

# MINUTES

## North Dakota Public Employees Retirement System Tuesday, July 11, 2023 8:30 A.M.

Members In Person: Chairperson Mona Rindy  
Ms. Casey Goodhouse  
Rep. Greg Stemen  
Mr. Gerald Buck  
Mr. Jeffry Volk  
Sen. Shawn Vedaa  
Mr. Joe Morrissette

Members Via Teams: Rep. Jason Dockter  
Sen. Dick Dever  
Mr. Adam Miller  
Mr. Tyler Erickson

Others: Mr. Scott Miller, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Ms. Katheryne Korom, NDPERS  
Ms. MaryJo Anderson, NDPERS  
Ms. Julie Smith, SHP  
Ms. Courtney Meyer, SHP  
Mr. Steve Webster, SHP  
Ms. Rebekah Ferstadt, Buck Consulting

Chairperson 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 June 13, 2023, meeting minutes.

**MR. VOLK MOVED TO APPROVE THE MINUTES OF THE JUNE 13, 2023, MEETING AS CORRECTED. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.**

### PRESENTATIONS

#### Sanford Health Plan – Population Health Update

Ms. Rebecca Fricke introduced Steve Webster, Courtney Meyer, and Julie Smith from Sanford Health Plan who provided an update to their data-driven Population Health program.

For the benefit of the new board members, Mr. Scott Miller shared the agency organizational chart, provided a high-level overview of NDPERS staff and duties, and introduced the managers in attendance.

## **DEFERRED COMPENSATION / DEFINED CONTRIBUTION**

### Empower Provider Status

Representative Dockter declared a conflict of interest and recused himself from the discussion of this topic.

Mr. Scott Miller recapped the discussion from prior meetings concerning 457 deferred compensation plan providers and their compliance with fiduciary standards of conduct and signing a fiduciary agreement. Empower (formerly Mass Mutual) has requested another revision of the fiduciary agreement. Discussion followed.

**MR. VOLK MOVED TO MAINTAIN THE STATUS QUO AND TO NOT UNFREEZE EMPOWER AS A 457 DEFERRED COMPENSATION PROVIDER. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Mr. Erickson, Mr. Volk, Mr. Buck, Mr. Adam Miller, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** Senator Vedaa, Mr. Morrisette, and Representative Stemen

**Abstain:** Representative Dockter

**Absent:** None

### **MOTION PASSED**

### Recordkeeper Request For Proposal (RFP)

Mr. Derrick Hohbein presented a draft request for proposal for recordkeeper services for the 457 Deferred Compensation plan. The board discussed the length of the contract and renewal options, the structure of administrative costs and fees, a format for finalist interviews, and adding a local representative as a preferred qualification in the RFP.

Discussion followed.

**MR. MORRISSETTE MOVED TO APPROVE A 4-YEAR CONTRACT WITH TWO 2-YEAR RENEWAL OPTIONS IN THE RECORDKEEPER REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY SENATOR VEDAA.**

**Ayes:** Mr. Erickson, Mr. Volk, Mr. Buck, Mr. Adam Miller, Mr. Morrisette, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, Representative Dockter, and Chairperson Rindy

**Nays:** None

**Absent:** None

### **MOTION PASSED**

**MR. MORRISSETTE MOVED TO APPROVE ADDING THE PRESENCE OF AN IN-STATE ADVISOR AS A PREFERRED QUALIFICATION IN THE RECORDKEEPER**

**REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Mr. Erickson, Mr. Volk, Mr. Buck, Mr. Adam Miller, Mr. Morrissette, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, Representative Dockter, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

**REPRESENTATIVE STEMEN MOVED TO APPROVE ADDING A FLAT PER MEMBER FEE FOR BALANCES IN EXCESS OF \$1,000 IN THE RECORDKEEPER REQUEST FOR PROPOSAL. THE MOTION WAS SECONDED BY SENATOR VEDAA.**

