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	\$75,000	Eight weeks	Appendix A
	Mr. Marko Komarynsky - CFA			
	Mr. Brian J. Murphy* - CFA			
Mercer	Mr. Brian J. Birnbaum* - CFA, Partner	\$110,000	Completion by	Appendix B
	Rich Nuzum - CFA, Senior Partner		December 31, 2012	
R. V. Kuhns & Associates, Inc.	Mr. Ronald L. Klotter* - CFA, Director of Midwest Consulting, Senior Consultant	\$70,000	Completion by December 5, 2012	Appendix C
	Mr. Joshua R. Kevan* - CFA, Senior Consultant, Principal			
	Mr. John P. McLaughlin* - CFA, Consultant			
	Mr. William Lee - Investment Associate			
Callan Associates Inc.	Mr. Paul Erlendson* - Senior Vice President	\$64,000	Eight weeks	Appendix D
	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			
*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 <u>website</u>.

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.

Sara E. Pahlke Fiscal Analyst

Allen H. Knudson

Allen H. Knudson Legislative Budget Analyst and Auditor

ATTACH:4