adjustments -- Effective Dates

19-20-608. Member supplemental contribution -- actuarially determined adjustments -- effective dates. (1) (a) Subject to subsections (1)(b) and (1)(c), a tier one member shall contribute to the retirement system a supplemental amount equal to 1% of the member's earned compensation.

(b) The board may decrease the tier one member supplemental contribution if:

(i) the average funded ratio of the system based on the last three actuarial valuations is equal to or greater than 90%; and

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is less than 15 years.

(c) Following one or more decreases in the supplemental contribution rate pursuant to subsection (1)(b), the board may increase the supplemental contribution to a rate not to exceed 1% if:

(i) the average funded ratio of the system based on the last three annual actuarial valuations is equal to or less than 80%; and

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is greater than 20 years.

(2) (a) Subject to subsection (2)(b), on or after January 1, 2023, the board may require a tier two member to contribute to the retirement system a supplemental amount if:

(i) the average funded ratio of the system based on the last three annual actuarial valuations is equal to or less than 80%;

(ii) the period necessary to amortize all liabilities of the system based on the latest annual actuarial valuation is greater than 20 years; and

(iii) a state or employer contribution rate increase or a flat dollar contribution to the retirement system trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the board pursuant to this subsection (2)(a).

(b) A tier two member supplemental contribution increase under this subsection (2) may not:

(i) exceed 0.5% of earned compensation; and

(ii) result in an aggregate tier two member contribution rate of more than 9.15% when added to the normal contribution rate required under **19-20-602**.

(c) Following imposition of a supplemental contribution rate increase under this subsection (2), the board may decrease the supplemental contribution rate if:

(i) the average funded ratio of the system based on the previous three annual actuarial valuations is equal to or greater than 90%; and

(ii) the period necessary to amortize all liabilities of the system based on the latest annual actuarial valuation is less than 15 years.

(3) After the board has actuarially determined the need to impose, increase, or decrease a supplemental contribution rate under this section, the imposition, increase, or decrease is effective on the first day of July following the board's determination.

B. Public Comment – Opportunity for any member of the public to comment on the Tier Two contribution rate.



Cavanaugh Macdonald

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November 7, 2023

Mr. Shawn Graham
Executive Director
Teachers' Retirement System
State of Montana
100 N Park Avenue, Suite 110
Helena, MT 59620-0139

Subject: Increased Member Contribution Rates for Tier 2 Members

Dear Shawn:

As requested, we have determined the impact increasing the member contribution rate for Tier 2 members would have on the Teachers' Retirement System (TRS).

Background

Montana State statute 19-20-608 states that the Board may require a Tier 2 member to contribute a supplemental amount if,

- 1) The average funded ratio for the system based on the last three annual actuarial valuation is equal to or less than 80%;
- 2) The period necessary to amortize all liabilities of the system based on the latest annual actuarial valuation is greater than 20 years; and
- 3) A state or employer contribution rate increase or a flat dollar contribution to the retirement system trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the Board.

The supplemental contribution increase may not exceed 0.50% of earned compensation, nor may it result in an aggregate Tier 2 member contribution rate of more than 9.15% (1.00% higher than the current Tier 2 member contribution rate).

We were asked to study the cost of increasing the contribution rate for Tier 2 members under two different scenarios. Proposal 1 would increase the Tier 2 member contribution rate from 8.15% to 8.65% effective July 1, 2024. Proposal 2 would increase the Tier 2 member contribution rate

from 8.15% to 8.65% effective July 1, 2024 and to 9.15% effective July 1, 2025. Under both proposals, the increased member contribution rate was assumed to remain in effect indefinitely. It was also assumed that these changes would affect both current and future Tier 2 members.

Data, Methods and Assumptions

The data, methods and assumptions used to determine the impact of the changes above are the same as those used in the July 1, 2023 valuation.

Costs

The increase in member contributions has a very minor impact on the actuarial accrued liability (AAL) of TRS, as the increased member contributions only affect those members that leave employment and take a refund of their member contributions. The refunded member account balance will be slightly larger with higher member contribution rates, but the amount of liability those members have compared to TRS as a whole is small.

Under both proposals, the AAL increases by less than \$35,000. The TRS AAL as of the July 1, 2023 actuarial valuation was \$4.97 billion. The funded ratio (72.49%) and total normal cost rate (10.75%) both remain unchanged under either proposal. However, due to the increased contributions in future years, the higher Tier 2 member contribution rate does have an impact on the amortization period.

