



TESTIMONY ON SENATE BILL 2042
Government and Veterans Affairs Committee
January 29, 2021

Tangee Bouvette, Human Resources Director
Maureen Storstad, Finance and Administrative Services Director
City of Grand Forks, ND

Mr. Chairman and members of the committee, we are Tangee Bouvette, Human Resources Director and Maureen Storstad, Finance and Administrative Services Director for the City of Grand Forks. We want to thank you for the opportunity to provide testimony and express the City of Grand Forks' opposition to this legislation.

The NDPERS retirement system is an excellent defined benefit pension plan and a key recruitment and retention tool for the City of Grand Forks as well as numerous other local government entities, in addition to the State.

The City of Grand Forks, in general, has supported and continues to support the NDPERS plan and its efforts to become more fully funded. The City would support a funding plan that more moderately and incrementally increases contribution rates over time. The City of Grand Forks has historically supported past legislation to incrementally increase contribution rates over the last 12 years as the City has been able to manage these incremental increases through budget planning.

Conversely, the City of Grand Forks is against Senate Bill 2042 which would require a 5.12% increase in employer contributions to the NDPERS defined benefit plan. This is almost a 62% increase in the City of Grand Forks employer contributions into the pension plan and would amount to over \$900,000 a year in additional cost for just our employees in the NDPERS Defined Benefit Main plan. The City of Grand Forks feels the size of this contribution increase is too aggressive and would be burdensome to the City of Grand Forks and other public entities, including the State of North Dakota.

The City of Grand Forks supports making incremental contribution changes to the NDPERS plan and monitoring funding every two years, but for the reasons outlined above the passage of Senate Bill 2042 is not in the best interests of the City of Grand Forks nor any other North Dakotan political subdivision. Thank you for your time and consideration. We respectfully ask for a DO NOT PASS on Senate Bill 2042.