

**NORTH DAKOTA STATE INVESTMENT BOARD  
EXECUTIVE REVIEW COMMITTEE  
MINUTES OF MAY 12, 2021**

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

**STAFF PRESENT:** Connie Flanagan, Chief Financial Officer  
Bonnie Heit, Suprv of Admin Svs  
Jan Murtha, Deputy Exec Dir/CRO  
Sara Sauter, Suprv of Internal Audit

**CALL TO ORDER:**

Ms. Smith called the State Investment Board (SIB) Executive Review Committee (ERC) meeting to order at 1:12 p.m. on Wednesday, May 12, 2021, at the Retirement and Investment Office (RIO), 3442 East Century Avenue, Bismarck, ND.

**AGENDA:**

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 AGENDA FOR THE MAY 12, 2021, MEETING.**

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

**MINUTES:**

The ERC considered the minutes of the April 14, 2021, meeting,

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 14, 2021, MINUTES AS DISTRIBUTED.**

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

**PERFORMANCE EVALUATION:**

The ERC reviewed a draft performance evaluation of the Executive Director/CIO for calendar year 2020. The evaluation results indicated Mr. Hunter continues to provide excellent leadership as the Executive Director/CIO. His credibility and respect among board members, stakeholders, clients, and staff continues.

Improvements have been achieved during the year regarding increasing transparency, improving clarity in communication in SIB meeting materials, continued efforts to reduce fees, continued efforts to provide critical education for the SIB, and increasing emphasis on investment management risk, due diligence reporting, and compliance monitoring.

The ERC felt the results were more than they could ask for and were very pleased with Mr. Hunter's performance.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT MR. HUNTER'S PERFORMANCE EVALUATION FOR CALENDAR YEAR 2020.**

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

**NAYS: NONE**

**MOTION CARRIED**

**COMPENSATION:**

The ERC received a salary review summary of the Executive Director/CIO position initiated by Representative Kempenich during the 2021 legislative session.

Confidential salary benchmark information was obtained for comparable positions involved in public fund institutional investments. The market analysis confirms that the current compensation level of the Executive Director/CIO of RIO is approximately 25% below market median.

In addition, salary benchmark information obtained from the National Association of State Retirement Administrator Salaries indicated the position is approximately 27% below market median.

House Bill 1022 included a 10.5% equity increase for the Executive Director/CIO position for the 2021-23 biennium.

Ms. Flanagan reviewed various options for an increase for the Executive Director/CIO based on RIO's current budget and the budget for 2021-23.

Based on this information,

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO RECOMMEND GRANTING A 10.5% EQUITY INCREASE TO THE EXECUTIVE DIRECTOR/CIO EFFECTIVE MAY 1, 2021 AND THE 1.5% LEGISLATIVE INCREASE EFFECTIVE JULY 1, 2021.**

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

**NAYS: NONE**

**MOTION CARRIED**

These recommendations as well as the Executive Director/CIO's performance evaluation will be brought before the SIB for their consideration at their May 21, 2021, meeting.

For ERC/budget planning purposes, the ERC discussed putting a plan together to get at least to the market median and maintaining that pay range if not higher going forward for the Executive Director/CIO position. This would ensure the position's compensation level would be comparable to positions involved in public fund institutional investments. The SIB would need to be on board and would need to bring the request before the legislature.

**NEXT MEETING:**

The ERC's next meeting will be scheduled if needed.

**ADJOURNMENT:**

With no further business to come before the ERC, Ms. Smith adjourned the meeting at 1:39 p.m.

Submitted by:

Missy Kopp, Assistant to the Board