

## MINUTES

**North Dakota Public Employees Retirement System  
SPECIAL MEETING  
Thursday, October 19, 2023  
9:30 A.M.**

Members by Teams: Chairperson Mona Rindy  
Ms. Casey Goodhouse  
Rep. Greg Stemen  
Mr. Adam Miller  
Mr. Tyler Erickson  
Ms. Claire Ness  
Mr. Dirk Wilke  
Ms. Yvonne Smith

Other present: Mr. Scott Miller, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Ms. Katheryne Korom, NDPERS  
Mr. Dean DePountis, Office of Attorney General  
Mr. Bob Klausner, Law Office of Klausner, Kaufman,  
Jensen & Levinson

Chairperson Rindy called the meeting to order at 9:30 A.M. Roll call was taken, and a quorum was present. The meeting was held virtually by Teams.

Chairperson Rindy called for questions or comments regarding the September 12, 2023, meeting minutes. The question was raised about which board members should vote on the approval of minutes for a meeting that not all were a party to. For administrative purposes to keep the meeting moving, Dean DePountis said all board members can be allowed to vote.

**MS. NESS MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 12, 2023, MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.**

### **CONFLICT OF INTEREST DISCLOSURE CONSIDERATION**

Ms. Claire Ness submitted the following disclosure: *Out of an abundance of caution, I am redisclosing a matter that is no longer pending before the PERS Board. The Attorney General's Office represented the Legislative Assembly in the now-concluded litigation initiated by PERS regarding the now-voided Senate Bill 2015 (2023). As the litigation is completed and the relevant legislation was voided completely by the Supreme Court, the scope of the conflict pertains to past events. The Attorney General's Office assesses its representation on a case-by-case basis. There were no questions from the board and no action was taken.*

### **DEFERRED COMPENSATION / DEFINED CONTRIBUTION**

HB 1040 Implementation Update

Ms. Rebecca Fricke provided an update on ongoing activities to implement the provisions of HB 1040 to close the Defined Benefit Plan by January 1, 2025.

She provided a comprehensive overview of the RFP process for the recordkeeper, recruiting efforts for the Defined Contribution programs manager, PERSLink business system programming, Administrative Rules, and ongoing work with Ice Miller consultants related to provisions of participation in the Defined Contribution plan.

## **DEFINED BENEFIT**

### Job Service COLA

Ms. MaryJo Anderson stated the plan document for the Retirement Plan for Employees of Job Service North Dakota allows for a Cost Of Living Increase for annuitants based on the Consumer Price Index. The Plan practice has been to provide COLAs consistent with the Federal Civil Service Plan. The COLA index for the Federal Civil Service Plan is 3.20% which represents a loss to the system. Discussion followed.

**MR. WILKE MOVED TO APPROVE A 3.2% COST OF LIVING INCREASE (COLA) FOR JOB SERVICE PLAN ANNUITANTS. THE MOTION WAS SECONDED BY MS. NESS.**

**Ayes:** Mr. Erickson, Mr. Adam Miller, Representative Stemen, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Chairperson Rindy

**Nays:** None

**Absent:** None

## **MOTION PASSED**

## **GROUP INSURANCE / FLEXCOMP**

### Uniform Group Insurance Consultant Request For Proposal Update

This agenda item was noticed for Executive Session to discuss proposals received.

**MR. ERICKSON MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §§ 44-04-17.1(2) AND (5), 44-04-18.4(6), AND 44-04-19.2(1) TO REVIEW BIDS OR PROPOSALS RECEIVED BY A PUBLIC ENTITY IN RESPONSE TO A REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Erickson, Mr. Adam Miller, Representative Stemen, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, 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, Katheryne Korom, Jan Lund, and Brittany

Berreth, were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:04 A.M. The meeting returned to Open Session at 10:20 A.M.

**DIRECTION WAS GIVEN TO STAFF ON HOW TO PROCEED WITH THE REQUEST FOR PROPOSAL.**

Update from Sanford Health Plan Regarding Humira

Ms. Fricke reported that Sanford Health Plan (SHP) provided information regarding a change that they will be implementing effective December 1, 2023 for the prescription drug Humira. The change will remove Humira as a preferred drug on the NDPERS formulary and three biosimilar therapies will be added as preferred options. Notification was sent to the 169 impacted members.

**MISCELLANEOUS**

Quarterly Consultant Fees

Mr. Derrick Hohbein presented a quarterly report showing the consulting, investment, and administrative fees paid during the third quarter. Based on feedback received, the report was rearranged and descriptions were added to make it more informative.

Contracts Under \$10,000

Mr. Scott Miller provided an update on contracts under \$10,000 that he has signed.

November Board Meeting Topics

The board discussed moving agenda topics slated for the November planning meeting to the December board meeting.

