



NDTFFR Board Special Meeting AGENDA

Thursday, June 25, 2020 – 3:00 p.m.

Due to public health considerations and in accordance with Executive Order 2020-16, a meeting room will not be available to the public.

Conference Call: 328.7950 Participant Code: 696855

1. **Call to Order and Approval of Agenda** – Pres. Lech (Action)
 -1(a) Executive Summary of Agenda Items (Enclosed)
2. **Approval of Minutes of April 23, 2020 Board Meeting** – Pres. Lech (Action) 5 min.
3. **Introduction of New Employees** – Jan Murtha (Information) 5 min.
4. **October Meeting/ Future Schedule** – Jan Murtha (Information or Action) 10 min.
5. **Asset Liability Study Planning Update** – Jan Murtha (Information or Action) 5 min.
6. **TFFR Program Operations (COVID-19)** – Jan Murtha (Information) 5-10 min.
7. **Board Governance Policies, 2nd Reading & Adoption** – Cody Mickelson (Action) 10 min.
8. **Adjournment**

Any individual requiring an auxiliary aid or service should contact the Retirement and Investment Office (RIO) at 701-328-9885 at least three (3) days prior to the scheduled meeting.



EXECUTIVE SUMMARY

TFFR Board Special Meeting

June 25, 2020 – 3 pm CT

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1. **Agenda:** The **June Board Meeting will be held via video conference.** The board member video link is included in the email with the Board materials. There will be a call in number for the public since the RIO office is not open to the public. Given this is a Special Meeting of the Board and not a regularly scheduled meeting, the Board may only discuss matters specifically listed on the Agenda.
 2. **Minutes:** The April 23, 2020 Board meeting minutes are included for review and approval.
 3. **New Employees:** New Deputy Executive Director - Chief Retirement Officer Jan Murtha will introduce herself and new Retirement Programs Specialist Jayme Heick.
 4. **Scheduling:** The Board may wish to consider rescheduling its October 22, 2020 regular meeting to November 19, 2020 and having a regularly scheduled November meeting in future years.
 5. **Asset/Liability Study:** Pursuant to the Board motion at its April 23, 2020 meeting, RIO is proceeding to finalize a contract with Callan Associates, Inc. for TFFR's 5- year **Asset/Liability Study.**
 6. **Public Access:** Jan will provide a brief update on **TFFR program operations and COVID-19**, including steps taken to provide public access to the RIO office beginning July 1, 2020.
 7. **Revised Policies:** Cody Mickelson and Jan Murtha will provide the 2nd Reading of the **revised TFFR Board Governance Policies.** One **amendment** to update/replace a form in the Exhibits is proposed; the Board may move to **Adopt** the revision as amended.

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
APRIL 23, 2020 BOARD MEETING**

BOARD MEMBERS PRESENT: Rob Lech, President
Mike Burton, Vice President
Kirsten Baesler, State Supt. DPI
Toni Gumeringer, Trustee
Cody Mickelson, Trustee
Mel Olson, Trustee
Kelly Schmidt, State Treasurer

STAFF PRESENT: David Hunter, ED/CIO
Fay Kopp, Deputy ED/CRO
Missy Kopp, Retirement Assistant
Denise Weeks, Retirement Program Mgr

OTHERS PRESENT: Dean DePountis, Atty. General's Office
Noel Johnson, Segal
Kim Nicholl, Segal
Matt Strom, Segal

CALL TO ORDER:

Dr. Rob Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, April 23, 2020. The meeting was held at the ND Retirement and Investment Office, Bismarck, ND, but most participants attended via video or teleconference.

THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: SUPT. BAESLER, MR. BURTON, MS. GUMERINGER, PRES. LECH, MR. MICKELSON, MR. OLSON, AND TREASURER SCHMIDT.

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the April 23, 2020, meeting.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.

AYES: SUPT. BAESLER, TREASURER SCHMIDT, MR. BURTON, MR. MICKELSON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

MINUTES:

The Board considered the minutes of the January 23, 2020, meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. OLSON AND CARRIED BY A VOICE VOTE TO APPROVE THE JANUARY 23, 2020, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. OLSON, TREASURER SCHMIDT, MR. BURTON, SUPT. BAESLER, MS. GUMERINGER, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

2019 EXPERIENCE STUDY REPORT:

Mr. Matt Strom, Ms. Kim Nicholl, and Mr. Noel Johnson, Segal, reviewed the Experience Study for July 1, 2014-June 30, 2019. An experience study provides the basis for developing recommended assumptions to be used in the annual actuarial valuation. Assumptions are set based on a review of past experience ("actual") and compared with assumptions ("expected"). The study also includes recommendations for modifying certain actuarial assumptions and the actuarial impact of those recommendations on TFFR. Based on the experience study results, the actuary made the following recommendations:

- Inflation - lower from 2.75% to 2.30%
- Return assumption - lower from 7.75% to 7.25%
- Payroll growth - no change to the 3.25% payroll growth assumption
- Mortality - recommend updating base tables to appropriate Pub-2010 mortality tables, with adjustments for TFFR-specific experience where "credible" data exists
- Reflecting future mortality improvement by applying Projection Scale MP-2019 on a generational basis
- Recommend 104% of PubT-2010 Retiree Table, which results in 13,105 proposed deaths
- Recommend 95% of Pub-2010 Contingent Survivor Table, which results in 1,832 proposed deaths
- Mortality (Disabled) - recommend updating to the "non-safety" version of the Pub-2010 mortality table for disabled retirees
- Recommend accounting for future mortality improvement by applying Projection Scale MP-2019 on a generational basis
- Inactive Vested Retirements - recommend maintaining the current 5% assumption at each age prior to normal retirement age
- Termination - recommend minor changes (primarily decreases) to rates of termination
- Disability Retirement - recommend a 20% decrease to current rates related to disability retirement
- Spouse information - recommend no change to these assumptions

The cost impact the recommended assumption changes would have on the fund was reviewed. Based on the July 1, 2019 Actuarial Valuation, the actuarial accrued liability would increase by \$53.5 million, the actuarial value of assets would be unchanged, the unfunded actuarial accrued liability

would increase by \$53.5 million, the funded percentage would decrease by 0.9%, the normal cost would increase by \$2.7 million, the actuarially determined contribution rate would increase by 0.40%, the margin/deficit would decrease by 0.40%, and the effective amortization period would increase by 2 years.

Based on the current methodology, the Policy Score improves from +6 to +7 under the proposed assumptions.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ADOPT ALL RECOMMENDATIONS IN THE 2019 EXPERIENCE STUDY REPORT.

AYES: TREASURER SCHMIDT, SUPT. BAESLER, MS. GUMERINGER, MR. OLSON, MR. BURTON, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

INVESTMENT AND ECONOMIC UPDATE:

Mr. Hunter provided an update for the investment periods ended December 31, 2019 and February 29, 2020. TFFR investments have averaged over \$2 billion the last 5-years and excess return has generally exceeded 0.50% per annum. TFFR's use of active management has enhanced net returns by \$50 million for the 5-years ended December 31, 2019. Investment returns quickly fell far below long-term expectations in early 2020. TFFR fiscal year to date (FYTD) returns through February 29, 2020 are approximately 1.56%. TFFR indicative estimated FYTD returns through April 15, 2020, is approximately -4%.

The State Investment Board (SIB) approved a RIO recommendation to engage Parametric (an existing manager) to implement an equity overlay strategy using futures contracts in a liquid and relatively inexpensive manner to access public market exposure synthetically. As of April 15, Pension Trust clients were within 1% to 2% of target asset allocations with the U.S. Equities within 0.9%, International Equities within 0.5%, and Fixed Income within 0.1%. SIB client portfolios were rebalanced towards client board approved long-term strategic target asset allocations in a prudent and cost efficient manner in order to benefit from the historical advantages of staying invested. Board discussion followed.

ASSET LIABILITY STUDY PLANNING:

Ms. Kopp provided information on the need for an Asset Allocation and Liability Modeling Study. For TFFR, the study must be performed at least every 5 years, which falls into 2020. Studies are also often done following a significant market event that might leave a plan's funded status greatly changed. Board discussion followed.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO REQUEST A PROPOSAL FROM CALLEN FOR AN ASSET LIABILITY STUDY.

AYES: MS. GUMERINGER, MR. BURTON, MR. MICKELSON, MR. OLSON, TREASURER SCHMIDT, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: SUPT. BAESLER

2021 LEGISLATIVE PLANNING:

Ms. Kopp provided an update on legislative planning. At the January 2020 meeting, the Board decided that it will not submit any legislative proposals for interim study by the Legislative Employee Benefits Programs Committee (LEBPC) for the 2021 legislative session. Legislative Council was notified that the TFFR Board is not submitting any proposed legislation at this time.

In December 2019, Congress passed the SECURE Act which increased the age at which required minimum distribution from a qualified public pension plan must begin, from age 70.5 to age 72. Although TFFR is not required to make the change in statutes immediately, TFFR must begin administering the change to the required minimum distribution age requirement as soon as possible in order to be in operational compliance. State law requires that TFFR receive approval from the LEBPC.

The suggested change to state statutes related to increasing the required minimum distribution age from 70.5 to 72:

15-39.1-10. Eligibility for normal retirement benefits.

4. Retirement benefits must begin For a member who attains age seventy and one-half prior to January 1, 2020, the member's required beginning date is no later than April first of the calendar year following the year the member attains age seventy and one-half or April first of the calendar year following the year the member terminates covered employment, whichever is later. For a member who attains seventy and one-half after December 31, 2019, the member's required beginning date is no later than April first of the calendar year following the year the member attains age seventy- two or April first of the calendar year following the year the member terminates covered employment, whichever is later. Payments must be made over a period of time which does not exceed the life expectancy of the member or the joint life expectancy of the member and the beneficiary. Payment of minimum distributions must be made in accordance with section 401(a)(9) of the Internal Revenue Code, as amended, and the regulations issued under that section, as applicable to governmental plans.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ADOPT THE SUGGESTED LANGUAGE CHANGE TO NDCC 15-39.1-10 RELATED TO REQUIRED MINIMUM DISTRIBUTION AGE AND SUBMIT TO THE LEGISLATIVE EMPLOYEE BENEFITS PROGRAMS COMMITTEE FOR INTERIM APPROVAL.

AYES: MR. OLSON, MS. GUMERINGER, MR. MICKELSON, TREASURER SCHMIDT, MR. BURTON, SUPT. BAESLER, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

TFFR PROGRAM OPERATIONS (COVID-19):

Ms. Kopp provided an update on TFFR program operations during the COVID-19 pandemic. RIO is following CDC, Governor's Office, and State recommendations in an effort to reduce the spread of the virus. The RIO office is closed to the public and many staff members are working remotely. TFFR member and employer services are functional and are primarily being delivered by electronic means. Various COVID-19 related communications for active and retired members and employers have been developed and are available on our website.

BOARD PROGRAM MANUAL - 1ST READING:

Mr. Mickelson provided a summary of the proposed updated board governance policies contained in the TFFR Board Program Manual developed by the TFFR Governance and Policy Review Committee (GPR).

Board discussion followed.

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE INTRODUCTION AND 1ST READING OF SECTION I: BOARD GOVERNANCE POLICIES INCLUDED IN UPDATED TFFR BOARD PROGRAM MANUAL AND TO REPEAL CERTAIN CURRENT TFFR ENDS, PROGRAM POLICIES, AND BY-LAWS AS LISTED (A-1, B-1, B-2, EXHIBITS B-I, B-II, & B-III, C-1, C-2, C-3, C-18, C-21, C-22, C-23, D-1, D-2, D-3, D-4, D-5, D-6, D-7, & D-8.)

AYES: MR. OLSON, MR. MICKELSON, SUPT. BAESLER, MS. GUMERINGER, TREASURER SCHMIDT, MR. BURTON, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

TFFR PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE:

Ms. Kopp provided an update on the TFFR PAS project. RIO staff met with ND Procurement, the ND Attorney General's Office and ND Information Technology staff to begin discussion regarding the PAS project. Discussion focused on the procurement process and the development of two request for proposals (RFP) for the project. The first RFP will be for a business consultant with expertise in pension system solutions to assist with

business process reengineering, procurement of the software solution, and implementation of the software.

Ms. Kopp currently serves as the TFFR PAS project sponsor. With her retirement, an interim project sponsor should be named to keep the project moving forward. It was discussed that Mr. Rich Nagel will fill in as the project sponsor on an interim basis until the new Deputy Executive Director/Chief Retirement Officer position is filled.

Board discussion followed.

RETIREE PAYMENT INCIDENT:

Ms. Kopp informed the Board about an incident that occurred regarding the direct deposit of a member's retirement benefit. In January 2020, a TFFR retiree notified TFFR that her January benefit payment was not deposited into her bank account. It was determined that someone fraudulently submitted an address change form, followed by a direct deposit change form which was processed by TFFR following standard procedures. The retiree informed staff that she had not moved and had not changed her bank account. After review of the issue, staff suggested that the member file a police report. TFFR submitted an incident report to the State Risk Management Fund and the retiree also submitted a claim.

TFFR staff did a thorough review of address and direct deposit change processes. Additional procedures have been put into place to reduce the likelihood of this happening in the future.

PENSION PLAN COMPARISON REPORT:

Ms. Kopp presented the annual Public Pension Plan Comparison Report comparing TFFR to the FY 2018 Public Fund Survey (PFS) conducted by the National Association of State Retirement Administrators (NASRA). This survey provides information on key characteristics of most of the nations' largest public retirement systems including actuarial funding levels, membership, cash flow, contribution rates, investment returns, actuarial assumptions, and asset allocation.

TFFR ENDS ANNUAL REVIEW:

Ms. Kopp reviewed the TFFR Ends and Retirement Statistic for the year ending June 30, 2018. The information provided indicates that the TFFR Ends policies formally adopted by the TFFR Board and accepted by the SIB are being implemented. Board discussion followed.