As of the July 1, 2023 actuarial valuation, the amortization period for TRS is 24 years. Under Proposal 1, where the Tier 2 member contribution rate increase by 0.50% (8.65%), the amortization period decreases by 1 year, to 23 years. Under Proposal 2, where the Tier 2 member contribution rate increase by 1.00% over two 0.50% increments (9.15%), the amortization period decreases by 2 years, to 22 years.

Certification and Disclosures

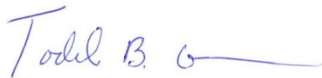
In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

If members of TRS contribute a higher portion of their pay, it will increase the benefits paid by the System to those members, if they elect to take a refund of contributions. However, the proposed changes in this study are expected to have an insignificant impact on the System's benefits paid. The increased member contributions should serve to decrease the funding risk of TRS as more contributions in total are going to fund the benefits.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Sincerely,



Todd Green, ASA, EA, FCA, MAAA
President



Bryan Hoge, FSA, EA, FCA, MAAA
Consulting Actuary

TBG:tbg

VIII. Strategic Planning

Discussion Items **A. Strategic Planning**– I have attached a copy of the 2023-2025 commitment worksheet for Board discussion.

B. Public Comment – Opportunity for any member of the public to comment on the Strategic Plan Summary and Commitment Worksheet.

TRS 2023 – 2025 Strategic Planning Commitment Worksheet

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<i>Maintain an actuarially sound qualified retirement plan.</i> Conduct periodic tax qualification reviews (every 5 years) to support our goal of maintaining an actuarially sound “qualified” retirement plan using the established process and experts. Discontinue if IRS resumes doing qualification letters.	Documented compliance of plan terms with the Montana State Constitution and State and Federal laws and regulations.	Every 5 years. FY2021 complete. Next review FY2026)	Executive Director Chief Legal Counsel	Tax counsel fees.
<i>Maintain an actuarially sound qualified retirement plan.</i> Actively participate in the interim study (Senate Joint Resolution - SJ 4). Be responsive to Pension Study requests. Address any issues resulting from the Pension Study Group.	Well-informed policy makers.	FY2024 & FY2025	Executive Director Chief Legal Counsel Board	Staff time, actuarial service fees.
<i>Maintain an actuarially sound qualified retirement plan.</i> Conduct an experience study for the five-year period ending July 1, 2026.	Updated actuarial assumptions.	Next study starts July 1, 2025 with completion in May of 2026	Executive Director Board	Contracted actuarial service fees.
<i>High-performance work culture and service excellence</i> Identify, catalog, and prioritize potential information technology (IT) enhancements including periodic IT enhancement budget and planning Board sessions. The Board will provide guidance on the level of investment in the system. Establish metrics for certain enhancements where appropriate to illustrate the return on investment. <i>Maintain data for cost/benefit analyses of system enhancements and development options (e.g., utilization of online withdrawals, costs of self-provided, contracted, or Information Technology Services Division, services etc.) as needed.</i>	Automation and improved processes. Specific budgets and defined level of investment in IT systems. 2024 – 2025 efforts relate to member convenience and operational efficiency.	Ongoing	Board, M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence</i> Implement online retirement application (ORA) functionality.	Member ability to apply for retirement online.	FY2024 planning 2025 – 2026 implementation	M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence</i> Implement a responsive web design (i.e., when the user accesses the website, it determines and renders itself based on the device type). Redesign is necessary to remain current with contemporary web expectations and support member convenience.	Mobilize resources to implement a modern website. Position TRS to implement online retirement application (ORA).	FY2024 – FY2025 (template approved prototype to come).	Information Systems Manager and Communications Manager	Staff time, contracted services (vendor or ITSD) Budget adjustment