**Ayes:** Mr. Erickson, Representative Stemen, Mr. Buck, Representative Dockter, Mr. Adam Miller, Mr. Morrissette, Senator Vedaa, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None

**Absent:** Mr. Volk

**MOTION PASSED**

**MS. GOODHOUSE MOVED TO ADD THE OPTION FOR A VIRTUAL VENDOR INTERVIEW AS OPPOSED TO REQUIRING AN IN-PERSON VENDOR INTERVIEW IN THE RECORDKEEPER REQUEST FOR PROPOSAL.**

**MS. GOODHOUSE WITHDREW THE MOTION.**

**MR VOLK MOVED TO ADD TO THE RECORDKEEPER REQUEST FOR PROPOSAL THE REQUIREMENT OF AN IN-PERSON VENDOR INTERVIEW FOR THE FINALISTS. THE MOTION WAS SECONDED BY MR. BUCK.**

**Ayes:** Representative Stemen, Mr. Buck, Mr. Volk, Representative Dockter, Mr. Morrissette, Senator Vedaa, and Senator Dever

**Nays:** Mr. Erickson, Mr. Adam Miller, Ms. Goodhouse, and Chairperson Rindy

**Absent:** None

**MOTION PASSED**

**RETIREMENT**

Highway Patrol Indexing

Ms. MaryJo Anderson reviewed the process to annually review the Highway Patrol Final Average Salary for Indexing for deferred members of the plan. ND Highway Patrol Administration recommends an increase of 6% to their final average salary (FAS). The

current assumption for indexing of deferred members in the July 1, 2022, actuarial report is 3.00%. Therefore, a 6.00% increase will result in an actuarial loss to the plan as confirmed by our consultant, Gabriel Roeder & Smith (GRS).

Ms. Anderson stated that historically, the Board has generally approved an indexing percentage, as recommended by the Highway Patrol leadership, that is the same or slightly lower than the salary increases granted to state employees. Discussion followed.

**REPRESENTATIVE STEMEN MOVED TO DECLINE THE HIGHWAY PATROL ADMINISTRATION RECOMMENDATION OF A 6.0 PERCENT INCREASE AND TO APPROVE A 5.0 PERCENT INCREASE TO THE HIGHWAY PATROL FINAL AVERAGE SALARY INDEXING FOR DEFERRED MEMBERS. THE MOTION WAS SECONDED BY MR. MORRISSETTE.**

**Ayes:** Mr. Erickson, Representative Stemen, Mr. Buck, Representative Dockter, Mr. Morrisette, Senator Vedaa, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** Mr. Adam Miller

**Absent:** None

**Abstain:** Mr. Volk

**MOTION PASSED**

Retiree Health Insurance Credit (RHIC) Renewal/Request For Proposal (RFP)

Ms. Rebecca Fricke shared the renewal rate proposal from ASIFlex for January 1, 2024, through December 31, 2025 contract period. The vendor is offering the same services and fees for the upcoming 2-year period with no cost increase. The board discussed options to renew the current contract or go out to bid.

**MR VOLK MOVED TO APPROVE THE RECOMMENDATION OF STAFF TO RENEW WITH ASIFLEX FOR THE CONTRACT PERIOD 1/1/24 TO 12/31/25. THE MOTION WAS SECONDED BY MR. BUCK.**

**Ayes:** Representative Stemen, Mr. Buck, Mr. Volk, Representative Dockter, Mr. Morrisette, Senator Vedaa, Senator Dever, Mr. Erickson, Mr. Adam Miller, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

**THE BOARD TOOK A SHORT BREAK FROM 10:50 AM TO 11:00 AM AND WHEN RETURNED, MOVED TO AGENDA ITEM VII TO HEAR THE MEMBER APPEALS.**

**MEMBER**

Retirement Benefit Appeal Case #820

This agenda item was noticed for Executive Session.

