

Montana Teachers' Retirement System Board Meeting

August 1, 2025

BOARD MEMBERS PRESENT

Kari Elliott, Chair
Daniel Chamberlin, Vice Chair
Dee Brown, Member (*left at 12:52*)
Elliott Crump, Member
Brian Youngren, Member

BOARD MEMBERS ABSENT

Daniel Trost, Member

STAFF PRESENT

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

OTHERS PRESENT

Jim Kerins, Consultant, Communication and Management Services, LLC
Marilyn Hamer, Montana Retired Educators' Association (*virtual*)
Nate Weinstein, Osmosis (*virtual*)
Merrill Bajana, Osmosis (*virtual*)

Call to Order

Chair Kari Elliott called the meeting to order at 8:31 a.m. in the TRS board room.

Adoption of the Agenda

Chair Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Dee Brown moved to adopt the agenda, with Vice Chair Daniel Chamberlin seconding. The motion was approved by all members present.

Approval of Minutes

Chair Elliott requested a motion to adopt the May 9, 2025, minutes.

Motion/Vote: Member Dee Brown moved to approve the minutes, with Vice Chair 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.

Strategic Planning

2025-2027 Long Range Planning

Jim Kerins of Communication and Management Services (CMS) explained that every two years, he works with the Board and TRS leadership team to review the organization's achievements over the previous two years and to develop an updated strategic plan for the next biennium. Board, staff, and stakeholder surveys also provide valuable input to this process.

Mr. Kerins led the group through a review of a strategic planning primer document based on the 2023-2025 strategic plan with the TRS leadership team's suggested revisions for 2025-2027. Board members reviewed the TRS mission and vision statements and made suggestions for minor wording changes, such as to emphasize the importance of effectively communicating with members.

Mr. Kerins then reviewed TRS's three overarching goals and objectives related to each of the goals. Members of the Board considered each objective and suggested some refinements to wording.

Mr. Kerins then explained that the commitment worksheet contains a list of actionable tasks and initiatives designed to achieve the three main goals. Executive Director Shawn Graham provided a status update on each item in the 2023-2025 commitment worksheet as well as a list of recommended activities for 2025-2027. He reported that there are no known changes to federal requirements or state laws that will require significant effort to implement. This may allow more time to address ongoing needs, such as updated process documentation for staff. The group also discussed the challenge of educating TRS employers and new members about TRS, and they recommended staff consider new ways to improve employer outreach.

Mr. Kerins then reviewed several strategic plan considerations, including governing laws and policies and recent state legislation. Director Graham provided a brief overview of bills passed by the 2025 Legislature and he answered questions from the Board about how the bills affect TRS.

Prior to each strategic planning session, CMS conducts a survey of Board members, stakeholders, and staff to gather their feedback about TRS's strengths and weaknesses and their ideas for continuous improvement. Mr. Kerins began by reviewing responses and suggestions collected from several stakeholder groups. Feedback was positive overall, indicating stakeholders have confidence in TRS. He also thanked Marilyn Hamer of the Montana Retired Educators' Association (MREA) for completing the survey and asked if she had additional comments.

Public Comment

Ms. Hamer (MREA) commented that she occasionally hears from retirees who are concerned about losing part of their retirement benefit, despite her reassurance that their benefit cannot be reduced. It was agreed that TRS should continue reinforcing this point in communications.

Strategic Planning, Continued

2025-2027 Long Range Planning, Continued

After a short break, Mr. Kerins resumed the discussion of survey results. He provided a summary of TRS staff responses and pointed out some recurring themes, such as TRS's commitment to quality and customer service, concerns about workload, and suggestions for improving internal communication, training, and business processes.

To prepare for this meeting, Mr. Kerins had met with the TRS leadership team to identify their high-priority goals and objectives for the Board's consideration. These included enhanced security for online transactions, the need to document internal procedures (possibly by contracting with an outside technical writer), succession planning for retirement-eligible staff, and ensuring TRS meets upcoming federal requirements related to accessibility of digital systems. Another recommendation is to consider publishing the once- or twice-yearly member newsletter in digital format only.

Mr. Kerins also reviewed themes from the TRS Board members' survey responses, which included broad appreciation for the TRS staff and leadership. Members of the Board are confident in the system and in the quality of service provided by staff, but they also encourage staff to continue expanding outreach to members and employers. Preliminary responses from a member satisfaction survey conducted by TRS also were discussed. Although only 72 member responses had been collected to date, those responses were strongly positive about TRS's customer service.

The group then reviewed the list of internal and external strengths, challenges, opportunities, and threats from the 2023-2025 strategic planning summary and Mr. Kerins asked whether updates were needed for 2025-2027. Some updates were made to reflect current conditions.

Member Brown left the meeting at 12:52 p.m.

Public Comment

Members of the public were no longer present.

Disability Applications

Closed Meeting

Executive Session to Discuss Disability Applications

The Board began an executive session at 1:01 p.m. to review three applications 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

Chair Elliott reopened the meeting at 1:28 p.m. and requested a motion on each disability application.

Approval/Disapproval of Applications for Disability Retirement Benefits

Motion/Vote: Vice Chair Chamberlin moved to approve member J. G.'s request for disability retirement, with Member Elliott Crump seconding. The motion was approved by all members present.

Motion/Vote: Member Brian Youngren moved to approve member J. J.'s request for disability retirement. Vice Chair Chamberlin seconded the motion, and it was approved by all members present.

Motion/Vote: Vice Chair Chamberlin moved to approve member B. L.'s request for disability retirement, with Member Youngren seconding. The motion was approved by all members present.

Public Comment

No members of the public were in attendance.

Strategic Planning, Continued

2025-2027 Long Range Planning Continued

To conclude long range planning, Mr. Kerins reviewed the goals and objectives listed on the commitment worksheet. He requested feedback from Board members and staff on timeframes for completion of certain objectives, bearing in mind the need for goals and objectives to be specific and measurable. He stated that he would consolidate all proposed updates into a draft 2025-2027 strategic planning summary document and would work with Director Graham to finalize the commitment worksheet, which will be reviewed at each Board meeting. The new strategic plan will be presented for Board review and approval at the October meeting, and TRS will publish the final version on the public website.

Public Comment

No members of the public were in attendance.

Administrative Business

Draft Policy – Setting the Interest Rate Credited to Member Accounts

Director Graham reported that, as proposed at the meeting held on May 9, 2025, Chief Legal Counsel Jim Malizia has prepared a draft policy for setting the interest rate credited to member accounts. The change would take effect for fiscal year 2027, as the rate for FY 2026 has been set at 2.00%.

Rather than setting the rate each year based largely on the Short-Term Investment Pool (STIP) interest rate earned by the Montana Board of Investments, the draft policy provides a framework that would better protect the system by avoiding large rate spikes. The Montana Public Employees Retirement Administration (MPERA) recently adopted a similar policy. If adopted, the TRS Board policy would set the rate each year based on the lesser of the projected average of the Short-Term Investment Pool (STIP) interest rate as of March 31st of the preceding fiscal year, or 2.00%. After discussion, members of the Board agreed this provides a more prudent approach.

Director Graham reminded the Board that the new policy will be presented for adoption at the next Board meeting on October 3, 2025.

Tentative Meeting Dates

Members of the Board discussed their availability for meetings scheduled for October 3 and December 5, 2025. Because the TRS actuarial consultants will attend the October meeting, that date cannot be changed. Vice Chair Chamberlin reported scheduling conflicts in December, but due to other members' commitments, the meeting will not be rescheduled.

