

**ND STATE INVESTMENT BOARD  
EXECUTIVE REVIEW COMMITTEE MEETING**

Wednesday, February 10, 2021 1:15 P.M (CST)  
Retirement and Investment Office Conference Room (Virtual)  
3442 East Century Avenue, Bismarck ND 58503

Teleconference +1 701-328-0950, Participant Code: 122018504#

**AGENDA**

1. CALL TO ORDER AND ACCEPTANCE OF THE AGENDA
2. ACCEPTANCE OF MINUTES (4-13-2020)
3. DISCUSSION OF PROCESSES AND TIMELINE FOR SIB SELF- ASSESSMENT
4. REVIEW AND APPROVAL OF ASSESSMENT TOOLS
  - A. 2020 BOARD SELF-ASSESSMENT RESULTS
  - B. DISCUSS QUESTIONS AND TEMPLATE
5. OTHER BUSINESS
6. ADJOURN

**NORTH DAKOTA STATE INVESTMENT BOARD  
EXECUTIVE REVIEW COMMITTEE  
MINUTES OF APRIL 13, 2020**

**BOARD MEMBERS PRESENT:** Yvonne Smith, Chair  
Adam Miller, PERS  
Mel Olson, TFFR Board

**STAFF PRESENT:** Connie Flanagan, Chief Financial Officer  
Bonnie Heit, Suprv of Admin Services  
David Hunter, Executive Director/CIO  
Sara Sauter, Suprv of Internal Audit

**CALL TO ORDER:**

Ms. Smith called the State Investment Board (SIB) Executive Review Committee (ERC) (virtual) meeting to order at 8:30 a.m. on Monday, April 13, 2020, at the Retirement and Investment Office (RIO), 3442 East Century Avenue, Bismarck, ND.

The ERC considered the agenda,

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 13, 2020, AGENDA AS PRESENTED.**

**AYES: MR. MILLER, MR. OLSON, MS. SMITH  
NAYS: NONE  
MOTION CARRIED**

**MINUTES:**

The March 16, 2020, minutes were considered,

**IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. OLSON TO ACCEPT THE MARCH 16, 2020, MINUTES AS DISTRIBUTED.**

**AYES: MS. SMITH, MR. OLSON, MR. MILLER  
NAYS: NONE  
MOTION CARRIED**

**ENDS/EXECUTIVE LIMITATIONS SURVEY:**

The ERC discussed the results of the Ends and Executive Limitations survey. The overall average rating was 2.46 (on a 3.0 scale where 3 Exceeds Expectations, 2 Meets Expectations, and 1 Does Not Meet Expectations) which continues to improve each year. Overall, the ERC was very pleased with the results and thanked Mr. Hunter.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO APPROVE THE SIB'S ENDS AND COMPLIANCE WITH EXECUTIVE LIMITATIONS SURVEY FOR CALENDAR YEAR 2019.**

**AYES: MR. OLSON, MR. MILLER, MS. SMITH  
NAYS: NONE  
MOTION CARRIED**

**ED/CIO SELF EVALUATION:**

Mr. Hunter stated everyone at RIO does a wonderful job and he is very happy to serve.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE ED/CIO SELF EVALUATION FOR 2019.**

**AYES: MR. MILLER, MR. OLSON, AND MS. SMITH**

**NAYS: NONE**

**MOTION CARRIED**

**ED/CIO EFFECTIVENESS SURVEY:**

The ERC was pleased with the results. Overall, the survey results were positive and indicate RIO employees are confident and supportive of Mr. Hunter.

**IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. OLSON AND CARRIED BY A VOICE VOTE TO APPROVE THE ED/CIO EFFECTIVENESS SURVEY.**

**AYES: MS. SMITH, MR. OLSON, AND MR. MILLER**

**NAYS: NONE**

**MOTION CARRIED**

**COMPENSATION SURVEYS/COMPARISON:**

Ms. Flanagan reviewed the status of the current estimate of budget availability within RIO's salary line to assist the ERC in determining the appropriate compensation increase for the ED/CIO. RIO has been focusing on options to increase staff's compensation outside of the general legislative increase that will be effective July 1, 2020. All current permanent (non-probationary) staff will receive some level of salary increase effective April 1, 2020. The increases will range from 3% to 8% with the average being approximately 6%. After incorporating the salary increases, a balance of approximately \$30,000 would be available. The ERC received the 2019 CBIZ Public Pension Compensation Survey results and the 2019 McLagan U.S. Public Funds Compensation Survey.