RETIREMENT TRENDS REPORT:

Ms. Kopp presented the annual Retirement Trends and Projections report as of January 2020. Of the 11,383 active TFFR members, 954 are currently eligible to retire. On average, 1,220 teachers have been eligible to

retire, and 389 actually retired each year, or a total of almost 3,889 for the 10-year period. Approximately 2,400 to 2,600 active members are projected to retire in the next 10 years which averages about 252 per year.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. OLSON AND CARRIED BY A VOICE VOTE TO APPROVE THE FOLLOWING ANNUAL REPORTS: PUBLIC PENSION PLAN COMPARISON REPORT, TFFR ENDS & STATISTICS REPORT, AND RETIREMENT TRENDS AND PROJECTIONS REPORT.

AYES: MR. BURTON, MS. GUMERINGER, MR. OLSON, TREASURER SCHMIDT, MR. MICKELSON, SUPT. BAESLER, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY MR. BURTON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE CONSENT AGENDA, DISABILITY 2020-03D.

AYES: TREASURER SCHMIDT, MR. OLSON, MR. BURTON, MR. MICKELSON, MS. GUMERINGER, SUPT. BAESLER, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

BOARD MEETING SCHEDULE:

Ms. Kopp talked to the Board about the option of scheduling a meeting in May or June.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO SCHEDULE A SPECIAL TFFR BOARD MEETING FOR THURSDAY, JUNE 25, 2020.

AYES: MR. MICKELSON, TREASURER SCHMIDT, SUPT. BAESLER, MR. BURTON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

RIO STAFFING UPDATE:

Mr. Hunter provided an update on the two open TFFR positions. Interviews were held for the Retirement Programs Specialist position. An offer is going to be made to one of the candidates this week. Interviews for the Deputy Executive Director/Chief Retirement Officer will be on May 1, 2020. Three candidates will be interviewed.

ADJOURNMENT:

With no further business to come before the Board, President Lech adjourned the meeting at 4:11 p.m.

Respectfully Submitted:

Dr. Rob Lech, President
Teachers' Fund for Retirement Board

Missy Kopp
Reporting Secretary



MEMORANDUM

TO: TFFR Board

FROM: Jan Murtha

DATE: June 17, 2020

SUBJ: New Employee Update

Beginning June 1, 2020 the Retirement and Investment Office attained a fully staffed status. New employees, Retirement Programs Specialist Jayme Heick and Deputy Executive Director - Chief Retirement Officer Jan Murtha have enclosed some words of introduction.

I. Retirement Programs Specialist Jayme Heick

Hi, my name is Jayme Heick. I am a native of Dickinson ND, but have lived in Bismarck for the past 6 years. I graduated in 09 with a degree in Business Management and last spring (19) graduated from the University of Mary with an M.B.A. My background is in benefit management and sales. My husband Dustin and I have 3 girls ages 10, 8, and 7. We love lake life, riding bike, and movie nights (to name a few of our favorite things). I am excited to be here at the Teachers Fund for Retirement and I look forward to many years of service towards our members.

II. Deputy Executive Director - Chief Retirement Officer Jan Murtha

After 18 years of practicing law first in Wisconsin, followed by Minnesota, and now North Dakota, I look forward to working with the staff of the Retirement & Investment Office and the TFFR Board once again, but now in a new role. I'm originally from Michigan, obtained a B.A. in Economics & Management from Albion College, in MI, followed by a Juris Doctor from Marquette University Law School in Milwaukee, WI. I'm married to another lawyer, originally from Dickinson, who in 2011 persuaded me that North Dakota was a wonderful place to work and raise a family. We are blessed with 9 year old boy/girl twins, a 6 year old daughter; and my stepdaughter, who is 19 and attending college in Florida.

TO: TFFR Board

FROM: Jan Murtha

DATE: June 17, 2020

SUBJ: October Meeting/ Future Schedule

The Board may wish to reschedule the October 22, 2020 meeting date to November 19, 2020 due to scheduling conflicts with both the Employee Benefits Programs Committee meeting date and education conferences. This memorandum will outline issues related to rescheduling.

I. 2020 Current Schedule –Meetings Pending

The October meeting is the last scheduled meeting of the Board prior to the 2021 legislative session. Presentations scheduled for this meeting include the Asset/Liability study presented by Callan; and the 2020 actuarial valuation report presented by Segal. The actuarial valuation report has previously been reported to the Board in October to coincide with the presentation to the Employee Benefits Programs Committee.

II. October Meeting Conflicts

EBPC is tentatively scheduled for October 28, 2020.
ND Council of Educational Leaders conference is scheduled for October 21-23, 2020.

III. Rescheduling Options

- 1) The Board could reschedule the October Board meeting to November 19, 2020. If selected, RIO staff would provide the Board with the written actuarial valuation report in advance of the EBPC meeting, and provide the Board an update on the EBPC presentation and discussion in November.
- 2) The Board could reschedule the October Board meeting from October 22, 2020 to October 29, 2020 to accommodate the require presentations of the actuaries.
- 3) The Board could elect to keep the October 22, 2020 meeting date.

IV. A motion is required if the Board wished to reschedule the October 22, 2020 meeting.

BOARD INFORMATION AND DISCUSSION.



MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha
DATE: June 17, 2020
SUBJ: Asset Allocation and Liability Modeling Study

At its April 23, 2020 meeting, the Board moved to request a proposal from Callan for an Asset Liability Study as opposed to seeking competing proposals from different consultants.

Callan provided a proposal which is attached for your review and information. The project fee to conduct the asset/liability education sessions and evaluation of the Plan's liability structure as outlined in the proposal is \$60,000. Travel expenses are included in the project fee. This cost proposal is \$5,000 less than the 2015 Asset Liability Study performed by Callan.

RIO staff have reviewed the proposal and find both cost and scope acceptable. At the request of staff, Callan has also provided a contract containing the proposal terms. RIO staff are conducting an internal review and requesting an AAG review of the proposed contract.

After reviewing the meeting minutes, and as a result of a discussion among RIO staff present at the meeting and Chairman Lech, it was determined that the April 23, 2020 motion of the Board authorized RIO to finalize a contract with Callan, for the Asset Allocation and Liability Modeling Study without further Board action.

Unless the Board has any questions or concerns RIO staff will finalize contract negotiations with Callan.

BOARD INFORMATION OR ACTION:

No action is required though the Board could move to formally accept Callan's proposal to perform the 2020 TFFR Asset Liability Study.



May 31, 2020

Mr. Dave Hunter
Executive Director / Chief Investment Officer
North Dakota Retirement and Investment Office
P.O. Box 7100
Bismarck, ND 58507-7100

VIA EMAIL: djhunter@nd.gov

Dear Dave:

This letter outlines a proposal by Callan LLC (Callan) to conduct an asset/liability study for the North Dakota Teachers' Fund for Retirement (TFFR) pension plan (Plan). The evaluation is expected to:

- establish a long-term strategic asset allocation target for TFFR that achieves a sustainable balance between funded status volatility and long-term contribution requirements;
- evaluate a risk-adjusted range of strategic allocations to return seeking and risk mitigating assets;
- incorporate liability assumptions based on any updated experience study;
- include educational sessions as required for the TFFR Board during the conduct of the study;
- establish reasonable and appropriate decision variables to aid in TFFR's evaluation of choices to facilitate adoption of an appropriate and prudent asset allocation policy; and
- entail a close working relationship between Callan, TFFR Board and staff, and RIO investment staff.

Callan will draw on our 2015-16 asset allocation project experience with TFFR and RIO as well as on our firm's considerable professional and technological resources to inform TFFR's decision-making process. As authorized by TFFR, we will interact with the Plan's actuary as required.

The following paragraphs of this letter describe the process by which Callan will assist TFFR in establishing appropriate objectives, evaluating alternative investment policies, and selecting a strategic asset allocation policy to achieve TFFR's objectives. As a long-term strategic partner with TFFR and other North Dakota pension fiduciaries, we are excited by this opportunity to work with TFFR to establish reasonable criteria to evaluate a range of possible solutions to each of the challenges listed above.

Overview of the project

Following a preliminary planning meeting with the TFFR Board, we propose that members of the Callan project team meet with TFFR and RIO investment staff to create a detailed work plan for the asset/liability study. We anticipate that Callan will meet with the Board and staff as often as needed for educational and planning purposes prior to presentation of our written findings and recommendations.

Callan will work with TFFR personnel to customize the work product and final presentation to meet TFFR's informational needs and requirements. We will also work with RIO investment staff on implementation considerations relative to the asset allocation recommendation Callan will present to TFFR. Callan will create a model that combines Plan liabilities, funding assumptions, and asset class projections. Two of the primary considerations in this approach to establishing an ideal strategic asset allocation policy are: 1) minimizing investment costs; and 2) reducing administrative complexity.

A brief history of Callan LLC

Callan was founded as an employee-owned investment consulting firm in 1973. Over the succeeding 42 years, we have empowered institutional clients with creative, customized investment solutions that are backed by proprietary research, extensive experience, exclusive data, ongoing education, and decision support. Focusing exclusively on consulting, we have the depth of resources and expertise associated with the largest consultancies. At the same time, we are independently owned and operated, with interests that are precisely aligned with those of our clients.

Callan is an employee-owned company. We advise on approximately \$2 trillion in total assets, making us among the largest independently owned investment consulting firms in the United States. All Callan employees consider themselves stewards of a culture that revolves around collaboration in service to our clients' needs. We strongly believe the stabilizing influence of independent ownership and our dedication to consulting provide the best foundation for the preservation of this client-oriented culture. In all our consulting work, we believe our ultimate client is the beneficial owner of the plan assets.

An overview of our consulting philosophy

Callan believes that it is our mission as investment consultants to deliver superior consulting solutions that help our clients achieve their investment and business objectives. We believe that fund sponsors should adopt well-defined procedures and methods to provide the best-managed assets for their needs and to protect the corpus from deterioration. Callan has developed our processes to help our clients dispense their duties with the highest fiduciary standards.

Callan believes in the development of customized solutions to fit each client's unique needs. To that end, we subscribe to a set of general beliefs that underpin our firm's investment advice to our clients:

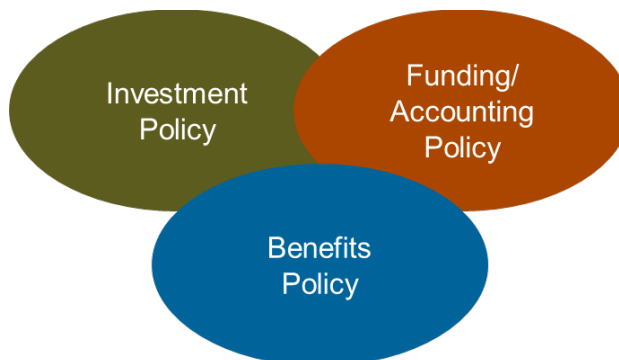
- We are ardent believers in diversification at the total portfolio level and within each asset class.
- We believe very strongly that investors should develop a written, long-term strategic investment plan that addresses the investor's specific beliefs, goals, objectives and the risk tolerance, taking into account the unique profile of the Plan.
- Once the strategic investment plan is adopted, we believe that each asset class should be structured with the goal of achieving returns in excess of the benchmark (assuming active management) while avoiding unintended and undesired risks by style, capitalization, duration, or other factors.

- We believe that passive investments can play an important role. We advocate use of passive or enhanced investment strategies in the areas of greatest market efficiency. We also believe that passive or enhanced investment strategies can be used to provide both low cost exposure and operational benefits in all public security markets, especially for large portfolios like TFFR's.
- We believe in active management particularly in the less efficient markets such as US small capitalization equities and non-US equities. We believe that a prudent manager selection process and a long-term view are both necessary to maximize the opportunities for success in manager selection.
- We attempt to achieve cost-effective solutions but understand that higher alpha opportunities and complex investment strategies generally demand higher fees.
- We generally believe in simple as opposed to complex portfolios. We strongly prefer fewer investment managers to more. We believe in leveraging relationships across multiple plans, where possible. We believe in written documentation of strategic decision such as asset allocation, manager structure, and manager selection document a prudent decision-making process.

We are mindful there is not one perfect solution for all situations. Consequently, we will work closely with TFFR to understand your needs, preferences, risk sensitivities and culture so that we can match the best investment practices with TFFR's objectives and risk tolerance.

Asset/Liability Modeling

As noted in the following graphic, three principle policies will shape the financial health of the Plan. Callan's analysis will provide TFFR with a clear understanding of the interrelationship of these policies and how they influence the future funded status of the Plan.



Using TFFR's most recent actuarial reports and any assumption changes adopted by the Board as a result of the most recent experience study, Callan will project the Plan's liabilities and funding requirements. We will analyze a variety of asset mixes so TFFR can evaluate their impact on the future funded status of the Plan. The starting point will be the Plan's current asset allocation policy. We will evaluate alternative mixes of assets to determine whether or not there may be a superior risk-adjusted means of investing the Plan's assets relative to the projected growth of Plan liabilities. This analysis will evaluate the potential for~ and relevant alternatives to~ an investment policy that balances risk-adjusted return potential with liquidity requirements. Ultimately, Callan will evaluate a wide variety of asset allocation policies for the Plan.

One of Callan's distinctive consulting practices is rigorous peer review of strategic policy and implementation studies conducted for our clients. Prior to delivering a written report to TFFR, the entire evaluation will be reviewed by a group of senior Callan consulting professionals — the Client Policy Review Committee ("CPRC"). The role of the CPRC is to apply firm-wide standards of practice in the review process of all consulting projects, specifically asset allocation studies, manager structure studies, guidelines and policies, and any other projects on which clients may base investment decisions. The CPRC helps ensure consistency, quality, objectivity and due diligence to all services provided by the firm.