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<i>High-performance work culture and service excellence.</i> Continue business process and workflow improvements while building online processes to achieve a paperless process with a priority on major business processes.	Automation and improved processes.	Ongoing	M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence.</i> Develop procedural documentation for each team (e.g., desk manuals). Documentation will ensure business continuity and support knowledge transfer/succession planning.	Improved internal documentation and business processes.	Ongoing	Management Team (and staff)	Staff time.
<i>High-performance work culture and service excellence.</i> Continue with a formal strategic planning every 2 years.	Comprehensive and timely strategic goals.	Review 2024 Formal Planning August 2025	Management Team Board	Staff/Board time, contractor fees.
<i>High-performance work culture and service excellence.</i> <i>Maintain best practices in system security and proactively assess options.</i> <i>Pursue identity verification and e-signature options to improve member convenience while ensuring continued transaction security.</i> This will affect any online form we use (e.g., OWA).	Improved functionality and member convenience with continued system security.	Would like to implement with OWA and will be part of ORA. Determine system and develop plan in FY24	Information Systems Manager and Communication s Manager	Staff time, vendor fees, contractor fees.
<i>High-performance work culture and service excellence.</i> Succession planning – a number of key staff are retirement eligible, and we have limited options for succession planning. Consider internal development, provide experiential opportunities for staff where applicable.	Improved process documentation; knowledge transfer; cross-training.	Ongoing	Executive Director/Deputy Executive Director	Staff Time
<i>High-performance work culture and service excellence.</i> Maintain TRS Pay Plan to keep it current with contemporary practices and markets.	Contemporary pay plan.	ongoing.	Executive Director, Deputy Executive Director	Staff time.

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<i>Communication and outreach (public relations).</i> Coordinate Executive Director and Board member (contingent on location and availability) attendance at School Superintendent meetings in non-legislative years.	Increased communication to Superintendents. Scheduling underway	Spring of 2024 (ongoing)	Executive Director and Board	Executive Director and Board time and travel.
<i>Communication and outreach (public relations).</i> Continue external communications including staff attendance at the annual educator conference, legislator education and outreach, collaboration with MFPE as appropriate, and attendance at MASBO and SAM conferences.	Continued staff attendance at strategic events. (webinars are better attended than in-person).	Ongoing	Management Team & Active Team	Staff time and travel expense.
<i>Communication and outreach (member and employer communication).</i> Continue to promote communication with members and employers about system functions, improvements, processes, and transactions including using timeline and status-oriented system communications (e.g., anniversary, RMD and GABA letters).	Strategic promotion of online services.	Ongoing	Management Team Communications Manager	Staff time, mailing, etc.
<i>Communication and outreach (member communication).</i> Continue with Member Surveys to inform our strategic direction, increase retirement awareness, and promote engagement. Distribute member survey results to legislators and other interested parties (including emphasizing the powerful graphs and comments).	An informed and engaged constituency. Valuable data for interim study	2023 full results in October 2023, next survey 2025.	Communications Manager	Staff time.
<i>Communication and outreach (member communication).</i> <i>Promote the system as a benefit to help school districts attract and retain teachers.</i>	Promotional materials and information illustrating the benefits of TRS for use by employers.	Ongoing	Communications Manager	Staff time.
<i>Communication and Outreach</i> <i>Hire an additional 1 FTE Communication Professional to support outreach. Retain contracted services to develop procedural manuals.</i>	Acquire qualified staff and contractors to address communication opportunities. New FTE starts 12/18/23	Fall 2023/Spring 2024	Executive Director and Communications Manager	Staff time. FTE funding. Contracted services budget.
<i>Communication and Outreach</i> Research available options for TRS to support or promote a deferred compensation system for teachers.	Provide information and options to Superintendents at MASS Meetings.	Spring 2024	Executive Director/Chief Legal Counsel	Staff time.

IX. Legal Counsel's Report

Information Items **A. Legal Issues** – Denise Pizzini will report on pending cases, and recent legal issues.

X. Applications and Retirement Benefits

Information Item **A. Regular, Survivorship, Adjustments, and Corrections** - Attached are a list of members who have retired from 09/01/2023 through 10/31/2023 and any adjustments made during that time.

We had 48 retirees with average termination pay of \$5,895.95, average monthly benefits of \$1,394.62, average age of 61.46 and average years of service of 17.76.

The quarterly report is purposely excluded from your electronic board packet because it includes what could be considered Personally Identifiable Information (PII). The report will be included in your printed copy at the meeting.

XI. Disability Applications

CLOSED MEETING

Discussion Item **A. Executive Session to Discuss Disability Applications and Annual Reviews** – The summary of each disability application along with any supporting documentation will be presented during the meeting.

The chair will close the meeting at this time because the matters of individual privacy clearly exceed the merits of public disclosure.

OPEN MEETING

Action Items **B. Approval/Disapproval of Application for Disability Retirement Benefits** – Board votes to approve or disapprove each application for disability retirement benefits.

Discussion Item **C. Public Comment** - This is an opportunity for any member of the public to comment on the Executive Director's report.

XII. Adjournment

Action Items **A. Motion to Adjourn**