

**Minutes**  
**North Dakota Public Employees Retirement System**  
**Thursday, February 19, 2004**  
**ND Association of Counties, Bismarck**  
**BCBS, 4510 13<sup>th</sup> Ave SW, Fargo**  
**8:30 A.M.**

Members Present: Mr. Weldee Baetsch  
Mr. David Gunkel  
Mr. Howard Sage  
Ms. Arvy Smith  
Ms. Sandi Tabor

Via Video Conference Chairman Jon Strinden  
Ms. Rosey Sand

Others Present: Mr. Sparb Collins, Executive Director NDPERS  
Ms. Kim Humann, NDPERS  
Ms. Kathy Allen, NDPERS  
Ms. Sharmain Dschaak, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Ms. Sharon Schiermeister, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Mr. Scott Miller, Attorney General's Office  
Ms. Rhonda Peterson, BCBSND  
Mr. Tom Tupa, INDSEA  
Mr. Howard Snortland, AFPE  
Mr. David Peske, ND Medical Association  
Mr. Galen Jordre, ND Pharmaceutical Association

Via Video Conference Mr. Larry Brooks, BCBSND

Chairman Strinden called the meeting to order at 8:35 a.m.

**MINUTES**

Chairman Strinden called for any questions or comments regarding the minutes of the January 29, 2004 meeting.

**MR. GUNKEL MOVED APPROVAL OF THE JANUARY 29, 2004 NDPERS BOARD MINUTES. MR. BAETSCH SECONDED THE MOTION.**

**457 and 401(a) Proposals (Informational)**

Mr. Collins indicated that Mr. Brad Tollander, Deloitte & Touche, would be joining the meeting via conference call as a follow-up to the discussion on February 12, 2004. Mr. Tollander conveyed he wanted to review the VALIC fees based on concerns expressed at the February 12 meeting. Mr. Tollander indicated he had received comments back from VALIC and pointed out some discrepancies in their fees. Discussion followed. Mr. Collins

inquired based on the additional information received today, if the Board would like to interview one other firm for a total of four firms to interview on March 24.

**MR. GUNKEL MOVED TO INVITE AMVESCAP TO THE MARCH 24 MEETING. MS. TABOR SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden  
**Nays:** None

**PASSED**

### **RETIREMENT**

#### **National Guard/Law Enforcement Retirement Plan (Board Action Requested)**

At the December 2003 board meeting discussion was held regarding administration of the Law Enforcement Plan. Ms. Dschaak indicated currently PERS can not administer dual membership in the Main System and the Law Enforcement Plan. Staff presented the following 3 possible options for modifications:

- Option 1: Change the mandatory eligibility requirements for the Law Enforcement Retirement plan from 20 hours a week to 32 hours and not allow simultaneous dual membership with an alternate plan under N.D.C.C Chapter 54-52.
- Option 2: Maintain the 20 hours per week for 20 or more weeks per year and allow simultaneous dual membership in an alternate plan under N.D.C.C Chapter 54-52. Each employer would pay the required retirement contribution rate applicable to the plan they participate in. The cost to implement this change is currently estimated to be \$17,000.00.
- Option 3: Maintain the 20 hours per week for 20 or more weeks per year and not require dual membership, but require the employer under the alternate retirement to pay the appropriate (higher) Law Enforcement retirement contribution rate.

Staff recommended approval of Option #1. This option would avoid extra cost to implement the Law Enforcement Plan and would avoid requiring an employer to pay higher contributions rates. Also by having the higher minimum hours it would ensure the Law Enforcement Plan members are full time law enforcement personnel. Discussion followed. The Board recommended that staff contact the ND Peace Officers Association to get their feedback on this issue and bring their comments back to the Board at the March meeting.