After discussion,

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND A BASE COMPENSATION INCREASE OF 8 PERCENT EFFECTIVE APRIL 1, 2020, AND A 2.5 PERCENT INCREASE EFFECTIVE JULY 1, 2020, WHICH WOULD INCREASE THE BASE TO \$25,021.31 PER MONTH.**

**AYES: MR. OLSON, MR. MILLER, MS. SMITH**

**NAYS: NONE**

**MOTION CARRIED**

**EXECUTIVE SESSION:**

The ERC elected to decline moving into Executive Session pursuant to N.D.C.C. §44-04-19.1 to review and discuss confidential information.

**FEEDBACK ASSESSMENT TOOL:**

The ERC discussed the assessment tool for the Ends and Executive Limitations survey. The ERC concurred that it was not necessary to send the assessment out this year as they felt the survey was sufficient and provided the feedback necessary to evaluate the ED/CIO on an annual basis.

**ED/CIO PERFORMANCE EVALUATION (2020):**

Ms. Smith will draft a performance evaluation for calendar year 2019 based on the various surveys reviewed by the ERC and will send it out to the ERC for their input. The ERC will meet again, only if necessary, prior to the SIB's April 24, 2020, meeting. The performance evaluation and compensation recommendation will be presented to the SIB at their April 24, 2020, meeting.

**ADJOURNMENT:**

With no further business to come before the ERC, Ms. Smith adjourned the meeting at 9:30 a.m.

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Ms. Smith, Chair

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Bonnie Heit  
Recorder

North Dakota Retirement and Investment Office  
Internal Audit  
**State Investment Board Self-Evaluation Executive Review Summary**  
March 27, 2020

**Background**

The State Investment Board (SIB) requested Internal Audit of the Retirement and Investment Office (RIO) to assist the SIB Executive Review Committee on developing and administering a Board Self-Evaluation Survey (Survey). Internal Audit worked with the Executive Review Committee in developing, administering, and reporting the self-evaluation results.

**Scope**

The Survey is comprised of twenty-nine questions and consists of five categories for both the self-assessment and board assessment portions. The five categories in each section included: board and staff roles, board and committee structure, board meetings, policy making and reviews, and financial management and investment practices. There were two open ended questions at the end that asked for any other input for the Survey and any recommendations for topics to be included in future evaluations. The Survey was administered through SurveyMonkey and results were reviewed by the Executive Review Committee. A four-point scale was used, with 4 – strongly agree, 3 – agree, 2 – disagree, and 1 – strongly disagree as the rating system. Twelve out of twelve board members participated in the Survey.

**Results Summary**

Generally, the self-assessment portion of the Survey had positive results and comments. In the self-assessment section, board members found their participation on the board to be stimulating and rewarding. The majority of board members *strongly agreed* they abide by the Board Code of Conduct and avoid conflicts of interest. Comments reflected that board members appreciate the Executive Summary for each meeting and policies are reviewed in sections versus all at once. Areas of improvement also have been identified. One board member stated the board should be reminded of their legal duties and responsibilities before approving policies or asset allocations. In the Survey board members felt there can be an overwhelming amount of board materials to read before the meeting to adequately prepare. Board members need to be more proactive in reaching out to staff for understanding financial reports and seeking clarification when necessary.

The board-assessment portion of the Survey also had positive results and comments. From a board level, board members felt that board meetings were well-run and a good use of time. The majority agreed the board stays informed of economic trends and conditions that can effect investment performance. There were several areas where improvement was identified. First, that attendance continues to be an area that needs improvement; board members missing meetings should be the exception, not the norm. Secondly, comments indicated that healthy discussions are held, but more board members need to actively participate in discussions. The board would benefit from hearing the perspectives of all the board members. The last area of improvement was that standing and ad hoc committees could improve communicating to the full board in an effective and timely manner.

In comparing the self-assessment portion to the board-assessment portion, there were areas of variance. In the self-assessment portion, the majority of the board members *strongly agreed* once again that they understood the authority that has been retained by the SIB and what duties have been delegated to staff. However, on the board-assessment portion, the majority of members only agreed that the board recognizes the authority retained and what has been delegated to staff. In the self-assessment portion, five board members *strongly agreed* and seven board members agreed that they actively engage and are prepared for board meetings. On the board-assessment portion only one board member *strongly agreed* that board members are engaged and prepared for meetings. A second board member disagreed that board members are prepared and stay in engaged in board meetings, while the remaining ten members just agreed.

