

## MINUTES

### North Dakota Public Employees Retirement System Tuesday, October 8, 2024 8:30 A.M.

Members Present: Chairman Mike Seminary  
Representative Greg Stemen  
Representative Jason Dockter  
Senator Dick Dever  
Mr. Adam Miller  
Mr. Tyler Erickson  
Mr. Gerald Buck  
Mr. Joe Morrissette  
Mr. Jeffry Volk  
Ms. Casey Goodhouse

Members Absent: Senator Shawn Veda

Others Present: Ms. Rebecca Fricke, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Katheryne Korom, NDPERS  
Ms. Marcy Aldinger, NDPERS  
Ms. Lindsay Schaf, NDPERS

Chairman Seminary called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Chairman Seminary called for questions or comments regarding the September 10, 2024, meeting minutes.

**MR. ERICKSON MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 10, 2024, BOARD MEETING. THE MOTION WAS SECONDED BY SENATOR DEVER AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.**

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

No conflicts were reported.

#### **PRESENTATIONS**

##### House Bill 1040 Overview

Ms. Marcy Aldinger provided an educational overview of House Bill 1040. The legislation 1) closes the Main Retirement Plan to [Political Subdivisions & State] new hires, first enrolled, on or after January 1, 2025, and creates a special election window for eligible [State] employees to change plans, 2) establishes Tier 3 in the NDPERS Defined Contribution Plan, and 3) defines how the Main Defined Benefit Plan will be funded.

Ms. Aldinger began by explaining the difference between the Defined Benefit (DB) and the Defined Contribution (DC) plans. She discussed eligibility criteria for the special election window to be held January 1, 2025, to March 31, 2025.

Ms. Aldinger talked through the process for eligible employees who elect to move from the DB to the DC plan. She provided information about the account transfer amounts based on the actuarial equivalent of the accrued benefit. NDPERS will provide eligible members with projections between the Main and Defined Contribution Plan. Participants who elect to move from the DB to the DC during the special election window will be eligible to receive an employer paid incentive into their DC plan..

Ms. Aldinger provided detail about the new Defined contribution Plan 2025, Tier 3, and the mandatory participation for new hires on or after January 1, 2025. She explained what the exceptions are, contributions, vesting, and employer matching funds.

She concluded the presentation by sharing information about how the closed DB plan will be funded and the funding sources.

Discussion followed.

## **DEFINED CONTRIBUTION PLAN IMPLEMENTATION**

### House Bill 1040 Implementation Update

Ms. Fricke outlined the work efforts and a high-level update on progress made for House Bill 1040 implementation since last reporting at the September board meeting. Activities discussed were weekly meetings with the benefit enrollment and the accounting team, ongoing discussions with Sagitec about vendor questions, more outward facing communications, continued programming and testing, focus on the special election window, bi-weekly meetings with Empower in preparation for the special election window, and meetings with the Retirement Committee, the Employee Benefits Programs Committee, and the League of Cities. The board also discussed in-plan annuities and reviewed a response from legal counsel related to questions raised at the September board meeting.

## **DEFINED BENEFIT**

### Asset Liability Study Contract

Ms. Katheryne Korom reported that the Asset Liability Study contract has been approved by legal counsel and RVK officials and is ready for the board's review and approval.

## **MR. BUCK MOVED TO APPROVE THE ASSET LIABILITY STUDY CONTRACT. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Senator Dever, Ms. Goodhouse, Mr. Erickson, Mr. Morrisette, Representative Dockter, Mr. Buck, Mr. Miller, Mr. Volk, Representative Stemen, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

## **MOTION PASSED**

## **DEFERRED COMPENSATION / DEFINED CONTRIBUTION**

Investment Summary Options Book

Ms. Katheryne Korom stated the Investment Options Summary for the NDPERS 457 Deferred Compensation Plan has been updated and is now available on the NDPERS website. The Options Booklet provides information on investment options available in the 457 Deferred Comp plan and the individual providers. It also includes a description of those investments, provider contact information, their investment objective, associated expenses, and historical performance.

**GROUP INSURANCE / FLEXCOMP**

Life Insurance Plan Contract Amendment

Ms. Katheryne Korom informed the board that legal staff and ReliaStar Life Insurance company, the contracting entity for Voya, have completed their review of the contract amendment for 2025-2027 renewal.

**REPRESENTATIVE DOCKTER MOVED TO APPROVE THE CONTRACT AMENDMENT WITH VOYA FOR THE JULY 1, 2025, THROUGH JUNE 30, 2027, CONTRACT PERIOD FOR THE GROUP LIFE INSURANCE PLAN. THE MOTION WAS SECONDED BY MR. MILLER.**

**Ayes:** Mr. Morrisette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

**MOTION PASSED**

2023 Active Health Care Report

Ms. Katheryne Korom shared the annual Active Healthcare Report for 2023. The report is a compilation of hospital utilization, physician/clinical utilization, and pharmacy utilization data. The combined utilization results in an overall per capita cost increase of 8.7% for the calendar year ending 2023.

An agency-specific report is developed for participant employer groups larger than 100 employees.