#### **Retirement Issues (Board Action Requested)**

Mr. Collins indicated that he has several retirement plan issues to review with the Board relating to proposed legislation. The first issue relates to USERRA and concerns the federal government taking exception to the PERS statutory procedures. Specifically, PERS had determined that the employee must pay the employee retirement contribution

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upon returning and the employer must pay the employer contribution. The federal government maintains that the employer should pay both portions. The present procedure is in the NDCC and was enacted this last legislative session. Previously this procedure had been in Administrative Rules. However, as staff has reviewed this issue, staff has concluded that this issue is between the employer and employee since the USERRA is primarily directed at the employer and what they must do. In recognition of the above, staff suggested changing the statute. Recognizing that there are several hundred employers in the PERS plan and the arrangements between those employers and employees varies, therefore the applicability of USERRA varies based upon those arrangements. Staff suggested changing the statute to allow PERS to accept payment for returning veterans based upon the policy of the employer instead of the present specific method defined in our statute. Staff believes that such a change would most effectively allow PERS to serve the varying needs of our members relating to this issue. Secondly, staff also suggested changing the statute to allow any employer to pay for past time if they elect to do so. The cost would be the actual cost plus interest. This would allow PERS to accommodate situations where an employer may feel that it was appropriate to pay for a returning veteran's time when the Rules or law may have prohibited it. This change would leave these decisions with the employer who would make a determination as to how they should comply with USERRA, instead of the retirement plan prescribing how it should work. Discussion followed.

The second issue concerns temporary employees. Mr. Collins conveyed staff has some observations regarding temporary employee participation in the Retirement Plan that they wanted to bring to the Board's attention:

1. Some temporary employees elect to participate because they get a return of 7.5% which is very competitive in today's market. After their employment they cash out.
2. A growing number of employees will participate in recognition of getting the health credit. Generally these employees are at a low salary and therefore the 1% contribution does not cover the fixed cost of the benefit which is a flat amount of \$4.50 per year of time.

Both of the above have actuarial implications for the plan that may require a subsidy from the other participants to pay for this benefit. In particular, there could be an impact on the retiree health plan. Staff brought this to the Board's attention to determine if they wanted to propose a change in this provision or not. In making a proposal, it would initiate a full actuarial review and public comment that would be reported back to the Board next fall. At that time the Board could determine if they want to include it in the final legislation.

If the Board does not want to make any changes in the temporary employee participation provision, staff suggested that this same benefit be provided in the Defined Contribution (DC) plan. Presently DC members who return can not participate in the DC plan as a temporary employee. Consequently, they then may elect to join the Defined Benefit (DB) plan as a temporary. This allows them to maintain participation in a retirement plan for the health credit but it does interrupt the continuity of participating in only one type of retirement plan. Therefore, if the optional temporary employee participation is allowed, staff recommended that it should be offered in both plans.

**MS. TABOR MOVED TO AUTHORIZE STAFF TO MOVE FORWARD IN CHANGING THE STATUTE FOR USERRA. MS. SAND SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden  
**Nays:** None

**PASSED**

**MS. SAND MOVED FOR STAFF TO MOVE FORWARD IN DEVELOPING LEGISLATION TO ALLOW TEMPORARY EMPLOYEE PARTICIPATION IN THE DEFINED CONTRIBUTION PLAN FOR MEMBERS OF THE PLAN WHO GO FROM ACTIVE TO TEMPORARY STATUS. MR. SAGE SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden  
**Nays:** None

**PASSED**

**Proposed Legislation (Board Action Requested)**

At the last board meeting the following concepts were approved to include in proposed legislation:

1. To increase the retiree health credit.
2. To provide a 13<sup>th</sup> check for retirees if returns exceed a specified amount.
3. To adjust members final average salary in recognition of not getting a general salary increase this biennium.

At that meeting the Board also requested additional information on each of the concepts.

**Increasing the Retiree Health Credit**

The PERS retiree benefits committee recommended that the Board increase the credit from \$4.50 to \$5.00 and pay for it by requesting an increase in contributions from 1% to 1.25%. While the .50¢ increase would only cost .14% it was felt that the remaining .11% in contributions would help to reduce the unfunded liability thereby allowing funding for future increases. In discussing this option, it was noted that it would require an increase of approximately \$6.50 to get it back to a level of support that it was providing at the inception of the plan. The Board requested that staff put together a fiscal note on the cost of increases up to \$7.00. Included with the board materials were the costs. Staff recommended moving forward with the proposal from the retiree committee and requesting an increase of .25% in contributions for the following reasons:

1. The fiscal cost of a greater increase is substantial and may result in the proposal being dismissed.
2. The higher cost could cause the political subdivisions to oppose the increase.
3. The high cost could compete with increases needed for salaries and health insurance

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4. The .25% is the most affordable and would set up a method for future increases. I asked Segal to prepare some additional information on this item and it will be ready for the next meeting.