**REPRESENTATIVE STEMEN 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 MR. VOLK.**

**Ayes:** Mr. Erickson, Senator Vedaa, Mr. Adam Miller, Representative Stemen, Senator Dever, Mr. Buck, Mr. Morrisette, Ms. Goodhouse, Mr. Volk, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Dockter

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, Shawna Platz, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:06 A.M. The member was present by phone. The meeting returned to Open Session at 11:18 A.M.

**MR. VOLK MILLER MOVED TO AFFIRM THE DENIAL OF THE RETIREE HEALTH INSURANCE CREDIT (RHIC) APPEAL FOR CASE #820. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Mr. Erickson, Mr. Volk, Representative Dockter, Mr. Adam Miller, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, Mr. Morrisette, Mr. Buck, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

Retirement Benefit Appeal Case #821

This agenda item was noticed for Executive Session.

**REPRESENTATIVE STEMEN 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 MR. BUCK.**

**Ayes:** Mr. Erickson, Representative Dockter, Mr. Adam Miller, Representative Stemen, Senator Dever, Senator Vedaa, Mr. Morrisette, Mr. Buck, Ms. Goodhouse, Mr. Volk, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

**Representative Dockter left the meeting.**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, Shawna Piatz, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:22 A.M. The member was present by phone. The meeting returned to Open Session at 11:37 A.M.

**MR. VOLK MOVED TO AFFIRM THE DENIAL OF THE RETIREE HEALTH INSURANCE CREDIT (RHIC) APPEAL FOR CASE #821. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Mr. Erickson, Mr. Volk, Mr. Buck, Mr. Morrissette, Mr. Adam Miller, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Dockter

**MOTION PASSED**

**Senator Dever left the meeting.**

**Representative Dockter returned to the meeting.**

**RETIREMENT (continued)**

House Bill 1040 Implementation

Ms. Rebecca Fricke shared a document created to outline what each section of HB 1040 does relative to closing the defined benefit plan to new hires. She presented an action plan to address the breadth of work efforts needed to comply with the provisions of HB 1040. Topics discussed were Administrative Rules Promulgation, a recordkeeper request for proposal, business system programming, employer payroll updates, communication and educational requirements, political subdivision and plan participation, special election transfer opportunity, and the hiring of staff. After discussing the implementation plan, the board considered whether it is possible to successfully launch the new DC plan before a defined benefit closure date of January 1, 2025.

**MS. GOODHOUSE MOVED TO AFFIRM THE EFFECTIVE DATE OF THE DEFINED BENEFIT CLOSURE AS JANUARY 1, 2025. THE MOTION WAS SECONDED BY MR. ERICKSON.**

**Ayes:** Mr. Erickson, Mr. Buck, Mr. Morrissette, Mr. Adam Miller, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** Mr. Volk, Representative Dockter, and Senator Vedaa

**Absent:** None

**MOTION PASSED**

## **GROUP INSURANCE**

### Wellness Update

This topic was informational and in the interest of time was not discussed.

### Employee Assistance Program (EAP) Update

This topic was informational and in the interest of time was not discussed.

### Uniform Group Insurance Consultant Request for Proposal

This topic was informational and in the interest of time was not discussed.

**Senator Dever returned to the meeting.**

## **THE BOARD TOOK A SHORT BREAK FROM 1:15 P.M. TO 1:25 P.M.**

### Group Voluntary Vision Benefits Plan Request for Proposal

This agenda item was noticed for Executive Session for the board, staff, and consultants to discuss negotiating strategy with the attorney in a Closed Session.

**REPRESENTATIVE STEMEN 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 MR. VOLK.**

**Ayes:** Mr. Erickson, Representative Dockter, Mr. Adam Miller, Representative Stemen, Mr. Volk, Senator Dever, Mr. Buck, Mr. Morrissette, Ms. Goodhouse, Senator Vedaa, and Chairperson Rindy

**Nays:** None

**Absent:** None

## **MOTION PASSED**

All members named above, attorney Dean DePountis, representatives from Buck Consultants Rebekah Ferstadt, and Ron Ariel, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Katheryne Korom, Shawna Piatz, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 1:29 P.M. The meeting returned to Open Session at 1:56 P.M.

