

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
MARCH 24, 2022, BOARD MEETING**

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

**STAFF PRESENT:** Connie Flanagan, CFO  
Jayme Heick, Retirement Programs Spec  
Missy Kopp, Executive Assistant  
Denise Leingang-Sargeant, Member Spec  
Jan Murtha, Exec Dir  
Sara Sauter, Supvr of Internal Audit  
Rachelle Smith, Retirement Assistant  
Stephanie Starr, Retirement Programs Spec  
Dottie Thorsen, Internal Auditor

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office  
Jessica Newby, NDIT  
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, March 24, 2022. The meeting was held in the Workforce Safety and Insurance Board Room, 1600 E Century Ave., Bismarck, ND.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: SUPT. BAESLER, TREASURER BEADLE, MR. BURTON, DR. LECH, MR. MICKELSON, MR. OLSON, AND MR. WILLGOHS.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the March 24, 2022, meeting.

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

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

**MINUTES:**

The Board considered the minutes of the January 27, 2022, TFFR Board meeting.

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE JANUARY 27, 2022, MINUTES AS DISTRIBUTED.**

**AYES: MR. MICKELSON, MR. OLSON, TREASURER BEADLE, MR. BURTON, SUPT. BAESLER, MR. WILLGOHS, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**BOARD EDUCATION:**

Cybersecurity:

Ms. Jessica Newby, NDIT, provided education on cybersecurity. Ms. Newby provided an overview of the services which the NDIT Cybersecurity Team provides including governance, risk, and compliance, and education and public awareness. ND prevents/detects over 4.5 billion cyber threats per year, including external threats from nation states, corporate espionage, and organized crime syndicates. Ms. Newby outlined the steps to prevent, reduce, and communicate risk and opportunities for cyber awareness education.

**GOVERNANCE:**

2023 Legislative Planning:

Ms. Murtha reviewed the proposed statute changes with the Board. Staff will submit all the approved statute changes as one bill to the Employee Benefits Programs Committee (EBPC), on behalf of the Board.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE STAFF TO SUBMIT THE REQUESTED STATUTORY CHANGES TO EBPC ON BEHALF OF THE TFFR BOARD.**

**AYES: TREASURER BEADLE, SUPT. BAESLER, MR. WILLGOHS, MR. OLSON, MR. BURTON, MR. MICKELSON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

Pension Administration System (PAS) Project Update:

Ms. Murtha provided an update on the PAS project. The contract with Sagitec has been signed by RIO staff and planning for phase 3 has begun. Staff are working to identify timeframes for the next phase of the project including a kickoff with the vendor and consultant.

Strategic Planning Presentation:

Ms. Murtha shared the RIO strategic plan presentation that she had previously provided to the Governor's office. All RIO staff had input into the process for the strategy review. NDIT asked RIO to participate in their model strategic planning process. NDIT staff facilitated the process and assisted with the creation of the presentation. The plan looks ahead five to ten years. Staff identified five core priorities: communication, infrastructure, organizational culture, talent management, and technology-enabled processes. The action plan places items into four categories: experimental, aspirational, incremental, and evolutionary. Part of the strategic review was a workforce plan which staff developed with HRMS.

Actuarial Audit Discussion:

Ms. Murtha reviewed TFFR Governance Policy K which outlines the actuarial audit process. RIO Internal Audit recommends that an actuarial audit should occur every 5 years. Staff requested that the Board authorize staff to initiate a procurement process to select and approve the plan's actuarial audit.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE RIO STAFF TO INITIATE THE PROCUREMENT PROCESS FOR AN ACTUARIAL AUDIT.**

**AYES: MR. WILLGOHS, MR. BURTON, MR. MICKELSON, SUPT. BAESLER, MR. OLSON, TREASURER BEADLE, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

Outreach Update:

Ms. Murtha provided the outreach programs update. She highlighted the new employer outreach which staff has been offering. TFFR Info Mixers is a new virtual outreach option for employers which will be offered some months throughout the school year for 45 minutes each. The first offering was in February and there were 42 in attendance.