A handout prepared by Segal regarding the Retiree Health Insurance Credit Fund Projected Margin was distributed. Discussion followed. Mr. Collins indicated that based upon the information from Segal it may be necessary to request more than a .25% increase. By general consensus the Board requested Segal provide additional information at varying contribution levels and rates of return (actuarial vs. expected).

### **Provide Retirees a 13<sup>th</sup> Check**

While this concept was approved at the last meeting additional information was requested on the level of earnings needed to support such an increase. The following are the comments from Segal (as you will note they also provided information on a 1% cost of living adjustment for comparison, however this was not recommended by the committee):

- On a market value basis, where the full investment return in excess of 10.30% is available to pay for benefit improvements, an additional return of 0.18% (for a total return of 10.48%) would be required to provide a one-time payment equal to one-half of the current monthly pension check to all pay status participants in the Main System as of July 1, 2003.
- On a market value basis, where the full investment return in excess of 10.30% is available to pay for benefit improvements, an additional return of 0.36% (for a total return of 10.66%) would be required to provide a one-percent ad-hoc COLA to all pay status participants in the Main System as of July 1, 2003.
- On an actuarial value basis, where 20% of the investment return in excess of 10.30% is available to pay for benefit improvements, an additional return of 0.90% (for a total return of 11.20%) would be required to provide a one-time payment equal to one-half of the current monthly pension check to all pay status participants in the Main System as of July 1, 2003.
- On an actuarial value basis, where 20% of the investment return in excess of 10.30% is available to pay for benefit improvements, an additional return of 1.80% (for a total return of 12.10%) would be required to provide a one-percent ad-hoc COLA to all pay status participants in the Main System as of July 1, 2003.

Staff recommended the 13<sup>th</sup> check be proposed as a ½ check and be effective based upon a return of 11.2%. Staff also proposed that it be effective for only one year in the biennium but could occur in either year if sufficient returns are achieved.

**MR. GUNKEL MOVED TO APPROVE STAFF'S RECOMMENDATION. MR. BAETSCH SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**Adjust Members Final Average Salary**

The concept of adjusting member's final average salary to recognize the lack of a general salary increase was approved at the last meeting. It was noted that the PERS active benefits committee would be meeting and at that time staff would request their ideas on how to apply such an adjustment. The committee met on February 12 and the question arose that if this was to be done, how should it be done. After a lengthy discussion, the committee consensus was if the final average salary was to be adjusted, it should be across all salaries in the system.

**MR. GUNKEL MOVED APPROVAL TO MOVE FORWARD WITH THE ADJUSTMENT OF MEMBER'S FINAL AVERAGE SALARY CONCEPT. MR. SAGE SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**Retirement Contribution Adjustments (Board Action Requested)**

Included with the board materials were the administrative procedures staff proposed regarding delinquent and erroneous retirement contribution adjustments. The changes staff proposed were eliminating correcting certain aspects of a member's record that did not affect a member's benefit. In the past, staff had been fully adjusting a member's record regardless if the adjustment impacted a benefit calculation or not. Staff proposed adjusting a member's record with delinquent or erroneous contributions only if the adjustment would effect a member's retirement benefit calculation. An outline of the functions PERS would perform was included with the board materials. Staff recommended adopting the procedures effective immediately. Discussion followed.

**MS. SAND MOVED TO APPROVE THE ADMINISTRATIVE PROCEDURES AS PRESENTED BY STAFF. MS. SMITH SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**Consultant Selection RFP (Board Action Requested)**

An RFP was recently issued for actuarial and consultant services for the retirement plan. These services are presently provided by Segal. It has been PERS practice to go out to bid every six years for these services. In the RFP it was indicated that whoever is selected as a result of this process will provide these services for the next six years or until 2010. Proposals were received from the following firms:

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1. Deloitte
2. GRS
3. Mellon
4. Mercer
5. Milliman
6. Segal

The staff review team included: Sparb, Kathy, Deb and Bryan. Each reviewed the proposals independently and rated them for all factors except price. During staff's review the pricing proposals were not included. Included with the board materials were the points given for each firm. Also the pricing information was given points based from lowest to highest. That was also reflected in the information provided to the Board.