Process

Callan has assigned a senior team of asset allocation specialists to work with TFFR to complete this strategic planning project. Paul Erlendson and Alex Browning will oversee the project; they will ultimately be responsible for the timely execution of the study and production of project deliverables. From the technical side, Callan's Capital Markets Research group (CMR) will conduct the analysis. CMR is composed of nine individuals including six CFA charter-holders, two actuaries and an economist. We will assign a lead investigator from the Capital Market Research group to lead the investigation.

If requested, Callan will evaluate both Total Return and de-risking, or Liability-Driven Investment (LDI), solutions. It has been our experience that an open public pension fund is financially better served with a Total Return policy as they generally necessitate lower levels of contributions due to their higher expected investment returns over the long run. We understand that TFFR may want to be armed with this analysis so you can responsibly determine the most cost-effective risk-adjusted approach to funding Plan obligations and responding to any inquiries from interested parties.

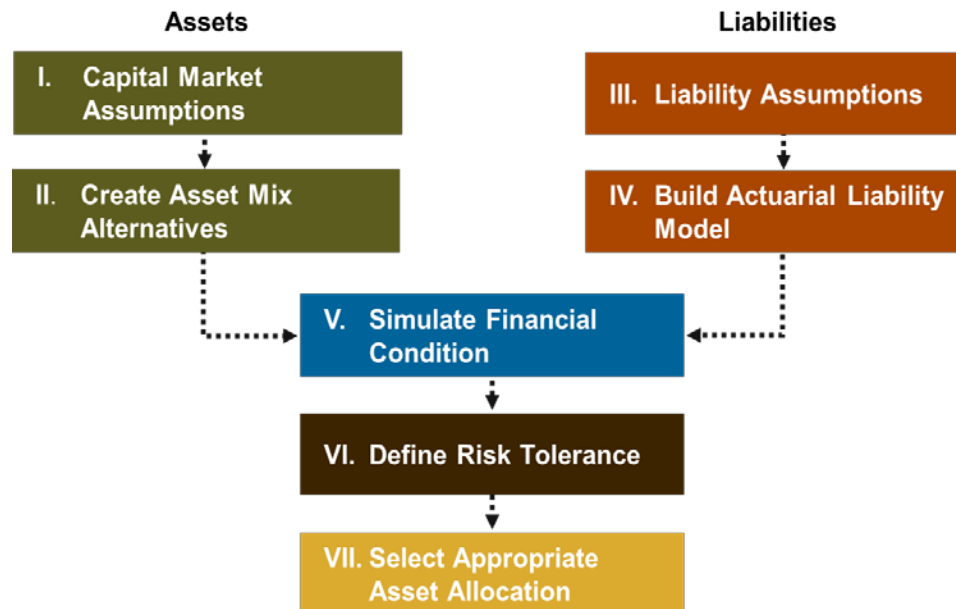
Our Capital Markets team will work with TFFR throughout this evaluation. The details of each member of the specialist team are listed in the following table.

Capital Markets Research Group

Name	Position	Industry Experience	Years w/ firm	Degrees and Certifications
Adam Lozinski	AVP	11	2	CFA, MS
Gary Chang	VP	11	5	CFA, BA
Jason Ellement	SVP	24	17	FSA, CFA, MAAA, BS
Jay Kloepfer	EVP	32	21	MA, BS
Jim Van Heuit	SVP	38	26	MA, BS, BA
John Pirone	SVP	23	4	CFA, CAIA, FRM, MSc, MA
Julia Moriarty	SVP	29	29	CFA, MBA
Kevin Machiz	VP	8	5	CFA, FRM, BBA
Sweta Vaidya	SVP	14	1	CFA, FSA, EA, BS

Asset Allocation Methodology

To determine an appropriate asset allocation, it's necessary to thoroughly understand the cash flow and liquidity needs, legal restrictions, time horizon and risk tolerance. The appropriate asset allocation for a given Plan is one where the assets are subject to no more volatility than is necessary to achieve a specific set of objectives regarding cash flow needs, liquidity and long-term asset growth. The schematic below illustrates Callan's integrated asset allocation and liability evaluation process.



Ultimately, the appropriate asset allocation policy for TFFR will need to satisfy two basic investment criteria:

1. The investment policy should generate the maximum expected rate-of-return given TFFR's expected level of risk; and
2. The investment policy should generate the appropriate level of risk given TFFR's particular Plan's liability structure and expected cash flows.

After the CPRC review, we will provide TFFR with a written report documenting our modeling and findings. Callan will help TFFR to evaluate the Plan's liabilities, the current investment policy, alternative investment policies, and their potential relative to TFFR's investment objectives and risk tolerances.

As the named fiduciary to the Plan, TFFR is the party responsible for choosing the Plan's asset allocation policy. Callan will provide educational training and professional input throughout the process so that the TFFR Board members will be in an informed position to confidently make prudent, strategic asset allocation decisions. We will assist TFFR and RIO in implementing the investment policy decision should any changes to the current strategic policy be needed and/or adopted.

Project Timing

Should we be selected, Callan is prepared to begin the asset allocation study immediately after being awarded the assignment. We propose that there be potentially up to three meetings prior to presentation of results and recommendation in October 22, 2020 with a goal of having the NDSIB implement TFFR's new asset allocation policy so it can be effective January 1, 2021.

The first of the proposed three meetings will be between Callan, TFFR and RIO staff. Conducted telephonically, this meeting's objective will be to establish a strategic work plan, specify objectives, timelines, and points of contact between TFFR, RIO, Callan, and TFFR's actuary.

The second meeting we propose will be an educational meeting between key members of Callan's project team and the TFFR Board. This meeting will be based on TFFR's meeting schedule and availability. The educational meeting agenda will include a review of capital market expectations; identification of asset classes to include in the study; an overview of the asset and liability modeling process; and a discussion of potential decision variables. Our experience shows that most Boards benefit from prioritizing their goals and using the associated quantitative metrics as decision tools. This process of identifying decision variables early empowers the Board to make prudent and appropriate policy decisions regarding asset allocation.

During the course of the study, Callan's consulting team will remain in contact with designated TFFR and RIO staff, apprising them of project status and preliminary findings. During these informal interim meetings, we will seek input from TFFR and RIO staff as necessary. Our goal is to maintain a constructive, interactive working relationship with the TFFR Board, its staff and the RIO investment staff.

Assuming we begin the project in early July, we expect that project results and recommendation can be presented at TFFR's October meeting. We will review our asset-liability results for the Plan as well as outline a potential implementation plan if significant allocation policy changes are required.

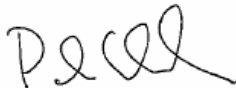
The proposed timeline will be subject to revision based on circumstances encountered during the project. Our ultimate objective is to provide the TFFR Board with the information and perspective you need to make informed, prudent decisions about the asset allocation policy. After the Board makes its final decisions on investment policy, we will be available to work with TFFR and RIO staff on any necessary revisions to TFFR's current investment policy statement.

Fees

The project fee to conduct the asset/liability education sessions and evaluation of the Plan's liability structure as outlined above is \$60,000. Travel expenses incurred by Callan professionals to attend meetings with TFFR and RIO personnel are included in the project fee. Please contact me via telephone at (303) 861-1851 or via email at erlendson@callan.com if you have any questions about this proposal.

Callan is committed to helping TFFR evaluate its investment and funding needs, and to select an appropriate asset allocation policy. If there are any questions or would like to discuss TFFR's objectives and Callan's proposal to help you achieve them, please contact me so we can arrange a meeting. We look forward to discussing this proposal with the Board at its June 25, 2020 meeting.

Cordially,



Paul Erlendson

cc: Jan Murtha, TFFR
Alex Browning, Callan
Julia Moriarty, Callan
Jay Kloepfer, Callan



MEMORANDUM

TO: TFFR Board

FROM: Jan Murtha

DATE: June 17, 2020

SUBJ: COVID-19 and Retirement Program Operations Update

The North Dakota Retirement and Investment Office (RIO) will be accessible to the public by appointment beginning July 1, 2020. The Retirement Services division has begun scheduling appointments with members for the months of July and August. In addition, "Wellness Barriers" (clear acrylic screens) have been installed at key public interaction points within the office.

Members of the public attending an appointment at the agency will be required to have their temperature taken and answer 3 screening questions relating to recent illness, travel, and known carrier contact. The enclosed attachments will be provided to staff.

Attachments:

Team ND Agency Covid-19 Facility Screening
CDC Covid-19 Information pamphlet.

BOARD INFORMATION AND DISCUSSION

TEMPERATURE SCANNER SCREENING (WHERE APPLICABLE)

Human temperature scanning will be conducted, where applicable, to alert for temperature readings at or above 100.4 F.

SCREENING QUESTIONS

1. Have you traveled out of the country or internationally within the past 14 days?
2. Have you had **new onset** of symptoms you feel are **consistent with viral illness** such as cough, shortness of breath or difficulty breathing, fever, chills, muscle pain, sore throat, or new loss of taste or smell within the last 14 days?
3. Have you been diagnosed with COVID-19 or contacted by the Department of Health as determined to be a close contact?
 - a. If yes: Have you been released from quarantine or isolation by the Department of Health?

STAFF RESPONSE DIRECTION

1. If the individual answered no to all of the above questions, and if the temperature reading is below threshold (where applicable), the individual is allowed entry into the facility.
2. If the individual answered yes to traveling internationally (#1), the individual will not be allowed entry and should be advised to fill out the Department of Health's online travel form found at www.health.nd.gov.
3. If the individual answered yes to new onset symptoms (#2), advise the individual of the following:
 - a. Contact their medical provider for guidance if they had new onset of symptoms in the past 14 days and return home.
 - b. Individual will need to reschedule appointment and return in 15 days. If the individual can access services via telephone, telehealth, or online services that should be accommodated.
 - c. Provide individual an information sheet about COVID-19.
4. If the individual answered no to #1 and #2, but yes to #3, the follow-up question clarifies if the individual is supposed to be actively quarantined or isolating or if this was historical information. If they have been released from quarantine/isolation (i.e. indicate "yes" to question #3a) they may enter the facility.

Prevent the spread of COVID-19 if you are sick

Accessible version: <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>

If you are sick with COVID-19 or think you might have COVID-19, follow the steps below to help protect other people in your home and community.

Stay home except to get medical care.

- **Stay home.** Most people with COVID-19 have mild illness and are able to recover at home without medical care. Do not leave your home, except to get medical care. Do not visit public areas.
- **Take care of yourself.** Get rest and stay hydrated.
- **Get medical care when needed.** Call your doctor before you go to their office for care. But, if you have trouble breathing or other concerning symptoms, call 911 for immediate help.
- **Avoid public transportation, ride-sharing, or taxis.**



Separate yourself from other people and pets in your home.

- **As much as possible, stay in a specific room** and away from other people and pets in your home. Also, you should use a separate bathroom, if available. If you need to be around other people or animals in or outside of the home, wear a cloth face covering.
 - See COVID-19 and Animals if you have questions about pets: <https://www.cdc.gov/coronavirus/2019-ncov/faq.html#COVID19animals>



Monitor your symptoms.

- **Common symptoms of COVID-19 include fever and cough.** Trouble breathing is a more serious symptom that means you should get medical attention.
- **Follow care instructions from your healthcare provider and local health department.** Your local health authorities will give instructions on checking your symptoms and reporting information.



If you develop **emergency warning signs** for COVID-19 get **medical attention immediately.**

Emergency warning signs include*:

- Trouble breathing
- Persistent pain or pressure in the chest
- New confusion or not able to be woken
- Bluish lips or face

*This list is not all inclusive. Please consult your medical provider for any other symptoms that are severe or concerning to you.

Call 911 if you have a medical emergency. If you have a medical emergency and need to call 911, notify the operator that you have or think you might have, COVID-19. If possible, put on a facemask before medical help arrives.

Call ahead before visiting your doctor.

- **Call ahead.** Many medical visits for routine care are being postponed or done by phone or telemedicine.
- **If you have a medical appointment that cannot be postponed, call your doctor's office.** This will help the office protect themselves and other patients.



If you are sick, wear a cloth covering over your nose and mouth.

- **You should wear a cloth face covering over your nose and mouth** if you must be around other people or animals, including pets (even at home).
- You don't need to wear the cloth face covering if you are alone. If you can't put on a cloth face covering (because of trouble breathing for example), cover your coughs and sneezes in some other way. Try to stay at least 6 feet away from other people. This will help protect the people around you.



Note: During the COVID-19 pandemic, medical grade facemasks are reserved for healthcare workers and some first responders. You may need to make a cloth face covering using a scarf or bandana.



[cdc.gov/coronavirus](https://www.cdc.gov/coronavirus)

Cover your coughs and sneezes.

- **Cover your mouth and nose** with a tissue when you cough or sneeze.
- **Throw used tissues** in a lined trash can.
- **Immediately wash your hands** with soap and water for at least 20 seconds. If soap and water are not available, clean your hands with an alcohol-based hand sanitizer that contains at least 60% alcohol.



Clean your hands often.

- **Wash your hands often** with soap and water for at least 20 seconds. This is especially important after blowing your nose, coughing, or sneezing; going to the bathroom; and before eating or preparing food.
- **Use hand sanitizer** if soap and water are not available. Use an alcohol-based hand sanitizer with at least 60% alcohol, covering all surfaces of your hands and rubbing them together until they feel dry.
- **Soap and water are the best option**, especially if your hands are visibly dirty.
- **Avoid touching** your eyes, nose, and mouth with unwashed hands.



Avoid sharing personal household items.

- **Do not share** dishes, drinking glasses, cups, eating utensils, towels, or bedding with other people in your home.
- **Wash these items thoroughly after using them** with soap and water or put them in the dishwasher.



Clean all “high-touch” surfaces everyday.

- **Clean and disinfect** high-touch surfaces in your “sick room” and bathroom. Let someone else clean and disinfect surfaces in common areas, but not your bedroom and bathroom.
- **If a caregiver or other person needs to clean and disinfect** a sick person’s bedroom or bathroom, they should do so on an as-needed basis. The caregiver/other person should wear a mask and wait as long as possible after the sick person has used the bathroom.