General overall comments were positive. The SIB operates effectively and staff does an outstanding job keeping board members informed. The board needs to continue to stay proactive and improve. One comment made by a board member was the board needs to do a better job of communicating complex information to the public and legislature.

Overall, the SIB Board Self-Evaluation was positive and continues to show areas the board wishes to approve on.

*State Investment Board*  
2020 Board Self-Evaluation

Compilation of State Investment Board Self-Evaluation Results

**GENERAL OVERVIEW**

The Board Self-Evaluation consists of five categories, for both the self-assessment and board assessment portions. The five categories in each section which included:

- Board and Staff Roles
- Board and Committee Structure
- Board Meetings
- Policy Making and Reviews
- Financial Management and Investment Practices

*Any comments provided by respondents have been included as written in survey responses and have not been edited for spelling, grammar, etc.*

**2020 State Investment Board Self-Evaluation  
Self Assessment - Board and Staff Roles**

1. I believe I have the skills and training necessary to fulfil my responsibilities as a SIB member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	6	50.00%	<b>3.50</b>	<b>3.00</b>
3 - Agree	6	50.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

2. I understand the authority that has been retained by the SIB and what duties have been delegated to staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	10	83.33%	<b>3.83</b>	<b>4.00</b>
3 - Agree	2	16.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

3. I actively engage in Board meetings by contributing to the discussions in a meaningful way, listening to others (i.e., board members, staff, guests) and communicate my points concisely.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.30</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

4. I make an effort to be educated on the aspects of the investment program that I do not understand.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.50</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		



**2020 State Investment Board Self-Evaluation  
Self Assessment - Board and Staff Roles**

**Comments for Self-Assessment - Board and Staff Meetings:**

The staff do an excellent job of providing the Board members with the information necessary to make the decisions necessary at the Board level.

It's imperative to recognize all Board members are at different levels in their service and need different levels of education.

I depend significantly upon board education for the areas that I need build further capacity. It becomes difficult to spend the amount of time necessary outside of the board room with other work/life responsibilities, so board education is crucial. Developing my own capacity, however, needs to be a greater priority. One other area to consider and plan for is turnover of key members of the SIB and staff. As a board, we must be proactive to mitigate the loss of institutional knowledge and recognize that existing members/staff need to fill that leadership void.

**2020 State Investment Board Self-Evaluation  
Self Assessment - Board and Committee Structure**

5. I understand board conduct, abide by it, and avoid conflicts of interest.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	10	83.33%	<b>3.83</b>	<b>3.80</b>
3 - Agree	2	16.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

6. I find my participation on the Board to be stimulating and rewarding.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	9	75.00%	<b>3.75</b>	<b>3.70</b>
3 - Agree	3	25.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

7. I am comfortable with the amount of time I devote as a Board member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	4	33.33%	<b>3.33</b>	<b>3.40</b>
3 - Agree	8	66.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

8. If I am not able to attend the SIB meeting, I make appropriate notifications to staff and review the information presented at the meeting.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	8	66.67%	<b>3.67</b>	<b>3.80</b>
3 - Agree	4	33.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**2020 State Investment Board Self-Evaluation  
Self Assessment - Board and Committee Structure**

**Comments for Self-Assessment - Board and Committee Structure:**

The greatest struggle to provide the necessary time to the Board is during Legislative Session. Due to extreme time constraints I would recommend minimizing meetings during session and only meeting when necessary. I would also recommend moving the meetings to Friday afternoons when Legislative Committee hearing are not being conducted.

I always try to make Board Meetings. However, my schedule is very busy and sometimes I can't. I normally try to read through material. It would be better if I contacted Dave or Darren to go through information. However, I like a stated before my schedule gets extremely busy.

It is a priority for me...I wish it was for others.

It is recognized that we have a diverse board with many professional responsibilities, however, it feels as if, at least, one board member is absent at every meeting. I believe we should strive for this to be the exception as opposed to the norm.

**2020 State Investment Board Self-Evaluation  
Self-Assessment - Board Meeting**

**9.** I have participated in an effective new member orientation program which outlined responsibilities and important organizational information.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.25</b>	<b>3.40</b>
3 - Agree	5	41.67%		
2 - Disagree	2	16.67%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**10.** I am prepared for Board meetings, reading information in advance, so I can make informed decisions.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	6	50.00%	<b>3.50</b>	<b>3.50</b>
3 - Agree	6	50.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**Comments for Self Assessment - Board Meeting:**

When I started at WSI in 2009, I had Cindy Ternes as my designee. I did attend numerous meetings so I knew what to expect. When Cindy retired, I took over full time on the Board and really did not need an orientation.

