NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD

Friday, September 28, 2012
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Randel Christmann, Chairman, called the meeting to order at 8:30 a.m.

Members present: Senator Randel Christmann; Representative Keith Kempenich; Bank of North Dakota President - Eric Hardmeyer; Office of Management and Budget Director - Pam Sharp; Tax Commissioner - Cory Fong

Members absent: Senator Jim Dotzenrod and Representative Dave Weiler

It was moved by Mr. Fong, seconded by Representative Kempenich, and carried on a voice vote that the minutes of the August 23, 2012, meeting be approved as distributed.

Chairman Christmann recessed the meeting at 8:40 a.m. and advisory board members reconvened at 8:45 a.m. at the State Investment Board meeting in the Peace Garden Room, State Capitol, to hear presentations by investment consultant candidates of proposals to conduct an asset allocation and spending policy study for the legacy fund.

CONSULTANT CANDIDATE PROPOSALS

At the State Investment Board meeting, advisory board members heard presentations of the following proposals:

Consultant	Project Leads	Cost	Timeline	Proposal
Towers Watson	Mr. Mark Ruloff* - FSA, EA, CERA Mr. Marko Komarynsky - CFA Mr. Brian J. Murphy* - CFA	$75,000	Eight weeks	Appendix A
Mercer	Mr. Brian J. Birnbaum* - CFA, Partner Rich Nuzum - CFA, Senior Partner	$110,000	Completion by December 31, 2012	Appendix B
R. V. Kuhns & Associates, Inc.	Mr. Ronald L. Klotter* - CFA, Director of Midwest Consulting, Senior Consultant Mr. Joshua R. Kevan* - CFA, Senior Consultant, Principal Mr. John P. McLaughlin* - CFA, Consultant Mr. William Lee - Investment Associate	$70,000	Completion by December 5, 2012	Appendix C
Callan Associates Inc.	Mr. Paul Erlendson* - Senior Vice President Mr. Eugene Podkaminer* - Vice President Mr. Jay Kloepfer - Executive Vice President and Director of Capital Markets and Alternatives Research Group Additional professional resources throughout the firm as needed	$64,000	Eight weeks	Appendix D
*In person to present the proposal and take questions.				

The State Investment Board selected R. V. Kuhns & Associates, Inc., to conduct an asset allocation and spending policy study for the legacy fund. Minutes from the State Investment Board meeting are available on the Retirement and Investment Office website.

ADVISORY BOARD DISCUSSION AND STAFF DIRECTIVES

The advisory board concluded its meeting with the State Investment Board and reconvened in the Harvest Room, State Capitol, at 12:30 p.m. Chairman Christmann said advisory board members will be notified when more information regarding the study is available from the State Investment Board or the Retirement and Investment Office. He said the next meeting date will depend on the progress of the consultant's study.

No further business appearing, Chairman Christmann adjourned the meeting at 12:40 p.m.

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Sara E. Pahlke
Fiscal Analyst

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Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:4