

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
JULY 21, 2022, BOARD MEETING**

**BOARD MEMBERS PRESENT:** Mike Burton, Vice President  
Thomas Beadle, State Treasurer  
Cody Mickelson, Trustee  
Mel Olson, Trustee  
Jordan Willgohs, Trustee

**BOARD MEMBERS ABSENT:** Dr. Rob Lech, President  
Kirsten Baesler, State Supt. DPI

**STAFF PRESENT:** Vicki Alberts, Legal Intern  
Eric Chin, Deputy CIO  
Rachel Kmetz, Accounting Mangr  
Missy Kopp, Exec Assistant  
Jan Murtha, Exec Dir  
Matt Posch, Sr. Investment Officer  
Chad Roberts, DED/CRO  
Sara Sauter, Supvr of Internal Audit  
Rachelle Smith, Retirement Assistant  
Stephanie Starr, Retirement Programs Spec  
Dottie Thorsen, Internal Auditor  
Tami Volkert, Employer Svs Coor  
Susan Walcker, Sr. Financial Accountant

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office  
Mary Carlson, ND RTA

**CALL TO ORDER:**

Mr. Mike Burton, Vice President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, July 21, 2022. The meeting was held in the WSI Board Room, 1600 E Century Ave., Bismarck, ND.

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

Ms. Murtha introduced Chad Roberts the new Deputy Executive Director/Chief Retirement Officer, Rachel Kmetz, the new Accounting Managers, and Vicki Alberts, the new Legal Intern.

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the July 21, 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: TREASURER BEADLE, MR. BURTON, MR. MICKELSON, MR. WILLGOHS, AND MR. OLSON**

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**  
**MOTION CARRIED**

**MINUTES:**

The Board considered the minutes of the April 21, 2022, TFFR Board meeting.

**IT WAS MOVED BY TREASURER BEADLE 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, AND MR. WILLGOHS**

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**  
**MOTION CARRIED**

**GOVERNANCE:**

**Election of Officers:**

Pursuant to TFFR policy, the Board must elect officers at the first meeting of each fiscal year.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO CAST A UNANIMOUS BALLOT FOR DR. LECH AS PRESIDENT AND MR. BURTON AS VICE PRESIDENT.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**  
**MOTION CARRIED**

**IT WAS MOVED BY MR. WILLGOHS AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO CAST A UNANIMOUS BALLOT FOR MR. BURTON AS SIB ALTERNATE, MR. MICKELSON, DR. LECH, AND MR. OLSON AS SIB TRUSTEES, AND MR. MICKELSON AS SIB AUDIT COMMITTEE MEMBER.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**  
**MOTION CARRIED**

**State Investment Board (SIB) Customer Satisfaction Survey:**

Ms. Sauter shared the process for completing the SIB Customer Satisfaction Survey. Ms. Sauter will send the survey to TFFR Board members on behalf of the Board President in August. The Board President will submit the compiled results to the SIB. The TFFR Board will review the compiled responses at the September 22, 2022, meeting.

**Annual TFFR Program Review:**

Ms. Murtha presented the Annual TFFR Program Review. The Board reviews TFFR Board Awards, the Program Monitoring Summary, Customer Satisfaction Reports, and completes the Code of Conduct Policy Affirmation. TFFR Employees were rated as excellent or above average in almost every category. There were positive comments about the online format for outreach along with some constructive feedback. There was consistent feedback about lower satisfaction with paper-based processes which highlights the need for the new PAS.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ANNUAL TFFR PROGRAM REVIEW.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

Annual Governance Policy Review Report/Governance & Policy Review (GPR) Committee Update:

Ms. Murtha provided an update from the GPR Committee. Last year, the Board voted to keep the GPR as an ad hoc committee to do a more comprehensive review of governance policies and to fulfill the requirement that the Board review all policies annually. At the June 2020 meeting, the Board repealed and replaced several policies which were included in a new manual. The remaining policies remained active but were not moved into the updated manual. The GPR recommends moving all the remaining policies into the new manual for greater efficiency as the Committee continues to review policies.

The Committee have brought seven policies and one exhibit with changes for a first reading. Ms. Murtha reviewed the proposed policy changes.

