LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD

Thursday, October 28, 2021
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Keith Kempenich, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Keith Kempenich, Gary Kreidt; Senators Kathy Hogan*, Jerry Klein; Citizen Members Joe Morrissette, Todd Steinwand

Member absent: Citizen Member Ryan Rauschenberger

Others present: See Appendix A
Attended remotely

It was moved by Senator Klein, seconded by Representative Kreidt, and carried on a voice vote that the minutes of the October 21, 2021, meeting be approved as distributed.

IN-STATE INVESTMENT PROPOSALS - PUBLIC COMMENTS

The following proposals were submitted to the advisory board regarding proposed investments and investment strategies of equity investments in the state using a portion of the legacy fund principal balance related to North Dakota Century Code Section 21-10-11(3)(b):

Interested Persons	Proposal
Connie Ova, Chief Executive Officer, Jamestown and Stutsman County Development Corporation	Strategic investments in economic development projects across the state (Appendix B)
Jennifer Greuel, Executive Director, Economic Development Association of North Dakota	Fixed income and equity investments in infrastructure and economic development incentives (Appendix C)
Marshal Albright and Steve Burian, Co-Chairs, Valley Prosperity Partnership	Investments to address funding gaps in capital markets in the state (Appendix D)
Steve Stenehjem, Chief Executive Officer, First International Bank & Trust	Expedited implementation of House Bill No. 1425 (2021) and the appointment of in-state managers (Appendix E)

Mr. Rick Clayburgh, President and Chief Executive Officer, North Dakota Bankers Association, provided comments regarding support for financial institutions with trust powers to manage a portion of the investments of the legacy fund. He noted allowing North Dakota banks to manage the investments could generate additional tax revenue for the state from commissions paid to in-state money managers and could contribute to economic growth in the state through new jobs.

Mr. Chris Fraser, Commercial Loan Officer, Dakota Community Bank & Trust; Mr. Brent Brannan, Partner, Arcadius Capital Partners; Mr. Tym Tombar, Managing Director, Arcadius Capital Partners; and Ms. Kathy Neset, Partner, Arcadius Capital Partners provided comments (Appendix F) regarding proposed investments and investment strategies of equity investments in the state using a portion of the legacy fund principal balance.

Mr. Tombar noted past investment experience of Arcadius Capital Partners includes upstream oil and gas opportunities. He indicated an investment strategy using a portion of the legacy fund could be targeted to oil and gas opportunities to capitalize on favorable conditions in the current market.

LEGACY FUND ASSET ALLOCATION STUDY

Ms. Janilyn Murtha, Interim Executive Director, Retirement and Investment Office, presented information (Appendix G) regarding an overview of previous requests for proposals associated with studying the asset allocation plan of the legacy fund.

It was moved by Citizen Member Steinwand, seconded by Senator Klein, and carried on a roll call vote that the Legacy and Budget Stabilization Fund Advisory Board recommends the State Investment Board arrange to issue a request for proposal for an investment consultant to conduct a study of the asset allocation plan of the legacy fund, including the provisions of House Bill No. 1425 (2021) and House Bill No. 1380 (2021). Representatives Kempenich and Kreidt, Senators Hogan and Klein, and Citizen Members Morrissette and Steinwand voted "aye." No negative votes were cast.

Chairman Kempenich asked the Legislative Council staff to provide information to the advisory board at a future meeting regarding in-state investment laws in other states.

No further business appearing, Chairman Kempenich adjourned the meeting at 11:00 a.m.

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Adam Mathiak
Senior Fiscal Analyst

ATTACH:7