

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
SEPTEMBER 22, 2022, BOARD MEETING**

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

BOARD MEMBERS ABSENT: Kirsten Baesler, State Supt. DPI

STAFF PRESENT: Jayme Heick, Retirement Programs Spec
Rachel Kmetz, Accounting Mgr
Missy Kopp, Exec Assistant
Jan Murtha, Exec Dir
Emmalee Riegler, Contracts/Records Admin
Chad Roberts, DED/CRO
Sara Sauter, Supvr of Internal Audit
Ryan Skor, CFO/COO
Rachelle Smith, Retirement Assistant
Stephanie Starr, Retirement Programs Spec
Dottie Thorsen, Internal Auditor
Tami Volkert, Employer Svs Coor
Denise Weeks, Retirement Program Mgr
Susan Walcker, Sr. Financial Accountant

OTHERS PRESENT: Rohan Adgaonkar, Sagitec
Dean DePountis, Atty. General's Office
Gabe Hoggarth, State Procurement
Aaron Kielhack, NDI
Santosh Rao, Sagitec
Sriram Ramanujam, Sagitec
Vasudevan Sridharan, Sagitec
LuAnn Thiel, NDI

CALL TO ORDER:

Dr. Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, September 22, 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, DR. LECH, MR. MICKELSON, MR. OLSON, AND MR. WILLGOHS.

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the September 22, 2022, meeting.

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

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

Dr. Lech welcomed Ryan Skor, RIO's new Chief Financial Officer/Chief Operating Officer.

MINUTES:

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

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. OLSON AND CARRIED BY A VOICE VOTE TO APPROVE THE JULY 21, 2022, MINUTES AS DISTRIBUTED.

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

TFFR PIONEER PROJECT PRESENTATION:

Mr. Roberts shared an update on the Pioneer project. The project is currently at the beginning of the elaboration phase which will run through the middle of December. Mr. Nagel, one of our dedicated NDIT staff, resigned, so that position has been posted. The project also has a new Project Manager from NDIT. RIO has contracted with CPAS for extra support in relation to the Pioneer Project.

Mr. Sridharan, Sagitec, provided an overview of Sagitec and their experience with pension clients. Sagitec's product, which is called Neospin, is built on top of a framework and each layer of the architecture is independent and can evolve independently. Mr. Sridharan presented the key components, features, and hosting security of Neospin. Mr. Ramanujam, Sagitec, shared the project phases, methodology, and schedule. The first three phases of the project are complete. Weekly project planning and status meetings are ongoing. Pilot one will begin this month and includes elaboration and design, data conversion, and development and testing. Mr. Rao, Sagitec, provided a demonstration of some Neospin scenarios. Board discussion followed.

ACTUARIAL AUDIT PRESENTATIONS:

Pres. Lech reviewed the process for the actuarial audit presentations. There will be two executive sessions for the presentations from the vendors, then another executive session to discuss the bids and make a decision.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. WILLGOHS AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2(6), 44-04-18.4(6), AND 55-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

The executive session started at 2:29 p.m. and ended at 2:48 p.m. The executive session was attended by Board members, staff, Mr. Hoggarth, Mr. DePountis, and representatives from Cavanaugh Macdonald Consulting, LLC.

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2(6) 44-04-18.4(6), AND 55-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

The executive session started at 2:50 p.m. and ended at 3:12 p.m. The executive session was attended by Board members, staff, Mr. Hoggarth, Mr. DePountis, and representatives from GRS.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2(6) 44-04-18.4(6), AND 55-44.4-10(2) TO SEQUESTER COMPETITORS DURING A COMPETITIVE BIDDING PROCESS AND TO RECEIVE AND DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

The executive session started at 3:14 p.m. and ended at 3:27 p.m. The executive session was attended by Board members, staff, Mr. Hoggarth, and Mr. DePountis.

The Board recessed at 3:27 p.m. and reconvened at 3:35 p.m.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO DIRECT STAFF TO NEGOTIATE A CONTRACT WITH THE FIRM MOST SUSEPTABLE TO AWARD BASED ON THE SCORING METRIC PROVIDED.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

GOVERNANCE:

2nd Reading on Policy Changes and 1st Reading on GPR Committee:

Ms. Murtha reviewed the process that has occurred to review the TFFR Policy Manual, and make recommendations to update the manual format, and make amendments to some policies. Mr. DePountis, Board counsel, reviewed the amended policies and had no concerns.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. WILLGOHS AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE NEW MANUAL FORMAT AND AMENDMENTS TO POLICIES II.D.3, 4, & 5; II.E.2 & 3; II.F.1; AND SECTION II EXHIBITS FOR 2ND READING AND FINAL ADOPTION.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE INTRODUCTION AND FIRST READING OF THE POLICY AMENDMENT AND CHARTER FOR THE TFFR GPR COMMITTEE.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