Based upon the review, staff recommended that if the Board decided to do interviews, that Segal and GRS should be invited. If the Board decided to interview three, Mellon should be invited. If it is decided to award the contract to Segal based upon the staff review, staff suggested that they not be awarded the Asset Liability work and that be given to GRS.

Mr. Collins conveyed the last time an actuary audit was completed was in 1996. Mr. Collins indicated it is recommended that an actuary audit be done every 10 years. An audit involves having another firm redo a valuation in a particular year to determine if they get a similar conclusion. In doing so, it validates the work of the regular consultant. If we change actuaries, an audit is not necessary since all information is checked when the data is transferred from one firm to another. However, if Segal is selected, staff recommended discussing with GRS the possibility of doing the actuarial audit based upon the review. Discussion followed.

**MS. SAND MOVED TO INTERVIEW GRS, MELLON AND SEGAL. MS. TABOR SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

### **Purchase Update (Informational)**

Ms. Fricke provided an update on the purchase activity during the final quarter of 2003, October through December.

### **Pretaxing Employer Purchases (Board Action Requested)**

At the last board meeting discussion was held regarding the Letter Ruling we received from the IRS relating to pretax purchasing of retirement credit. In recognition of the ruling and the goal of implementing it by May, staff recommended the following procedures be adopted by the Board:

1. Employees be allowed to convert an existing purchase contract to pretax purchase at any time. If so elected the price would be amortized over the existing purchase period and payments would be required on a monthly basis. In addition the entire contract would need to be moved to a pretax purchase.

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2. If an employee wants to separate an existing purchase contract into a pretax and after tax purchase they must terminate the existing contract and enter into two separate contracts. Contract costs would be recalculated.
3. New purchases can be divided into pretax and after tax but two separate contracts would be required. However, if they elect to open a contract as an after tax contract, they can change the stream of payment in the future to a pretax contract as outlined under # 1 above.
4. In order to do pretax purchases the member's employer must elect to participate and sign an Agreement with the exception of the state agencies who elected to participate in the authorizing legislation.

Staff recommended approval of the above procedures and the agreement for participation by employers other than the state agencies.

**MR. GUNKEL MOVED TO APPROVE THE PROCEDURES AND AGREEMENT FOR PRETAXING EMPLOYER PURCHASES. MR. SAGE SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

### **GROUP HEALTH**

#### **Health Legislation (Board Action Requested)**

Mr. Collins indicated staff was seeking direction from the Board on the new Medicare law and several health plan proposals from the last legislative session that were not passed.

Mr. Collins conveyed to date there is not much known about the Medicare law. However, two issues may need legislative authorization if the Board is interested. The Medicare law may provide subsidies for employer sponsored retiree plans such as PERS. If they are available and the Board is interested in pursuing them, staff would need to get legislative authorization to accept them and expend them.

Also, last session the Board proposed several changes to the PERS statute to provide more flexibility and competitiveness to the negotiation process. These proposals included:

1. The elimination of the formal bid process
2. Allowing PERS to develop a independent provider network
3. To allow in house administration of the plan by PERS

All of the above were proposed to encourage more competition for the PERS health plan business. They were removed in the Senate and were not added back in the House. Items #1 and #2 were opposed by different members. Item #1 was opposed by several legislators since they felt some form of bid process was necessary. Item #2 was opposed because several legislators were concerned the network would be sold and they were concerned with the competition aspects. Therefore, the question is does the Board want to again pursue these tools. Discussion followed. The Board discussed the bidding procedure and decided to modify the proposal to continue having a bid but to authorize the

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Board to negotiate on both price and bid specifications. Concerning the provider network, the Board decided to submit it again but to modify the proposal to only allow the network to be used by PERS.

