

MINUTES

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

Members in Person: Chairperson Mona Rindy
Senator Dick Dever
Ms. Kim Wassim
Mr. Adam Miller

Members Via Teams: Ms. Yvonne Smith
Representative Pamela Anderson
Mr. Dirk Wilke
Mr. Troy Seibel
Ms. Casey Goodhouse

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Aime Miller, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Dean DePountis, Office of Attorney General

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

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

SENATOR DICK DEVER MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 8, 2022, BOARD MEETING. THE MOTION WAS SECONDED BY MR. ADAM MILLER AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Electronic Board Election Demonstration

At the September meeting, the Board supported exploring functionality in the PERSLink Business System to conduct board elections electronically. The staff has nearly finalized the election process. Ms. Aime Miller shared a tentative timeline for the 2022 election process and provided a demonstration of the voting feature in Member Self Service.

RETIREMENT

457 Companion Plan & 401(a) Plan 4th Quarter 2021 Report

Mr. Bryan Reinhardt presented the 3rd Quarter Investment Report for the 457 Companion Plan & 401(a) Plan.

The 401(a) plan has 90 active participants and assets increased to \$20.3 million on

December 31, 2021. The 457 Companion Plan has 6,041 active participants and assets increased to \$196.9 million on December 31, 2021.

The Investment Subcommittee reviewed the 4th quarter 2021 plan review and field activity report with TIAA. Callan Consultants gave a market overview and investment performance report. The investment subcommittee recommends taking action on two funds. Callan reviewed the NDPERS core fund offerings, and the investment subcommittee is working on a plan for the core fund offerings for the next bid. When changes are made, TIAA is notified, and the information is posted to the NDPERS website.

MS. WASSIM MOVED TO APPROVE THE RECOMMENDATION OF THE INVESTMENT SUBCOMMITTEE TO PUT ALLSPRING GROWTH FUND ON FORMAL FUND REVIEW AND REMOVE PGIM JENNISON MID-CAP GROWTH FUND FROM FORMAL FUND REVIEW. THE MOTION WAS SECONDED BY SENATOR DICK DEVER.

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

Nays: None

Absent: None

MOTION PASSED

GROUP INSURANCE

FlexComp Plan Renewal

Ms. Rebecca Fricke presented a renewal rate confirmation from ASIFlex for the FlexComp Plan. The renewal rate represents a hold-even cost and ASIFlex has had a satisfactory survey. Staff recommends amending the current contract to continue with ASIFlex for the final two-year period available for contracting with ASIFlex as a part of the bid process.

SENATOR DICK DEVER MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH ASIFLEX FOR THE JANUARY 1, 2023, THROUGH DECEMBER 31, 2024, CONTRACT PERIOD. THE MOTION WAS SECONDED BY MS. WASSIM.

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

Nays: None

Absent: None

MOTION PASSED

Sanford Health Plan 2022 Member Survey

Sanford Health Plan is working with staff to prepare for the distribution of the 2022 Member Experience Survey that measures member satisfaction. Ms. Fricke reviewed the survey goals, targets, survey questions, and timeline.

The Board had questions regarding terminology in the survey. Dakota Plan is the name for actives and Dakota Retiree is the name for the retiree group. Both trade names are registered with the Secretary of State.

Dental Plan Renewal

Ms. Fricke presented a renewal rate confirmation from Delta Dental. The renewal rate represents a no more than 3 percent premium rate cap guarantee for January 1, 2023, through December 31, 2024, contract period. Staff recommends amending the current contract to continue with Delta Dental for the third and final two-year period available for contracting with Delta Dental as a part of the bid process. It was noted that participation in the dental plan increased during annual enrollment for the 2022 plan year by 233 members with a total of 12,440 participants.

MS. WASSIM MOVED TO APPROVE THE STAFF'S RECOMMENDATION TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH DELTA DENTAL FOR THE JANUARY 1, 2023, THROUGH DECEMBER 31, 2024, CONTRACT PERIOD. THE MOTION WAS SECONDED BY SENATOR DICK DEVER.