Always. I appreciate the Executive Overview and the time frame allowing me to ask questions of staff when there are questions

I appreciate the changes that we have made in board education and orientation. I am hopeful that this will result in our least experienced board members feeling empowered to be active participants.

**2020 State Investment Board Self-Evaluation  
Self-Assessment - Policy Making and Reviews**

**11. I fully understand the policies of the SIB.**

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.40</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**12. I review board policies as necessary to fulfill my role as a board member.**

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.50</b>	<b>3.40</b>
3 - Agree	4	33.33%		
2 - Disagree	1	8.33%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**Comments for Self Assessment - Policy Making and Reviews:**

I don't necessarily read through the rules. I receive most of my education at the actual Board meetings. I have been involved with the WSI Board for many years and understand Board governance.

I am very familiar with our governance structure. It is vital to our role

I appreciate that we have moved towards reviewing policies in smaller chunks over a period of time.

The board review of policies at meetings is helpful and meaningful.

**2020 State Investment Board Self-Evaluation  
Self-Assessment - Financial Management and Investment Practices**

**13. I understand the legal duties and responsibilities required of me as a fiduciary.**

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	10	83.33%	<b>3.83</b>	<b>3.90</b>
3 - Agree	2	16.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**14. I sufficiently understand all financial reports and seek clarification when necessary.**

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.70</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**15. I am familiar with the annual report by the independent auditors and understand any findings or recommendations.**

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	8	66.67%	<b>3.67</b>	<b>3.70</b>
3 - Agree	4	33.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**Comments for Self Assessment - Financial Management and Investment Practices:**

I think the Board should be reminded of our legal duties and responsibilities when reviewing and approving the asset allocations of specific funds and their spending policies.

I get a lot of the same information through our WSI Board. I am familiar with annual reports.

These are important areas to consider additional education and guidance as we support future new board members. As referenced previously, we are losing outstanding leadership on our board so we must be proactive.

My career experiences being in charge of large budgets at the district and state level is valuable.

**2020 State Investment Board Self-Evaluation  
Board Assessment - Board and Staff Roles**

**16.** The Board members are consistently prepared for meetings and stays engaged.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	1	8.33%	<b>3.00</b>	<b>3.10</b>
3 - Agree	10	83.33%		
2 - Disagree	1	8.33%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**17.** The Board has healthy discussions on a topic before making a well informed decision.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.40</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**18.** The Board recognizes the authority it has retained and what has been delegated to staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.40</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>12</u>	<u>100.00%</u>		

**Comments for Board Assessment - Board and Staff Roles:**

I feel as if there are a select few Board members who speak more openly. I would like to see ALL of the Board members openly engaging in the conversations.

I appreciate the process used to provide recommendations to the board. It is well-thought out and gives all board members the information we need to make the best possible decision. The board would benefit from hearing the perspectives of all board members more.

Seldom does a board member cross the line into staff responsibilities.

**2020 State Investment Board Self-Evaluation  
Board Assessment - Board and Committee Structure**

**19.** All Board members regularly attend board meetings.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	3	25.00%	<b>3.00</b>	<b>3.00</b>
3 - Agree	6	50.00%		
2 - Disagree	3	25.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**20.** Standing and ad hoc committees complete their tasks in an effective and timely way.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.40</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**21.** Standing and ad hoc committees communicate to the full board in an effective and timely manner.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	3	25.00%	<b>3.25</b>	<b>3.70</b>
3 - Agree	9	75.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**Comments for Board Assessment - Board and Committee Structure:**

It's challenging when ad hoc committees meet and present materials at the Board meeting and do not provide enough time for the Board to review the material prior to the meeting.

Attendance continues to be an area that we could improve. We make the best decisions when all board members are present to share perspectives.

The committee work and committee reports are usually very well done and contribute to board effectiveness.



**2020 State Investment Board Self-Evaluation  
Board Assessment - Board Meetings**

**22.** Board meetings are generally well-run and make good use of members' time.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.70</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**23.** Board meetings allow the right allocation of time between Board discussions and presentations.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.50</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**Comments for Board Assessment - Board Meetings:**

When reviewing policies I think the review could be managed in a more efficient manner. Instead of reading through ALL of the policies that need to be reviewed present the changes in the policies in a high level overview and then allow the Board members to provide feedback.