**MS. SAND MOVED APPROVAL TO SEEK LEGISLATIVE AUTHORITY TO ACCEPT MEDICARE PRESCRIPTION PAYMENTS. MR. SAGE SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**MS. TABOR MOVED TO AUTHORIZE STAFF TO PUT TOGETHER A PROPOSAL FOR THE HEALTH INSURANCE PLAN NEGOTIATION PROCESS ON ALL THREE ITEMS THAT WERE LISTED. MR. SAGE SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**Mail Order Rx (Informational)**

Mr. Jon Barian, Prime Therapeutics, gave a presentation on their new pharmacy mail order option. Mr. Galen Jordre, ND Pharmacy Association, appeared before the Board and spoke about the implications of a mail order pharmacy plan to North Dakota pharmacies. Discussion followed. Ms. Kamie Kueneman, Prime Therapeutics, provided an update on their clinical programs and drugs in the news.

**Prairie Rx Pilot Project (Informational)**

Included with the board materials was a copy of the "Prairie Prescriptions Pilot Project" which is proposed by Senator Dorgan. The Senator is seeking letters of support for the project. Mr. Collins conveyed he was going to submit a letter for PERS, subject to Board approval, since this proposal is consistent with the efforts to reduce prescription costs for membership. By general consensus, the Board approved for Mr. Collins to send the letter.

**Management Information System Study (Informational)**

The NDPERS Annual Management Information Systems (MIS) Study based on claims incurred July 1, 2002 through June 30, 2003 (paid through September 30, 2003) prepared by BCBS was included with the board materials. The information contained in this study provided a summary of actual health membership, utilization and payments.

**Smoking Cessation Program Update (Informational)**

An update on the progress of the Smoking Cessation Program was included with the board materials.

**Dickinson Retiree Participation (Informational)**

At the January board meeting the Board reviewed the definition of "retirement allowance." The Board also heard from the City of Dickinson who indicated that their retirees cash out

of their retirement plan at retirement which does not meet the current PERS definition. At that meeting the Board requested that staff further review this issue. Mr. Collins indicated that staff had discussed this in more detail with the City of Dickinson and have received supplemental information from the City on their retirement plan. Mr. Collins conveyed the City indicated that their retirees do receive a special benefit payment for their health insurance. Staff and Mr. Miller, legal counsel, reviewed this and it appears that if this language would be included in their Retirement Plan Document it could be construed as accepting a retirement allowance and then their retirees would be eligible for the plan. Mr. Collins conveyed he had reviewed this with Mr. Sund, City of Dickinson.

**Wellness Benefit Program Update (Informational)**

Ms. Allen indicated the Wellness Committee was investigating additional programs that could supplement the 10K-A-Day program that is provided by Health Enhancement Systems. BCBS also has a walking program called "Walking Works" and like the 10K-A-Day program, it stresses the importance of walking at least 10,000 steps a day to maintain a basic level of fitness. The program is available free of charge to employers that participate with BCBS. The Committee also followed up with the BCBS Corporate Wellness Division for guidance in developing wellness initiatives for employers. The division provided the following for consideration:

- Nutrition Education / Weight Management
- Chronic Disease Self Management Program (a program developed by Stanford Univ.)
- Cardiovascular Health Education

Ms. Allen conveyed currently the NDPERS office in conjunction with BCBS is pursuing a disease management program for the health plan. The other two proposals involve nutrition and increasing physical activity.

In researching worksite wellness options with the Department of Health, it was suggested to supplement the 10,000 steps a day program, which promotes physical activity, with a nutrition program to educate employees about healthy eating habits. This would involve having nutritionists available to conduct work site programs. The Health Department has access to public health officials throughout the state that could provide these services.

Based on the research conducted, the Committee is pursuing a nutrition program and will work in conjunction with the Health Department to further develop this concept incorporating some of the suggestions provided by BCBS. This will combine both physical activity and nutrition education and is consistent with the goals of the "Healthy North Dakota" initiative.

**FLEXCOMP**

**Enrollment Update (Informational)**

The annual open enrollment for the FlexComp Program plan year 2004 concluded on November 15, 2003. Included with the board materials was enrollment highlights for the 2004 plan year.

**DEFINED CONTRIBUTION DEFERRED COMP**

**Deferred Comp Provider Training (Informational)**

At the January meeting it was reported that The Equitable was out of compliance with the contract provisions for provider training requirements. The Board took action at the January meeting directing staff to notify The Equitable that they were out of compliance with the contract and that the Board would consider taking action to implement a loss of provider status for The Equitable at its February meeting unless they took appropriate actions to come into compliance. Ms. Allen conveyed staff received a response from The Equitable instructing staff to remove the individuals out of compliance from the list of eligible agents. Staff has removed these agents from the eligible list of provider representatives. This action brought The Equitable into compliance with the contract provisions.

