

MINUTES

North Dakota Public Employees Retirement System

ND Association of Counties, Bismarck

BCBS, 4510 13th Ave SW, Fargo

Thursday, July 15, 2010

8:30 A.M.

Members Present: Ms. Joan Ehrhardt
Mr. Levi Erdmann
Mr. Mike Sandal
Mr. Thomas Trenbeath

Via Videoconference: Chairman Jon Strinden

Members Absent: Mr. Howard Sage
Ms. Arvy Smith

Others Present: Ms. Cheryl Stockert, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Kathy Allen, NDPERS
Ms. Deb Knudsen, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Aaron Webb, Attorney Generals Office
Ms. Gisele Thorson, NDPEA
Mr. Bill Kalanek, AFPE
Mr. Alan Person

Via Videoconference: Mr. Sparb Collins, NDPERS
Mr. Kevin Schoenborn, BCBSND
Ms. Onalee Sellheim, BCBSND
Ms. Jodi Carlisle, BCBSND
Ms. Jodi Crouse, 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 June 17, 2010 Board meeting.

MS. EHRHARDT MOVED APPROVAL OF THE JUNE 17, 2010 BOARD MINUTES. THE MOTION WAS SECONDED BY MR. TRENBEATH. THE MINUTES WERE APPROVED.

GROUP INSURANCE

It was noted that the first agenda item was moved to the September Board meeting when representatives from the ND Medical Association will be able to attend.

Medical Management Update

Ms. Carlisle, BCBS, presented the Board with the Medical Management Update for actives and retirees as well as the performance and financial overview for the actives and retirees. The goal of medical management is to improve members' quality of life and maintain cost-effectiveness on a case-by-case basis. The activities within medical management that were reviewed with the Board included Case Management, Utilization Management, Disease Management, Quality Management and Reporting, and Pharmacy Management Initiatives. The performance and financial overview included information relating to utilization rates, demographics, expenditures, emergency room utilization rates, admission rates, ETG base class utilization, and HEDIS measures. The Board had questions regarding the medical management update.

Annual Wellness Renewal

Ms. Fricke reviewed with the Board the renewal of the Employer Based Wellness Program for the plan year July 1, 2010 through June 30, 2011. There are a total of 188 out of 282 employers electing to participate in the wellness program. It was noted that the participating employers cover over 97% of the members. The Board had questions that were answered by Ms. Fricke.

Retiree Subsidy Application

Mr. Collins reported that the application for the retiree health subsidy was released on June 29, 2010 and PERS submitted the application to Washington, D.C. that day. PERS is awaiting a response.

BCBS Update

Mr. Collins updated the Board on the ongoing communication efforts with BCBS.

RETIREMENT

Investment Office Update

Mr. Gilbertson was not able to attend the Board meeting and will be scheduled for the next meeting. Mr. Sandal reported that the search committee met with the consultant, Board members and key staff to develop specifications for the Executive Director/CIO position. This will be reviewed with the full State Investment Board before moving forward with the search. The Audit Committee has met with the auditors who are conducting the performance audit and they have started their work.

Asset Liability Study

Mr. Collins reported that the Investment Subcommittee met to discuss how to proceed on the asset liability study. The Teachers Fund for Retirement is doing an asset allocation study at this time and it would be beneficial for PERS to review the asset allocation before the end of the year and prior to the legislature convening. The experience study was completed this spring and based upon past practice the asset liability study is usually done shortly thereafter. The Investment Subcommittee recommended to proceed with conducting an asset/liability study. The Subcommittee further recommended, subject to Board approval to proceed, to have Callan conduct the study. Callan is the SIB investment consultant and NDCC 21-10 requires PERS to use the SIB consultant. Callan provided a proposal for the Board which Mr. Collins reviewed.

MR. TRENBEATH MOVED APPROVAL OF THE ASSET LIABILITY STUDY TO BE CONDUCTED BY CALLAN AS RECOMMENDED BY THE PERS INVESTMENT SUBCOMMITTEE. THE MOTION WAS SECONDED BY MS. EHRHARDT.

Ayes: Ms. Ehrhardt, Mr. Erdmann, Mr. Sandal, Mr. Trenbeath, and Chairman Strinden

Nays: None

Absent: Mr. Sage and Ms. Smith

MOTION PASSED

DEFERRED COMPENSATION

Plan Document Amendment

Ms. Allen reviewed with the Board the federal regulations that require PERS to amend the 457 Deferred Compensation Plan and the Deferred Compensation Companion Plan. She also reviewed the plan amendments with the Board.

MR. SANDAL MOVED APPROVAL OF THE AMENDMENTS TO THE 457 DEFERRED COMPENSATION PLAN AND THE DEFERRED COMPENSATION COMPANION PLAN. THE MOTION WAS SECONDED BY MR. TRENBEATH.

Ayes: Ms. Ehrhardt, Mr. Erdmann, Mr. Sandal, Mr. Trenbeath, and Chairman Strinden

Nays: None

Absent: Mr. Sage and Ms. Smith

MOTION PASSED

Flex Comp Plan Document Amendment

Ms. Allen reviewed with the Board the latest federal regulations that require PERS to amend the Flex Comp Plan Document. She also reviewed the plan amendments with the Board.

MR. ERDMANN MOVED APPROVAL OF THE AMENDMENT TO THE FLEX COMP PLAN DOCUMENT. THE MOTION WAS SECONDED BY MR. SANDAL.

Ayes: Ms. Ehrhardt, Mr. Erdmann, Mr. Sandal, Mr. Trenbeath, and Chairman Strinden

Nays: None

Absent: Mr. Sage and Ms. Smith

MOTION PASSED

MISCELLANEOUS

Administrative Rules

Ms. Knudsen reported that PERS received notice on June 25 that the revisions submitted to the Legislative Council have been accepted and prepared for publication and will be published in the North Dakota Administrative Code effective July 1, 2010.

Quarterly Consultant Fees

The report of consultant fees paid during the quarter ending June 30, 2010 was presented to the Board for their information.

Mr. Collins shared with the Board member letters expressing concern about the retirement plan and dependent coverage in the health insurance plan.

Ms. Allen reviewed with the Board the status of the loss of provider status for Symetra. PERS notified Symetra and the active participants of this status. Symetra has been removed as a provider in the payroll systems.

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 9:35 a.m.

Prepared by,

Cheryl Stockert
Secretary to the Board