

MINUTES

North Dakota Public Employees Retirement System Tuesday, September 13, 2022 8:30 A.M.

Members Present: Chairperson Mona Rindy
Senator Dick Dever
Ms. Yvonne Smith

Members Via Teams: Representative Pamela Anderson
Mr. Dirk Wilke
Ms. Claire Ness
Ms. Casey Goodhouse
Mr. Adam Miller

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Dean DePountis, Office of Attorney General
Mr. John Snyder, SHP
Mr. Drew Rasmussen, Deloitte Consulting
Mr. Dan Plante, Deloitte Consulting

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 questions or comments regarding the minutes of the August 16, 2022, and August 31, 2022, Special Board Meeting.

SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE AUGUST 16, 2022, AND AUGUST 31, 2022 BOARD MEETINGS. THE MOTION WAS SECONDED BY MS. NESS AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Open Records and Meetings

Assistant Attorney General Dean DePountis provided an educational overview of the laws governing open records, public meetings, closed sessions, and exempt records. He discussed what constitutes a public meeting and a quorum. Discussion followed.

Actuarial Primer

Mr. Scott Miller presented a tutorial on actuarial valuation reports, providing the board with a good understanding of actuarial theories, principles, and terminology. He shared screenshots of the 2020 valuation report for the Main Plan explaining what the numbers represent and provided definitions for valuation-related terms such as smoothing, single discount rate, unfunded liability, and differentiated market value and actuarial value.

The board discussed the primer and the information presented.

GROUP INSURANCE

Health Insurance Renewal: Sanford Health Plan Renewal Presentation

Mr. John Snyder presented a Best And Final Offer of the proposed premium rates for the health plan renewal. Discussion followed.

This portion of the agenda was noticed for Executive Session to discuss negotiating strategy.

MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. § 44-04-19.1(9) AND § 44-04-19.2 TO DISCUSS NEGOTIATING STRATEGY OR PROVIDE NEGOTIATING INSTRUCTIONS TO ITS ATTORNEY OR OTHER NEGOTIATOR. THE MOTION WAS SECONDED BY SENATOR DEVER.

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

Nays: None

Absent: None

MOTION PASSED

All members named above, Deloitte Consulting personnel, attorney Dean DePountis, and NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Lindsay Schaf, Katheryne Korom, Laurie Enzi, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:52 A.M. The meeting returned to Open Session at 10:11 A.M.

REPRESENTATIVE ANDERSON MOVED TO ACCEPT THE BEST AND FINAL OFFER FROM SANFORD HEALTH PLAN AND RENEW THE GROUP HEALTH PLAN WITH SANFORD HEALTH. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: None

MOTION PASSED

Health Plan Request For Proposal Draft

This agenda item was not discussed. The bid process was no longer necessary because the health plan contract was renewed.

THE BOARD TOOK A SHORT BREAK FROM 10:15 AM to 10:28 AM.

DEFERRED COMPENSATION / FLEXCOMP

FlexComp Voluntary Insurance Products

Ms. Rebecca Fricke reported the annual review of vendors for the voluntary insurance products that are approved for pretax premiums has been completed. Five companies, AFLAC, Central United, Colonial Life, Total Dental Administrators, and USABLE, responded and have confirmed the eligibility of their products for pre-tax under the FlexComp Plan. Discussion followed.

MS. SMITH MOVED TO ACCEPT THE RECOMMENDATION OF THE STAFF FOR INCLUSION OF THE PRODUCTS ELIGIBLE TO BE PRE-TAXED FOR THE 2023 FLEXCOMP PLAN YEAR. THE MOTION WAS SECONDED BY SENATOR DEVER.

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

Nays: None

Absent: None

FlexComp Plan Document

Ms. Rebecca Fricke reviewed minor edits suggested by the current vendor, ASIFlex. Staff has reviewed the edits with the consultant and requested the board's consideration and approval.

MS. NESS MOVED TO ACCEPT THE UPDATES TO THE NDPERS FLEXCOMP PLAN DOCUMENT EFFECTIVE JANUARY 1, 2023. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: None

MOTION PASSED

457 Deferred Compensation Provider Processes

Mr. Scott Miller updated the board on activity since the last board meeting regarding issues with Waddell & Reed. He reported there are currently 89 members actively contributing to this provider and 71 who are no longer actively contributing but still have funds in a provider account. Ms. Robin Mistelski provided an update regarding Lincoln Financial. Discussion followed.

SENATOR DEVER MOVED TO REMOVE ACTIVE PROVIDER STATUS TO WADDELL & REED/ FIDUCIARY TRUST COMPANY OF NEW HAMPSHIRE (FTC) ALLOWING NO NEW ENROLLMENT TO THIS 457 PROVIDER. THE MOTION WAS SECONDED BY MS. NESS.

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

Nays: None

Absent: None

MOTION PASSED

RETIREMENT

Job Service Plan Asset Allocation

The Retirement & Investment Office reviewed the board-approved policy from the June meeting and offered recommendations. The recommendations were reviewed by the Investment Subcommittee at their August meeting. The revised Job Service Plan Asset Allocation was presented to the board for consideration and approval.

SENATOR DEVER MOVED TO ACCEPT THE UPDATE TO THE JOB SERVICE INVESTMENT POLICY AND GIVE AUTHORITY TO THE EXECUTIVE DIRECTOR TO SIGN THE DOCUMENT. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: None

MOTION PASSED

Investment Report Quarter 2

A summary of the 457 Companion Plan & 401(a) Plan 2nd Quarter 2022 Report was presented by Mr. Scott Miller. He highlighted benchmarks and fund/investment news.

Investment Options Summary Book

The Investment Options Summary for the NDPERS 457 Deferred Compensation Plan has been updated and will be available on the website soon. It was noted that when a decision is made on the provider status of Waddell & Reed, the investment options summary will be placed on the NDPERS website.

MISCELLANEOUS

Audit Committee Report

The Audit Committee minutes were shared with the board.

Budget Status

Mr. Scott Miller provided a summary of the current budget as of June 30, 2022. Finances are on track with 52% of appropriations remaining for the second half of the biennium.

Special Board Election

The timeline for the Special Election was reviewed. The board discussed what the process would be should there not be any candidates.

Legislative Relations/Update

Mr. Scott Miller informed the board that he will be explaining the PBM bill draft before the Health Care Committee on September 15th. The Retirement Committee is scheduled to meet on September 23rd, the agenda has not been posted.

Contracts Under \$10,000

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

Board Self-evaluation

Mr. Scott Miller provided an overview of the board's self-evaluation process and proposed a timeline for the survey to go out and results reviewed. Discussion followed.

Chairperson Rindy called for any other business or comments. With no further business, the meeting was adjourned at 11:20 A.M.

Prepared by,

Jan Lund
Assistant to the Board