

MINUTES
Special Meeting
North Dakota Public Employees Retirement System
ND Association of Counties, Bismarck
Thursday, September 29, 2017
8:30 A.M.

Members Present: Senator Dick Dever
Ms. Casey Goodhouse
Mr. Troy Seibel
Ms. Kim Wassim
Mr. Adam Miller
Mr. Dirk Wilke
Ms. Yvonne Smith
Chairman Mark Dosch

VIA Conference phone: Representative Pamela Anderson
Chairman Mark Dosch
Ms. Amy Williams, GRS
Mr. Lance Weiss, GRS

Others Present: Mr. Sparb Collins, NDPERS
Ms. Jan Lund, NDPERS
Ms. Sharon Schiermeister, NDPERS
Ms. Kathy Allen, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Ms. Jan Murtha, Office of the Attorney General

Chairman Dosch called the meeting to order at 8:30 a.m. and turned the meeting over to Mr. Seibel to chair.

PRESENTATIONS

Fiduciary Responsibilities

Ms. Jan Murtha provided a presentation and discussion on Fiduciary Responsibilities of the NDPERS Board of Trustees. The presentation was titled "Public Pension Plans: The Larger View; NDPERS: the Law and Fiduciary Obligations; and Plan Funding". The Board thanked Ms. Murtha for providing the valuable information.

RETIREMENT

Service Purchase Factors

Ms. Schiermeister reported that staff has been working with GRS to finalize the new service purchase factors and cost calculation methodology. Ms. Schiermeister reviewed Board Action from May 2017 adopting a cost calculation method that recognized the additional cost of a service purchase due to the benefit being payable at an earlier age. Staff is asking for Board confirmation regarding: 1) salary increase assumption, 2) interest assumption, 3) mortality rates, 4) cost calculation methodology and 5) plans. GRS provided details and additional information regarding each of the assumptions. Discussion followed.

MS. WASSIM MOVED APPROVAL TO ACCEPT THE SALARY ASSUMPTION THAT VARIES BY AGE TO BE IN LINE WITH TFFR; TO APPROVE THE INTEREST RATE ASSUMPTION OF 7.75 PERCENT; AND TO CONFIRM THAT THE MORTALITY RATES BE CONSISTENT WITH RATES USED FOR THE RETIREMENT BENEFIT OPTION FACTORS, THE COST CALCULATION METHODOLOGY WITH FACTORS FOR PRESENT VALUE OF FUTURE EMPLOYEE CONTRIBUTIONS BE BASED ON REMAINING YEARS UNTIL RETIREMENT AGE, AND THE NEW FACTORS AND COST CALCULATION METHODOLOGY WILL APPLY TO PURCHASE COST REQUESTS RECEIVED ON OR AFTER JANUARY 1, 2018 FOR THE MAIN, JUDGES, LAW ENFORCEMENT, HIGHWAY PATROL AND RETIREE HEALTH INSURANCE CREDIT PLANS. MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: Chairman Dosch

Absent: None

MOTION PASSED

GROUP INSURANCE

Part D Contract

Ms. Allen reviewed the recommendation of the Retiree Subcommittee and the addendum to the EGWP agreement which maintains the current plan design and implements a 5.6% increase effective January 1, 2018. Discussion followed.

MS. SMITH MOVED TO APPROVE THE PART D RENEWAL CONTRACT. MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Ms. Smith, Mr. Seibel, Ms. Wassim, Representative Anderson, Senator Dever, Mr. Miller, Mr. Wilke and Chairman Dosch.

Nays: None

Absent: None

MOTION PASSED

FLEX COMP

WageWorks Contract

Ms. Allen reviewed the Assignment and Assumption Agreement for the FlexComp Plan administrative services and noted that the agreement has been reviewed and approved by PERS legal counsel and the legal counsel for the University System. Discussion followed.

MS. WASSIM MOVED TO APPROVE THE WAGEWORKS CONTRACT FOR ADMINISTRATIVE SERVICES OF THE FLEXCOMP PLAN. MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Ms. Goodhouse, Ms. Smith, Mr. Seibel, Ms. Wassim, Representative Anderson, Senator Dever, Mr. Miller, Mr. Wilke and Chairman Dosch.

Nays: None

Absent: None

MOTION PASSED

The Board took a short wellness break at 10:54 a.m.

RECRUITMENT FIRM INTERVIEW(S)

Mr. Collins provided an overview of the proposal received from EFL to provide recruitment services to NDPERS for the Executive Director position.

Mr. Dan Cummings, Senior Vice President and Marketing Director for EFL Associates introduced himself and presented information about his firm relative to their extensive experience with public pension organizations and his familiarity with the Retirement and Investment Office Executive Director search. Mr. Cummings reviewed a proposed timeline and target dates as well as an overview of EFL's role in the candidate recruitment, interviews and negotiations process.

The Q&A session with the Board concluded at 11:43 a.m. and with no further questions Mr. Cummings left the meeting.

MS. SMITH MOVED THAT THE BOARD ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC N.D.C.C. § 44-04-19.2(6) TO SEQUESTER ALL COMPETITORS IN A COMPETITIVE SELECTION OR HIRING PROCESS DURING INTERVIEWS. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Representative Anderson, Ms. Goodhouse, Mr. Miller, Ms. Smith, Mr. Wilke, Mr. Seibel, Senator Dever, Ms. Wassim and Chairman Dosch.

Nays: None

Absent: None

MOTION PASSED

All members named above were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:47 a.m.

The Board returned to open session at 12:00 p.m.

MS. WASSIM MOVED TO AWARD THE BID TO EFL ASSOCIATES. MOTION SECONDED BY REPRESENTATIVE ANDERSON.

Ayes: Ms. Goodhouse, Ms. Smith, Mr. Seibel, Ms. Wassim, Representative Anderson, Senator Dever, Mr. Miller, Mr. Wilke and Chairman Dosch.

Nays: None

Absent: None

MOTION PASSED

BY CONSENSUS THE BOARD AGREED TO HOLD A SPECIAL MEETING AT A LATER DATE TO MEET WITH EFL ASSOCIATES TO BEGIN THE RECRUITMENT PROCESS IF NEEDED.

MISCELLANEOUS

November Board Meeting

Mr. Collins reviewed a final draft of the itinerary for the November Board Meeting and meetings in Fargo with BCBS and Sanford.

BY CONSENSUS THE BOARD DIRECTED STAFF TO MOVE FORWARD WITH PLANS FOR THE NOVEMBER MEETING.

Mr. Seibel called for any other business or comments. Hearing none the meeting was adjourned at 12:15 p.m.

Prepared by,

Jan Lund
Assistant to the Board