

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
APRIL 21, 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/COO
Jayme Heick, Retirement Programs Spec
Missy Kopp, Exec Assistant
Jan Murtha, Exec Dir
Sara Sauter, Supvr of Internal Audit
Rachelle Smith, Retirement Assistant
Stephanie Starr, Retirement Programs Spec
Dottie Thorsen, Internal Auditor
Tami Volkert, Employer Svs Coor

OTHERS PRESENT: Dean DePountis, Atty. General's Office
Tanya Dybal, Segal
Brad Ramirez, 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 1:08 p.m. on Thursday, April 21, 2022. The meeting was held in the Peace Garden Room, State Capitol, 600 E Boulevard 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 April 21, 2022, 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, MR. WILLGOHS, MR. OLSON, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

MINUTES:

The Board considered the minutes of the March 25, 2022, TFFR Board meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 25, 2022, MINUTES AS DISTRIBUTED.

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

NAYS: NONE

MOTION CARRIED

GOVERNANCE:

Plan Management Policy Score Update:

Mr. Matt Strom, Segal, discussed the updated plan management policy score. The score has been updated following the most recent actuarial valuation. The composite summary score is equal to 9 which is up from 6 last year. This score is in the yellow range which indicates that objective may be met over a longer period. The TFFR plan management policy is a more robust way to evaluate the ongoing health and sustainability of TFFR. The policy score provides context for the likelihood of future positive or negative events. Notable differences from the previous score update include the market value return for the plan year ended June 30, 2021, of 26.1% compared to the assumed rate of 7.25% and a 75.7% actual funded ratio compared to a 64.1% projected funded ratio. Probabilities on which the scoring is based improved for Criteria 2 and 3 compared to the prior analysis resulting in the improved score. Mr. Brad Ramirez, Segal, discussed the factors outside of TFFR that could influence the directional trend of future policy scores including projected economic conditions, market cycles, and the economy in ND.

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE PLAN MANAGEMENT POLICY SCORE UPDATE.

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

NAYS: NONE

MOTION CARRIED

Annual Public Pension Plan Comparison Report:

Ms. Weeks and Ms. Murtha presented the annual Public Pension Plan Comparison Report comparing TFFR to the FY 2020 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 nation's largest public retirement systems including actuarial funding levels, membership, cash flow, contribution rates, investment returns, actuarial assumptions, and asset allocation.

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ANNUAL PUBLIC PENSION PLAN COMPARISON REPORT.

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

NAYS: NONE

MOTION CARRIED

The Board recessed at 2:12 p.m. and reconvened at 2:27 p.m.

Board Calendar & Education Plan:

Ms. Murtha presented the proposed TFFR Board calendar and education plan for 2021-22.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE BOARD CALENDAR AND EDUCATION PLAN.

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

NAYS: NONE

MOTION CARRIED

2022 Legislative Planning Update:

Ms. Murtha provided an update on activity related to legislative planning. Staff submitted proposed statutory changes to Legislative Council prior to April 1, 2022. The Employee Benefits Programs Committee may first consider the proposed changes at its May 3, 2022, meeting.

Pension Administration System (PAS) Project Update:

Ms. Murtha provided an update on the PAS project. A kick-off meeting has been scheduled with Sagitec, our consultants from Segal, and the project management team on May 16-17, 2022. Staff are working with Sagitec to schedule a presentation for the TFFR Board at an upcoming meeting. Part of Phase 3 of the project will be increased outreach efforts to members and employers.

REPORTS:

Executive Limitations/Staff Relations:

Ms. Murtha provided an update on staffing, procurement, open records/media requests, and Board members email accounts. The Chief Retirement Officer/Deputy Executive Director position posting has closed. Staff will conduct the initial interviews followed by final interviews which will include the Executive Search Committee. Staff have received a verbal denial of the reclassification request for Ms. Flanagan's position. Staff plan to post the position as it is currently graded with hopes to hire by June. The legal intern will work over the summer on a comparison of governance structures of TFFR and SIB to other peer plans. Staff are still waiting for the classification requests for the four investment positions.

IT WAS MOVED BY SUPT. BAESLER AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORT.

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

NAYS: NONE

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE CONSENT AGENDA – QDRO 2022-1.

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 3:04 p.m.

Prepared by,

Missy Kopp
Reporting Secretary