

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
NOVEMBER 21, 2024, BOARD MEETING**

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

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

**STAFF PRESENT:** Scott Anderson, CIO  
Jayme Heick, Retirement Spec.  
Rachel Kmetz, Fiscal/Investment Operations Mgr.  
Missy Kopp, Exec. Assistant  
Sarah Mudder, Communications/Outreach Dir.  
Jan Murtha, Exec. Director  
Matt Posch, Portfolio Manager  
Chad Roberts, DED/CRO  
Ryan Skor, CFO/COO  
Dottie Thorsen, Internal Auditor  
Tami Volkert, Retirement Compliance Spec.  
Denise Weeks, Retirement Program Mgr.

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office  
Donna Fishbeck, DPI  
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 21, 2024. 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  
MS. RASSET.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the November 21, 2024, meeting.

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

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

**ACCEPTANCE OF MINUTES:**

The Board considered the minutes for the September 26, 2024, TFFR Board meeting.

**IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE SEPTEMBER 26, 2024, MINUTES AS DISTRIBUTED.**

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

**EDUCATION:**

Experience Study Process & Key Actuarial Concepts & Terms:

Ms. Krysti Kiesel and Mr. Paul Wood, GRS, provided education on the experience study process and reviewed key actuarial concepts and terms. The presentation included the purpose of an experience study, how assumptions are figured and how they factor into the plan. The timeline of the upcoming experience study was reviewed. The results will be completed in time for use in the July 1, 2025, valuation. Actuarial terms and concepts were reviewed. Board discussion followed.

**GOVERNANCE:**

2024 Actuarial Valuation Report:

Mr. Wood, GRS, reviewed the results of the fiscal year (FY) 2024 actuarial valuation. Key factors in the FY24 experience including asset and salary experience were reviewed. Highlights of the results include the following:

- The funded ratio increased from 71.2% (as of 7/1/2023) to 71.6% (as of 7/1/2024).
- The Actuarial Value of Assets grew from \$3.26B to \$3.41B.
- The statutory contribution level exceeds the actuarially determined contribution (ADC) rate.
- The funding period decreased to 19 years.

Mr. Wood reviewed the changes in unfunded accrued liability, funded ratio, and ADC for the plan since the last valuation. Board discussion followed.

**IT WAS MOVED BY MR. EVANOFF AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE 2024 ACTUARIAL VALUATION REPORT.**

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

### Annual Strategic Communications Plan Update:

Ms. Mudder provided an update on the strategic communications plan that was first presented to the Board in November 2023. Several objectives in the plan have been completed, but additional resources and time are needed for others. The launch of the pension administration system (PAS) will provide better access to the members which will help improve targeted communication. Ms. Mudder provided the Model 2 Partial communications plan and reviewed the progress with the impacted employers. The MyTFFR PAS communications plan was also provided. Board discussion followed.

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE TO ACCEPT THE ANNUAL STRATEGIC COMMUNICATIONS PLAN UPDATE.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

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

Mr. Mickelson provided an update from the November 7, 2024, GPR Committee meeting. The committee reviewed sections of the TFFR Policy Manual and approved the annual committee work plan. Staff provided the final draft of the Board's legislative bill, and it was reviewed by the GPR. Board discussion followed.

### Audit Committee Update:

Treasurer Beadle provided an update from the November 18, 2024, SIB Audit Committee meeting. The Committee received a presentation from UHY, our external auditor, on the annual financial report audit. RIO received a clean, unmodified opinion. An RFP for internal audit co-sourcing was reviewed and approved, and the committee approved the first-quarter audit and monitoring reports. Treasurer Beadle provided a reminder to Board members about the role of the Internal Audit program and the SIB Audit Committee. He emphasized the Committee's role in governance and accountability, encouraging board members and the public to raise concerns via the committee or the anonymous fraud hotline. Board discussion followed.

### Employee Benefits Programs Committee (EBPC) Update:

Ms. Murtha provided an update from the October 31, 2024, EBPC meeting. Representatives from GRS and RIO staff presented the actuarial valuation report for the TFFR program to the EBPC.

### Pioneer Project Update:

Mr. Roberts provided an update on the PAS project. The targeted go-live date was December 9, 2024, but staff and the vendor will not be ready for that date. A new date in either January or February will be determined soon. Because of this delay there is a need to extend the maintenance agreement with the current PAS provider along with some additional costs for cloud hosting. Board discussion followed.

## **REPORTS:**

### **Quarterly Investment Report:**

Mr. Posch provided the investment performance update as of September 20, 2024. Mr. Posch reviewed the markets and how they have affected performance. Year-to-date, the plan has grown 8.8%, slightly underperforming the policy benchmark. The 10-year average return for TFFR has been 7.3%, demonstrating solid long-term performance. The plan has outperformed both the policy benchmark and the passive 60/40 implementation, reflecting the strength of asset allocation strategies. This outperformance of approximately 1.4% annually could translate into a \$500 million benefit over the next decade, given the current market value of \$3.4 billion.

Underperformance is primarily attributed to real estate allocations, especially in office sectors, and small-cap portfolios, where all three small-cap managers lagged benchmarks. Efforts to address these issues are underway, including transitioning small-cap managers to improve performance and reduce tracking errors. These adjustments aim to align the portfolio with strategic goals and sustain long-term success. Board discussion followed.

The Board recessed at 2:37 p.m. and reconvened at 2:54 p.m.

### **Annual Budget and Expense Report:**

Mr. Skor reviewed the annual budget and expense report which includes an expenditure summary, budget appropriation status, PAS project summary, and schedules of consulting and investment expenses. Board discussion followed.

### **Quarterly Internal Audit Report:**

Ms. Thorsen provided an update on Internal Audit activities for the quarter ended September 30, 2024. The internal audit team completed several key activities, including executive limitations fieldwork, an intern exit interview, and onboarding education for board members. The Weaver Internal Audit Maturity Development Project was finalized and presented to the Audit Committee. They also advanced the RFP approved in November and participated in various testing phases for the TFFR Pioneer Project. Other activities included administrative meetings and cybersecurity education sessions during the quarter. Board discussion followed.

### **Annual TFFR Ends Report:**

Mr. Roberts provided the annual TFFR Ends report which summarizes and provides metrics for performance of the TFFR program demonstrating that the program is adhering to policies and expectations of the TFFR Board. The report includes membership data, contributions, member services, account claims, and trust fund evaluation and monitoring. Board discussion followed.

Executive Limitations/Staff Relations:

Ms. Murtha provided the Executive Limitations/Staff Relations Report. Ms. Murtha reviewed the status of current staffing activities and current projects and initiatives. The TFFR program received the 2024 Public Pension Standards Award for funding and administration from the Public Pension Coordinating Council. Ms. Murtha reviewed the results of the annual Gallup Engagement Survey for RIO and provided a report on TFFR contract expenses. 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 STRATEGIC COMMUNICATIONS PLAN UPDATE, QUARTERLY INTERNAL AUDIT, ANNUAL TFFR ENDS, AND THE EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

**CONSENT AGENDA:**

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATION 2024-8D.**

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

**NAYS: NONE**

**ABSENT: SUPT. BAESLER**

**MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the Board, Mr. Burton adjourned the meeting at 3:34 p.m.

Prepared by,

Missy Kopp, Assistant to the Board