

**PROCEEDINGS OF THE  
FINANCE COMMITTEE OF THE  
GRAND FORKS/EAST GRAND FORKS  
METROPOLITAN PLANNING ORGANIZATION  
Wednesday, August 5<sup>th</sup>, 2009 – 12:00 Noon  
Grand Forks City Hall Planning Conference Room**

**CALL TO ORDER**

Chairman, Gary Malm, called the August 5<sup>th</sup>, 2009 Finance Committee meeting to order at 12:05 p.m.

**CALL OF ROLL**

On a Call of Roll the following members were present: Gary Malm, Warren Strandell, and Punky Beauchamp.

Staff present were: Earl Haugen, GF/EGF MPO Executive Director and Peggy McNelis, GF/EGF MPO Executive Assistant.

**DETERMINATION OF A QUORUM**

Malm declared a quorum was present.

**APPROVAL OF THE MARCH 25, 2009, MINUTES OF THE MPO FINANCE COMMITTEE**

Malm asked if there were any corrections or additions. Hearing none, he declared the March 25, 2009 Minutes of the MPO Finance Committee approved as presented.

**MATTER OF MPO STAFF EMPLOYEES JOINING NDPERS**

Haugen explained that he asked for this meeting in order to go over information concerning the possibility of MPO Employees switching from their current pension plan to the NDPERS pension plan. He stated that, as you recall, last year the City of Grand Forks transitioned to NDPERS, and it was thought at that time that the MPO would be able to make that transition with them, however it was determined that the MPO was not eligible to do so.

Haugen reported that once that determination was made, a bill was introduced to the Legislature that would allow the MPOs eligibility as a political entity. He said that the bill was passed, and went into effect August 1<sup>st</sup>, and staff has been in touch with representatives from NDPERS concerning the proposed transition.

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Haugen explained that the reason for wanting to join NDPERS is due to the fact that our by-laws state that MPO employees will be provided the same, or similar benefits, as those provided to the City of Grand Forks employees, therefore, per the by-laws, we would ask that the MPO enter into an agreement with NDPERS.

Haugen referred to copies of slides from a power point presentation that was given to MPO employees by a NDPERS representative, and pointed out that it states that current eligible staff has the option of joining NDPERS now, of not joining at all, or of joining at a later date, but new employees will be required to join immediately.

Haugen reported that currently the MPO pays 4% of an employee's salary into their pension; but NDPERS requires that the MPO would pay a total of 5.26%, with 4.12% going into a retirement pool of fund, and 1.14% going into a retiree health credit fund. He explained that the additional .12% going into the retirement pool of fund is basically to cover administrative costs, and added that the 1.14% going into the health pool of fund is mandatory, and can be used once an employee enters retirement to help reduce some of their health insurance costs.

Beauchamp asked if employees would be able to roll their current pension monies into the NDPERS plan. Haugen responded that they would be able to do so. He explained that they have what is called a "purchase of service" option whereby an employee is able to purchase years of service. He stated that each employee will have the opportunity to meet individually with a NDPERS representative to go over all options available to determine which option would best work for them.

Haugen reported that there is a "Rule of 85", or age 65 regulation with NDPERS. He added that the "Rule of 85" is a combination of age and years of service credited. He explained that a member is vested the earlier of achieving 36 months (3 years) of service credit or attaining the age of 65-years. He stated that there is also a Portability Enhancement Program that allows for the 4% employer contribution to be available sooner if needed.

Strandell asked if this changes the employer contribution amount. Haugen responded that it does. He explained that the MPO currently contributes 4% to an employee's pension, but it would increase to 5.26% with NDPERS, with .12% for the retirement system, and 1.14% for the health credit. He stated that the total cost increase to the MPO, on an annual basis, would be less than \$2,000.

Strandell reported that Polk County was informed that because they offer a post-employment health option for their employees, they will be required have up to \$2,000,000 in reserve to cover the additional costs involved with providing that benefit. He asked if this would affect the MPO as well. Ms. McNelis responded that she talked to Janelle Mulroy, with Brady-Martz, and was told that because NDPERS manages the post-employment health benefits, it would not be an issue for the MPO.

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Haugen stated that the recommended action today does need to be amended to include the possibility that the MPO may have to also enter into an agreement for our health insurance, which is currently covered under the City of Grand Forks' policy, but now that we may be entering into our own retirement agreement, we may be required to enter into our own health agreement as well.

***A MOTION WAS MADE BY STRANDELL, SECONDED BY BEAUCHAMP, TO FORWARD A RECOMMENDATION TO THE MPO EXECUTIVE POLICY BOARD THAT THEY APPROVE ENTERING INTO AN AGREEMENT WITH NDPERS TO PROVIDE A RETIREMENT PLAN FOR MPO EMPLOYEES; AND, IF NECESSARY TO ENTER INTO AN AGREEMENT WITH NDPERS TO PROVIDE A HEALTH INSURANCE PLAN FOR MPO EMPLOYEES AS WELL.***

***Voting Aye: Strandell, Malm, and Beauchamp.  
Voting Nay: None.***

**OTHER BUSINESS**

None.

**ADJOURNMENT**

***A MOTION WAS MADE BY STRANDELL, SECONDED BY BEAUCHAMP, TO ADJOURN THE AUGUST 5<sup>TH</sup>, 2009, MEETING OF THE MPO FINANCE COMMITTEE AT 12:22 P.M.***

***Voting Aye: Strandell, Malm, and Beauchamp.  
Voting Nay: None.***

Respectfully submitted by,

Peggy McNelis  
Executive Assistant