

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
NOVEMBER 15, 2023, BOARD MEETING**

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

**BOARD MEMBERS ABSENT:** Kirsten Baesler, State Supt. DPI

**STAFF PRESENT:** Derek Dukart, Investment Officer  
Rachel Kmetz, Accounting Manager  
Missy Kopp, Exec. Assistant  
Sarah Mudder, Communications/Outreach Dir.  
Jan Murtha, Exec. Director  
Matt Posch, Sr. Investment Officer  
Chad Roberts, DED/CRO  
Sara Seiler, Supvr. of Internal Audit  
Ryan Skor, CFO/COO  
Rachelle Smith, Retirement Admin.  
Dottie Thorsen, Internal Auditor  
Tami Volkert, Compliance Specialist  
Denise Weeks, Retirement Program Mgr.

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office  
Donna Fishbeck, DPI  
Paul Wood, GRS  
Dana Woolfrey, GRS  
Members of the Public

**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, November 15, 2023. The meeting was held in the WSI Board Room, 1600 E Century Avenue, Bismarck.

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

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the November 15, 2023, meeting.

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

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

**ACCEPTANCE OF MINUTES:**

The Board considered the minutes for the September 21, 2023, TFFR Board meeting.

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. EVANOFF AND CARRIED BY A VOICE VOTE TO ACCEPT THE SEPTEMBER 21, 2023, MINUTES AS DISTRIBUTED.**

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

**LEGISLATION:**

**Secure 2.0 Changes:**

Ms. Murtha provided an overview of the definition and changes to required minimum distributions (RMDs) because of the SECURE 2.0 Act. The new law raised the age that you must begin taking RMDs to 73. Ms. Murtha reviewed ND Century Code (NDCC) 15-39.1-34(1) and 15-39.1-35 which outlines the Board's responsibility to administer the plan in compliance with Federal law and the process for the Employee Benefits Programs Committee (EBPC) to make changes to NDCC prior to the next legislative session. Ms. Murtha collaborated with PERS leadership to coordinate changes for both plans. The proposed changes to NDCC 15-39.1-10 were provided. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. EVANOFF AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE PROPOSED CHANGES TO NDCC 15-39.1-10 TO BE PRESENTED TO THE EBPC.**

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

**EDUCATION:**

**Key Actuarial Concepts and Terms:**

Mr. Paul Wood and Ms. Dana Woolfrey, GRS, provided education on key actuarial concepts and terms and the ND TFFR dynamic. An overview was provided of inflation and its affects on typical pension plans. Plan design trends were reviewed including variable benefit options and examples. GRS provided an overview of traditional defined benefit (DB) plans and actuarial terms. Board discussion followed.

## **GOVERNANCE:**

### **Actuarial Valuation Report:**

Mr. Wood and Ms. Woolfrey presented the Actuarial Valuation Report as of July 1, 2023. Highlights include the following:

- The funded ratio increased from 69.9% (as of 7/1/2022) to 71.2% (as of 7/1/2023).
- The unfunded liability decreased slightly from last year.
- The statutory contribution level of 12.75% exceeds the actuarially determined contribution rate.

Key factors in asset and salary experience were reviewed. GRS reviewed the recent updates to the Actuarial Standards of Practice (ASOP) number four – Low Default Risk Obligation Measure. Board discussion followed.

**IT WAS MOVED BY TREASURE BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE FY 2023 ACTUARIAL VALUATION REPORT.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

### **Strategic Communication Plan:**

Ms. Mudder presented the Strategic Communication Plan. A strategic communication plan outlines who the target audience is, when we need to communicate with them, and the channels that will be used. The plan should support agency goals, be research based, and use input from stakeholders. Ms. Mudder reviewed the communication goals and outlined the methods to achieve the goals. Progress will be monitored and shared with the Board. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. EVANOFF AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE STRATEGIC COMMUNICATIONS PLAN.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

The Board recessed at 3:12 p.m. and reconvened at 3:25 p.m.