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

Nays: None

Absent: None

MOTION PASSED

Sanford Health Claims Review

Mr. Bryan Reinhardt presented the results of the 2021 Sanford Health Plan claims review. The audit was conducted by Bryan Reinhardt and Shawna Piatz on January 13, 2022, at the SHP office in Fargo. The audit was a select sample of 100 claims from specific areas that staff felt needed to be looked at. Mr. Reinhardt reviewed the errors found in the audit sample. Discussion followed.

Employee Assistance Program 2021 Utilization Report

Mr. Reinhardt shared the Employee Assistance Program (EAP) report. The EAP program is confidential, and the data presented represents self-reported utilization in an aggregate report. The overall utilization rate is 6.1%, which is a good level.

Insurance Consultant Request For Proposal

Mr. Reinhardt shared a proposed timeline for the Request for Proposal for an Insurance Consultant. The consultant conducts the Life, Dental, and Vision group insurance program RFPs. The RFP as presented required the consultant to be onsite during the interview process. There would be savings on the bid if the interviews were allowed to be virtual recognizing savings on travel expenses. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE INSURANCE CONSULTANT REQUEST FOR PROPOSAL AND ADD LANGUAGE ALLOWING THE VENDOR TO VIRTUALLY ATTEND THE BOARD MEETING. THE MOTION WAS SECONDED BY MR. ADAM MILLER.

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

Nays: None

Absent: Mr. Seibel

MOTION PASSED

MISCELLANEOUS

Legislative Management Information Request

Mr. Miller noted that this agenda item was noticed for Executive Session should the Board wish to consult with its attorney.

Mr. Miller provided background regarding the Legislative Interim Retirement Committee's study to close the Main NDPERS DB/Hybrid plan. He explained NDPERS sticking points in the contract between Legislative Council and Milliman (for actuarial services). The contract terms NDPERS cannot agree to are related to the arbitration clause and the low limitation of liability. In addition, N.D.C.C 54-52-26 prohibits NDPERS from giving the confidential census data that Milliman requests. Scott and Dean DePountis will continue working with Jennifer Clark on the areas of concern.

THE BOARD PROVIDED DIRECTION TO STAFF ON HOW TO PROCEED.

Legislative Relations

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

Contracts Under \$10,000

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

Proposed Legislation

Mr. Scott Miller provided a copy of the bill draft to modify the calculation of the final average salary. The bill draft has been reviewed by Attorney DePountis. This is the only bill that will be submitted to the Employee Benefits Programs Committee for legislative consideration. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE PROPOSED BILL TO MODIFY THE CALCULATION OF FINAL AVERAGE SALARY FOR SUBMISSION TO THE EMPLOYEE BENEFITS PROGRAMS COMMITTEE. THE MOTION WAS SECONDED BY MR. ADAM MILLER.

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

Nays: None

Absent: None

MOTION PASSED

Audit Committee Report

Ms. Shawna Piatz shared the approved minutes from the November 16, 2021, Audit Committee Meeting; the minutes are also posted on the NDPERS website. Per the Audit Committee Charter, the Charter Matrix was updated and approved at the February 2022 meeting. The next meeting is scheduled for May 16, 2022.

The Board took a short break at 10:10 A.M. The Board Meeting resumed at 10:20 A.M., and a quorum was present.

MEMBER

Hardship Withdrawal Case #727

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 727. THE MOTION WAS SECONDED BY SENATOR DICK DEVER.

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

Nays: None

Absent: None

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 10:21 A.M.

The meeting returned to Open Session at 10:38 A.M.

MS. WASSIM MOVED TO APPROVE A HARDSHIP WITHDRAWAL IN THE AMOUNT OF \$940.63 NET OF TAXES UP TO A MAXIMUM OF THE MEMBER'S ACCOUNT BALANCE. THE MOTION WAS SECONDED BY SENATOR DICK DEVER.

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

Nays: None
Absent: None

MOTION PASSED

Chairperson Rindy called for any other business or comments.

Mr. Troy Seibel updated the Board regarding the recent Special Meeting of the State Investment Board (SIB). The SIB took action to divest Russian-related investments. SIB manages the investments of the NDPERS trusts. Mr. Seibel wanted to make the Board aware that approximately \$10 million of trust assets cannot be divested any further, but the amount represents less than one percent of the total portfolio.

With no further business, the meeting was adjourned at 10:45 A.M.

Prepared by,

Jan Lund
Assistant to the Board