

**EXECUTIVE REVIEW AND COMPENSATION COMMITTEE MEETING**

**Wednesday, March 15, 2023 – 2:00 PM**

**Virtual Only**

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**AGENDA**

- I. Call to Order and Approval of Agenda
- II. Approval of February 14, 2023, Meeting Minutes
- III. Approve Survey Formats – Ms. Seiler
  - a. ED Surveys (Board & Staff)
  - b. CIO Board Survey
  - c. DED/CRO Board Survey
  - d. Self-Assessment Follow-Up Survey
- IV. Compensation Discussion – Next Steps - Mr. Skor
- V. Other Business
- VI. Adjournment

**NORTH DAKOTA STATE INVESTMENT BOARD  
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE  
MINUTES OF THE  
FEBRUARY 14, 2023, COMMITTEE MEETING**

**MEMBERS PRESENT:** Adam Miller, PERS, Chair  
Thomas Beadle, State Treasurer  
Dr. Rob Lech, TFFR

**STAFF PRESENT:** Scott Anderson, CIO  
Missy Kopp, Exec. Assistant  
Jan Murtha, Exec. Director  
Chad Roberts, DED/CRO  
Sara Seiler, Suprv. of Internal Audit  
Ryan Skor, CFO/COO

**CALL TO ORDER:**

Mr. Miller called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 2:02 p.m. on Tuesday, February 14, 2023. The meeting was held virtually.

**ACCEPTANCE OF AGENDA:**

**IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA AS DISTRIBUTED.**

**AYES: TREASURER BEADLE, DR. LECH, AND MR. MILLER**

**NAYS: NONE**

**MOTION CARRIED**

**MINUTES:**

The ERCC considered the minutes of the May 12, 2022, meeting,

**IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE MAY 12, 2022, MINUTES AS DISTRIBUTED.**

**AYES: DR. LECH, TREASURER BEADLE, AND MR. MILLER**

**NAYS: NONE**

**MOTION CARRIED**

**REVIEW OF ERCC CHARTER:**

Ms. Murtha reviewed the ERCC charter including the Committee's purpose, key responsibilities, composition, term limits, meetings, and authority.

**SIB SELF-ASSESSMENT:**

Ms. Seiler reviewed the results of the 2023 SIB Self-Assessment including scores and comments. A comparison to scores from 2022 was provided. The question with the largest drop in score was "I find my participation on the Board to be stimulating and rewarding." The Committee and staff discussed ways to encourage Board members to reach out to the ED with questions or concerns. For the SIB meeting, staff will provide the results and summary chart with score comparisons. Committee members will lead Board discussion about the results.

**CURRENT AGENCY-WIDE COMPENSATION EDUCATION:**

Mr. Skor reviewed the compensation and performance related duties the ERCC is responsible for, current organizational staffing and compensation, and the classification system. The current budget request includes additional funding for the reorganized positions, internship program, temporary salaries, and additional full-time equivalent (FTEs). RIO is also requesting classification exemptions for all RIO staff and performance pay. The current proposed legislative pay package includes 4% increases in 2023 and 2024 and continuing to pay 100% of the family health insurance. Committee discussion followed.

**NEXT ERCC MEETING TOPICS:**

Staff asked the Committee for guidance on upcoming meeting topics. The Committee discussed topics including upcoming surveys to Board members as part of the evaluation process for the Deputy Executive Director/Chief Retirement Officer and the Chief Investment Officer.

**ADJOURNMENT:**

With no further business to come before the ERCC, Mr. Miller adjourned the meeting at 3:08 p.m.

Submitted by:

Missy Kopp, Assistant to the Board

## 2023 Executive Director - Staff Survey

Welcome to the 2023 Executive Director Effectiveness Survey. The purpose of this survey is to provide employees with the opportunity to evaluate the effectiveness of the Executive Director in three key areas - leadership, communication, and valuing employees.

The survey consists of 7 multiple choice questions and 1 open-ended question which will allow you to type feedback into an unlimited text box. This survey is being administered utilizing SurveyMonkey, all responses will remain strictly anonymous. Please be honest, thoughtful, and candid with your responses - your opinion matters!

Survey responses are due by Friday, March 24, 2023 @ 5:00 PM CST. Please do not hesitate to contact the Supervisor of Internal Audit with any questions or concerns you may have.

Thank you for your participation!