**IT WAS THE CONSENSUS OF THE BOARD TO MOVE THE DAY-LONG BOARD PLANNING MEETING TO DECEMBER 12 AND MAKE NOVEMBER 14 A REGULAR BOARD MEETING.**

**The Board took a short break from 10:45 A.M. to 10:55 A.M.**

Committee Assignments

Mr. Scott Miller reviewed the subcommittees of the NDPERS Board, membership, and vacancies on each committee. The board discussed available appointments and considered on which boards they would like to serve.

**REPRESENTATIVE STEMEN MOVED TO REAPPOINT MS. NINA SAND AND TO APPOINT MR. TYLER ERICKSON TO THE AUDIT COMMITTEE, CHAIRPERSON RINDY AND ADAM MILLER TO SERVE ON THE STATE INVESTMENT BOARD AND MS. SMITH AS AN ALTERNATE. THE MOTION WAS SECONDED BY MR. ERICKSON.**

**Ayes:** Mr. Erickson, Mr. Adam Miller, Representative Stemen, Ms. Goodhouse, Ms. Smith, Mr. Wilke, and Chairperson Rindy

**Nays:** Ms. Ness  
**Absent:** None

**MOTION PASSED**

**Chairperson Rindy appointed Mr. Erickson to the Investment Subcommittee with Ms. Goodhouse as the alternate, and Mr. Adam Miller and Mr. Erickson to the Executive Director Performance Review and Compensation Subcommittee.**

Special Session Bill Guidance

Mr. Scott Miller shared information regarding two known bills that will be considered during the Special Session of the Legislative Assembly scheduled to begin on October 23, 2023. Staff asked for guidance from the board on how to approach the bills that may affect NDPERS. Discussion followed.

**MR. WILKE MOVED TO APPROVE A POSITION OF NEUTRAL BUT TO ANSWER QUESTIONS RELATED TO THE EFFECTIVE DATE OF CLOSING THE DEFINED BENEFIT PLAN ON JANUARY 1, 2025. THE MOTION WAS SECONDED BY MS. NESS.**

**Ayes:** Mr. Erickson, Mr. Adam Miller, Representative Stemen, Ms. Ness, Mr. Wilke  
Ms. Goodhouse, Ms. Smith, and Chairperson Rindy  
**Nays:** None  
**Absent:** None

**MOTION PASSED**

**MR. ERICKSON MOVED TO APPROVE A POSITION OF OPPOSITION TO SECTION 56 RELATED TO A MANDATORY ASSUMED RATE OF RETURN IN PROPOSED BILL 23.1153.01900. THE MOTION WAS SECONDED BY MR. ADAM MILLER.**

**Ayes:** Mr. Erickson, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, and Chairperson Rindy  
**Nays:** Representative Stemen, Ms. Ness, and Mr. Wilke  
**Absent:** None

**MOTION PASSED**

**MR. WILKE MOVED TO APPROVE A NEUTRAL POSITION ON THE REMAINDER OF THE BILL. THE MOTION WAS SECONDED BY MS. NESS.**

**Ayes:** Representative Stemen, Ms. Ness, and Mr. Wilke  
**Nays:** Mr. Erickson, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, and Chairperson Rindy  
**Absent:** None

**MOTION FAILED**

**MR. ADAM MILLER MOVED TO TAKE A SILENT POSITION ON THE REMAINDER OF THE BILL. THE MOTION WAS SECONDED BY MR. WILKE.**

**MR. ADAM MILLER REQUESTED THAT HE BE ALLOWED TO WITHDRAW HIS MOTION AND MR. WILKE WITHDREW HIS SECOND. THE BOARD TOOK A VOICE VOTE, THERE WAS NO OBJECTION TO THE REQUEST. THE MOTION AND SECOND WAS WITHDRAWN.**

**MS. GOODHOUSE MOVED TO APPROVE A POSITION OF OPPOSITION TO SECTION 41 RELATED TO THE MAKEUP OF THE NDPERS BOARD. THE MOTION WAS SECONDED BY MS. SMITH.**

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

**Nays:** Representative Stemen, Mr. Erickson, Ms. Ness, and Mr. Wilke

**Absent:** None

**MOTION FAILED**

**The Board took a short break from 12:35 P.M. to 12:40 P.M.**

Litigation Versus Legislative Assembly

Outside counsel, Mr. Bob Klausner, was present via Teams to provide background and a closing summary of the Supreme Court case against the Legislative Assembly. Mr. Klausner provided a final report and answered questions from the board. Discussion followed.

With no further agenda items to discuss, Chairperson Rindy adjourned the meeting at 1:14 P.M.

Prepared by,

Jan Lund  
Assistant to the Board