**REPRESENTATIVE STEMEN MOVED APPROVAL TO AWARD THE GROUP VISION INSURANCE CONTRACT TO METLIFE/SUPERIOR VISION SUBJECT TO BACKGROUND CHECKS AND SUCCESSFUL CONTRACT NEGOTIATION. THE MOTION WAS SECONDED BY MR. BUCK.**

**Ayes:** Mr. Erickson, Mr. Buck, Senator Vedaa, Representative Dockter, Mr. Adam Miller, Representative Stemen, Mr. Morrissette, Senator Dever, Mr. Volk, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None  
**Absent:** None

**MOTION PASSED**

**MISCELLANEOUS**

Quarterly Consultant Fees

Mr. Derrick Hohbein reviewed a list of consulting, investment, and administrative fees paid during the second quarter of 2023. The board requested the format of the report be revised to make it more descriptive.

IT Consultant

Mr. Hohbein provided background on work done to date by the IT consultant, Nexus. Staff have been extremely satisfied with the performance of Nexus and requested an additional \$10,000 in spending authority for Nexus to complete the streamlining of a complex payroll reporting redesign for the FlexComp program. Discussion followed.

**MR. VOLK MOVED TO APPROVE THE ADDITIONAL SPENDING NOT TO EXCEED \$10,000. THE MOTION WAS SECONDED BY MR. MORRISSETTE.**

**Ayes:** Mr. Erickson, Mr. Buck, Mr. Volk, Representative Dockter, Mr. Morrissette, Mr. Adam Miller, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy  
**Nays:** None  
**Absent:** None

**MOTION PASSED**

**MR. VOLK MOVED TO APPROVE GIVING THE EXECUTIVE DIRECTOR THE AUTHORITY TO SPEND \$10,000 EACH FOR INFORMATION TECHNOLOGY (IT) IMPROVEMENT PROJECTS UP TO A TOTAL OF \$100,000. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Mr. Erickson, Mr. Buck, Mr. Volk, Representative Dockter, Mr. Morrissette, Mr. Adam Miller, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy  
**Nays:** None  
**Absent:** None

**MOTION PASSED**

Board Subcommittee/State Investment Board Assignments

Mr. Scott Miller reviewed the purpose and current members of the subcommittees of the NDPERS Board. The board discussed the vacant positions on the State Investment Board (SIB), Audit Committee, and Investment Subcommittee.



Currently, Ms. Goodhouse serves on the Executive Director Performance Review and Compensation Subcommittee. Chairperson Rindy appointed Mr. Adam Miller and Mr. Erickson to the subcommittee.

Chairperson Rindy and Mr. Adam Miller are members of the Investment Subcommittee, which meets quarterly. Chairperson Rindy appointed Mr. Volk and Senator Vedaa to fill the vacant seats on the Investment Subcommittee with representative Stemen as the alternate.

**MS. GOODHOUSE MOVED APPROVAL OF CHAIRPERSON RINDY AS THE STATE INVESTMENT BOARD REPRESENTATIVE AND MR. BUCK AS THE ALTERNATE, AND MS. NINA STRAND (AS THE PUBLIC MEMBER) AND MR. MORRISSETTE TO THE AUDIT COMMITTEE. THE MOTION WAS SECONDED BY SENATOR VEDAA.**

**Ayes:** Mr. Erickson, Mr. Buck, Mr. Volk, Representative Dockter, Mr. Morrissette, Mr. Adam Miller, Senator Vedaa, Representative Stemen, Senator Dever, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None

**Absent:** None

#### Contracts Under \$10,000

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

#### Litigation Update

Mr. Scott Miller provided an update on the status of the pending litigation. The oral argument was heard before the Supreme Court on June 28. The court took the matter under advisement and we expect they will rule in a six- to eight-week range. Discussion followed.

Chairperson Rindy adjourned the meeting at 2:44 P.M.

Prepared by,

Jan Lund  
Assistant to the Board