

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
JANUARY 18, 2007, BOARD MEETING**

BOARD MEMBERS PRESENT: Mark Sanford, President
Kim Franz, Trustee
Mike Gessner, Trustee
Lowell Latimer, Trustee
Wayne Sanstead, State Superintendent
Kelly Schmidt, State Treasurer

ABSENT: Clarence Corneil, Trustee

STAFF PRESENT: Steve Cochrane, Executive Director
Fay Kopp, Deputy Executive Director
Connie Flanagan, Fiscal & Investment Officer
Bonnie Heit, Office Manager
Les Mason, Internal Audit Supervisor
Darlene Roppel, Retirement Assistant
Shelly Schumacher, Retirement Program Supvr.
Dottie Thorsen, Internal Auditor

OTHERS PRESENT: Gary Rath, NDEA
Tami Wahl, NDRTA
Aaron Webb, Attorney General's Office

CALL TO ORDER:

Dr. Mark Sanford, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, January 18, 2007, at Workforce Safety & Insurance, 1600 E Century, Bismarck, ND.

THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: PRESIDENT SANFORD, MR. GESSNER, DR. LATIMER, MRS. FRANZ, TREASURER SCHMIDT, AND DR. SANSTEAD.

MINUTES:

The Board considered the minutes of the November 16, 2006, board meeting.

TREASURER SCHMIDT MOVED AND DR. SANSTEAD SECONDED TO APPROVE THE MINUTES OF THE NOVEMBER 16, 2006, BOARD MEETING.

AYES: DR. LATIMER, MRS. FRANZ, PRESIDENT SANFORD, TREASURER SCHMIDT, MR. GESSNER, AND DR. SANSTEAD.

NAYS: NONE

MOTION CARRIED

BOARD EDUCATION:

Pension Plan Comparisons - Mrs. Fay Kopp, Deputy Executive Director, presented a comparison of TFFR to the Public Fund Survey for fiscal year 2005. The Public Fund Survey is a compendium of key characteristics of 117 of the nation's largest public retirement systems and represents nearly 90% of the entire state and local government community. The Survey is sponsored by the National Association of State Retirement Administrators (NASRA) and the National Council on Teacher Retirement (NCTR). Board discussion followed. A copy of the presentation is on file at the Retirement and Investment Office (RIO).

ANNUAL RETIREMENT TRENDS REPORT: Mrs. Kopp presented the Board with the 2006 Retirement Trends and Projections Report. She stated that TFFR has 11,294 active and inactive vested members. Of the 9,711 active TFFR members, 1,113 members are currently eligible to retire. Based on ratios of 30% and 40% of actual retirements to eligible retirements, approximately 3,800 to 4,200 active members are projected to retire in the next ten years which is about 1,000 more than the last decade. Board discussion followed. A copy of the presentation is on file at RIO.

TREASURER SCHMIDT MOVED AND MR. GESSNER SECONDED TO APPROVE THE RETIREMENT TRENDS AND PROJECTIONS REPORT AS PRESENTED.

AYES: MR. GESSNER, DR. LATIMER, TREASURER SCHMIDT, MRS. FRANZ, PRESIDENT SANFORD, AND DR. SANSTEAD

NAYS: NONE

MOTION CARRIED

2007 LEGISLATIVE UPDATE:

Mrs. Kopp updated the Board on legislation. A copy of the January 18 TFFR Legislative Update is on file at RIO. Board discussion followed.

INVESTMENT UPDATE:

The Board congratulated Mr. Steve Cochrane, Executive Director, and the State Investment Board (SIB) for being nominated for the "Savviest Public Plan of the Year" award by Money Management Letter.

Mr. Cochrane reviewed the agenda for the SIB's January 19 meeting. He also informed the Board fiscal year-to-date the TFFR Fund was at 9.96%.

REPORTABLE SALARY:

Mrs. Kopp provided background information on the definition of retirement salary and the issue of whether payments made to referees and other game officials and judges are eligible or ineligible TFFR salary.

After discussion, the Board directed Mrs. Kopp to draft a policy broadly defining referees to include scorekeepers, time keepers, line judges, ticket takers, and other game officials, and exclude such payments from retirement salary for TFFR purposes.

RETIREMENT OFFICER'S REPORT:

Death Overpayment Write Off - At the November board meeting, the Board approved a request to write off a two-month overpayment to a deceased member because the member's family did not return the overpaid benefits as requested, nor did they provide a death certificate. Staff found an obituary on the internet which showed a death date different than what was originally reported. Therefore, Mrs. Kopp instructed staff to write off a three-month overpayment of \$711.18.

Joe Westby Resolution - Mrs. Kopp presented a resolution to Mr. Joe Westby, NDEA Executive Director, thanking him for his support and contributions to TFFR. Mr. Westby was very appreciative of receiving the recognition, and expressed his sincere thanks to the Board.

Code of Conduct Policy - Mrs. Kopp provided a copy of the Board Members' Code of Conduct policy passed by the TFFR Board in 2005, which closely resembles the SIB policy in effect since 1997.

Gabriel, Roeder & Smith (GRS) Staff Change - Mrs. Kopp informed the Board Mr. Flick Fornia is leaving GRS. Mr. Chris Conradi, Mr. Mike Carter, and other qualified actuaries at GRS will continue to service the TFFR account.

Actuarial Audit Recommendation Follow-up- Mrs. Kopp informed the Board GRS has provided a letter with additional information regarding the acceptability of the Entry Age Normal actuarial cost method used by GRS for TFFR's actuarial valuation. The Board agreed to table the issue until the next scheduled meeting.

CONSENT AGENDA:

DR. SANSTEAD MOVED AND MRS. FRANZ SECONDED TO APPROVE THE CONSENT AGENDA WHICH INCLUDED ONE DISABILITY APPLICATION.

AYES: MRS. FRANZ, DR. LATIMER, DR. SANSTEAD, TREASURER SCHMIDT, PRESIDENT SANFORD, AND MR. GESSNER

NAYS: NONE

MOTION CARRIED

OTHER BUSINESS:

The next meeting of the TFFR Board will be held either on February 15 or March 15, 2007. The Board will leave it to staff to decide.

ADJOURNMENT:

With no further business to come before the Board, President Sanford adjourned the meeting at 2:45 p.m.

Respectfully Submitted:



Dr. Mark Sanford, President
Teachers' Fund for Retirement Board



Bonnie Heit
Reporting Secretary