### **PERS Board Decision and Special Legislative Session:**

Ms. Murtha discussed the recent ND Supreme Court opinion on the Bd. Of Trustees of ND Public Employees Retirement System v. ND Legislative Assembly and the Special Legislative Session. Board discussion followed.

### Administrative Rules:

Ms. Murtha outlined the Administrative Rules promulgation steps that had been completed by staff and the Board. The final step for the Board is to finalize and approve the proposed amendments to rules as presented and authorize staff to submit the rules to the Attorney General for approval. Board discussion followed.

**IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE PROPOSED AMENDMENTS AS FINAL AND AUTHORIZE STAFF TO CONTINUE THE RULE PROMULGATION PROCESS AS PRESENTED.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

### Pioneer Project Update:

Mr. Roberts provided an update on the progress of the Pioneer Project. Business partner education has started, and the project is still on schedule to go live during the fourth quarter of 2024. The project remains under budget. Mr. Roberts shared the new "MyTFFR" logo and reviewed technical aspects of the system. An overview was provided of the member and business partner portals. Mr. Roberts reviewed operational changes for business partners before and after the go live date and the training plan for users. Board discussion followed.

### Governance & Policy Review (GPR) Committee Update:

Mr. Mickelson provided an update from the TFFR GPR Committee meeting on November 7, 2023. The Committee reviewed portions of the TFFR Policy Manual as outlined by the workplan. There was a discussion about member communication and the changes to RMDs. Board discussion followed.

### **REPORTS:**

#### Quarterly Investment Report:

Mr. Posch provided an investment performance update as of September 30, 2023. Mr. Posch provided a summary of market returns for the third quarter and as of November 15, 2023. The competing narratives about recession were discussed. The TFFR fund has consistently performed well over the last five years. Most asset classes have performed well apart from real estate which has struggled. Relative to peer plans, TFFR has performed near the top quartile over the 3, 5, and 10-year period. Board discussion followed.

#### Annual Retiree Reemployment Report:

Mr. Roberts provided the Annual Retiree Reemployment Report. The report provided a breakdown of retiree return to teach trends, salary and contract information, and a breakdown of job category and subject areas. The number of retirees returning to teach (RTT) has fallen. RTT in the critical shortage areas has improved while both suspend and recalculate, and general rule declined. Board discussion followed.

Quarterly Internal Audit (IA) Report:

Ms. Seiler provided the IA report for the quarter ended September 30, 2023. At the November 14, 2023, Audit Committee meeting, the external auditors presented the FY 2023 Financial Statement Audit results. The audit had an unmodified clean opinion, and no material weaknesses or signification deficiencies were identified. The Audit Committee reviewed and approved an RFP as part of the IA Maturity Development process. Board discussion followed.

Quarterly TFFR Ends:

Mr. Roberts provided the TFFR Ends report for the quarter ended September 30, 2023. Staff and the pension administration system vendor completed Pilot three of the Pioneer Project and began pilot four of the system design phase. The Accounting Intern completed her time at RIO in August 2023. Staff attended the Governor's Summit on Innovative Education. The publication of an active member newsletter resumed and was delivered via the GovDelivery system. The open Retirement Specialist position was filled internally. Board discussion followed.

Executive Limitations/Staff Relations Report:

Ms. Murtha provided the Executive Limitations/Staff Relations Report. RIO will begin the strategic planning process in December with the intent of sharing the updated plan with both GPR Committees in February and the full boards in March. The next New Board Member Onboarding session is scheduled for December 15, 2023, at 9:00 a.m. The temporary Membership Specialist Position has been reposted. Ms. Murtha highlighted the current projects and presentations that were listed in the report. RIO received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and the TFFR program received the Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council. The results of the 2023 RIO Engagement Survey were provided. Board discussion followed.

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

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the Board, Pres. Lech adjourned the meeting at 4:57 p.m.

Prepared by,

Missy Kopp, Assistant to the Board