

MINUTES

North Dakota Public Employees Retirement System Tuesday, April 12, 2022 8:30 A.M.

Members Via Teams: Chairperson Mona Rindy
Senator Dick Dever
Representative Pamela Anderson
Ms. Kim Wassim
Mr. Adam Miller
Ms. Yvonne Smith
Mr. Dirk Wilke
Ms. Mary Kae Kelsch
Ms. Casey Goodhouse

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Lindsay Schaf, NDPERS

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Mr. Scott Miller introduced the new appointee of the Attorney General, Ms. Mary Kae Kelsch. Ms. Kelsch shared information about herself and details of her work history.

Chairperson Rindy called for questions or comments regarding the minutes of the March 8, 2022, meeting.

MR. WILKE MOVED TO APPROVE THE MINUTES OF THE MARCH 8, 2022, BOARD MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Sanford Health Plan Well-being Education Presentation

The presentation will be brought back at a later date.

DEFERRED COMPENSATION

TIAA Recordkeeping Amendment

At the December 14, 2021, meeting, the Board discussed the funding sources for administrative fees for the Defined Contribution plan. The administrative fees balance of the cash on hand at the State Treasurer's office exceeds what is necessary to cover administrative fees. Mr. Bryan Reinhardt presented a draft of Amendment No. 7 to the TIAA Recordkeeping Agreement. The amendment reduces the NDPERS Defined Contribution 401(a) plan administrative fee to 0.01% (1 basis point). It also authorizes a one-time annual administrative fee to be deducted from the NDPERS 457 Deferred

Compensation Plan for TIAA administrative services rendered. The amount of the fee will be divided equally among all plan participants with a balance and is estimated to be approximately \$2.16 per account. At the December 2021 meeting, the Board approved this methodology to make up the shortfall from the required 23 bps TIAA administrative fee. This fee will be deducted proportionately from each investment in the participant's account balance on the date of assessment and will be deposited into the NDPERS Revenue Credit Account to cover the services of the Plan. The services include recordkeeping, legal, accounting, investment advisory, and other plan and participant services. The fee will be visible for participants on their June 30, 2022, TIAA quarterly plan statement and will be identified as a "TIAA Plan Servicing Fee." Discussion followed.

REPRESENTATIVE ANDERSON MOVED TO APPROVE THE RECORDKEEPING AGREEMENT AMENDMENT NO. 7 FOR THE NDPERS DEFINED CONTRIBUTION 401(A) AND 457 DEFERRED COMPENSATION AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AMENDMENT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Representative Anderson, Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Kelsch, Ms. Wassim, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

Mr. Scott Miller announced this is the last Board Meeting for Bryan Reinhardt as he will be retiring from NDPERS at the end of the month. The Board thanked Bryan for 32 years of state service and the work he has done for the agency and the Board.

GROUP INSURANCE

FlexComp Plan Contract Amendment

The Board approved a contract renewal with ASIFlex for the NDPERS FlexComp Plan at the March 2021 meeting. Ms. Rebecca Fricke presented the contract amendment drafted by legal counsel and approved by ASIFlex.

MS. WASSIM MOVED TO APPROVE THE CONTRACT AMENDMENT FOR THE NDPERS FLEXCOMP PLAN FOR THE JANUARY 1, 2023, THROUGH DECEMBER 31, 2024, CONTRACT PERIOD, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT AMENDMENT. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Representative Anderson, Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Kelsch, Ms. Wassim, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

MISCELLANEOUS

Quarterly Consultant Fees

Mr. Derrick Hohbein shared a quarterly report of consulting, investment, and administrative fees paid in 2021 Quarter 4.

Contracts Under \$10,000

Mr. Scott Miller updated the Board on contracts under \$10,000 he has signed so far this calendar year.

Board Member Transition

Mr. Troy Seibel's departure from the Board created vacancies on board committees. Chairperson Rindy called for volunteers to fill the vacancies. Ms. Goodhouse will serve on the Election sub-committee with Ms. Wassim as chair. Ms. Wassim currently serves as an alternate on the Investment sub-committee and will fill the vacancy in the interim. An appointment on the State Investment Board will be made at a later date.

Retirement Committee Update

Mr. Scott Miller discussed the information he presented at the Legislative Retirement Committee meeting that was held on April 11, 2022. The Board discussed the position of political subdivisions that are participants in the Defined Benefit (DB) plan and the perception of state employees that closing the DB Plan is a reduction of benefits.

Legislative Relations

Mr. Scott Miller discussed recent and upcoming Legislative Committee Meetings.

Proposed Legislation Update

Mr. Scott Miller informed the Board that the Final Average Salary bill draft was submitted to the Employee Benefits Programs Committee (EBPC) by the April 1st deadline. The Retirement and Investment Office has submitted a bill draft and several bills were submitted by Legislators. Jan Lund will share EBPC meeting announcements with the Board members as the information becomes available.

Executive Director Performance Review & Compensation

Ms. Kim Wassim updated the Board on the activity of the committee regarding a course of action for the performance evaluation of the Executive Director and consideration of a salary increase. The committee presented a proposed timeline for the performance review process. The Executive Director Performance Review & Compensation committee was scheduled to meet following this Board Meeting but due to the rapidly deteriorating weather conditions, the committee meeting was postponed until the week of April 18, 2022.

MEMBER

Insurance Appeal Case #730

This agenda item was noticed for Executive Session.

MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.2, §44-04-19.2(1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR APPEAL CASE NUMBER 730. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Wilke, Senator Dever, Representative Anderson, Ms. Wassim, Ms. Goodhouse, Ms. Kelsch, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

All members named above, attorney Dean DePountis, the member, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Lindsay Schaff, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:22 A.M. The meeting returned to Open Session at 9:59 A.M.

MS. WASSIM MOVED TO AFFIRM THE DENIAL OF THE REPAYMENT PROPOSED BY THE MEMBER, WHICH IS TO ONLY PAY PREMIUMS DUE RETROACTIVE TO JANUARY 1, 2022, RATHER THAN JANUARY 1, 2021. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Wilke, Senator Dever, Ms. Goodhouse, Representative Anderson, and Chairperson Rindy

Nays: Mr. Adam Miller, Ms. Kelsch, Ms. Smith, and Ms. Wassim

Absent: None

MOTION PASSED

Chairperson Rindy called for any other business or comments.

The Board had been monitoring the blizzard conditions and agreed with Mr. Scott Miller that it was prudent to close the office and send NDPERS staff home before road conditions and visibility worsened.

Due to weather conditions and the closing of the office, the meeting of the Executive Director Performance Review & Compensation Committee that was scheduled for this morning was canceled and will be rescheduled for the week of April 18th.

With no further business, the meeting was adjourned at 10:03 A.M.

Prepared by,

Jan Lund
Assistant to the Board