

MINUTES

North Dakota Public Employees Retirement System Tuesday, April 9, 2024 8:30 A.M.

Members Present: Mr. Jeffry Volk, Acting Chair
Representative Jason Dockter
Senator Dick Dever
Senator Shawn Vedaa
Mr. Tyler Erickson
Ms. Casey Goodhouse

Members by Teams: Mr. Adam Miller
Mr. Joe Morrissette
Mr. Gerald Buck

Members Absent: Representative Greg Stemen

Other present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Aime Miller, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Dean DePountis, Office of Attorney General
Ms. Julie Bodenski, Humana

Acting Chairperson Mr. Jeffry Volk called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Acting Chairperson Volk called for questions or comments regarding the March 12, 2024, meeting minutes.

MR. ERICKSON MOVED TO APPROVE THE MINUTES OF THE MARCH 12, 2024, BOARD MEETING. THE MOTION WAS SECONDED BY MR. VEDAA AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

Representative Jason Dockter previously submitted a disclosure on August 14, 2023, on December 12, 2023, on January 9, 2024, and on March 12, 2024. At today's meeting he announced that the conflict still exists relative to the topic of the Recordkeeper Request for Proposal. *"I am contracted with Empower to sell 457 deferred plans to state employees."* There were no questions from the board and no action was taken on the matter. Representative Dockter will not participate in discussion, nor will he vote on the matter.

PRESENTATIONS

Humana Updates:

2023 Performance Guarantees

Ms. Rebecca Fricke introduced Julie Bodenski. Ms. Bodenski provided Humana's review of the results of the 2023 performance guarantees related to the Medicare Part D plan. Ms. Bodenski highlighted the Customer Satisfaction Survey. It succeeded the performance guarantee of 90%. She noted that all twenty-one service level standards were met in 2023.

Inflation Reduction Act

Ms. Bodenski provided background related to the Inflation Reduction Act and requirements within the Act that will impact the Medicare Part D plan in 2025. Ms. Bodenski outlined key changes for 2024 and 2025. Humana is assessing the financial implications in advance of providing the 2025 rate projection for NDPERS by April 30th. Discussion followed.

DEFINED CONTRIBUTION PLAN IMPLEMENTATION

House Bill 1040 Implementation Update

Ms. Fricke reviewed a comprehensive list of work efforts and progress made for House Bill 1040 implementation since the last reporting. Ms. Fricke discussed business system programming, notification and communication efforts, and the continued legal review of the Defined Contribution Plan Document. She noted that Sagitec and Empower will be presenting at the next Retirement Committee meeting. Discussion followed.

DEFINED BENEFIT

Retirement Plan Services Request for Proposal (RFP)

This agenda topic was noticed for Executive Session to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator.

MR. ERICKSON 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: Senator Vedaa Ms. Goodhouse, Mr. Morrisette, Mr. Miller, Senator Dever, Mr. Erickson, Mr. Buck, Representative Dockter, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Katheryne Korom, MaryJo Anderson, and Brittany Berreth were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 8:55 A.M. The meeting returned to Open Session at 9:05 A.M.

MR. ERICKSON MOVED TO AWARD THE CONTRACT FOR THE RETIREMENT PLAN SERVICES MANAGER TO GABRIEL ROEDER SMITH (GRS) PENDING SUCCESSFUL CONTRACT NEGOTIATIONS AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Morrisette, Senator Dever, Representative Dockter, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Senator Vedaa, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

The Board took a short break from 9:57 A.M. to 10:07 A.M.

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

Recordkeeper Vendor Transition Status Update

Mr. Derrick Hohbein updated the board on tasks related to the vendor transition from TIAA to Empower. Mr. Hohbein reviewed a timeline of important events necessary to complete a July 1 implementation.

Fund Line-up

Mr. Derrick Hohbein recapped discussion from the March 26, 2024, Investment Subcommittee special meeting regarding proposed changes to the fund line-up. Callan presented different fund options to meet the needs of the PERS plans. A summary of Callan's presentation was included in the board materials. The board reviewed the proposed fund line-up.

MR. ERICKSON MOVED TO APPROVE THE INVESTMENT SUBCOMMITTEE RECOMMENDATIONS TO FINALIZE THE FUND LINE UP AS PRESENTED. THE MOTION WAS SECONDED BY REPRESENTATIVE DOCKTER

Ayes: Mr. Morrisette, Senator Dever, Representative Dockter, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Senator Vedaa, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

Conversion Mapping

Mr. Derrick Hohbein reported that the Investment Subcommittee worked with Callan to finalize the process of mapping participant assets from TIAA to Empower. Mr. Hohbein described the recommendation for mapping strategy for the transfer of funds to Empower.