FlexComp Plan Document

Ms. Lindsay Schaf shared an updated plan document for FlexComp. Changes were based on member inquiries over the past year and the updates give clarification to how the plan is being administered. The suggested changes were reviewed by legal counsel and ASIFlex. Changes would be effective January 1, 2025.

**MR. VOLK MOVED TO APPROVE THE FLEXCOMP PLAN DOCUMENT. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Mr. Morrisette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

## **MOTION PASSED**

### Insulin/Diabetic Supplies Report and Recommendation

Ms. Rebecca Fricke shared the final report and recommendation submitted to the Employee Benefit Programs Committee. As discussed at the September board meeting the required report and recommendation is a result of the passing of SB 2140 during the 68<sup>th</sup> Legislative Assembly, specifically, section 4 of SB 2140 relating to the coverage of insulin drug and supplies. The full report was included in the board materials.

### Sanford Health Plan Update on Humira

Sanford Health Plan will be removing the drug, Humira, from the formulary list effective January 1, 2025. The board reviewed the communication that went out to 20 members impacted by the upcoming change.

The Board took a short break from 10:00 A.M. to 10:10 A.M.

## **OPERATIONS / ADMINISTRATIVE**

### Collection Services

Mr. Derrick Hohbein provided background on the process to collect overpayments of retirement benefits and unpaid premiums. NDPERS has utilized the Civil Litigation Department of the Office of Attorney General to collect overpayments on behalf of NDPERS. There are 22 past due accounts totaling \$16,565.85 that are considered recoverable within the Statute of Limitations. Staff is exploring the use of a state contract for collection services to recuperate the outstanding balances. The contractors charge a fee for the services, but staff believes receiving a portion of the recovery is better than no recovery.

**REPRESENTATIVE STEMEN MOVED TO APPROVE THE COLLECTION SERVICES ARRANGEMENT AS PRESENTED. THE MOTION WAS SECONDED BY MR. MORRISSETTE.**

**Ayes:** Mr. Morrissette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

## **MOTION PASSED**

### Budget Request for Data Integrity Dashboard

Mr. Derrick Hohbein introduced a Data Integrity Dashboard that will provide a framework and create initial queries allowing access based on user, roles, and divisions. The dashboard will help ensure NDPERS staff have access to review only the pertinent data elements that are needed to perform the duties of their job. The Dashboard will assist staff in maintaining high-quality data by catching data inconsistencies before running each of our major batches. NDIT

has provided a quote, and the Dashboard could be implemented without having to use the contingency appropriation.

**MR. BUCK MOVED TO APPROVE THE BUDGET REQUEST FOR DATA INTEGRITY DASHBOARD THROUGH NDI. THE MOTION WAS SECONDED BY MR. ERICKSON.**

**Ayes:** Mr. Morrisette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

**MOTION PASSED**

Contracts Under \$10,000

The board was provided an accumulative list of the contracts under \$10,000 that have been signed by the Executive Director since the last update.

Board Meetings During Legislative Session and Quorum Requirement

The board discussed proposed options to hold regular monthly meetings during legislative session given the 11-person board is made up of 4 legislators and the quorum requirement for a NDPERS board meeting is 8 trustees. Regular meetings are necessary to give staff guidance on bills being considered during Legislative Session in addition to regular business topics that require board action. It may be necessary to hold board meetings outside of normal business hours to accommodate the responsibilities and schedules of the legislative members on the board.

**REPRESENTATIVE DOCKTER MOVED TO APPROVE THE FOLLOWING BOARD MEETING SCHEDULE: MONDAY, JANUARY 6, 2025, AT 8:30 AM, FRIDAY, FEBRUARY 7, 2025, AT 2:00 PM, TUESDAY, MARCH 4, 2025, AT 8:30 AM, AND FRIDAY, APRIL 4, 2025, AT 2:00 PM. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Senator Dever, Representative Stemen, Mr. Buck, Ms. Goodhouse, Mr. Erickson, Mr. Morrisette, Representative Dockter, Mr. Miller, Mr. Volk, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

**MOTION PASSED**

**MEMBER \*EXECUTIVE SESSION**

Unforeseeable Financial Hardship Case #884

This agenda item was noticed for 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 FOR CASE #884. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Senator Dever, Representative Stemen, Ms. Goodhouse, Mr. Buck, Mr. Morrissette, Representative Dockter, Mr. Miller, Mr. Volk, Mr. Erickson, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

**MOTION PASSED**

All members named above, attorney Allyson Hicks, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, MaryJo Anderson, Mandy Nagel, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:02 A.M. The meeting returned to Open Session at 11:11 A.M. The member joined by phone.

**REPRESENTATIVE DOCKTER MOVED TO APPROVE THE MEMBER'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THE 457 ACCOUNT NET \$5,000 IN CASE #884. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Senator Dever, Ms. Goodhouse, Mr. Erickson, Representative Stemen, Mr. Buck, Mr. Morrissette, Representative Dockter, Mr. Miller, Mr. Volk, and Chairman Seminary

**Nays:** None

**Absent:** Senator Vedaa

**MOTION PASSED**

The next regular meeting date of the NDPERS board is Tuesday, October 29<sup>th</sup>.

The meeting was adjourned at 11:15 A.M.

Submitted by:

Jan Lund  
Assistant to the NDPERS Board