The Board recessed at 2:59 p.m. and reconvened at 3:09 p.m.

**REPORTS:**

Quarterly Investment Report:

Mr. Posch provided the quarterly investment report as of January 31, 2022. TFFR outperformed the policy benchmark in the 3-year and 5-year periods ending January 31, 2022. Active management has enhanced net investment returns by roughly \$35 million for the same 5-year period. TFFR has solid performance across multiple time frames relative to peers. Private equities allocation has increased from 7.6% in June 2021 to 9.3% in December 2021. During the third quarter of 2021, a new commitment was made to Adams Street's 2021 Global Fund. The infrastructure underweight was addressed with new commitments in 2021.

Annual Retirement Trends Report:

Ms. Murtha presented the annual Retirement Trends and Projections report as of March 2022. Of the 11,838 active TFFR members, 849 members are currently eligible to retire. In the last ten years, an average of 1,140 teachers have been eligible to retire with an average of 382 who actually retired each year. Approximately 2,200 to 2,400 active members are projected to retire in the next 10 years which averages about 230 each year.

Quarterly TFFR Ends Report:

Ms. Murtha shared the Quarterly Monitoring Report on TFFR Ends for the period ending December 31, 2021.

Quarterly Audit Report:

Ms. Sauter provided the quarterly Audit Activities Report which was reviewed and approved by the SIB Audit Committee on February 16, 2022. Internal Audit (IA) completed Phase I of agency succession planning. During this phase IA reviewed vacant positions to ensure proper documentation of responsibilities and risks facing the investment program. IA recommended documentation of succession planning for all executive staff identifying key responsibilities for each, a plan for the agency and each program if the top two positions were vacated simultaneously, to evaluate the purpose and duties of positions as they become vacant, and to review the agency's staffing needs biannually.

The Executive Limitations audit was completed, and IA is sufficiently satisfied that the Executive Director was in compliance with SIB Governance Manual Executive Limitation Policies A-1 through A-11 during calendar year 2021.

Executive Limitations/Staff Relations Report:

Ms. Murtha shared that Ms. Connie Flanagan has announced her retirement effective June 30, 2022. RIO has submitted a request to HRMS to have Ms. Flanagan's position reclassified to reflect the Chief Operating Officer duties she has taken on in addition to the Chief Financial Officer duties. As soon as that request is completed, the position will be posted. Staff hope to have interviews completed in May so the new person can start in June to allow for training before Ms. Flanagan leaves.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. OLSON AND CARRIED BY A VOICE VOTE TO APPROVE THE QUARTERLY INVESTMENT, ANNUAL RETIREMENT TRENDS, QUARTERLY TFFR ENDS, QUARTERLY AUDIT, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

**AYES: MR. OLSON, MR. MICKELSON, SUPT. BAESLER, MR. WILLGOHS, TREASURER BEADLE, MR. BURTON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**CONSENT AGENDA:**

Pres. Lech and Mr. Mickelson declared a possible conflict of interest.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO ALLOW PRES. LECH AND MR. MICKELSON TO VOTE ON DISABILITY 2022-2D.**

**AYES: MR. WILLGOHS, TREASURER BEADLE, SUPT. BAESLER, MR. BURTON, AND MR. OLSON**

**NAYS: NONE**

**MOTION CARRIED**

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE CONSENT AGENDA – DISABILITY 2022-2D.**

**AYES: MR. BURTON, MR. WILLGOHS, MR. OLSON, TREASURER BEADLE, MR. MICKELSON, SUPT. BAESLER, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**ADJOURNMENT:**


With no further business to come before the Board, Pres. Lech adjourned the meeting at 4:06 p.m.

Respectfully Submitted:



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



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Missy Kopp  
Reporting Secretary