High-touch surfaces include phones, remote controls, counters, tabletops, doorknobs, bathroom fixtures, toilets, keyboards, tablets, and bedside tables.

- **Clean and disinfect areas that may have blood, stool, or body fluids on them.**

- **Use household cleaners and disinfectants.** Clean the area or item with soap and water or another detergent if it is dirty. Then use a household disinfectant.
 - Be sure to follow the instructions on the label to ensure safe and effective use of the product. Many products recommend keeping the surface wet for several minutes to ensure germs are killed. Many also recommend precautions such as wearing gloves and making sure you have good ventilation during use of the product.
 - Most EPA-registered household disinfectants should be effective.

How to discontinue home isolation

- People **with COVID-19 who have stayed home (home isolated)** can stop home isolation under the following conditions:
 - **If you will not have a test** to determine if you are still contagious, you can leave home after these three things have happened:
 - You have had no fever for at least 72 hours (that is three full days of no fever without the use of medicine that reduces fevers)AND
 - other symptoms have improved (for example, when your cough or shortness of breath has improved)AND
 - at least 10 days have passed since your symptoms first appeared.
 - **If you will be tested** to determine if you are still contagious, you can leave home after these three things have happened:
 - You no longer have a fever (without the use of medicine that reduces fevers)AND
 - other symptoms have improved (for example, when your cough or shortness of breath has improved)AND
 - you received two negative tests in a row, 24 hours apart. Your doctor will follow CDC guidelines.



In all cases, follow the guidance of your healthcare provider and local health department. The decision to stop home isolation should be made in consultation with your healthcare provider and state and local health departments. Local decisions depend on local circumstances.



MEMORANDUM

TO: TFFR Board of Trustees
FROM: Cody Mickelson and Jan Murtha
DATE: June 17, 2020
SUBJ: Board Governance Policies - 2nd Reading and Final Adoption

I. Policy Adoption Process

TFFR Program Policy C-23 outlines the process for Policy Introduction/Amendment/Passage as follows:

1. Introduction and first reading. A brief explanation or summary of the new policy or amendment shall be presented to the Board. Upon approval of introduction and first reading, the policy shall be placed on the agenda of the next scheduled meeting of the Board for second reading and adoption. When appropriate, the policy shall be distributed to interested parties.
2. Second reading and adoption. Interested parties and the public shall be allowed an opportunity to comment on the policy or amendment before final action by the Board. The policy shall take effect immediately following second reading and adoption by the Board, unless a different effective date is stated.
3. Amendments. Amendments may be proposed at any time before final adoption of the policy. Upon determination by the Board that adoption of an amendment constitutes a substantive change that significantly changes the meaning or effect of the policy, the Board shall continue consideration of second reading and adoption to the next meeting to permit further review and comment.

At the April 23, 2020 Board meeting, Policy Review Committee Chair provided a brief explanation of the proposed board governance policies contained in the updated TFFR Board Program Manual as part of the **Policy Introduction and 1st Reading**. Pursuant to Section 2 of the current TFFR Program Policy C-23 a second reading is scheduled for the June meeting.

II. Proposed Amendment

Subsequent to the 1st Reading, RIO staff observed that an incorrect Authorization for Out of State Travel form had been included in the Board packet. The attached policies contain the intended Travel form. This is the only difference in attachments provided at the last meeting.

RIO staff recommend amending the proposed policies to replace the former Travel form with the intended Travel form.

III. 2nd Reading and Final Adoption

Here are the TFFR Ends Policies, Program Policies, and By-Laws which the Committee recommends be repealed and replaced with the updated TFFR Board Program Manual Board Governance policies.

Introduction and Ends Policies

- A-1 Introduction
- B-1 Mission
- B-2 Goals
- B-I Exhibit – Plan Characteristics
- B-II Exhibit – TFFR Responsibilities
- B-III Exhibit – SIB Responsibilities

Program Policies

- C-1 Board Agenda
- C-2 Board Meetings
- C-3 Board Members Code of Conduct
- C-18 Board Travel
- C-21 Board Appeals
- C-22 Board Communications
- C-23 Board Policy Introduction/Amendment/Passage

By-Laws (All)

- D-1 Authority
- D-2 Board of Trustees
- D-3 Officers and Duties
- D-4 Meetings
- D-5 Committees
- D-6 Rules of Order
- D-7 Administrative Office
- D-8 Amendments

BOARD ACTION

Board motion to approve 2nd Reading and Final Adoption of Section I: Board Governance Policies included in updated TFFR Board Program Manual and to repeal certain current TFFR ends and program policies and by-laws listed above, **as Amended.**

North Dakota



Teachers' Fund For Retirement

Board Program Manual

ND TEACHERS' FUND FOR RETIREMENT (NDTFFR) BOARD PROGRAM MANUAL

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ND TEACHERS' FUND FOR RETIREMENT (NDTFFR) BOARD PROGRAM MANUAL

SECTION I: TFFR GOVERNANCE POLICIES

A. Introduction and Purpose

The ND Teachers' Fund for Retirement (TFFR) Board of Trustees is dedicated to ethically serving the members and stakeholders of the TFFR pension plan, and ensuring that the plan is effectively managed. The Board is committed to excellence in Board governance. An effective governance structure is essential to fulfilling fiduciary duties and Board responsibilities in accordance with the highest standards of professional responsibility, accountability, and transparency.

The Board developed and adopted this TFFR Board Program Manual to establish the framework within which the Board intends to set governance and oversight policy.

The purpose of the Manual is to:

1. Provide orientation material and exhibits for new TFFR trustees and executive staff as to the roles, responsibilities, policies, procedures, and activities in the governance and oversight of the TFFR plan.
2. Serve as an ongoing reference manual for current trustees and staff.
3. Describe the roles and responsibilities of the Board of Trustees as a Board, individual Trustees, Committees, Staff, and Service Providers.
4. Describe the relationship between the TFFR Board, the State Investment Board (SIB), and the Retirement and Investment Office (RIO) as it relates to the administration of the TFFR plan.
5. Establish a Board meeting protocol that outlines the manner in which the Board will conduct itself to enable the Board to carry out its responsibilities as effectively and efficiently as possible, and in accordance with state and federal law.
6. Facilitate the organized, efficient, and cohesive functioning of the Board.
7. Facilitate effective communication among the Trustees, staff, plan members, employers, and other external parties.
8. Define responsibility and accountability for hiring and monitoring outside service providers.
9. Document the method by which the Board will conduct a Board self- assessment.
10. Document Board governance and program policies, administrative rules, and state statutes governing the plan.

The TFFR Board Program Manual is an evolving set of documents that reflect the Board's current governance practices. The Manual will be reviewed by the Board on an annual basis. Board trustees, the Deputy Executive Director-Chief Retirement Officer, and/or legal counsel may recommend modifications for Board consideration and approval.

The contents of the TFFR Board Program Manual are intended to be consistent with state and federal laws, rules, and regulations. If there is any conflict between the provisions included in this Manual and state or federal law, the law prevails.

B. TFFR Program Overview

1. History

The ND Teachers' Fund for Retirement (NDTFFR) (formerly the ND Teachers' Insurance and Retirement Fund or NDTIRF) was created by the ND Legislature in 1913. The defined benefit plan provides lifetime retirement, disability and survivor benefits for ND public school educators.

Membership participation, benefits provided, contribution requirements, and plan provisions are described in [State Law](#) and the [TFFR Member Handbook](#).

2. Legal Framework

[ND Century Code \(NDCC\) Chapter 15-39.1](#) contains the legal authority and statutory language governing the TFFR plan, and is supplemented by [ND Administrative Code Title 82](#). TFFR is a qualified (tax exempt) defined benefit public pension plan covered under [Section 401\(a\) of the Internal Revenue Code \(IRC\)](#).

C. TFFR Mission, Vision, and Values

1. Our Mission

To administer a comprehensive retirement program that provides North Dakota public educators with a foundation for retirement security.

2. Our Vision

To be a trusted leader in the administration of a financially sound retirement program for North Dakota educators by providing exceptional customer service, professional plan management, and organizational effectiveness by adhering to the principles of good governance, transparency, and accountability.

3. Our Core Values

- Customer Satisfaction and Commitment to Excellence which are demonstrated by our trustworthiness, accountability, and respectfulness.
- Strong Governance and Operational Effectiveness through our strategic leadership, fiduciary responsibility, ethical practices, and transparency.

D. TFFR Board Authority, Composition, Appointment, Terms

1. Board Authority

TFFR is governed by a 7-member [TFFR Board of Trustees](#) who are charged with oversight, policy making, and administration of the TFFR retirement program as provided under [NDCC 15-39.1-05](#). The trustees are fiduciaries, and as such have the highest standard of law placed on them.

2. Board Composition

The Board is composed of seven trustees consisting of:

Two elected state officials:

- State Treasurer (ex officio)
- State Superintendent of Public Instruction (ex officio)

Five members appointed by the Governor:

- Two board members who are actively employed as elementary or secondary teachers in full-time positions not classified as school administrators. The appointment is made from a list of three nominees submitted to the Governor by ND United (NDU).
- One board member who is actively employed as a full-time school administrator. The appointment is made from a list of three nominees submitted to the Governor by the ND Council of Educational Leaders (NDCEL).
- Two board members who are retired members of the Fund. The appointment is made from a list of three nominees submitted to the Governor by the ND Retired Teachers Association (NDRTA).

3. Board Trustee Desired Attributes

Board trustees should possess or develop the following desired attributes in order to become an effective board trustee.

- a. Unwaveringly ethical
- b. Perpetually inquisitive
- c. Knowledgeable about the membership
- d. Ability to understand complex actuarial, financial, and investment concepts
- e. Committed to strong board governance practices

- f. Diligent and willing to spend time to learn best pension practices
- g. Professional, respectful, and courteous demeanor
- h. Proactive and responsive approach to member needs
- i. Committed and engaged
- j. Active listening and communication skills
- k. Critical thinking skills
- l. Ability to make fair and timely decisions
- m. Open and accountable to stakeholders

4. Board Appointment Process

When a TFFR Board trustee term expires or vacancy occurs, the Chief Retirement Officer will notify the Governor's Office and the applicable stakeholder group (ND United, ND Council of Educational Leaders, or ND Retired Teachers Association) of the vacancy. Board trustee desired attributes and board responsibilities will be provided to the Governor's Office and applicable stakeholder group to assist them in making board nominee or trustee selection.

NDU, NDCEL, or NDRTA will submit a list of three Board nominees to the Governor's Office, as required by state law. Board nominees must complete the "Application for Boards and Commissions" from the Governor's Office in order to be considered for TFFR Board appointment. This application contains information about the nominee's background, education, experience, financial disclosures, and references.

After reviewing the Board nominee applications, the Governor will make the trustee appointment, and will notify the selected nominee and the Chief Retirement Officer. The Governor's Office will send the newly appointed trustee a Certificate of Appointment which provides formal documentation of appointment to the TFFR Board. The Governor's office will also send an Oath of Office and Statement of Intent which must be signed by the trustee and returned to the Governor's Office. These documents confirm the trustee's appointment is official. Trustees can then carry out their official duties as a Board member and can be paid for authorized expenses.

5. Trustee Terms, Resignations and Vacancies

The State Treasurer is an ex-officio member of the Board, and serves on the Board throughout the term of the State Treasurer's elected position. A lawful Deputy of the State Treasurer (pursuant to [NDCC 44-03-01](#)) may act with the full authority of the State Treasurer, and may vote when serving as the State Treasurer's official designee on the Board.

The State Superintendent of Public Instruction is an ex-officio member of the Board, and serves on the Board throughout the term of the State Superintendent's elected position. The State Superintendent

may designate an individual to attend and participate in Board meetings, however the designee may not vote since the designee does not have the lawful authority to vote on behalf of the State Superintendent.

Each of the five Governor-appointed trustees are appointed for a term of five years. The terms of office are staggered with the five appointed trustee positions beginning July 1 and expiring on June 30 of each successive year. There is no limit to the number of terms a trustee may serve on the Board. Trustees may remain on the Board until they are reappointed or until their successors are appointed.

Appointed active trustees who terminate employment may not continue to serve on the Board as active teacher representatives. Appointed active and retired trustees may resign from the Board by providing written notice to the Governor and the TFFR Board.

Appointed trustee position vacancies which occur before the expiration of a term will be filled by the Governor, and the new appointee will complete the term for which the original trustee was selected.

E. TFFR Board - Duties and Responsibilities

1. Fiduciary Duties

TFFR trustees are fiduciaries, and as such, have the highest standard of law placed upon them. Trustees are expected to discharge their duties with the utmost honesty and integrity and to act solely in the interest of the members, retirees, and beneficiaries for the exclusive purpose of providing benefits and paying reasonable expenses of administering the TFFR program.

Fiduciary duties include the following:

- a. Duty of loyalty. The obligation to act for the exclusive benefit of the plan participants and beneficiaries. Regardless of how trustees are selected, trustees must put the interests of all plan participants and beneficiaries above their own interests or those of any third parties.
- b. Duty of care. The responsibility to administer the plan efficiently and properly. The duty of care includes consideration and monitoring of the financial sustainability of funding practices and the effective administration of plan benefits in compliance with applicable laws.
- c. Duty of prudence. The obligation to act prudently in exercising power or discretion over the interests that are subject of the fiduciary relationship. A trustee should act in a manner consistent with a reasonably prudent person exercising care, skill, and caution.

2. Board Responsibilities

The TFFR Board of Trustees is responsible for oversight, policy making, and administration of the TFFR plan as provided under [NDCC 15-39.1-05.2](#).