The Board discussions and presentations are very informative.

The executive summary and detailed board memos are extremely helpful as the monthly packet can be daunting.

Meetings are efficiently and effectively run by the leadership.

**2020 State Investment Board Self-Evaluation  
Board Assessment - Policy Making and Reviews**

**24.** The Board reviews policies on a regular basis and updates them as needed.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.40</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 12	<hr/> 100.00%		

**25.** If a new policy is needed for the SIB, the policy is clearly presented to and discussed by the Board.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	5	41.67%	<b>3.42</b>	<b>3.50</b>
3 - Agree	7	58.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 12	<hr/> 100.00%		

**Comments for Board Assessment - Policy Making and Reviews:**

When reviewing policies I think the review could be managed in a more efficient manner. Instead of reading through ALL of the policies that need to be reviewed present the changes in the policies in a high level overview and then allow the Board members to provide feedback.

The recent policy statement for proxies is a great example of how this process has worked (and should continue to work).

**2020 State Investment Board Self-Evaluation  
Board Assessment - Financial Management & Investment Practices**

**26.** The Board regularly reviews financial, investment, and portfolio.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	7	58.33%	<b>3.58</b>	<b>3.60</b>
3 - Agree	5	41.67%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**27.** The Board is regularly informed of economic trends or conditions that can effect investment performance.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2020 Average Response</u>	<u>2019 Average Response</u>
4 - Strongly Agree	8	66.67%	<b>3.67</b>	<b>3.50</b>
3 - Agree	4	33.33%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	12	100.00%		

**Comments for Board Assessment - Financial Management and Investment Practices:**

To have professionals like Callan come in and make presentations on economic trends is very helpful to me.

I depend on manager presentations to provide this information

There is an appropriate mix of board education, presentations (staff and external), consultants, and board guidance that ensures board members are well-informed on investments, performance, and economic trends and conditions. I see this as a profound institutional strength.

Department Leaders and regular reports from Callan and other experts in the field keep us well informed.

**2020 State Investment Board Self-Evaluation  
Overall Assessment**

**28.** Any final comments, observations, or suggestions for the board self-evaluation?

Very well done!

I enjoy being part of the SIB. No suggestions.

The SIB operates effectively as a governance board, through the discussion of information prepared and presented by staff and consultants. It is critical that we keep our fiduciary responsibility central to our discussion and actions, and avoid being caught up in the political arena.

Just a comment: I believe the board does a good job of retaining authority where it needs to while also allowing staff to do their jobs effectively. Certainly any success the board has is a result of the good work done by staff at RIO.

I continue to appreciate the process for self-evaluation as I believe it helps our board be proactive and strive to be a little better tomorrow than we are today.

Caring, concerned board members focused on their fiduciary responsibilities combined with excellent office leadership and professional consultants result in a very effective board.

Staff does an exemplary job of informing staff of the status of the fund, changes that impact the fund, and continuing education on fiduciary responsibilities.

We must do a better job of letting the public/legislature know what we are doing, I am not sure how to take this complex information and distill it down to a readable bite size for the general public, but we must do a better job of telling our story as a board and an office.

**29.** Please let the Executive Review Committee know if there are any areas in the board self-evaluation that you would like to see addressed in the future?

The self-evaluation is comprehensive and addresses the needs of the Board.

Well done. I think this is comprehensive. It may be necessary, at some point, to consider the orientation question as it may not be applicable to every member the way it is currently worded. Perhaps make it more general, such as, "I am aware of our orientation process and it..."

Continued focus on fiduciary responsibilities and education on the fund investments.

Continue investment education

Results appear to indicate that the important actions and behaviors are being addressed.



# 2020 State Investment Board Self-Assessment

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MARCH 27, 2020

# Self-Assessment Results

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## Areas of Strength

- Participation positive and stimulating
- Understands Board Code of Conduct and conflicts of interest
- Executive summary and policy review beneficial

## Areas of Improvement

- Additional training on legal duties and responsibilities
- Overwhelming amount of information
- Need to be proactive in reaching out to staff for clarity



# Board Assessment Results

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## Areas of Strength

- Meetings are well-run
- Informed of economic trends and conditions
- Regularly reviews financial, investment, and portfolio

## Areas of Improvement

- Meeting attendance
- All members should actively participate in discussions and hear all perspectives
- Standing and ad hoc committees could improve communication to full board



# General Comments

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- SIB operates effectively
- Staff does an outstanding job keeping board members informed
- Board needs to continue to stay proactive and improve
- Board members need to do a better job of communicating complex information with the public and legislature.







