

MINUTES

**North Dakota Public Employees Retirement System
VIA TELECONFERENCE
Tuesday, January 12, 2021
1:00 P.M.**

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

Others Via Phone: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Mark Keller, Delta Dental

Chairperson Mona Rindy called the meeting to order at 1:00 P.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 December 8, 2020 Board Meeting.

MS. WASSIM MOVED TO APPROVE THE MINUTES OF THE DECEMBER 8, 2020 BOARD MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Delta Dental

Mr. Mark Keller provided an update to the NDPERS Dental Plan. He highlighted achievements made since 2013. Dental premium rates have remained stable with only a 4 percent increase over the 9-year period. The Plan has a 63 percent growth in enrollment demonstrating participant satisfaction with the dental plan and premium. Mr. Keller discussed operational performances that measured achievement and satisfaction with claims processing and with call center activity. Mr. Keller briefly reviewed the Delta Dental Premier and Delta Dental PPO networks and the value that networks bring in savings for NDPERS members. Since 2013, the member savings has totaled \$17.3 million. He noted that 100% of provider savings is given to members and Delta Dental doesn't retain or hold back any savings. Mr. Keller gave an update on changes providers have made in the dental offices due to COVID-19.

RETIREMENT

Retiree Health Insurance Credit (RHIC) Investment Policy

Mr. Bryan Reinhardt shared the RHIC investment policy that was red-lined with the updates approved at the December Board Meeting. The policy has been sent to the State Investment Board to act at their next meeting.

MS. WASSIM MOVED TO ADOPT THE RETIREE HEALTH INSURANCE CREDIT (RHIC) INVESTMENT POLICY. 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

Investment Consultant Contract

Mr. Reinhardt presented a draft of the two-year contract with Callan for Investment Consultant Services. The contract is a state contract with minor changes and has been reviewed by legal counsel. The contract is ready for the board's consideration. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE INVESTMENT CONSULTANT CONTRACT WITH CALLAN AS PRESENTED AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

GROUP INSURANCE

Sanford Health Plan (SHP) Contract

Mr. Scott Miller reported that the administrative service agreement with Sanford Health Plan has been reviewed by Sanford legal staff and PERS legal counsel and is ready for Board approval.

MR. WILKE MOVED TO APPROVE THE ADMINISTRATIVE SERVICE AGREEMENT WITH SANFORD HEALTH PLAN AND TO AUTHORIZE THE CHAIRPERSON TO SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

MISCELLANEOUS

Comprehensive Annual Financial Report (CAFR)

Mr. Derrick Hohbein stated the Comprehensive Annual Financial Report (CAFR) has been completed and the full report is available on the NDPERS website. The report details financial, investment, actuarial, and statistical information for plans administered by NDPERS. Notification has been sent to each participating employer. The report was submitted to the Government Finance Officers Association with an application for the GFOA Certificate of Excellence in Financial Reporting. There were no questions about the CAFR. The board congratulated staff on receiving the award for the past 25 years.

Quarterly Consultant Fees

Mr. Hohbein shared the quarterly consultant fee report for the period ending December 2020. The report shows consulting, investment, and administrative fees paid; nothing out of the ordinary was reported. There were no questions from the Board.

Audit Committee Member Appointment

Ms. Shawna Piatz informed the Board of a vacant position on the Audit Committee. The Board discussed options. Because Senator Mathern was not present to participate in the discussion, the Board elected to table action until the February Board Meeting when Senator Mathern will be in attendance.

Annual Communication Plan

Ms. Aime Miller summarized the 2021 comprehensive communication plan. The plan ensures NDPER's communications with members and employers are proactive and effective.

HR Policy Manual Update

Mr. Scott Miller provided an overview of changes staff is proposing to the Human Resource Policy Manual. The proposed changes include a new chapter addressing Teleworking and a Teleworking Agreement. The changes were reviewed by HRMS and legal counsel. NDIT has reviewed the changes in Chapter 2.1 relating to computer use and cyber security. A red-lined copy of proposed changes, the Teleworking Agreement, and the full HR Policy Manual were included in the board materials.

MS. WASSIM MOVED TO APPROVE THE HUMAN RESOURCE POLICY MANUAL CHANGES. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Mr. Wilke and Senator Mathern

MOTION PASSED

Office Lease

At the November meeting, Mr. Miller informed the Board that staff had been assessing the current office space as a part of the budgeting process. At that time staff became aware of alternate office space that may suit our needs and offer lower rent. The Board provided guidance to the staff on how to proceed.

Staff found space in a state-owned building that will be available when the lease at the current location expires at the end of the biennium. With a few modifications, the office space will be perfectly suited to the needs of staff and members and meets security and confidentiality needs. The footprint will be reduced by half with significantly less rent. To facilitate the office move, it will be necessary to enter into a short-term month-to-month lease arrangement at the current location.