Board responsibilities include:

- a. Establish and monitor policies for the administration of the TFFR plan.
- b. Set legislative priorities and positions, submit legislative proposals, and monitor legislation affecting the plan.
- c. Develop and adopt administrative rules and board policies to administer the plan.
- d. Establish and monitor TFFR plan funding policy and progress.
- e. Establish and monitor TFFR investment policies and asset allocation under [NDCC 21-10-02.1](#).
- f. Select and monitor the performance of consultants, advisors, and service providers for the plan.
- g. Select and monitor actuarial consultant(s) to provide actuarial and technical consulting services including: annual actuarial valuations and GASB reports, periodic actuarial experience studies, independent actuarial audits, and other special projects and studies; develop and monitor actuarial funding policy, assumptions, methods, and factors; analyze proposed legislative changes; and advise the Board on actuarial, technical, and administrative issues.
- h. Select and monitor medical consultant to conduct disability reviews.
- i. Select and monitor investment consultant to perform asset allocation and liability studies.
- j. Monitor and pay plan benefits, consulting fees, administrative and investment expenditures.
- k. Administer the plan so as to maintain the plan's qualified status under Internal Revenue Code requirements.
- l. Review and approve applications for disability retirement, Qualified Domestic Relations Orders (QDROs), and other special benefit payments.
- m. Review and decide board appeals.
- n. Determine appropriate levels of service and monitor outreach programs provided to members and employers.
- o. Monitor RIO budget, expenditures, financial reporting system, and financial audit.
- p. Monitor RIO information technology systems, projects, and security.
- q. Select TFFR representatives to serve on SIB and monitor investment program activities and fund performance.
- r. Select TFFR representative to serve on SIB Audit Committee and monitor audit program activities.

- s. Inform the State Investment Board (SIB), which is the administrative board of the Retirement and Investment Office (RIO), of the TFFR program needs, policies, and services expected to be provided through RIO.
- t. Participate with the RIO Executive Director in the hiring, evaluation, and termination of the TFFR Chief Retirement Officer – RIO Deputy Executive Director.

F. TFFR Board Trustees and Officers – Duties and Responsibilities

1. TFFR Trustee

Trustees must be willing and able to devote the necessary time to fulfill their duties on the Board. This commitment includes the responsibility to:

- a. Act as a member of a seven-member Board of Trustees to provide leadership, oversee plan administration, and set the strategic direction for the TFFR program.
- b. Prepare for and attend Board and Committee meetings.
- c. Be an informed and active member of the Board, fully participating in the decisions and actions of the Board and its Committees by making independent assessments and reasonable judgments.
- d. Acquire and maintain the knowledge and skills necessary to perform trustee duties.
- e. Follow Board policies and procedures; applicable state and federal laws and rules.
- f. Be accurate when communicating with other trustees, members, beneficiaries, interested parties, the public, and RIO staff.
- g. Act collegially with the other trustees and staff in the conduct of TFFR business.
- h. Bring to the attention of the Board matters of concern that affect the TFFR plan.
- i. Seek the advice of the Chief Retirement Officer, legal advisor, and other trustees when necessary to fulfill their fiduciary duties.
- j. Comply with the Board's Code of Conduct and Ethics.
- k. Adhere to state law regarding confidentiality of member records and benefits.
- l. Adhere to state law regarding Open Meetings and Open Records.
- m. Evaluate trustee's individual performance and the Board's performance as a whole.

2. TFFR Board President

The Board President's principal role is to lead the Board in the conduct of Board business by managing the affairs of the Board and ensuring the integrity of the Board's process. The Board President must be willing and able to devote the time necessary to fulfill these special responsibilities. This commitment includes the responsibility to:

- a. Convene and preside over all Board meetings in a collegial, fair, and efficient manner following Board policies, procedures, and applicable state laws and rules.
- b. Review and approve the agenda for regular and special Board meetings.
- c. Ensure proper and timely flow of adequate information to the Board.
- d. Solicit input from trustees regarding matters before the Board.
- e. Ensure adequate time is provided for effective study and discussion of business.
- f. Make Committee assignments.
- g. Execute documents and other legal instruments on behalf of TFFR as required by state law, authorized by the Board, or determined in conjunction with the Chief Retirement Officer.
- h. Represent the Board to outside parties and organizations.
- i. Lead the Board's self-assessment and self-development processes.
- j. Perform all other duties identified by the Board.

3. TFFR Board Vice President

The Vice President will perform the duties of the President in the absence of the President.

4. TFFR Representatives to SIB

The TFFR Board selects three trustees to represent TFFR on the SIB. TFFR representatives to the SIB must include one active teacher, one active administrator, and one retired member.

The TFFR representatives to the SIB have the same authority and responsibilities as do other SIB trustees as provided in [NDCC 21-10](#) and outlined in the [SIB Governance Manual](#).

5. Alternate TFFR Representative to SIB

The TFFR Board selects one alternate TFFR representative to serve on the SIB.

The Alternate TFFR representative to the SIB will perform the duties of the regular TFFR representative on the SIB in the absence of that trustee.

6. TFFR Representative to SIB Audit Committee

The TFFR Board selects one TFFR representative on the SIB to serve on the SIB Audit Committee, subject to official appointment by SIB Chair.

The TFFR representative on the SIB Audit Committee has the same authority and responsibilities as do other trustees on the SIB Audit Committee which are outlined in the [SIB Audit Committee Charter](#).

G. State Investment Board

The ND State Investment Board (SIB) is responsible for oversight, policy making, and administration of the SIB investment program as provided under [NDCC 21-10](#). As such, TFFR assets, as well as other state pension, insurance, and other state funds, are invested by the SIB.

The SIB is composed of twelve trustees consisting of:

- Lt. Governor of the State of ND
- State Treasurer
- State Insurance Commissioner
- Director of Workforce Safety & Insurance
- Commissioner of University and School Lands
- **Three TFFR trustees**
- Three PERS trustees
- One Legacy & Budget Stabilization Fund Advisory Board trustee (nonvoting)

Investment of TFFR assets is based on the asset allocation and investment policy statement approved by the TFFR Board and accepted by the SIB. Funds are invested following the “prudent investor rule” and must be invested exclusively for the benefit of TFFR members.

The SIB is also the governing body of the ND Retirement and Investment Office (RIO).

H. Retirement and Investment Office

The ND Retirement and Investment Office (RIO) coordinates the activities of the TFFR retirement program and SIB investment program as provided under [NDCC 54-52.5](#). The governing body of RIO is the SIB, although the TFFR Board and SIB each maintain their legal identities and authority under state law.

RIO is responsible for developing the agency budget, providing the staff, and allocating necessary resources to administer both the TFFR and SIB programs, subject to budget approval by the Legislature. The TFFR Board and SIB provide input to RIO Executive Management to ensure retirement and investment program needs, policies, and services are considered.

RIO Executive Director - Chief Investment Officer is the administrator of RIO and is responsible for the SIB investment program. RIO Deputy Executive Director – Chief Retirement Officer assists in the administration of RIO, and is responsible for the TFFR retirement program.

RIO is an administrative agency of the State of North Dakota and operates from an office located at 3442 East Century Avenue in Bismarck, North Dakota.

I. Delegation to Staff and Organizational Structure

The TFFR Board delegates administration of the TFFR program to the RIO Deputy Executive Director - TFFR Chief Retirement Officer, subject to approval by the RIO Executive Director.

The RIO Deputy Executive Director – TFFR Chief Retirement Officer reports directly to the RIO Executive Director – Chief Investment Officer and functionally to the TFFR Board. *See RIO Organizational Chart (Exhibit 1).*

J. Staff - Duties and Responsibilities

1. Deputy Executive Director – Chief Retirement Officer

The Deputy Executive Director – Chief Retirement Officer is hired by the RIO Executive Director – Chief Investment Officer, serves in an unclassified position, and is paid such salary as the Executive Director determines. The Board delegates responsibility for administering the TFFR program to the Deputy Executive Director – Chief Retirement Officer, subject to approval by the Executive Director. The Board will participate with the Executive Director in the hiring, evaluation, and termination of the Deputy Executive Director-Chief Retirement Officer.

Duties and responsibilities include:

- a. Assist the Executive Director in planning, supervising, and directing overall RIO programs in accordance with the SIB governance policies and state laws and rules, and represent the Executive Director in his/her absence.
- b. Administer the TFFR retirement program in accordance with governing statutes, rules, and TFFR Board policies and perform related work as assigned by the TFFR Board.
- c. Develop annual and long-range plans for the retirement program.
- d. Interpret state and federal law which governs the retirement program.
- e. Develop administrative rules, policies, and procedures necessary to administer the program.
- f. Represent the TFFR Board on retirement program issues.
- g. Direct TFFR legislative agenda and process.
- h. Maintain effective relationships with TFFR members, beneficiaries, employers, state officials, legislators and legislative committees, member and employer stakeholder groups, the media, and the public at large.
- i. Work with actuarial consultant, medical consultant, legal counsel, auditor, investment consultant, and other service providers in administering the plan.

- j. Assist in the formulation of RIO's budget, including staffing needs, program costs, operating costs, information technology requirements, and resources to assure that retirement program obligations are met.
- k. Develop Board and Committee meeting agendas and materials, attend all Board and Committee meetings, responsible for meeting minutes, required notices, procedures, and applicable rules and regulations of the fund.
- l. Provide the Board with relevant, appropriate, and timely information to enable it to properly carry out its oversight responsibilities.
- m. Advise the Board on significant issues, problems or developments pertaining to the plan, and provide recommended courses of action as appropriate. regarding Board policy or action.
- n. Maintain the data, records, and files of TFFR members, beneficiaries, and employers including membership data, salary, service, contributions, and benefit payments.
- o. Ensure the accurate and timely collection of member and employer contributions, maintenance of member accounts, processing of account claims, and payment of pension, disability, death and refund benefits as allowed under state law.
- p. In the absence of the Deputy Executive Director-Chief Retirement Officer, the Retirement Program Manager will be responsible for the administration of the TFFR program.

2. Executive Director - Chief Investment Officer

The Executive Director – Chief Investment officer (ED-CIO) is hired by the SIB, serves in an unclassified position at the SIB's pleasure, and is paid such salary as the SIB determines.

Duties and Responsibilities include:

- a. Oversee planning, supervising, and directing overall RIO programs in accordance with SIB governance policies and state laws and rules.
- b. Administer the investment program of RIO and perform related work as assigned by the SIB.
- c. Direct the preparation and execution of the RIO budget and legislative agenda and evaluates and monitors financial and operational programs.
- d. Represent RIO, promote RIO programs, and has the authority and responsibility to carry out the day-to-day administrative duties for RIO.
- e. Attend all meetings of the SIB and TFFR Board.
- f. Hire staff as necessary to carry out the responsibilities of RIO.
- g. The TFFR Board will participate with the Executive Director in the hiring, evaluation, and termination of the Deputy Executive Director-Chief Retirement Officer.

K. Service Providers – Duties and Responsibilities

1. Actuary

The TFFR Board is responsible for selecting and monitoring the actuarial consultant for the plan.

Duties and responsibilities include:

- a. Provide actuarial and technical consulting services for the plan.
- b. Prepare annual actuarial valuation and GASB reports, periodic actuarial experience studies, and other special projects and reports.
- c. Develop and monitor actuarial funding policy, assumptions, methods, factors, etc.
- d. Analyze proposed legislative changes.
- e. Advise the Board on actuarial, technical, and administrative issues.

The Board utilizes a request for proposal (RFP) process to periodically select and approve the plan's consulting actuary. It is the Board's intent to issue RFP's every 6 to 10 years, however the timing may be adjusted at the Board's discretion.

The Board monitors actuarial costs and services, and may extend the actuarial consulting service contract for 2 year terms, as approved by the TFFR Board.

The Board also hires an independent actuary to periodically perform an actuarial audit of the plan's consulting actuary. The Board utilizes an RFP process to select and approve the plan's actuarial auditor.

2. Medical Consultant

The TFFR Board is responsible for selecting and monitoring a medical consultant for the plan to conduct disability reviews, disability re-certifications, and perform other medical reviews as necessary.

The Board monitors medical consulting costs and services, and may extend the medical consulting contract for 2 year terms, as approved by the TFFR Board. The Board may delegate this responsibility to the Chief Retirement Officer.

3. Legal Counsel

The ND Attorney General's Office (AGO) provides legal services to the TFFR Board and staff. The AGO assigns an assistant attorney general to advise the Board on legal issues related to plan administration.

Duties and Responsibilities include:

- a. Represent the Board and staff in all legal matters.
- b. Draft proposed legislation, administrative rules, and other legal documents.
- c. Review and advise on retirement program issues.
- d. Research and interpret state statutes and federal regulations.
- e. Review Board policies, procedural issues, contracts, and other legal documents.
- f. Respond to legal questions from staff, members, employers, and other individuals.

- g. Advise and educate the Board and staff on legal matters that relate to the administration of the retirement system including Board appeals, fiduciary duties, ethics, open records and meetings, potential litigation, and other legal issues.
- h. Work with staff from the AGO in representing the retirement plan in administrative hearings, litigation, and other matters involving the AGO.
- i. Work with outside legal counsel on application of Internal Revenue Code technical requirements and plan qualification issues.

4. Auditor (External financial)

The ND State Auditor's Office selects the external financial auditor for RIO, with input from the SIB Audit Committee.

Duties and Responsibilities include:

- a. Perform annual audit of RIO's financial statements.
- b. Perform annual audit of TFFR's GASB 68 schedules.
- c. Provide report on internal controls and compliance.
- d. Provide required written communications.

Results of the annual financial audit are reported directly to SIB Audit Committee, and communicated to the TFFR Board in conjunction with annual audit services report.

5. Investment Consultant, Managers, and Advisors

The SIB is responsible for investment of TFFR trust fund assets, and selects the investment consultant, managers, custodian, and advisors for the SIB program.

The governing body of each fund invested by the SIB is required to use RIO staff and consultants in developing asset allocation and investment policies. The TFFR Board has contracted with the SIB investment consultant to perform asset allocation and liability modeling studies in the past.

L. Election of TFFR Board Officers and SIB trustee positions

1. Board Officers

The TFFR Board will elect the following Board officers each year. Any trustee may serve as a TFFR Board officer.