## 2023 Executive Director - Staff Survey

### *Executive Director - Leadership*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's leadership.

**\* 1. The Executive Director provides a clear sense of purpose and direction, roles and responsibilities, for me and our team as a whole.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 2. Employees have confidence in the Executive Director.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 3. The Executive Director demonstrates integrity.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2023 Executive Director - Staff Survey

### *Executive Director - Communication*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director's communication with employees and the organization.

**\* 4. The Executive Director takes time to understand other perspectives.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 5. The Executive Director keeps employees informed about what is occurring throughout the organization, when appropriate.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2023 Executive Director - Staff Survey

### *Executive Director - Valuing Employees*

Please select the choice which best reflects how strongly you agree or disagree with the following statements regarding the effectiveness of the Executive Director in valuing employees of the organization.

**\* 6. The Executive Director shows genuine concern for team members.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

**\* 7. The Executive Director treats employees with respect.**

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

## 2023 Executive Director - Staff Survey

### *Executive Director - General Feedback*

**\* 8. Overall, how satisfied are you with the job being done by the Executive Director?  
What has the Executive Director done well? What could be done to improve your  
overall satisfaction with the job being done by the Executive Director?**



## Performance Surveys - SIB

### Executive Director Performance Survey

As a member of the SIB you are being asked to evaluate the Executive Director's performance for the past year.

1. The Executive Director prepares agenda items with supporting information and disseminates to the State Investment Board members to the meeting.

- Exceeded expectations
- Met expectations
- Below expectations

2. The Executive Director provides board materials that identify any items which need "Board Action" and also provides staff recommendations where appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director provides appropriate materials and information to the State Investment Board in a timely manner either in writing or verbally to aid in decision-making.

- Exceeded expectations
- Met expectations
- Below expectations

4. The Executive Director is responsive to requests from the State Investment Board, adapts to the State Investment Board's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

5. The Executive Director keeps the State Investment Board aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations

6. The Executive Director provides timely and accurate problem identification to the State Investment Board as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

7. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership, coaching and effective feedback to RIO staff, recommending measures to improve performance and increase efficiency.

- Exceeded expectations
- Met expectations
- Below expectations

8. The Executive Director represents RIO to promotes State Investment Board programs to various stakeholders, constituencies, political subdivisions and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director develops legislative proposals in concert with the State Investment Board and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the State Investment Board.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director provides visionary and strategic leadership to the State Investment Board.

- Exceeded expectations
- Met expectations
- Below expectations

12. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 13. Overall, how satisfied are you with the job being done by the Executive Director?  
What has the Executive Director done well? What could be done to improve your overall satisfaction with the job being done by the Executive Director?

## Performance Surveys - SIB

### Chief Investment Officer Performance Survey

As a member of the SIB you are being asked to evaluate the Chief Investment Officer's (CIO) performance for the past year.

14. The CIO provides or facilitates education at board meetings in order for the State Investment Board to adequately perform their role.

- Exceeded expectations
- Met expectations
- Below expectations

15. The CIO represents RIO to inform the status of investment funds and promotes State Investment Board programs to various stakeholders, constituencies, political subdivisions, and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

16. The CIO maintains approved Investment Objectives and Policies.

- Exceeded expectations
- Met expectations
- Below expectations

17. The CIO effectively advises, monitors and reports investment performances as evidenced by RIO's quarterly monitoring reports.

- Exceeded expectations
- Met expectations
- Below expectations

18. Produces accurate and timely reports which are provided to the State Investment Board concerning investments, progress and compliance with investment policies.

- Exceeded expectations
- Met expectations
- Below expectations

19. Advises and makes recommendations to the State Investment Board regarding investment programs and strategies.

- Exceeded expectations
- Met expectations
- Below expectations

20. Recommends corrective actions as necessary to investment strategies.

- Exceeded expectations
- Met expectations
- Below expectations

21. Routinely analyzes and monitors overall investment expenses to ensure that investment programs are operating efficiently and effectively based on comparable market standards.

- Exceeded expectations
- Met expectations
- Below expectations

\* 22. Overall, how satisfied are you with the job being done by the CIO? What has the CIO done well? What could be done to improve your overall satisfaction with the job being done by the CIO?

## Performance Surveys - TFFR

### Executive Director Performance Survey

As a member of the TFFR Board you are being asked to evaluate the Executive Director's performance for the past year.

