



City of Grand Forks
Staff Report

Pension & Insurance Committee – October 27, 2025
City Council – November 3, 2025

APPROVED & ACCEPTED
by City Council
11/03/2025
Maureen Storstad
Maureen Storstad
City Auditor

Agenda Item: Defined Benefit Pension Plan – Asset allocation

Submitted by: Maureen Storstad, Finance Director

Staff Recommended Action: Adopt change in allocation as a “glide path” toward de-risking of the City’s Defined Benefit pension plan.

Committee Recommended Action:

Motion to adopt asset allocation as shown on page #10 (glide path to de-risking) of the attached presentation from NEPC/NDSIB with initial allocation as outlined at 70-79% as soon as is practical.

Council Action: Motion by Weigel, second by Osowski to approve agenda item. Motion carried unanimously.

BACKGROUND: The City of Grand Forks sponsors a Defined Benefit Pension Plan (DB) for those employees hired prior to January 1, 1996. The City contracts with Deloitte Consulting LLP to prepare an annual valuation report for the plan. Patrick Ecklund and Griffin Lothrop of Deloitte serve as the City’s actuary. The plan is managed by the ND State Investment Board (NDSIB).

The City of Grand Forks was approached by the ND State Investment Board to discuss our current asset allocation. NEPC was hired as a consultant to review pension plans managed by the NDSIB and discussed those results with staff regarding the City of Grand Forks DB Pension plan. This plan is a mature plan, as it was closed in 1996. NEPC & NDSIB worked on a plan with the City of Grand Forks & Deloitte toward de-risking without causing funding concerns.

The City has benefited from recent favorable market performance making the timing of derisking the funding of this plan ideal to secure those gains. The City of Grand Forks has a good history of consistently contributing at a level higher than required. This has also helped place the City in a favorable position. The City of Grand Forks currently budgets roughly \$3.2M annually toward DB pension contributions. This level of funding exceeds the projected amount required in this plan transition.

Administration recommended to the Pension Committee that the City adopt the asset allocation as recommended to the glide path depicted on slide 10 of NEPC/NDSIB’s presentation slides.

Once approved, NDSIB will draft an Investment Policy Statement that will be brought back to the Pension Committee & City Council for approval. This is expected to take place by the end of this year.

ANALYSIS AND FINDINGS OF FACT:

- The City of Grand Forks has a Defined Benefit Pension Plan for employees hired prior to January 1, 1996.
- As of 1/1/25 there were 374 people in the plan, of which 22 are active employees. A recent look shows we currently have 18 active employees in this plan.
- The Pension and Insurance Committee (PAIC) reviewed the material presented by NEPC/NDSIB & Deloitte at their meeting on October 27, 2025
- PAIC recommends transitioning as the glide path plan recommends derisking the plan as it gets closer to 100% funding level.
- The City currently budgets roughly \$3.2M annually, which exceeds the projected required contributions based on this derisking glide path plan.
- City Council approval is needed to adopt the new asset allocation model.
- This will come back to City Council prior to year end to adopt a new Investment Policy Statement

SUPPORT MATERIALS:

- Presentation material from NEPC/North Dakota State Investment Board – Asset Allocation Recommendation
- Presentation material from Deloitte - Contributions