Mr. Mickelson discussed the GPR recommendation to transition the Committee from an ad hoc to a standing committee that will bring proposed policy amendments to the Board for consideration and approval on a rolling basis.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE UPDATED TFFR BOARD PROGRAM MANUAL FOR FIRST READING.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE FOR FIRST READING AMENDMENTS TO POLICIES II. D. 3, 4, & 5; II. E. 2 & 3; II. F. 1; II. G. 1; AND SECTION II EXHIBITS.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

**IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE GPR COMMITTEE AS A STANDING COMMITTEE.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

Actuarial Audit RFP Review & Approval:

Ms. Murtha provided an update on the Actuarial Audit Request for Proposal (RFP) process. At the March 2022 meeting, the Board gave approval for staff to initiate the procurement process for an actuarial audit. With the assistance of State Procurement, staff developed the RFP for Board review and approval. The RFP has been reviewed and approved by legal counsel. If approved by the Board, staff will issue the RFP and will bring forward finalists to the Board at the September meeting. The finalists will present, and the Board will make an award. The final audit report will be presented at the January 2023 meeting.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE RFP FOR AN ACTUARIAL AUDIT AND APPROVE STAFF TO PROCEED WITH THE PROCUREMENT PROCESS AS OUTLINED.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

Member/Stakeholder Outreach Update:

Ms. Weeks provided an update on TFFR outreach activities. Staff presented at the TFFR Retirement Education Workshop this week. Staff worked with ND United which helped to market the event. This resulted in increased attendance from previous years. Ms. Weeks highlighted upcoming events that staff will attend or present at including the ND Career and Technical Education Conference, Retired Teachers Association Convention, individual counseling sessions, and in-person/virtual group counseling sessions.

Pension Administration System (PAS) Project Update:

Ms. Murtha provided an update on the PAS project. The project is currently in Phase 3 which started with an on-site kick-off meeting with the vendor, consultant, and staff. Staff are working to finalize the Project Management Plan which will be approved by the Executive Steering Committee. Staff conducted a contest internally to name the project. The successful name was "Pioneer" project.

Employee Benefits Programs Committee (EBPC) Update:

Ms. Murtha provided an update from two EBPC meetings held since the last TFFR Board meeting in April. TFFR submitted a bill which was accepted by the Committee. Actuarial analysis of the bill was completed by Segal. Another bill was submitted that would impact TFFR. Board discussion followed.

## **BOARD EDUCATION:**

### **Investment Manager Selection Process:**

Mr. Chin provided education on the investment manager selection process. The manager lifecycle includes the selection process, monitoring, and termination. Staff are continually monitoring managers to assure they are doing what they were hired to do. Mr. Chin reviewed the capabilities of a good manager, how these capabilities impact a fund, and the manager selection process. Board discussion followed.

The Board recessed at 2:59 p.m. and reconvened at 3:15 p.m.

## **REPORTS:**

### **Quarterly Investment Report:**

Mr. Posch provided the TFFR Investment and Performance update as of May 31, 2022. The returns this year have been mostly negative except for the real estate index. The 1-year benchmark is positive primarily because of the Private Equity portion of the portfolio. Year to date, TFFR's total relative return is -0.73%. The 5-year return is 0.02% above the policy benchmark. TFFR has a solid performance across multiple time frames relative to peers. Asset allocation has been strong for the plan. Private Equities allocation increased from 7.6% in June 2021 to 10.08% in March 2022. Staff is working towards reallocating World Equities to Domestic and International Equities.

### **Quarterly Internal Audit (IA) Report:**

Ms. Sauter provided the IA Report for the quarter ending March 31, 2022. The external auditors, CLA, kicked off the 2022 fiscal year audit and were on site for field work. CLA expects the final reports to be presented at the November 2022 SIB Audit Committee meeting. The Committee approved the audit workplan for the next year. The workplan is very fluid as IA needs to adjust as needs change.

### **Quarterly TFFR Ends Report:**

Ms. Weeks provided the TFFR Ends report for the quarter ending March 31, 2022. TFFR Member Online activity continues to increase with 35% of active members and 24% of retirees registered for this service. Staff provided a new employer outreach program called TFFR Info Mixers which are 45-minute virtual education opportunities. The first offering was in February 2022 with 42 attendees.

### **Executive Limitations/Staff Relations Report:**

Ms. Murtha provided the Executive Limitations/Staff Relations Report. Chad Roberts, the new Deputy Executive Director/Chief Retirement Officer started on July 11, 2022. The new Chief Financial Officer/Chief Operating Officer will start on August 22, 2022. That position has a pending reclassification appeal with HRMS. The Legal Intern position was filled, and the internship was completed this summer. The investment positions were posted and have closed. We have many quality candidates and staff are working on interviews. The Programs Outreach Coordinator position will be posted in August 2022.

The Legacy Fund Asset Allocation study is in progress. RVK continues to work on the study and provided preliminary recommendations to the Advisory Board on June 30, 2022. The TFFR Pioneer Project continues with implementation consistent with the project plan. Staff are working with Northern Trust on new infrastructure for the investment program. Board members have their new state email accounts which will be used for Board information going forward.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY INVESTMENT, QUARTERLY IA, QUARTERLY TFFR ENDS, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

**CONSENT AGENDA:**

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE CONSENT AGENDA – DISABILITIES 2022-3D AND 2022-1D.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER AND DR. LECH**

**MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the Board, Vice Pres. Burton adjourned the meeting at 4:42 p.m.

Prepared by,

Missy Kopp  
Assistant to the Board