2023 Legislative Initiatives and Budget Presentation:

Ms. Murtha presented the 2023 legislative initiatives and budget decision packages. The base budget is approximately \$8.8 million. RIO asked for three decision packages which impact the continuing agency reorganization, the additional FTEs granted during the special legislative session and the associated costs, NDIT unification, and strategic planning. Ms. Murtha reviewed the core priorities from RIO's strategic plan. The decision packages impact multiple initiatives from the strategic plan. The first package supports our workforce initiatives and workplace culture including increased salaries after splitting the ED/CIO positions, the reclassification of the CFO/COO position, the need for additional administrative support for the five new FTEs, professional certifications, and the increased cost of travel. There is additional cost for temporary staff who are needed to complete manual processes until the new pension administration system is implemented in the fourth quarter of 2024. The third package supports the talent management and internal investment initiatives. Board discussion followed.

Outreach Program Update:

Ms. Weeks provided an update on TFFR outreach activities. Staff presented at the TFFR Retirement Education Workshop in July along with outside presentations on estate planning and Social Security. There were 64 members and beneficiaries in attendance. The Retirement Program Specialists staffed the TFFR information booth at the Career and Technical Education (CTE) conference. Mr. Roberts and

Ms. Weeks provided a presentation for the Retired Teachers Association conference in September. Upcoming outreach events include individual and group benefit counseling sessions, Business Manager outreach, and the ND Council of Educational Leaders and ND School Board Association conferences. Board discussion followed.

REPORTS:

Annual Audit Committee Report:

Ms. Sauter provided the Annual Internal Audit (IA) report which covers July 1, 2021, to June 30, 2022. The Audit Committee had four regular meetings and one special meeting. IA and the Audit Committee worked on some special projects that were not in the workplan including a review of SIB governance, the Executive Search process, succession planning, and strategic planning. The external auditors, CliftonLarsonAllen, issued an unmodified “clean” opinion for the RIO financial audit for the fiscal year ended June 30, 2021. The financial audit for the fiscal year ended June 30, 2022, is underway. The Committee adopted the audit work plan and budgeted hours for the fiscal year starting July 1, 2022.

Annual Technology Report:

Ms. Thiel, Customer Success Manager from NDIT, provided the Annual Technology Report. Ms. Thiel discussed the tools and technologies that RIO has access to through IT unification. RIO has been assigned an Information Security Officer who is responsible for reporting quarterly security reports to RIO’s executive staff and is the main point-of-contact for security resources. NDIT is building a strong business resilience program to assist RIO with ensuring disaster recovery plans are in place. RIO has two dedicated IT positions who transitioned to NDIT but continue to support RIO. Additional NDIT staff are participating in the TFFR Pioneer project to provide assistance. Board discussion followed.

Quarterly TFFR Ends Report:

Mr. Roberts reviewed the TFFR Ends report for the quarter ending June 30, 2022. During the quarter the DED/CRO position was filled. The Pioneer project kick-off meeting was held in May 2022. Technical requirements meetings began in June 2022. TFFR staff held “Crucial Conversations” book discussions to continue growth in this area. Ms. Weeks attended the Public Retirement Information Systems Management (PRISM) conference. Staff hosted new outreach sessions for Business Managers to provide continued education. Board discussion followed.

Executive Limitations/Staff Relations Report:

Ms. Murtha provided the Executive Limitations/Staff Relations report. Interviews are in progress for the four investment positions. There was a good group of candidates and staff have conducted many interviews. The Communications & Outreach Director initial interviews have been completed. Staff plan to schedule second interviews in October. State email accounts have been created for Board and Committee members who are not state employees. This allows those members to access PeopleSoft to view their payroll information and W-2s. Fiscal staff will be contacting affected Board and Committee members to schedule a demonstration of PeopleSoft. Board members with k12 accounts will still receive calendar invites through that email, but all confidential items will be sent only to the new nd.gov accounts.

The Request for Proposals (RFP) for an IA consultant will be issued next week. The consultant will evaluate current business practices and the future business state to assess IA needs to support the changing programs.

Ms. Murtha was invited to attend a Retirement Committee Stakeholder Meeting. The Committee presented then asked stakeholders for feedback. Jan shared what the impact of the Committee's bill will be on TFFR and the investment program. Board discussion followed.

IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE ANNUAL AUDIT, ANNUAL TECHNOLOGY, QUARTERLY TFFR ENDS, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY MR. WILLGOHS AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE CONSENT AGENDA – DISABILITIES 2022-5D, 2022-6D, 2022-7D, AND 2022-8D.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

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