

MINUTES

North Dakota Public Employees Retirement System VIA TELECONFERENCE Tuesday, April 13, 2021 8:30 A.M.

Members Via Phone: Chairperson Mona Rindy
Senator Tim Mathern
Representative Jason Dockter
Mr. Adam Miller
Ms. Casey Goodhouse
Ms. Kim Wassim
Mr. Troy Seibel
Mr. Dirk Wilke
Ms. Yvonne Smith

Others Via Phone: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Shawna Piatz, NDPERS
Dr. Jesse Rue, ND Pharmacist Association

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. The meeting was held by teleconference; roll call was taken, and a quorum was present.

Chairperson Rindy called for any questions or comments regarding the minutes of the March 2 Special Meeting, March 9 Regular Meeting, and March 24 Special Meeting.

MS. WASSIM MOVED TO APPROVE THE MINUTES OF THE MARCH 2, 2021 SPECIAL MEETING, MARCH 9, 2021 REGULAR MEETING, AND MARCH 24, 2021 SPECIAL MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

About the Patient Diabetes Management Program Annual Report

Ms. Rebecca Fricke provided background of the About the Patient Diabetes Management Program. NDPERS partners with the North Dakota Pharmacy Association in accordance with N.D.C.C. 54-52.1 to provide the diabetes management program to members who have been diagnosed with diabetes based on charge codes. Ms. Fricke introduced Dr. Jess Rue who provided the About the Patient Annual Report. The program calendar is segmented into three equal blocks of time. When qualifying visits occur during each block, the reimbursement is rewarded. Dr. Rue reviewed member satisfaction data from 2020. Despite the effect COVID-19 had on activities throughout 2020, the About The Patient program participation increased by 5% last year. Dr. Rue thanked NDPERS and insured members for their patience, resiliency, and flexibility with the challenge over the past year. The Annual Report included information on medication related problems, interventions, and key health indicators such as A1c and hypertension. Dr. Rue outlined efforts to increase awareness through marketing, website, and other methods of communication and a transition to technological solutions to improve care. He concluded the presentation with an overview of the program budget and the downstream

impact on lives and expenses of insured members, specifically complications of diabetes such as ischemic heart disease, heart attack, chronic heart failure, stroke, amputations, blindness, and renal impairment. Discussion followed.

Ms. Fricke noted that in 2022 we will have three full years of data and it would be an appropriate time to do a study to look at the return on investment of the program.

The cost to continue the program with the Pharmacy Association for the 2021-2023 biennium is \$354,000, an increase of \$4,000 from the current biennium. Discussion followed.

MS. SMITH MOVED TO APPROVE THE COST NOT TO EXCEED \$354,000 FOR THE ABOUT THE PATIENT DIABETES MANAGEMENT PROGRAM FOR THE 2021-23 BIENNIUM. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Ms. Goodhouse, Mr. Wilke, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern and Representative Dockter

MOTION PASSED

RETIREMENT

457 Companion Plan & 401(a) Plan 4th Quarter 2020 Report

Mr. Bryan Reinhardt presented the 4th Quarter Investment Report for the 457 Companion Plan & 401(a) Plan. The plans have a combined total of 8,497 participants with about \$187 million in assets. All fund benchmarks for the quarter were all positive. Core fund performance was mixed when compared to their benchmarks and peer funds. Index funds are expected to slightly underperform their benchmarks because of fund administrative fees. The NDPERS Investment Subcommittee reviewed the 4th quarter 2020 plan review. There are no recommendations at this time. Discussion followed. The report was informational only.

Job Service Plan Asset Allocation

Mr. Reinhardt reported the market value of the Job Service closed retirement plan assets as of December 2020 was \$97 million and had about 182 retirees and 5 active contributing members. The fund manager of the plan proposed a small change to the asset allocation that still maintains the 20/80 allocation. The recommendation is to move equity assets to the global category as the equity allocation is currently overweight in US stocks. The recommendation also moves fixed income assets out of the Limited Duration category and spreads them into Core Fixed Income and Short-Term Corporate Fixed Income. The Investment Subcommittee reviewed this information and recommends the approval of Portfolio A as outlined in the board materials.

MS. SMITH MOVED TO APPROVE THE UPDATED JOB SERVICE INVESTMENT POLICY TO INCLUDE THE PORTFOLIO A ADJUSTMENT. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern and Representative Dockter

MOTION PASSED

Survey Results for 401(a) Defined Contribution and 457 Companion Plans

Ms. Fricke reviewed results of the 2021 survey and noted that the response rate decreased since last conducted three years ago. She provided information about the number of email invitations sent, the number of opened and unopened emails, and total responses, and comments received for both the 457 Deferred Compensation and 401(a) Defined Contribution plans. Responses for the 401(a) Defined Contribution plan indicated several positive trends. The information was shared with TIAA. Discussion followed.

Disability Consultant Renewal Agreement

At the March meeting, the Board approved the renewal of the disability consultant contract. Ms. MaryJo Anderson presented the 2-year contract for the Board's consideration. The medical consulting agreement was reviewed and approved by legal counsel and Mid Dakota Clinic.

MS. WASSIM MOVED TO APPROVE THE DISABILITY CONSULTANT RENEWAL AGREEMENT WITH MID DAKOTA CLINIC EFFECTIVE JULY 1, 2021 AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Ms. Goodhouse, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern and Representative Dockter

MOTION PASSED

GROUP INSURANCE

Employee Assistance Program (EAP) Utilization Report 2020

Mr. Reinhardt shared the 2020 EAP report and pointed out the overall utilization rate of 6.5%. The utilization rate has held steady since 2015. He noted that the provider rate hasn't been increased for several years. Bryan outlined the process for EAP providers to present their information to agencies, and when and how agencies select their EAP provider. Discussion followed.

