

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
JANUARY 21, 2021 BOARD MEETING**

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

STAFF PRESENT: David Hunter, ED/CIO
Missy Kopp, Retirement Assistant
Jan Murtha, Deputy ED/CRO
Sara Sauter, Supvr of Internal Audit
Stephanie Starr, Retirement Programs Spec
Dottie Thorsen, Internal Auditor
Denise Weeks, Retirement Program Mgr

OTHERS PRESENT: Dean DePountis, Atty. General's Office
Catharine Hamrick, Segal Benz

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, January 21, 2021. The meeting was held in the Workforce Safety & Insurance Board Room, Bismarck, ND.

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

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the January 21, 2021, meeting.

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

**AYES: SUPT. BAESLER, TREASURER BEADLE, MR. BURTON, MR. MICKELSON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH
NAYS: NONE
MOTION CARRIED**

MINUTES:

The Board considered the minutes of the November 19, 2020, meeting.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE NOVEMBER 19, 2020, MINUTES AS DISTRIBUTED.

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

NAYS: NONE

MOTION CARRIED

GOVERNANCE:

10 Keys Assessment:

Ms. Catharine Hamrick, Segal Benz, presented results from the ten keys assessment of TFFR communication efforts. The ten keys are strategy, brand, website, feedback, simplicity, year-round, targeted, experience, budget, and partners.

Board discussion followed.

Strategic Communication:

Ms. Murtha led a discussion about strategic communication. TFFR staff is working with Segal Benz to develop a strategic communication plan based on the results of the ten keys assessment. The plan will be presented to the Board upon completion.

Board discussion followed.

Legislative Update:

Ms. Murtha shared an update on bills that RIO staff are following or providing testimony on. The Board discussed House Bill 1231 and directed Ms. Murtha to provide neutral testimony to express the Board's concern that the bill would affect the exclusive benefit rule which directs the fiduciary duties of the Board.

Board discussion followed.

Break from 3:00 - 3:10 p.m.

Administrative Rules:

Ms. Murtha shared information about the administrative rules process. RIO staff will present changes to the proposed rules required to implement modifications to actuarial factors previously approved by the Board. Draft rules were prepared by Segal.

Board discussion followed.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO HOLD A SPECIAL TFFR BOARD MEETING ON FEBRUARY 25, 2021 TO ADDRESS PROPOSED LEGISLATION AND ADMINISTRATIVE RULES PROMULGATION.

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

NAYS: NONE

MOTION CARRIED

REPORTS:

Reemployed Retirees Report:

Ms. Weeks reviewed the 2019-20 Reemployed Retirees Report. The total number of reemployed retirees was 311 out of a total of 9,036 retirees or 3 percent. Of the 213 employers, 128 employed TFFR retirees. Total salaries earned by reemployed retirees was \$7.7 million or about \$24,872 per retiree.

Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE REEMPLOYED RETIREE REPORT.

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

NAYS: NONE

MOTION CARRIED

Audit Report:

Ms. Sauter provided an update of audit activities for the first quarter, July 1, 2020 - September 30, 2020. Internal Audit (IA) has completed the Executive Limitation Audit. IA provided support to CliftonLarsonAllen during the GASB 68 Census Data Audit. The Cash Management and Rebalancing audit and Internal Control assessment are currently in progress. One employer audit and the salary verification audit are currently in progress.

Board discussion followed.

IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE AUDIT REPORT.

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

NAYS: NONE

MOTION CARRIED

OPERATIONS:

Board Policy Review - In-Staff Subbing:

Ms. Murtha discussed Board Policy C-24 which addresses in-staff subbing for active and retired members. The Retirement and Investment Office was contacted by or on behalf of members, legislators, and the Governor's office expressing concern regarding limitations imposed on retirees that may prevent them from assisting schools during the pandemic.

Board discussion followed.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO SUSPEND THE IN-STAFF SUBBING POLICY, AS IT APPLIES TO REEMPLOYED RETIREES, UNTIL JUNE 30, 2021.

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

NAYS: NONE

MOTION CARRIED

Board Policy Review - Employer Reports:

Ms. Murtha discussed Board Policy C-9 which requires TFFR employer payments and reports be submitted to RIO by the 15th of the month. Staff has allowed a 10-day grace period without a waiver request from the employer. Staff would like to end this practice and enforce the Board Policy after communicating the change to employers with a planned start date of July 1, 2021.

Board discussion followed.

Pension Administration System (PAS) Project Update:

Ms. Murtha provided an update on the PAS project activities. Staff participated in business interviews related to communication and a cyber-risk assessment, and ten pre-procurement demonstrations with PAS vendors. Staff have participated in change management training to develop agency communication regarding this change. Staff and Segal are discussing business processes to base the Request for Proposal development and meet weekly to discuss the project status. The cyber security and business process assessments will be presented to the Board at the March 25, 2021, meeting.

Board discussion followed.

Outreach:

Ms. Weeks presented an update on outreach activities. The Benefit Counselors held individual benefit counseling sessions in the afternoon

and evening via Teams for members on various dates in December and January and have another date scheduled in February. The counselors are always available to members during business hours. Two virtual group counseling sessions will be held for members statewide on February 24, 2021. A virtual workshop for new Business Managers will be held on January 27, 2021.

Board discussion followed.

CONSENT AGENDA:

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE CONSENT AGENDA, DISABILITIES 2020-9D AND 2021-1D.

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

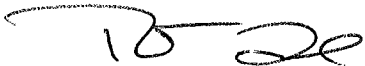
NAYS: NONE

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the Board, President Lech adjourned the meeting at 4:21 p.m.

Respectfully Submitted:



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



Missy Kopp
Reporting Secretary