Mr. Miller presented a proposed 2-year lease for 6,000 square feet of office space at the Workforce Safety and Insurance building at 1600 East Century Avenue. Suite 2 has a roomy reception area and will offer 3 individual rooms for staff to meet with members, as well as a large conference room. The public side will be separated from the back office by a secured door. NDPERS will have use of the WSI Board Room and a large multi-purpose room in the lower level. The board materials included the proposed lease and a diagram of the office space. Discussion followed.

MS. GOODHOUSE MOVED TO APPROVE THE OFFICE LEASE AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN. THE MOTION WAS SECONDED BY MS. WASSIM.

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

Nays: None

Absent: Representative Dockter and Senator Mathern

MOTION PASSED

Legislation

Mr. Scott Miller reported on the status of thirty or more bills that would affect NDPERS. He shared brief summaries of those bills and the effect of each proposed legislation. He reported that Deloitte Consultants has provided an actuarial review of some of the proposed legislation as it relates to actuarial impact to the Uniform Group Health Insurance Program administered by NDPERS. Mr. Miller noted that some bills are so complex an actuarial analysis is not possible.

The Board discussed the bills and provided guidance to staff about which legislation to be in support of, where to remain neutral, and which bills they are in opposition to.

Educational Opportunities

Mr. Miller provided a list of pension- and benefit-related organizations that provide educational opportunities. Some of the upcoming offerings are virtual, making participation very cost effective. NDPERS budgets for one out-of-state educational event per biennium for each Board member. Virtual, webinar-type opportunities are relatively inexpensive, so Board members could participate in nearly any number of them. Mr. Miller provided comments regarding the focus of the organizations and associated costs of seminars and conferences.

If Board Members are interested in any of the educational opportunities, they should contact Scott or Jan.

September 2021 Board Meeting Date

The date of the September meeting was approved for the first Tuesday of the month. Board Action was requested to change the date to September 14, 2021 to align with the regular schedule of meetings held on the second Tuesday each month.

MS. SMITH MOVED APPROVAL TO CHANGE THE DATE OF THE SEPTEMBER BOARD MEETING DATE TO THE SECOND TUESDAY ON SEPTEMBER 14, 2021. THE MOTION WAS SECONDED BY MS. WASSIM.

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

Nays: None

Absent: Representative Dockter and Senator Mathern

MOTION PASSED

Strategic Plan Update

Mr. Miller provided an updated strategic plan and highlighted progress made toward completing goals for 2020. He noted that items in red on the strategic plan document indicate new goals for a 3-year period beginning with 2021.

It was the consensus of the Board to move forward with the updated strategic plan as presented.

Assurance NM Testing

A message was sent electronically to Board Members to test the emergency/disaster recovery communication software. Board Members were asked to report if they did not receive the message.

The Board took a brief break from 2:48 P.M. TO 2:58 P.M. The Meeting resumed at 3:00 P.M., a quorum was present.

MEMBER

Retirement Appeal Cases 658, 659, 661, 662

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 658, 659, 661 AND 662. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: Representative Dockter 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 3:02 P.M. Trustees Mathern and Dockter were not present.

Mr. Seibel left the meeting at 3:22 P.M.

Senator Mathern and Representative Dockter joined the meeting at 3:46 P.M.

The Closed Session ended at 4:04 P.M.

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT PAYMENT IN MEMBER APPEAL CASE #658. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: Mr. Seibel

Abstain: Senator Mathern and Representative Dockter

MOTION PASSED

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT PAYMENT IN MEMBER APPEAL CASE # 659. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Mr. Seibel

Abstain: Senator Mathern and Representative Dockter

MOTION PASSED

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT PAYMENT IN MEMBER APPEAL CASE # 661. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Mr. Seibel

Abstain: Senator Mathern and Representative Dockter

MOTION PASSED

MS. WASSIM MOVED TO DENY THE MEMBER'S REQUEST TO APPEAL THE DENIAL OF THE RETIREMENT BENEFIT PAYMENT IN MEMBER APPEAL CASE # 662. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

After discussion on the motion, Ms. Wassim withdrew the motion at 4:39 P.M. Retirement Appeal Case #662 will be brought back to the February Board Meeting to allow time for the attorney to research the appeal.

Chairperson Rindy called for any other business or comments.

Mr. Scott Miller suggested that the Board consider discussing the appointment to the Audit Committee since Senator Mathern and Representative Dockter were now in attendance. Discussion followed.

MS. WASSIM MOVED TO APPOINT SENATOR MATHERN TO THE AUDIT COMMITTEE. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Mr. Seibel

MOTION PASSED

Chairperson Rindy again called for any other business or comments. Hearing none, the meeting was adjourned at 4:44 P.M.

Prepared by,

Jan Lund

Assistant to the Board