- Board President
- Board Vice President

The TFFR Board will select the following representatives to the SIB each year. Any trustee may serve as a TFFR representative to the SIB, except the State Treasurer is required to be an ex officio member of both the TFFR Board and SIB so may not be selected as a TFFR representative to the SIB.

- Three TFFR representatives to SIB (representatives must include one active teacher, one active administrator, and one retired member)
- One TFFR alternate representative to SIB
- One TFFR representative to SIB Audit Committee (from SIB)

2. Election Procedure

The TFFR Board will elect the Board officers and TFFR representatives to the SIB at the first regular Board meeting immediately following July 1 of each year. There must be a quorum of four board members in attendance to elect officers.

Four affirmative votes are required to elect Board officers and TFFR representatives to the SIB.

3. Term

Board officers and TFFR representatives to SIB will hold office for one year, or until their successors are elected.

There is no limit to the number of years a trustee may hold office.

4. Vacancies

A Board officer or TFFR representative to the SIB may resign from their position by providing written notice to the Board and Chief Retirement Officer.

Board officer or TFFR representative to the SIB vacancies that occur before the expiration of a term will be filled by the Board at the next regular meeting of the Board following the vacancy.

M. Board and Committee Meetings

1. Open Meetings

All Board and Committee meetings are open to the public in accordance with ND Open Meetings laws pursuant to [NDCC 44-04-17.1](#).

Meetings include any gathering of a quorum of the members of the Board (four members constitute a quorum for TFFR Board) regarding public business, and includes committees, subcommittees, informal gatherings or work sessions, and discussions where a quorum of members are participating by phone or any other electronic communication (either at the same time or in a series of individual contacts).

Emails or text messages between Board members regarding public business may constitute a meeting and violate open meeting laws even if done on personal devices.

Training seminars and purely social gatherings attended by a quorum of the Board or Committee are not meetings, however, as soon as the members discuss any public business, it becomes a meeting.

2. Rules of Order

All Board and Committee meeting will be conducted in accordance with Robert's Rules of Order Newly Revised, except as superseded by state law and Board governance policies.

3. Meeting Schedule

The Board will hold meetings as often as necessary for the transaction of business, but will conduct a minimum of six Board meetings each year.

The Board will approve an annual Board meeting schedule identifying the time, date, and location of regular Board meetings. Board meetings will generally be scheduled for the Thursday afternoon preceding SIB meetings beginning in July of each year, unless a different day is determined. (Note: SIB meetings are generally scheduled for the 4th Friday of each month.) The Board or Board President may modify this schedule, if needed. This schedule must be filed annually with the Secretary of State's office.

The Board President, or any two members of the Board, may call for special or emergency Board meetings.

At the July Board meeting each year, the Board will elect officers, review governance and program policies, and develop the annual board agenda and education plan.

The Board may hold an annual offsite Board retreat to focus on board development, strategic planning, legislative planning, developments in public pension administration, and other topics as determined by the Board. A Board Retreat must also be noticed as a meeting of the Board.

4. Meeting Notice

Public notice of all Board and Committee meetings is made in accordance with state law pursuant to [NDCC 44-04-20](#).

Meeting notices are posted on the Secretary of State website, RIO public website, RIO office, and the meeting location.

5. Meeting Agendas

An annual schedule of agenda topics, reports, and education items for each regular board meeting will be developed by the Chief Retirement Officer and approved by the Board. The annual schedule will also include review of the Board Governance Manual over several meetings.

Board meeting agendas will be prepared by the Chief Retirement Officer and approved by the Board President using the annual schedule as a basis for topics to be included on each regular meeting agenda. Additional topics may be added by the Chief Retirement Officer, Board President, and Board trustees subject to approval by the Board President.

The meeting agenda should contain enough detail so trustees, members, interested parties, and the general public can understand the nature of each agenda item.

Any individual or organization who desires to appear on the agenda of a Board or Committee meeting must notify the Chief Retirement Officer in writing at least ten working days prior to the meeting date. The request must include the reason or topic to be discussed with the Board. Subject to approval by the Board President, the individual will be placed on a Board meeting agenda.

Regular Board meeting agendas may be added to or altered at the time of the meeting. For special or emergency meetings, only the specific topics included in the meeting notice may be discussed.

The meeting agenda will identify if the item requires Board action, information only, consent agenda, or executive session. The agenda will also note the estimated amount of time expected for each topic.

- **Action** items on the agenda contain information that require Board discussion and vote (annual reports, policy changes, benefit determinations, legislative positions, etc.)
- **Information** only items contain information that it is important for the Board to know, but do not require Board action or a Board vote (project updates, status reports, education, etc.)
- **Consent agenda** items will primarily consist of approval of disability applications, QDROs, employer reviews, or other routine administrative matters that require Board action as recommended by staff, but which typically do not require Board discussion. Trustees may request any item to be removed from the Consent agenda to allow for Board discussion and action.
- If an **Executive session** is required or anticipated, the Executive session must be listed as an agenda item (i.e. confidential member information, attorney consultation, etc.)

6. Meeting Materials

The Chief Retirement Officer will coordinate the preparation of Board meeting materials and develop an Executive Summary.

Meeting materials will generally be sent to trustees 5-7 days before the meeting, unless otherwise indicated.

Materials will be posted on the public RIO website, except for Executive Session or confidential items which will be sent via secure email to the trustees only.

7. Meeting Attendance and Quorum

Attendance at Board meetings is an essential element of a trustee's fiduciary responsibility. Therefore, Board members are expected to attend all Board and applicable Committee meetings.

Board members may attend meetings in person, by telephone or video conference.

A quorum of four members must be present for the Board to conduct business.

Board members should come to meetings having read the materials prepared and circulated by staff and/or consultants.

Board members should be inquisitive, and should appropriately question staff, advisors, and fellow trustees as circumstances require.

Board members should conduct themselves with integrity and dignity, maintaining the highest ethical conduct at all times.

Board members should make every effort to engage in collegial deliberations and to maintain an atmosphere in which trustees can speak freely and explore ideas before becoming committed to positions.

8. Voting

Voting on matters before the Board will be by roll call vote, except for procedural matters.

Board members have a duty to vote unless there is an applicable statute that would require or permit abstention.

Each Board member is entitled to one vote. Proxy voting is not allowed.

Four members constitutes a quorum.

Four votes are required for resolution or action by the Board.

Board minutes will show the recorded vote of each Board member.

9. Public Access and Comment

All Board and Committee meetings are open to the public and all persons who wish to attend may do so in accordance with ND Open Meeting laws, [NDCC 44-04-17.1](#).

Public participation or comments during Board meetings may be allowed and limited to reasonable time limits at the discretion of the Board president as follows:

1. By written request to appear on a Board meeting agenda.
2. By written request to speak on a specific Board meeting agenda topic.
3. By written request to speak on any TFFR related topic which is not on a regular Board meeting agenda.
4. By submitting a letter or written document for distribution to the Board.

See TFFR Board Public Participation Guidelines (Exhibit 2).

10. Executive Sessions

The Board or Committee may conduct business in Executive Session only as permitted by state law, [NDCC 44-04-19.2](#). Executive sessions shall be presided over by the Board President or Committee Chair.

Only the portions of a public meeting that are specifically confidential or exempt from the Open Meetings law may be closed to the public and held in Executive Session. The remainder of the meeting must be open to the public.

Reasons a meeting may not be open to the public includes Board discussion of:

- Confidential member records or information under [NDCC 15-39.1-30](#) (examples include member benefit appeals, benefit determinations, disability applications, QDROs, etc.)
- Attorney's advice regarding a "pending or reasonably predictable" lawsuit involving TFFR.
- Attorney's assessment of the risks, strengths or weaknesses of an action of the TFFR Board or negotiating strategy if holding the discussion in an open meeting would have an adverse effect on the bargaining or litigating position of the Board.

11. Closed Meeting Procedures

State law specifies the following general procedure for holding an executive session.

- a. Convene meeting in an open session preceded by public notice.
- b. Announce during the open portion of the meeting the topics to be considered during the Executive Session and the legal authority for holding an Executive Session on those topics.
- c. Pass a motion to hold an Executive session, unless motion is unnecessary because a confidential meeting is required to discuss confidential information.
- d. Record the Executive Session electronically.

- e. Limit the topics considered during the Executive Session to the announced, authorized topics.
- f. Take final action on the topics considered in the Executive Session during the open portion of a meeting.
- g. All substantive votes must be recorded by roll call.

12. Meeting Minutes and Records

Minutes will be taken at all Board and Committee meetings, and presented for approval at the next regular meeting. The Board President or Committee Chair will sign the minutes after Board approval.

At a minimum, minutes must include:

- a. The names of the members attending the meeting;
- b. The date and time the meeting was called to order and adjourned;
- c. A list of topics discussed regarding public business;
- d. A description of each motion made at the meeting and whether the motion was seconded;
- e. The results of every vote taken at the meeting; and
- f. The vote of each member on every recorded roll call vote.

Approved meeting minutes will be made available on the RIO-TFFR website, or upon request. Meeting minutes and records of the Board and Committee activities and actions will be maintained as required by state law.

13. Meeting Payment and Travel Expense Reimbursement

Board members, excluding ex-officio members, will receive compensation and travel expenses for attending Board and Committee meetings as provided in state law, [NDCC 15-39.1-08](#).

Board members will be paid \$148 for each Board or Committee meeting attended. Board members will be paid the full amount for each meeting attended that lasts for two or more hours. Meetings lasting less than two hours will be paid at one half the amount. Mileage and travel expense reimbursement will be paid as provided in state law.

Board members may not lose regular salary, vacation pay, vacation or any personal leave, or be denied attendance by the state or political subdivision while serving on official business of TFFR.

To receive meeting payment, Board members must complete a travel expense form and submit it to RIO. See *RIO Board Meeting In-State Travel Expense Voucher (Exhibit 3)*.

N. Committees

1. Standing Committees

The TFFR Board may establish permanent standing committees. The Board currently has no standing committees.

2. Special Committees

The Board may establish special ad hoc committees as needed to carry out duties specified by the Board.

The Board President will appoint the Committee Chair and Committee members for special committees.

Committee Chairs are responsible for organizing the work of the Committee. In fulfilling this function, Committee Chairs:

- a. Schedule Committee meetings as often as necessary.
- b. Consult with the Chief Retirement Officer in setting the meeting agenda in accordance with the Committee's delegated responsibilities.
- c. Conduct Committee meetings in a collegial, fair, and efficient manner following Board policies, procedures, and applicable state law such as the open meetings law.
- d. Ensure the Committee operates to assist the Board consistent with its delegation.
- e. Provide Committee updates and reports to the Board.

When the Committee's duties are completed, the Committee automatically ceases to exist.

3. Audit Committee

The SIB Audit Committee also functions as the Audit Committee for the TFFR Board since the SIB is the governing body of the RIO agency and RIO administers both the TFFR retirement program and SIB investment program.

The TFFR Board selects one TFFR representative on the SIB to serve on the SIB Audit Committee, subject to official appointment by SIB Chair. This representative will act as the TFFR Board's liaison to the SIB Audit Committee.

The TFFR Board's representative on the SIB Audit Committee and/or the Audit Supervisor, will provide Audit Committee updates and monitoring reports to the Board.

O. Board Appeals

Any member, beneficiary, employer, or affected individual may appeal a determination made by the Chief Retirement Officer regarding TFFR eligibility, benefits, or other plan provisions with which the individual does not agree.

The affected individual must file a written request for Board review within thirty days after notice of the determination of the Chief Retirement Officer has been mailed to the affected individual. If a request for Board review is not filed within the thirty-day period, the decision of the Chief Retirement Officer is final. The request for Board review must include the decision being appealed, the reason(s) the individual believes the decision should be reversed or modified, and any relevant documentation.

To review the matter, an appeal hearing will be scheduled as part of a regularly scheduled Board meeting. A summary of the relevant facts and documentation will be presented. The affected individual and/or designee may attend and speak at the hearing. After review of the facts, documentation, and testimony, the Board will make its decision. The Board's decision will be communicated in writing to the affected individual within 30 days of the decision.

Any individual aggrieved by a decision of the Board may initiate a formal administrative action against the Board in accordance with [ND Administrative Code Chapter 82-10](#) and [ND Century Code Chap. 28-32](#).

P. Board Communications

The TFFR Board President and Chief Retirement Officer are authorized to represent the Board on retirement program issues and in announcing Board positions and decisions, unless otherwise determined by the Board.

Board members may respond to general inquiries about the TFFR retirement program, however specific questions from members, beneficiaries, employers, and the public should be referred to the Chief Retirement Officer or the Retirement and Investment Office staff to provide more detailed information about the retirement program.

Q. Trustee Orientation and Education Program

Trustees are responsible for making policy decisions affecting all major aspects of TFFR plan administration. Therefore, trustees should acquire and maintain an appropriate level of knowledge that provides and improves core competencies necessary to govern a large, complex pension fund.

1. Board Member Core Competencies

Board members should develop and maintain their knowledge and understanding of the issues involved in the prudent management of the retirement plan. Specific areas include:

- a. Public pension plan governance
- b. Asset allocation and investment management
- c. Actuarial principles and funding policies
- d. Financial reporting, controls and audits
- e. Benefits administration
- f. Open meeting and open records laws
- g. Fiduciary responsibilities
- h. Ethics and conflicts of interest

2. Board Member Education

To permit Board members to develop core competencies, discharge their fiduciary duties, and ensure Board members have a full understanding of the issues facing the TFFR plan, the Board encourages trustee education including:

- a. New trustee orientation
- b. Mentoring program
- c. Educational conferences, workshops, and other training programs
- d. In-house education sessions
- e. Fiduciary education and ethics training
- f. Open meeting and open records training
- g. Webinars, Reports, and Studies

Board members should identify areas in which they might benefit from additional education, and work with the Chief Retirement Officer to find or develop educational opportunities to best address those needs.