SENATOR VEDAA MOVED TO APPROVE THE INVESTMENT SUBCOMMITTEE RECOMMENDATION FOR A MAPPING STRATEGY ON THE TRANSFER OF

PARTICIPANT FUNDS FROM TIAA TO EMPOWER. THE MOTION WAS SECONDED BY MR. ERICKSON

Ayes: Mr. Morrisette, Senator Dever, Representative Dockter, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Senator Vedaa, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

Investment Subcommittee Charter

Mr. Hohbein presented the charter that was approved at the March 26th Investment Subcommittee meeting.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE INVESTMENT SUBCOMMITTEE CHARTER AS PRESENTED. THE MOTION WAS SECONDED BY SENATOR VEDAA.

Ayes: Mr. Morrisette, Senator Dever, Representative Dockter, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Senator Vedaa, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

New 457 Deferred Compensation Plan Provider Requests

Ms. Fricke provided a summary of past board discussion and board action taken related to 457 Deferred Compensation Plan Providers. A request has been received from a vendor that offers 457 Deferred Compensation Plan services who is interesting in becoming an eligible 457 plan provider. Discussion followed.

MS. GOODHOUSE MOVED TO DIRECT STAFF TO NOT BRING FUTURE PROVIDER REQUEST FORWARD TO THE BOARD FOR CONSIDERATION. THE MOTION WAS SECONDED BY MR. MILLER.

Ayes: Mr. Morrisette, Senator Dever, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Senator Vedaa, and Mr. Volk

Nays: None

Absent: Representative Stemen

Recused: Representative Dockter

MOTION PASSED

GROUP INSURANCE / FLEXCOMP

Dental Request for Proposal (RFP)

Ms. Korom updated the board on the status of the Dental Plan RFP and stated that three

proposals were received and are being reviewed by Buck Consultants.

FlexComp Request for Proposal (RFP)

Ms. Korom provided an update on the Administrative and Recordkeeping Services for Section 125 FlexComp Plan Request for Proposal (FlexComp RFP).

OPERATIONS / ADMINISTRATIVE

Board Election Update

Ms. Aime Miller summarized the election process and provided a timeline of key dates for the Active Member election.

Strategy Planning Review

Ms. Fricke discussed the Governor's Strategy Planning Review that was held on March 14th. Rebecca and Derrick provided the Governor a presentation of the agency's short term and long-term strategic plan. The presentation was included in the board materials.

Contracts Under \$10,000

Ms. Fricke presented a document summarizing contracts under \$10,000 signed by the Executive Director since the last update.

MEMBER

Retirement Appeal Case #812 Administrative Ruling

This agenda item was noticed as Executive Session to discuss confidential member information.

MR. ERICKSON 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. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Ms. Goodhouse, Mr. Morrissette, Senator Dever, Mr. Erickson, Mr. Buck, Representative Dockter, Senator Vedaa, Mr. Miller, and Mr. Volk.

Nays: None

Absent: Representative Stemen

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Brittany Berreth were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:09 A.M. The meeting returned to Open Session at 10:28 A.M.

SENATOR DEVER MOVED TO ADOPT THE ADMINISTRATIVE LAW JUDGE'S RECOMMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND PROPOSED FINAL ORDER OF THE BOARD AND THAT THE ACTING CHAIR BE AUTHORIZED TO SIGN IN CASE #812. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Senator Vedaa, Mr. Miller, Ms. Goodhouse, Mr. Morrisette, Senator Dever, Representative Dockter, Mr. Erickson, Mr. Buck, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

Retirement Benefit Appeal Case #854

This agenda item was noticed as Executive Session to discuss confidential member information.

MR. ERICKSON 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. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Ms. Goodhouse, Mr. Morrisette, Senator Dever, Mr. Erickson, Mr. Buck, Representative Dockter, Senator Vedaa, Mr. Miller, and Mr. Volk.

Nays: None

Absent: Representative Stemen

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Brittany Berreth were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:31 A.M. The meeting returned to Open Session at 10:44 A.M.

MR. ERICKSON MOVED TO AFFIRM THE DENIAL OF ASI OF THE RETIREE HEALTH INSURANCE CREDIT (RHIC) BENEFIT IN CASE # 854. THE MOTION WAS SECONDED BY SENATOR VEDAA.

Ayes: Senator Vedaa, Mr. Miller, Ms. Goodhouse, Senator Dever, Representative Dockter, Mr. Erickson, Mr. Morrisette, Mr. Buck, and Mr. Volk

Nays: None

Absent: Representative Stemen

MOTION PASSED

The meeting was adjourned at 10:47 A.M.

Prepared by,

Jan Lund
Assistant to the Board