

MONTANA BOARD OF INVESTMENTS
SPECIAL BOARD MEETING CONFERENCE CALL
2401 Colonial Drive, 3rd Floor
Helena, Montana
Thursday, April 23, 2020
10:00 AM

PRESENT *all via conference call:*

- Karl Englund, Board Chair
- Mark Noennig, Board Vice Chair
- Jack Prothero, Board Member
- Terry Cohea, Board Member
- Bruce Nelson, Board Member
- Jim Edwards, Board Member
- Diane Fladmo, Board Member
- Maggie Peterson, Board Member
- Jeff Greenfield, Board Member
- Senator Fred Thomas
- Dan Villa, Executive Director
- Peggy MacEwen, Deputy Director
- Jon Putnam, CFA, FRM, CAIA, Chief Investment Officer
- Doug Hill, Director of In-State Loan Programs
- Rande Muffick, CFA, Deputy CIO/Director of Public Market Investments
- Julie Feldman, CPA, Financial Manager
- Polly Boutin, Associate Financial Manager
- Frank Cornwell, CPA, Associate Financial Manager
- April Madden, Investment Accountant
- Roberta Diaz, Investment Accountant
- Kelsey Gauthier, CPA, Investment Accountant
- Mike Pettit, Director of Operations
- Tim House, Investment Analyst
- Teri Kolnik, CFA, Investment Analyst
- Ethan Hurley, CAIA, Director of Real Estate/Natural Resources
- Dan Zarling, CFA, CIPM, Director of Risk Management
- Jason Brent, CFA, CAIA, Investment Officer, Public Investments
- John Romasko, CFA, Director of Fixed Income
- Kirsten Haswell, Investment Analyst
- Steve Strong, Investment Analyst
- Louise Welsh, Senior Bond Program Officer
- Linda Sharkey, Network Administrator
- Dana Chapman, Office Manager/Board Secretary

CALL TO ORDER

Board Chairman Karl Englund called the Special Meeting of the Board of Investments (Board) to order at 10:02 a.m. As noted above a quorum of Board Members was present. Chairman Englund advised audio recording of the meeting was underway and asked for public comment on issues within Board jurisdiction. There was none.

Separately Managed Accounts Investment Policy Statement

Mr. Jon Putnam explained the proposed changes to the Separately Managed Accounts Policy Statement.

The state of Montana and the Board of Investments have received \$1.25 billion of federal funds from the CARES Act. We received the first half last Wednesday, and the second half this week on Monday. Typically, staff would put the funds in the Treasurer's Fund in STIP, but due to the large size and unknown outflows, staff is requesting approval to invest in an Interest Bearing Demand Deposit Account (IBDDA) available through our custodial bank, State Street. This will provide daily liquidity for a portion of the CARES Act funds held within the State Treasurer's Fund. Investments held within the IBDDA earn interest at the Secured Overnight Funding Rate (SOFR). Using the IBDDA will help protect STIP participants.

Other changes to the Policy include changes in the cash section on risk management providing some cleanup to make it more explicit in broadening the option to use other cash vehicles we may decide on for cash purposes. That change would apply to all of the separate accounts listed in the Policy.

Member Terry Cohea made a motion to accept the proposed changes to the Separately Managed Accounts Policy Statement. Member Diane Fladmo seconded the motion. The motion carried.

Executive Director Dan Villa provided an operations update and referenced his memo which has been provided to Board Members. Staff are tentatively scheduled to start working back in the office in phases beginning May 11th. However, given the four school districts involved, we will have to wait until they provide further information. Staff have the option to request a delayed return for medical or school/childcare reasons.

- Week one will include management and office administration.
- Week two will be directors, portfolio managers and accounting managers.
- Week three will be STIP and fixed income and individual accountants.

A new protocol for security and safety will be in place including dedicated entry ways and daily temperature taking.

Vice Chair Mark Noennig stated he was impressed by the carefulness of the plan.

Director Villa noted it has been a team effort, which included some assistance from hospital personnel. Some operations money has been spent for items such as hand sanitizer stations, and we have ordered individual cameras for each staff office workstation. We will have no visitors to the office and no staff travel through June 30th and some work will continue remotely. We will set up new technology in the conference rooms. Additional investments in the office are offset by savings from the lack of travel.

Chairman Englund stated he's noticed a lot of people are saying that in certain instances the remote setup works so much better than they thought it would. It seems a lot more remote work will be used going forward.

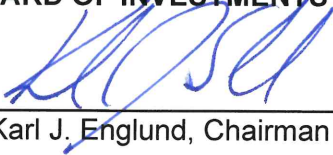
Executive Director Villa reviewed items on the "to do" list for the next Board meeting:

- The next Board Meeting is scheduled for Monday and Tuesday, June 8 and 9; a draft agenda is in the works.
- We expect to be able to fit all items within two full days, although we may have the committee meetings start earlier than usual.
- Out of town Board Members may want to travel to Helena on Sunday.
- Agenda items include the domestic equity deep dive, the quarterly performance review, investment policy revisions and exempt staff performance reviews.

These minutes are Approved and Final. Full Board review and decision took place at the June 8-9, 2020 Regular Meeting of the Board.

Having no further business before the Board, the meeting was adjourned at 10:18 a.m.

MONTANA BOARD OF INVESTMENTS

APPROVE: 
Karl J. Englund, Chairman

ATTEST: 
Dan Villa, Executive Director

DATE: June 8, 2020

BOI/drc 4/27/2020