Board members must annually report trustee education received each year. *See TFFR Board Education Report Form (Exhibit 4).*

3. New Trustee Orientation

Each new Board member should attend a new trustee orientation session(s) as soon as possible after appointed to the Board or elected to office. The orientation sessions will be developed by the Chief Retirement Officer, and will include, at minimum, review of the following topics and materials:

- a. Introduction to RIO staff
- b. Tour of RIO office
- c. Board Governance Manual
- d. Board duties and responsibilities
- e. History and overview of the plan
- f. Overview of TFFR-SIB-RIO organizational structure
- g. Laws, rules, and board policies governing the plan
- h. Benefit structure, administration, outreach services
- i. Fiduciary responsibilities, conflict of interests, and ethics
- j. Open meetings and open records
- k. Board meeting schedule and protocol
- l. Board meeting minutes and materials
- m. Actuarial valuation report, assumptions, methods, and funding policy
- n. Actuarial experience report
- o. Actuarial audit report
- p. Annual financial report
- q. Investment program, investment policy statement, asset allocation, and performance
- r. RIO website – TFFR and SIB sections
- s. Legislative issues
- t. List of educational conferences and training sessions
- u. Other relevant information or materials deemed appropriate

4. Mentoring Program

The Board President will assign each new trustee an experienced Board mentor to assist the new trustee in becoming familiar with Board responsibilities. The Board mentor should have at least two years of experience on the Board.

The Board mentor should contact the new Board member periodically outside of regularly scheduled Board meetings for consultation or discussion related to Board member duties and responsibilities. The new Board member should contact the Board mentor as often as necessary.

Appointment of a Board mentor does not constitute appointment of a Committee and does not implicate open meeting notice requirements.

5. Educational Conferences, Workshops, and other Training Programs

The Chief Retirement Officer will maintain a list of educational conferences, workshops, and other training programs appropriate for Board members to attend. The list will be provided at least annually to Board members. Board members may attend such conferences or others deemed to be appropriate by the Chief Retirement Officer.

Subject to budget availability, Board members may attend at least one out of state educational conference each year. New trustees, or trustees with investment or other specialized Board responsibilities, may attend additional educational training sessions to help develop core competencies and become proficient in performing their duties.

The Chief Retirement Officer will review conference agendas and materials to ensure they are geared toward trustee education, and subject to budget availability, will approve Board travel requests. Board travel outside of the continental United States must be approved by the Board President and Chief Retirement Officer.

Any Board member who attends a conference, workshop, or other training program will present an oral report to the Board.

The Chief Retirement Officer will inform the Board of educational conferences, workshops, or other training programs attended by trustees on an annual basis.

6. In-House Education Sessions

Based on the education needs identified by Board members, the Chief Retirement Officer will arrange for staff or outside service providers to conduct educational sessions at regularly scheduled Board meetings. Topics may include pension board governance, actuarial and funding issues, investments, retirement operations and benefits, workforce demographics and shortages, and other topics determined by the Board.

7. Fiduciary Education and Ethics Training

At least every two years, a fiduciary education and ethics training session will be conducted at a regularly scheduled Board meeting. The session will review and update trustees regarding fiduciary issues and ethical conduct affecting their service on the Board.

8. Open Meetings and Open Records Training

At least every two years, an open meetings and open records training session will be conducted at a regularly scheduled Board meeting. The session will review and update trustees regarding open meetings and open records requirements affecting their service on the Board.

9. Webinars, Reports, and Studies

Board members are encouraged to subscribe to mailing lists and review websites for information about public pension plan conferences, webinars, reports, and studies from pension and investment organizations. Examples include:

- National Council on Teacher Retirement ([NCTR](#))
- National Institute on Retirement Security ([NIRS](#))
- National Education Association-Retired ([NEA-R](#))
- National Retired Teachers Association ([NRTA-AARP](#))
- International Foundation for Employee Benefit Plans ([IFEBP](#))
- Center for State and Local Government Excellence ([SLGE](#))
- Center for Retirement Research at Boston College ([CRR](#))
- Callan Investment Institute ([Callan](#))
- Council of Institutional Investors ([CII](#))

The Chief Retirement Officer will also provide links to recent published reports and studies with Board meeting materials.

10. Reimbursement of Education Expenses

Trustees must request approval for travel to educational conferences or other educational programs. Trustees should notify the Chief Retirement Officer of their interest in attending an educational conference or other program. RIO will complete the travel authorization form which must be signed by the trustee and approved by the Chief Retirement Officer. *See ND Authorization for Out of State Travel (Exhibit 5).*

RIO will make all travel arrangements and pay conference registration fees, unless otherwise agreed to by the Chief Retirement Officer and trustee.

Payment of travel-related expenses for trustee education will be in accordance with state of ND travel policies. Trustees will be reimbursed for travel related expenses including lodging, meals, transportation, etc. In order to receive reimbursement, a trustee must complete an expense form and attach receipts as required. *See RIO Conference Expense Voucher – Board Members (Exhibit 6).*

R. Code of Conduct, Ethics, and Conflicts of Interest

Following is the Code of Conduct, Ethics, and Conflicts of Interest policy for the TFFR Board of Trustees:

1. Board members owe a duty to conduct themselves so as to inspire the confidence, respect, and trust of the TFFR members and to strive to avoid not only professional impropriety, but also the appearance of impropriety.
2. Board members shall perform the duties of their offices impartially and diligently. Board members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and to refrain from any form of dishonest or unethical conduct. Board members shall be unswayed by partisan interest, public sentiment, or fear of criticism.
3. Conflicts of interest and the appearance of impropriety shall be avoided by Board members. Board members shall not allow their family, social, professional, or other relationships to influence their judgment in discharging their responsibilities. Board members shall refrain from financial and business dealings that tend to reflect adversely on their impartiality or interfere with the proper performance of their duties. If a conflict of interest unavoidably arises, the Board member shall immediately disclose the conflict to the Board. The Board must vote on whether the member can vote. Conflicts of interest to be avoided include, but are not limited to: receiving consideration for advice given to a person concerning any matter over which the Board member has any direct or indirect control, acting as an agent or attorney for a person in a transaction involving the Board, and participation in any transaction for which the Board member has acquired information unavailable to the general public, through participation on the Board. "Conflict of interest" means a situation in which a Board member has a direct and substantial personal or financial interest in a matter which also involves the member's fiduciary responsibility.
4. The Board shall not unnecessarily retain consultants. The hiring of consultants shall be based on merit, avoiding nepotism and preference based upon considerations other than merit that may occur for any reason, including prior working relationships. The compensation of such consultants shall not exceed the fair value of services rendered.
5. Board members shall abide by NDCC 21-10-09, which reads: "No member, officer, agent, or employee of the state investment board shall profit in any manner from transactions on behalf of the funds. Any person violating any of the provisions of this section shall be guilty of a class A misdemeanor."
6. Board members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities.
7. Political contributions are regulated under NDCC 16.1-08-03 and are not restricted under this policy.
8. All activities and transactions performed on behalf of public pension funds must be for the exclusive purpose of providing benefits to plan participants and defraying reasonable expenses of administering the plan.

9. Prohibited transactions. Prohibited transactions are those involving self-dealing. Self-dealing refers to the fiduciary's use of plan assets or material, non-public information for personal gain; engaging in transactions on behalf of parties whose interests are averse to the plan; or receiving personal consideration in connection with any planned transaction.
10. Violation of these rules shall result in an official reprimand from the TFFR Board. No reprimand shall be issued until the board member has had the opportunity to be heard by the Board.
11. Board members are required to affirm their understanding of this policy annually, in writing, and must disclose any conflicts of interest that may arise. *See TFFR Code of Conduct Annual Affirmation (Exhibit 7)*
12. RIO Deputy Executive Director- Chief Retirement Officer is required to affirm his/her understanding of RIO Administrative Policy – Code of Conduct for RIO Employees – annually, in writing, and must disclose any conflicts of interest that may arise.

S. Strategic Planning

The Board and Chief Retirement Officer will work collaboratively to develop a long-term strategic plan which may:

1. Identify and prioritize TFFR program issues and initiatives.
2. Assess the strengths, weaknesses, opportunities, and threats for TFFR.
3. Focus resources on high value activities.
4. Develop strategies to address priorities.
5. Monitor the progress and implementation of the strategic plan.
6. Work with RIO to ensure adequate resources are in place to support the successful execution of the plan.

T. Board Policy Approval Process

Board governance and program policies may be adopted or amended from time to time based on the following process.

New policies or policy amendments may be proposed by the Chief Retirement Officer or a Board member. All new policies or amendments must be submitted to the Board's legal counsel at the Attorney General's office for review prior to Board approval.

Upon request of the Chief Retirement Officer or a Board member, a new policy or amendment shall be placed on the Board's agenda for action as follows:

1. Introduction and first reading. A brief explanation or summary of the new policy or amendment shall be presented to the Board. Upon approval of introduction and first reading, the policy shall

be placed on the agenda of the next scheduled meeting of the Board for second reading and adoption. When appropriate, the policy shall be distributed to interested parties.

2. Second reading and adoption. Interested parties and the public shall be allowed an opportunity to comment on the policy or amendment before final action by the Board. The policy shall take effect immediately following second reading and adoption by the Board, unless a different effective date is stated.
3. Amendments. Amendments may be proposed at any time before final adoption of the policy. Upon determination by the Board that adoption of an amendment constitutes a substantive change that significantly changes the meaning or effect of the policy, the Board shall continue consideration of second reading and adoption to the next meeting to permit further review and comment.
4. Emergency measures. Upon determination that an emergency or other circumstances calling for expeditious action exists, the Board may waive the requirement of a second reading and immediately approve the new policy or amendment following introduction and first reading.

Board policies will be reviewed at least annually, or more often as needed.

U. Board Self-Assessment

On an annual basis, the Board will engage in a self-assessment process to evaluate the trustee's individual performance and the Board's overall performance. The Board President is responsible for overseeing implementation of this assessment, with assistance of the Chief Retirement Officer and Supervisor of Audit Services.

Individual Trustee and Overall Board Assessments may contain topics including:

- Board and staff roles
- Board and Committee structure
- Board meetings
- Policy making and reviews
- Financial management practices
- Pension plan administration practices

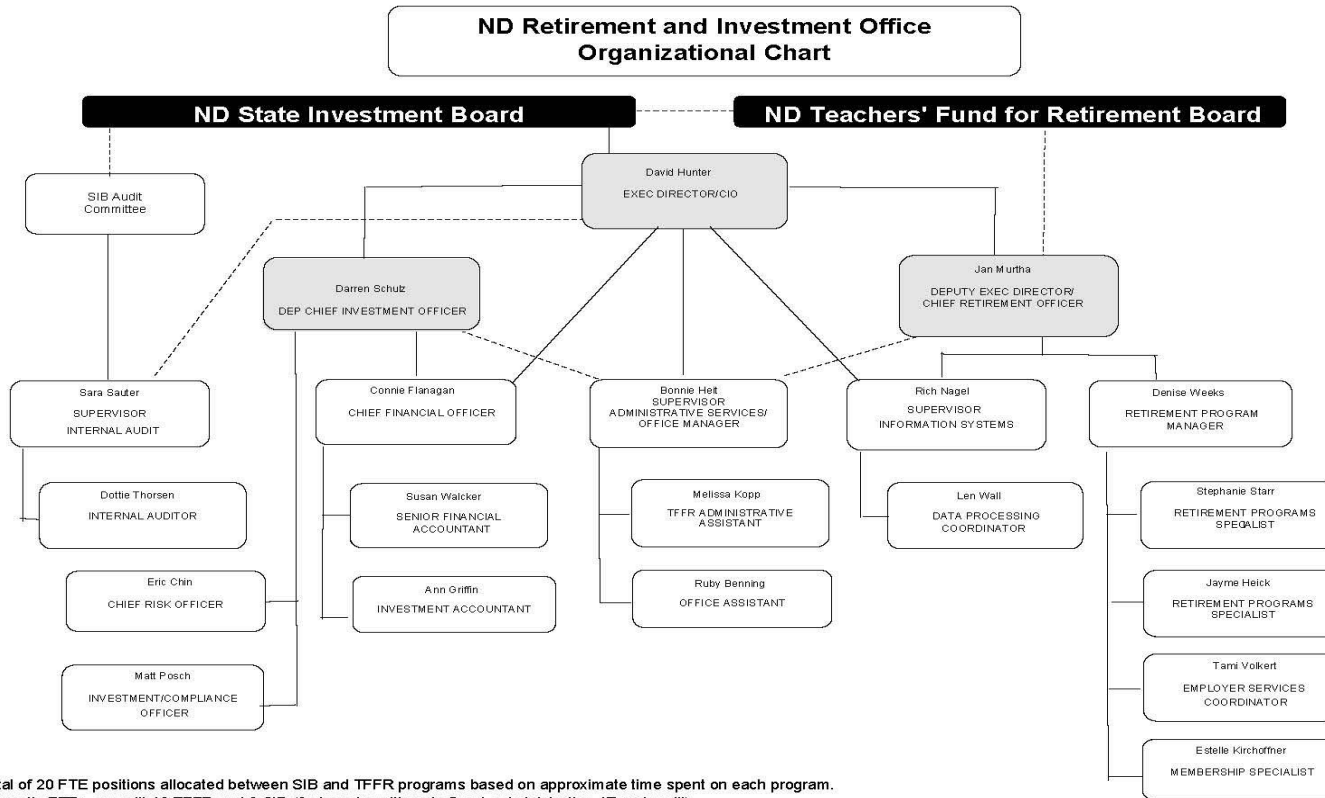
See TFFR Board Self- Assessment (Exhibit 8 Process and Survey To Be Developed).

Board Governance Policies Approved _____
Date

Board Governance Section Exhibits

1. RIO Organizational Chart

June-20



2. TFFR Board Public Participation Guidelines



TFFR Board Meeting Public Participation Guidelines

All TFFR Board and Committee meetings are open to the public and all persons who wish to attend may do so in accordance with ND Open Meetings laws, NDCC 44-04-17.1.