1. The Executive Director prepares agenda items with supporting information and disseminates to the TFFR Board members to the meeting.

- Exceeded expectations
- Met expectations
- Below expectations

2. The Executive Director provides board materials that identify any items which need "Board Action" and also provides staff recommendations where appropriate.

- Exceeded expectations
- Met expectations
- Below expectations

3. The Executive Director provides appropriate materials and information to the TFFR Board in a timely manner either in writing or verbally to aid in decision-making.

- Exceeded expectations
- Met expectations
- Below expectations



4. The Executive Director is responsive to requests from the TFFR Board, adapts to the State Investment Board's direction on policy, and works with the board as a team member.

- Exceeded expectations
- Met expectations
- Below expectations

5. The Executive Director keeps the TFFR Board aware of current issues and, when appropriate, provides information between board meetings.

- Exceeded expectations
- Met expectations
- Below expectations

6. The Executive Director provides timely and accurate problem identification to the TFFR Board as well as solutions and options for consideration.

- Exceeded expectations
- Met expectations
- Below expectations

7. Based on my observations at board meetings and other interactions, I believe the Executive Director provides leadership, coaching and effective feedback to RIO staff, recommending measures to improve performance and increase efficiency.

- Exceeded expectations
- Met expectations
- Below expectations

8. The Executive Director represents RIO to promotes State Investment Board programs to various stakeholders, constituencies, political subdivisions and the state legislature.

- Exceeded expectations
- Met expectations
- Below expectations

9. The Executive Director develops legislative proposals in concert with the TFFR Board and represents the board in communications and presentations to the legislature.

- Exceeded expectations
- Met expectations
- Below expectations

10. The Executive Director has developed a rapport with legislators to ensure the credible recognition of the positions of the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

11. The Executive Director provides visionary and strategic leadership to the TFFR Board.

- Exceeded expectations
- Met expectations
- Below expectations

12. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.

- Exceeded expectations
- Met expectations
- Below expectations

\* 13. Overall, how satisfied are you with the job being done by the Executive Director?  
What has the Executive Director done well? What could be done to improve your overall satisfaction with the job being done by the Executive Director?

## Performance Surveys - TFFR

### Deputy Executive Director/Chief Retirement Officer Performance Survey

As a member of the TFFR Board you are being asked to evaluate the Deputy Executive Director/Chief Retirement Officer's (DED/CRO) performance for the past year.

14. The DED/CRO understands and knows the TFFR operations, strategic direction, and board goals.

- Exceeded expectations
- Met expectations
- Below expectations

15. The DED/CRO properly manages and informs the board of the progress and issues related to the Pioneer Project.

- Exceeded expectations
- Met expectations
- Below expectations

16. The DED/CRO adds value to the program and operations.

- Exceeded expectations
- Met expectations
- Below expectations

17. The DED/CRO's communications are clear, concise, and effective.

- Exceeded expectations
- Met expectations
- Below expectations

18. The DED/CRO provides board education materials that help your growth and development as a trustee.

- Exceeded expectations
- Met expectations
- Below expectations

19. The DED/CRO has an understanding and adheres to TFFR governance.

- Exceeded expectations
- Met expectations
- Below expectations

\* 20. Overall, how satisfied are you with the job being done by the DED/CRO? What has the DED/CRO done well? What could be done to improve your overall satisfaction with the job being done by the DED/CRO?

**Agenda items III. D to follow**

## MEMORANDUM

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**TO:** Executive Review and Compensation Committee  
**FROM:** Ryan K. Skor, CFO/COO  
**DATE:** March 15<sup>th</sup>, 2023  
**RE:** Compensation Discussion – Upcoming Tasks

The Executive Review and Compensation Committee charter details the purpose and key responsibilities of the committee regarding the compensation of the Executive Director position as well as the compensation goals and strategies for the agency as a whole. In order to fulfill its responsibilities, there are a number of tasks this committee will need to undertake in the coming months and throughout the coming biennium.

Upcoming timeline of ERCC duties:

- Executive Director Evaluation to SIB (by 6/30)
- Pay recommendation for Executive Director (by 6/30)
  - Historical review of ED/CIO compensation
  - Legislative proposed pay package
  - Future goals/plans for ED compensation
- Agency-wide Compensation Plan
  - Pending legislation regarding agency staffing levels
  - Unclassified investment professional roles
  - Incentive compensation plan
  - Peer compensation review