**MISCELLANEOUS**

**Proposed Legislation (Board Action Requested)**

Mr. Collins indicated that included with the board materials were the technical changes to the NDPERS statutes for proposed legislation. These amendments are administrative in nature. Staff requested Board approval to include the technical changes in proposed legislation.

**MR. GUNKEL MOVED APPROVAL TO ACCEPT THE TECHNICAL CHANGES IN PROPOSED LEGISLATION. MR. BAETSCH SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

**Board Election (Board Action Requested)**

The terms of Board members David Gunkel and Weldee Baetsch expire on June 30, 2004. Pursuant to Section 71-01-02-01, an election must be conducted to fill the vacancies. According to the Rules, the Retirement Board must appoint a committee of three from its membership, one of whom must be designated as Chair, to oversee the election process. Ms. Tabor, Mr. Sage and Ms. Smith agreed to serve on the election committee. Mr. Collins indicated it would be necessary to change the date for the June board meeting as the canvassing of election ballots is scheduled for June 21 and the board meeting is scheduled for June 17. The Board has to accept the election results at their June board meeting. It was agreed to look at changing the meeting date to June 24.

**Consultant Fees (Informational)**

Included with the board materials was a report showing the consulting, investment and administrative fees paid during the quarter ended December 31, 2003.

**Business Plan (Informational)**

The Business Plan from 2003 with a description of the activities completed through the end of the year was included with the board materials. Mr. Collins indicated the Business Plan for this year will be presented at the March meeting. Ms. Tabor inquired if the Business Plan could be distributed in March with action to be taken at the April board meeting. This would allow Board members adequate time to review the document.

**Other Business**

➤ Conferences

Mr. Collins indicated the National Conference on Public Employees Retirement System (NCPERS) National Conference will be held the end of May and the Fidelity Client Conference will be held the end of March. In the past the Board has approved for Board Members to attend each of these conferences.

**MR. SAGE MOVED TO APPROVE UP TO 2 BOARD MEMBERS TO ATTEND EACH OF THE CONFERENCES. MS. TABOR SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Sage, Sand, Smith, Tabor and Chairman Strinden

**Nays:** None

**PASSED**

➤ Staff Update

Mr. Collins provided an update on the PERS staff. Per a request by Chairman Strinden, Mr. Collins reviewed the additional workload staff had absorbed this biennium as a result of action this last session. This included the new Law Enforcement Retirement Plan, the addition of the Job Service and OASIS plans, the new employer based wellness program and the additional responsibility for health mandates. Discussion followed.

Chairman Strinden stepped down as Chairman and asked Mr. Gunkel to serve as Acting Chairman for the meeting.

**MR. STRINDEN MOVED TO RECONSIDER THE ACTION AT THE LAST MEETING TO NOT APPROVE A 3% SALARY INCREASE FOR THE EXECUTIVE DIRECTOR. MS. TABOR SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Tabor and Chairman Strinden

**Nays:** Sage, Sand, Smith

**PASSED**

**MS. TABOR MOVED TO INCREASE THE EXECUTIVE DIRECTOR'S SALARY BY 2% IN LIGHT OF ADDITIONAL WORKLOAD AND IN RECOGNITION OF A SALARY SURVEY CONDUCTED BY MR. BAETSCH WHICH SHOWED AN ADJUSTMENT MAY BE NEEDED TO MAINTAIN EQUITY. MR. BAETSCH SECONDED THE MOTION.**

**Ayes:** Baetsch, Gunkel, Smith, Tabor and Chairman Strinden

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**Nays:** Sage, Sand

**PASSED**

Mr. Gunkel turned over his role as Acting Chairman to Mr. Strinden.

Mr. Sage distributed a copy of a handout from a Callan Consultants Conference he attended that he felt would be of interest to the Board.

Chairman Strinden called for any other business or comments. Hearing none, the meeting was adjourned at 12:17 p.m.

Prepared by,

Kim Humann  
Administrative Assistant