The Board is responsible for oversight, policy making, and administration of the TFFR plan. The Board may seek public input to assist in making decisions, but time spent answering routine questions or criticisms must not be taken from Board business. Generally, if an individual has a question or concern about the operation of the TFFR program or a specific member or employer issue, he/she is encouraged to contact the Chief Retirement Officer to get the needed response directly.

Although there is no legal requirement that the public be given an opportunity to speak at TFFR Board meetings, it is the Board's policy that public participation or comments during Board meetings may be allowed and limited to reasonable time limits at the discretion of the Board President. (See TFFR Board and Committee Meetings – Public Access and Comment, Policy M-9.)

Subject to approval of the Board President, public participation or comments may be provided to the Board as follows:

- 1) **By written request to appear on a Board meeting agenda.** The request must include the topic to be discussed, and must be provided to the Chief Retirement Officer at least ten working days prior to the meeting date.
- 2) **By written request to speak on a specific Board meeting agenda topic at the meeting.** The request must include the topic to be discussed, and must be provided to the Chief Retirement Officer at least two hours prior to the meeting.
- 3) **By written request to speak on any TFFR related topic which is not on a regular Board meeting agenda under "Other Business."** The request must include the topic to be discussed, and must be provided to the Chief Retirement Officer at least two hours prior to the meeting.
- 4) **By submitting a letter or written document** to the Chief Retirement Officer for distribution to the Board.

SPEAKER INFORMATION

- Speaker should stand (if able to do so) and be recognized by the Board President.
- Speaker should state Name and Organization Representing (if applicable).
- Speaker should state agenda number and topic which the speaker will address.
- 5-minute time limit for speaker, unless additional time is allowed by Board President.
- No undue interruption, disorderly conduct or remarks made out of order.
- No charges or complaints against staff will be allowed.
- Questions and comments by the Board and Chief Retirement Officer will be allowed.
- Board or Staff response to the Speaker's remarks will be allowed, but is not required.

TFFR BOARD

PUBLIC PARTICIPATION REQUEST FORM

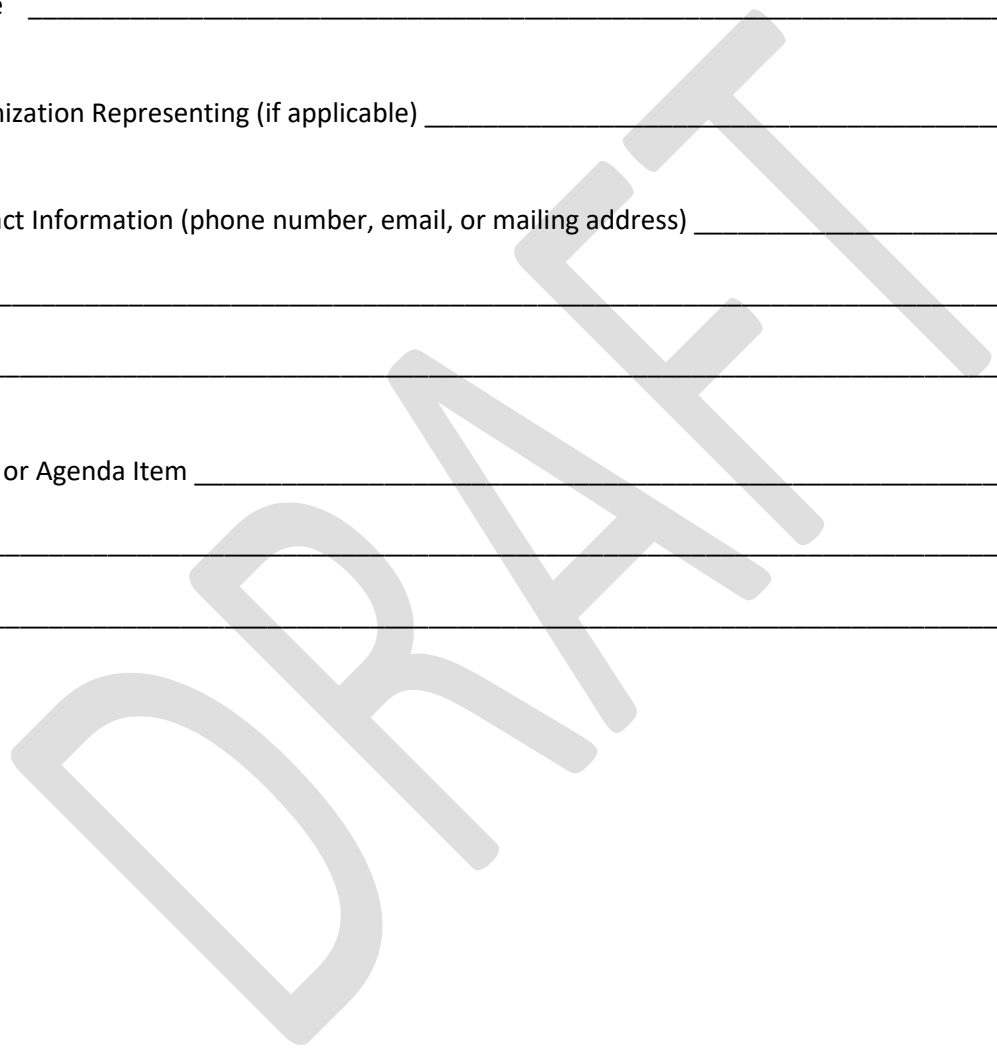
Date and Time Submitted _____

Name _____

Organization Representing (if applicable) _____

Contact Information (phone number, email, or mailing address) _____

Topic or Agenda Item _____



3. RIO Board Meeting In-State Travel Expense Voucher

RETIREMENT AND INVESTMENT OFFICE
Board Meeting Travel Expense Voucher

Name (please print) _____

MEETING ATTENDED:

- TFFR
Date _____
- SIB
Date _____
- Audit Committee
Date _____
- Securities Litigation Committee
Date _____
- Executive Review Committee
Date _____

Time	Office Use

TRAVEL EXPENSES

MEALS (Reimbursed at state rate effective 8/1/15):

- Date _____ Breakfast (1st Qtr - 6am) \$7.00
- Lunch (2nd Qtr - Noon) \$10.50
- Dinner (3rd Qtr - 6pm) \$17.50
- Date _____ Breakfast (1st Qtr - 6am) \$7.00
- Lunch (2nd Qtr - Noon) \$10.50
- Dinner (3rd Qtr - 6pm) \$17.50

- Date _____ Breakfast (1st Qtr - 6am) \$7.00
- Lunch (2nd Qtr - Noon) \$10.50
- Dinner (3rd Qtr - 6pm) \$17.50
- Date _____ Breakfast (1st Qtr - 6am) \$7.00
- Lunch (2nd Qtr - Noon) \$10.50
- Dinner (3rd Qtr - 6pm) \$17.50

MILEAGE (Round trip):

FROM: _____

TO: _____

Total Miles: _____ @57.5¢/mile Effective 1/1/20

LODGING (Attach Receipts - reimbursed at actual cost up to \$86.40/night + tax)

Effective 10/1/19:

Number of Nights: _____

MISCELLANEOUS (Attach Receipts):

Telephone Calls _____

Taxi, car rental, etc _____

Other _____

SIGNATURE: _____

DATE: _____

Office Use	
521020/521035	Total Meals \$ _____
521030	Total Mileage \$ _____
521015	Total Lodging \$ _____
	Total Misc. \$ _____
TOTAL TRAVEL \$ _____	

4. TFFR Board Education Annual Report



TFFR Board Education Reporting Form

Trustee Name: _____

Fiscal Year: _____

DATE	COURSE NAME	COURSE SPONSOR NCTR, Callan, Segal, NEA, NIRS, IFEBP, other	TYPE Orientation, Educ. Conf, Workshop, In-house educ, webinar, other	HOURS
Total Hours				

Trustee Name

Date

5. ND Authorization for Out of State Travel

AUTHORIZATION FOR OUT OF STATE TRAVEL

STATE OF NORTH DAKOTA
SFN 2564 (8-96)

Department or Institution ND RETIREMENT AND INVESTMENT OFFICE		Dept. No. 190
Mailing Address (If not "Inside Capitol" mail) 3442 EAST CENTURY AVENUE, PO BOX 7100, BISMARCK ND 58507 7100		
Person Traveling (Last Name) 		(First Name)
Destination(s) (City and State) 		
METHOD OF TRAVEL: <input type="checkbox"/> Train (1) <input type="checkbox"/> State Vehicle (3) <input type="checkbox"/> Commercial Air (5) <input type="checkbox"/> State Plane (6) <input type="checkbox"/> Bus (2) <input type="checkbox"/> Personal Vehicle (4) <input type="checkbox"/> Charter Plane (5) <input type="checkbox"/> Other (Explain)		
Date to depart from home 	Date to return home 	Does trip include vacation days? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
REASON FOR TRIP: <input type="checkbox"/> Conference/Meeting (C) <input type="checkbox"/> Seminar/Workshop/Training (T) <input type="checkbox"/> Routine Work (W) <input type="checkbox"/> Other (X)		
NAME OF MEETING (DO NOT Abbreviate) 		
TOTAL NUMBER OF PERSONS FROM YOUR AGENCY FOR THIS TRIP/MEETING:		NOTE: Submit a separate SFN 2564 for each person at the same time.

ESTIMATED COST OF TRIP (To Nearest Dollar)					COSTS WILL BE PAID BY Department <input type="checkbox"/> Other (Explain in Remarks)
Transportation	Meals, Lodging, Etc.	Registration	Rental Car/Taxi	TOTAL	
\$	\$	\$	\$	Estimated \$	
REMARKS 					

Signature of Person Traveling

Date

Supervisor Signature

Date

Deputy Executive Director

Date

Executive Director

Date

INSTRUCTIONS FOR THE TRAVEL EXPENSE VOUCHER

Be sure to “Tab” from one field to another, rather than using the mouse.

Month – Enter the month of travel.

Year – Enter the year of travel.

Department Name – Enter the name of your Agency.

Official Position – Enter your job title.

Employee Name – Enter your name.

Employee ID – This number is assigned by payroll.

Business Unit – Your agency’s 5-digit number.

Fiscal Month – Enter the fiscal month.

Biennium – Enter the biennium.

Day - Enter the day of the month in which the activity occurred.

Points Covered By Travel – Enter the departure/destination points.

Hour – Enter the departures and arrival time for the actual travel day (example: 7:00 am).

Vehicle Miles – Enter the number of vehicle miles traveled. If you have in state and out of state miles, separate them and list them on separate lines.

Ref – Enter an “I” for in-state travel or an “O” for out-of-state travel. **If this is not entered, the form will not calculate correctly.**

Comm'l Air Trans. – Enter the amount of commercial air transportation.

Ref – Enter an “I” for in-state travel or an “O” for out-of-state travel. **If this is not entered, the form will not calculate correctly.**

Taxi & Other Air Trans. – Enter taxi fares and any other air transportation.

Ref – Enter an “I” for in-state travel or an “O” for out-of-state travel. **If this is not entered, the form will not calculate correctly.**

Misc. Exp – Enter your other expenses that do not belong in any other column. Explain these expenses in the “Purpose of Travel and Explanation of Expenses” section.

Meals In State – Enter the dollar amount of the meals in state.

Meals Out of State – Enter the dollar amount of the meals out-of-state.

Ref – Enter a “T” if your meals are taxable. Meals are taxable if no overnight stay is involved.

Lodging in State – Enter the dollar amount of lodging in state.

Lodging Out of State – Enter the dollar amount of lodging out-of-state.

Purpose of Travel and Explanation of Expenses – Enter the reason for travel and any explanations for your miscellaneous expenses.

2nd Reading and Final Adoption 06.25.20

The amounts entered in the top section of the form will automatically be totaled and filled in the appropriate fields of the middle section, as long as the correct reference codes were entered and you used the tab key to navigate between fields. The only exceptions are the following two fields:

Vehicle Miles in State – Calculates the total vehicle miles traveled within the state. You will need to enter the current rate. The total will then automatically calculate.

Vehicle Miles out of State – Calculates the total vehicle miles out of state. You will need to enter the current rate. The total will automatically calculate.

Total Expenses – Calculates the total expenses automatically.

Ref. Doc. No. of Advance – Enter the document number if you received a travel advance and the dollar amount.

Net Expenses – Calculates the net expenses automatically.

Print two copies of the Travel Expense Voucher.

Sign one copy, attach all of your receipts, and submit it for approval. Once approved and forwarded to accounting, the bottom fields will be cost-coded and entered. Remember to keep copies of the receipts for yourself as well.

7. TFFR Code of Conduct Annual Affirmation



3442 East Century Avenue | P.O. Box 7100 | Bismarck, ND 58507-7100
Telephone: 701-328-9885 | Toll Free: 800-952-2970 | Fax: 701-328-9897 | www.nd.gov/rio

Memorandum

To: TFFR Board

From: RIO Compliance Officer

Date:

RE: Annual Affirmation of Code of Conduct Policy

The *TFFR Board Members' Code of Conduct and Ethics Policy*, which is attached to this memorandum, details the Code of Ethical Responsibility for the TFFR Board. Item #11 of this policy indicates that each Board Member is required to reaffirm their understanding of this policy annually and disclose any conflicts of interest. Therefore, please read and sign the statement below to comply with this requirement.

"I have read and understand the TFFR Board Members' Code of Conduct and Ethics Policy. I have disclosed any conflicts of interest as required by this policy."

Name (printed) _____

Signature _____

Date _____

Detail of any conflicts of interest (if any):

SECTION II: TFFR Program Policies

(NOTE: All remaining TFFR Program/Ends Policies to be added here. TFFR Program/ Ends Policies should be reviewed after Board Governance Policies are approved.)

DRAFT