

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
APRIL 27, 2011, BOARD MEETING**

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

BOARD MEMBER ABSENT: Clarence Corneil, Trustee

STAFF PRESENT: John Geissinger, Executive Director/CIO
Fay Kopp, Deputy Executive Director
Darlene Roppel, Retirement Assistant
Shelly Schumacher, Retirement Program Manager

OTHERS PRESENT: Janilyn Murtha, Attorney General's Office (1:00 pm)

CALL TO ORDER:

Mr. Mike Gessner, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 8:00 a.m. on Wednesday, April 27, 2011, at Workforce Safety & Insurance (WSI), 1600 E Century Ave, Bismarck, ND.

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

APPROVAL OF AGENDA:

The Board considered the meeting agenda.

MR. TOSO MOVED AND MRS. FRANZ SECONDED TO APPROVE THE AGENDA AS PRESENTED.

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

NAYS: NONE

MOTION CARRIED.

MINUTES:

The Board considered the minutes of the March 17, 2011, board meeting.

TREASURER SCHMIDT MOVED AND DR. LATIMER SECONDED TO APPROVE THE MINUTES OF THE MARCH 17, 2011, BOARD MEETING AS PRESENTED.

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

NAYS: NONE

MOTION CARRIED.

ACTUARIAL REQUEST FOR PROPOSAL (RFP) - ORAL PRESENTATIONS:

Mrs. Fay Kopp, Deputy Executive Director, reviewed the actuarial RFP selection criteria, proposal rankings, interview process, and questions. Representatives from each actuarial consulting firm gave a 20-30 minute presentation summarizing their proposal, followed by a question and answer session. Copies of the presentations are on file at the Retirement and Investment Office (RIO).

Presentations were made as follows:

- 8:30 am Segal Company - Kim Nicholl, Cathie Eitelberg, and Matt Strom
- 9:30 am Cheiron - Steve McElhaney and Bill Hallmark
- 10:30 am Cavanaugh Macdonald - Patrice Beckham, Brent Banister, and Ed Macdonald (teleconference)
- 11:30 am Gabriel Roeder Smith - Chris Conradi and Danny White

The Board recessed at 12:15 p.m. and reconvened at 1:00 p.m.

ACTUARIAL CONTRACT:

The Board discussed the oral presentations, qualifications, experience, references, and proposals from each actuarial firm. After lengthy discussion,

TREASURER SCHMIDT MOVED AND MR. TOSO SECONDED TO AWARD A TWO (2) YEAR CONTRACT TO SEGAL COMPANY FOR ACTUARIAL CONSULTING SERVICES.

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

NAYS: NONE

MOTION CARRIED.

The Board asked Mrs. Kopp to draft a letter to Mr. Chris Conradi and GRS expressing the Board's gratitude for the many years of excellent service and expertise provided to TFFR.

LEGISLATIVE UPDATE:

Mrs. Kopp updated the board on 2011 legislation relating to TFFR.

HB 1134 and HB 1133 were both approved. TFFR staff will begin working on implementation plans immediately. Legislative changes will be communicated through presentations and newsletters to business managers, administrators, and active and retired teachers. The TFFR website, brochures, forms, and pension administration software programs will all

be updated which will require a significant amount of staff time and funds.

Four new members will be added to the interim Legislative Employee Benefits Programs Committee (LEBPC), which will increase membership to 13 members.

TFFR and State Investment Board (SIB) board member pay will increase to \$148 per meeting beginning July 1, 2011.

SIB UPDATE:

Mr. John Geissinger, Executive Director/CIO, gave an overview of the SIB legislative bills. No changes were made to the composition of the SIB. A policy committee was created to oversee the Budget Stabilization Fund and the Legacy Fund.

Mr. Geissinger indicated the TFFR Investment Policy Statement will need to be updated to reflect the new asset class structure and asset allocation. This will be discussed at the next board meeting.

Estimated fiscal year performance from July 1, 2010 to April 27, 2011, is approximately 21%.

SIB has received about 85% of the outstanding principal amount from Westridge/WG Trading and is pursuing getting the remaining funds back.

2011-2012 BOARD CALENDAR:

The board calendar for the remainder of 2010-11 and 2011-12 was considered. Six meetings are scheduled for 2011-12 for the day before the regular SIB meeting. The May 19, 2011, board meeting will be cancelled. The next meeting will be held June 23, 2011.

MR. TOSO MOVED AND DR. SANSTEAD SECONDED TO APPROVE THE BOARD CALENDAR AS PRESENTED.

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

NAYS: NONE

MOTION CARRIED.

CONSENT AGENDA:

TREASURER SCHMIDT MOVED AND MRS. FRANZ SECONDED TO APPROVE THE CONSENT AGENDA WHICH INCLUDES ONE DISABILITY APPLICATION #2011-5D.

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

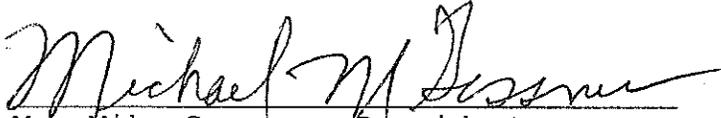
NAYS: NONE

MOTION CARRIED.

ADJOURNMENT:

With no further business to come before the Board, President Gessner adjourned the meeting at 2:25 p.m.

Respectfully Submitted:



Mr. Mike Gessner, President
Teachers' Fund for Retirement Board



Darlene Roppel
Reporting Secretary