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## **HB 1602 Testimony**

### **House Government and Veterans Affairs Committee**

#### **Hon. Representative Austen Schauer, Chairman**

Chairman Schauer and committee members, thank you for the opportunity to be here to speak in support of HB 1602. My name is David Lakefield, and I am the Finance Director for the City of Minot.

In 2014 the Minot City Council voted to close the existing defined benefit pension plan in favor of offering a defined contribution plan to future employees. This decision was made not only for financial reasons but also with the premise of offering a more conventional retirement plan similar to those in the private sector. The City believed this change would improve the attraction and retention of potential employees. However, that was not the case.

In the time period 2014-2018, while employees were hired under a defined contribution retirement plan, the City of Minot continued to experience significant turnover. After conducting longevity assessments across several departments and evaluating the results—along with information gathered from exit interviews, employee evaluations and an employee satisfaction survey--the City decided to return to a defined benefit plan. As a result, the City Council approved participation in the NDPERS-DB plan, effective January 1, 2019.

Now that the NDPERS-DB plan is closed to new employees, the City would like the option for its employees to participate in the defined contribution plan that is already in place. By adding additional participants to this plan, the City can spread the cost of the plan administration and benefit the individual members. This will also minimize the number of pension plans that city staff is required to maintain and give the City control over any changes that it may want to make to the plan.

Thank you for your time today. I would be happy to answer any questions that you may have.