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QUESTIONS OR COMMENTS?



## **2020 State Investment Board Self-Evaluation Introduction**

The State Investment Board (SIB) has appointed the Executive Review Committee to administer a board self-evaluation.

As a member of the SIB you are being asked to participate in the board self-evaluation. There are five categories, for both the self-assessment and board assessment portions. The first 15 questions are self-assessment, followed by 12 questions for the board assessment portion, and ending with 2 open ended questions. After each category there is a comment section available to give explanation on your ratings or to make comments.

Please contact the Supervisor of Internal Audit, Sara Sauter, at 701-328-9896 or [sasauter@nd.gov](mailto:sasauter@nd.gov) if you have any questions.

Survey responses are due by midnight on Wednesday, February 26, 2020.

Thank you in advance for your participation.



## 2020 State Investment Board Self-Evaluation

### Self-Assessment

#### Board & Staff Roles

1. I believe I have the skills and training necessary to fulfill my responsibilities as SIB member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. I understand the authority that has been retained by the SIB and what duties have been delegated to staff.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. I actively engage in Board meetings by contributing to the discussions in a meaningful way, listening to others (i.e., board members, staff, guests) and communicate my points concisely.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. I make an effort to be educated on the aspects of the investment program that I do not understand.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board & Staff Roles



## 2020 State Investment Board Self-Evaluation Self-Assessment

### Board & Committee Structure

5. I understand board conduct, abide by it, and avoid conflicts of interest.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. I find my participation on the Board to be stimulating and rewarding.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. I am comfortable with the amount of time I devote as a Board member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. If I am not able to attend the SIB meeting, I make appropriate notifications to staff and review the information presented at the meeting.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board and Committee Structure



## 2020 State Investment Board Self-Evaluation

### Self-Assessment

#### Board Meetings

9. I have participated in an effective new member orientation program which outlined responsibilities and important organizational information.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. I am prepared for Board meetings, reading information in advance, so I can make informed decisions.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board Meetings



## 2020 State Investment Board Self-Evaluation

### Self-Assessment

#### Policy Making & Reviews

11. I fully understand the policies of the SIB.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. I review board policies as necessary to fulfill my role as a board member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Policy Making & Reviews



## 2020 State Investment Board Self-Evaluation Self-Assessment

### Financial Management & Investment Practices

13. I understand the legal duties and responsibilities required of me as a fiduciary.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. I sufficiently understand all financial reports and seek clarification when necessary.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. I am familiar with the annual report by the independent auditors and understand any findings or recommendations.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Financial Management & Investment Practices



## 2020 State Investment Board Self-Evaluation

### Board Assessment

#### Board & Staff Roles

16. The Board members are consistently prepared for meetings and stays engaged.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. The Board has healthy discussions on a topic before making a well-informed decision.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. The Board recognizes the authority it has retained and what has been delegated to staff.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board & Staff Roles





## 2020 State Investment Board Self-Evaluation

### Board Assessment

#### Board and Committee Structure

19. All Board members regularly attend board meetings.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. Standing and ad hoc committees complete their tasks in an effective and timely way.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. Standing and ad hoc committees communicate to the full board in an effective and timely manner.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board and Committee Structure



## 2020 State Investment Board Self-Evaluation

### Board Assessment

#### Board Meetings

22. Board meetings are generally well-run and make good use of members' time.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. Board meetings allow the right allocation of time between Board discussions and presentations.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board Meetings



## 2020 State Investment Board Self-Evaluation

### Board Assessment

#### Policy Making & Reviews

24. The Board reviews policies on a regular basis and updates them as needed.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. If a new policy is needed for the SIB, the policy is clearly presented to and discussed by the Board.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Policy Making & Reviews



## 2020 State Investment Board Self-Evaluation Board Assessment

### Financial Management & Investment Practices

26. The Board regularly reviews the financial, investment, and portfolio performance of the agency.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27. The Board is regularly informed of economic trends or conditions that can effect investment performance.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Financial Management & Investment Practices



## 2020 State Investment Board Self-Evaluation Overall Assessment

\* 28. Any final comments, observations, or suggestions for the board self-evaluation?

29. Please let the Executive Review Committee know if there are any areas in the board self-evaluation that you would like to see addressed in the future?