Medicare Part D Plan Request For Proposal RFP

Mr. Reinhardt provided the proposed timeline for the RFP for the retiree prescription drug plan. The new 6-year period of the Medicare Part D Plan begins on January 1, 2022. Legal counsel

has reviewed the contract portion of the RFP. A copy of the Request for Proposal was provided in the board materials. Discussion followed.

MS. SMITH MOVED TO APPROVE THE MEDICARE PART D PLAN (EGWP) REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Ms. Wassim, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern and Representative Dockter

MOTION PASSED

American Rescue Plan Act Update (ARPA)

Ms. Fricke updated the Board on the two areas of the American Rescue Plan Act that impact NDPERS.

The COBRA premium subsidy for health, dental and vision insurance plans is in the works. To comply with the mandatory provision of the ARPA, a team has been working on the communication that will go out by mail to identified individuals. The target date for the mailing is early to mid-May. Staff has also been working with OMB and High Ed on the best way to handle the COBRA billing and tax credit that was discussed at the last board meeting.

By Board Action, the FlexComp Plan was opened to allow the dependent care spending account limit to be increased from \$5,000 to \$10,500 for the calendar year 2021 in accordance with ARPA. Staff is working with Sagitec to revise PERSLink for a special election period and with ASIFlex to communicate with participating members. Ms. Fricke shared a timeline for work efforts. She reported that 80 enrollment forms have been received so far.

The Board took a brief break from 10:00 A.M. TO 10:10 A.M. The Meeting resumed at 10:10 A.M., roll call was taken, and a quorum was present. Senator Mathern joined the meeting at 10:10, Representative Dockter was not present.

MISCELLANEOUS

Quarterly Consultant Fees

Mr. Derrick Hohbein presented the quarterly report for consulting, investment and administrative fees paid during 1st Quarter 2021.

CliftonLarsonAllen Contract

Mr. Hohbein outlined the work effort with the Office of the State Auditor for the Request for Proposal to provide financial statement audits for the fiscal years ending June 30, 2021 and June 30, 2022. The Office of the State Auditor awarded the contract to CliftonLarsonAllen (CLA). Staff is pleased that CLA will be retained and that the fees for their service reflects a reduction.

SENATOR MATHERN MOVED TO APPROVE THE CLIFTONLARSONALLEN CONTRACT AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Ms. Goodhouse, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Representative Dockter

MOTION PASSED

Office Relocation Update

Mr. Hohbein updated the Board on activity related to the office relocation specific to preparing the visitor meeting rooms and modifications to the front office/reception area. He presented several quotes for procuring materials and services related to the construction. He also reviewed costs for services of a moving company and for procurement of furnishings for the hoteling area. Details were provided in the board materials. Commerce may be providing NDPERS with some office furnishings and cubicle pieces for the hoteling area; if so, it may significantly reduce costs to make the office space more closely fit our needs. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE COST PROPOSALS NUMBERED 1 THROUGH 8 AS PRESENTED AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY SENATOR MATHERN.

Ayes: Ms. Goodhouse, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Representative Dockter

MOTION PASSED

Mr. Wilke left the meeting at 10:50 AM, Senator Mathern left the meeting at 11:09 AM.

Audit Committee Minutes, Charter Matrix, and Audit Plan

Ms. Shawna Piatz provided the minutes of the November meeting of the Audit Committee, the 2020 Charter Matrix, and the updated annual Audit Plan.

Legislation

Mr. Scott Miller updated the Board on the status of several tracked bills, a few them are still moving through the legislative process. The bill tracking matrix was included in the board materials.

Executive Director Performance Review and Compensation Committee

Mr. Miller provided background about the Executive Director evaluation process. The Board will return the completed evaluation form to Jan Lund. A committee of three will review the Board responses, a self-evaluation from Scott, and a short evaluation from the Chief Audit Officer. The committee will meet with Scott to discuss the evaluation and bring a recommendation to the full Board at the May meeting.

Kim Wassim, Adam Miller, Casey Goodhouse, and Mona Rindy volunteered to serve on the Executive Director Performance Review and Compensation Committee. Jan Lund will check availability and schedule the meeting.

Assurance NM Testing

Mr. Miller conducted a test of the emergency notification system.

MEMBER

Retirement Appeal Cases 674 and 676

These agenda items were noticed for Executive Session.

MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C §44-04-19.2 AND §44-04-19.2 (1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR MEMBER APPEAL CASES 674 AND 676. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Representative Dockter, Mr. Wilke, and Senator Mathern

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:18 A.M. The members were present via phone for their individual cases. Representative Dockter joined the meeting at 11:46 A.M.

The meeting returned to Open Session at 11:55 A.M.

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT CASE #674. THE MOTION WAS SECONDED BY MR. SEIBEL.

Ayes: Mr. Seibel, Ms. Wassim, Ms. Goodhouse, and Ms. Smith

Nays: Mr. Adam Miller and Chairperson Rindy

Abstain: Representative Dockter

Absent: Senator Mathern and Mr. Wilke

MOTION PASSED

MR. SEIBEL MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT CASE #676. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Adam Miller, Mr. Seibel, Ms. Wassim, Representative Dockter, Ms. Goodhouse, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Mathern and Mr. Wilke

MOTION PASSED

Chairperson Rindy called for any other business or comments. Hearing none, the meeting was adjourned at 12:02 P.M.

Prepared by,

Jan Lund
Assistant to the Board