

EXECUTIVE REVIEW AND COMPENSATION COMMITTEE MEETING
Wednesday, January 15, 2025 – 10:00 AM
Virtual Only
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AGENDA

- I. **Call to Order and Approval of Agenda** (*Committee Action*)
- II. **Approval of Meeting Minutes (May 7, 2024)** (*Committee Action*)
- III. **Election of Officers (5 minutes)** (*Committee Action*)
- IV. **Review of ERCC Charter (10 minutes)** (*Information*)
- V. **SIB Self-Assessment Survey Discussion (15 minutes)** (*Committee Action*) – Ms. Seiler
 - a. 2024 SIB Evaluation
 - b. 2024 SIB Evaluation Results
- VI. **Performance Surveys (10 minutes)** (*Committee Action*) – Ms. Seiler
 - a. Chief Investment Officer (SIB)
 - b. Deputy Executive Director/Chief Retirement Officer (TFFR Board)
- VII. **Executive Director Evaluation Process (10 minutes)** (*Information*) – Ms. Seiler
- VIII. **Other**
 - a. Next meeting: April 9, 2025, at 10:00 a.m.
- IX. **Adjournment**

**NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE
MINUTES OF THE MAY 7, 2024, COMMITTEE MEETING**

MEMBERS PRESENT: Dr. Rob Lech, TFFR, Chair
Thomas Beadle, State Treasurer, Vice Chair

MEMBER ABSENT: Sen. Jerry Klein, LBSFAB

STAFF PRESENT: Scott Anderson, CIO
Eric Chin, Deputy CIO
Missy Kopp, Executive Admin.
Jan Murtha, Executive Director
Sara Seiler, Internal Audit Supvr.
Ryan Skor, CFO/COO

CALL TO ORDER:

Dr. Lech called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 10:01 a.m. on Tuesday, May 7, 2024. The meeting was held virtually.

ACCEPTANCE OF AGENDA:

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT THE MAY 7, 2024, AGENDA AS DISTRIBUTED.

AYES: TREASURER BEADLE AND DR. LECH

ABSENT: SEN. KLEIN

NAYS: NONE

MOTION CARRIED

MINUTES:

The ERCC considered the minutes of the April 16, 2024, meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 16, 2024, MINUTES AS DISTRIBUTED.

AYES: TREASURER BEADLE AND DR. LECH

ABSENT: SEN. KLEIN

NAYS: NONE

MOTION CARRIED

EXECUTIVE DIRECTOR (ED) PERFORMANCE EVALUATION:

Dr. Lech provided a summary of the process for creating the formal evaluation document. Ms. Murtha recommended that the committee discuss metrics for the board self-assessment along with metrics for measuring board member responses to the ED survey. The Committee discussed the possibility of including evidence notations for each question to direct board members to the places they have been provided the information. The Committee discussed the need for increased metrics of feedback from TFFR stakeholders as that is a significant part of the agency. Ms. Murtha provided an overview of her response to the evaluation surveys. Her response focused on communication and how important it is to organizational success. Ms. Murtha reiterated the need for staff to continue receiving support from the current board.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO RECOMMEND APPROVAL OF THE ED EVALUATION TO THE SIB.

**AYES: TREASURER BEADLE AND DR. LECH
ABSENT: SEN. KLEIN
NAYS: NONE
MOTION CARRIED**

ED COMPENSATION RECOMMENDATION:

The SIB set a goal of reaching the 50th percentile for the ED compensation over five bienniums. Mr. Skor discussed reviewed the recommendation to start making progress toward that goal. The recommendation is to provide the ED with the 4% legislative increase plus an additional 4%. Mr. Skor outlined what is available in the budget for the current biennium. Committee discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO RECOMMEND THE 4% LEGISLATIVE INCREASE PLUS AN ADDITIONAL 4% TO WORK TOWARDS THE 10-YEAR GOAL FOR ED COMPENSATION.

**AYES: TREASURER BEADLE AND DR. LECH
ABSENT: SEN. KLEIN
NAYS: NONE
MOTION CARRIED**

MEETING SCHEDULE:

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO APPROVE THE ERCC MEETING SCHEDULE FOR FISCAL YEAR 2025.

**AYES: TREASURER BEADLE AND DR. LECH
ABSENT: SEN. KLEIN
NAYS: NONE
MOTION CARRIED**

OTHER:

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 10:41 a.m.

Submitted by:

Missy Kopp, Assistant to the Board

MEMORANDUM

TO: SIB Executive Review and Compensation Committee
FROM: Sara Seiler, Supervisor of Internal Audit
DATE: January 9, 2025
RE: Election of Officers

Pursuant to the Executive Review and Compensation Committee (ERCC) charter, the ERCC must elect a Committee Chair and Vice Chair at the first meeting after July of each fiscal year. For the 2024-2025 year the ERCC will need to elect:

- **ERCC Chair** (2023-2024 Dr. Lech)
- **ERCC Vice Chair** (2023-2024 Treasurer Beadle)

The ERCC charter states:

Section III. ERCC Composition and Term Limits.

The ERCC shall be composed of at least three SIB members as appointed by the SIB Chair at the first SIB meeting in July of each year or when a vacancy arises. This is a standing committee with no term limits. At least one committee member must be an elected or appointed official.

Section IV. Meetings.

The ERCC must meet at least twice in the second half of the fiscal year, and hold additional meetings as needed, to fulfill its responsibilities as described in this Committee Charter and as called by the Committee Chair. At its first meeting after July the Committee will elect a Committee Chair and Vice-Chair.

COMMITTEE ACTION REQUESTED: Nominate and approve Chair and Vice-Chair.

MEMORANDUM

TO: SIB Executive Review and Compensation Committee
FROM: Sara Seiler, Supervisor of Internal Audit
DATE: January 9, 2025
RE: Review of ERCC Charter

The Executive Review and Compensation Committee (ERCC) on an annual basis review their charter and ensure that all the key responsibilities were achieved.

Key Responsibilities:

1. Conduct a formal evaluation of the Executive Director annually prior to June 30th of each year.
2. Obtain SIB approval of the annual performance evaluation of the Executive Director prior to June 30th of each year.
 - *Formal evaluation was completed and approved by the SIB on May 17, 2024.*
3. Obtain performance surveys of the Chief Investment Officer and Deputy Executive Director – Chief Retirement Officer prior to June 30th of each year.
 - *Performance surveys were completed for both position and reviewed at the April 16, 2024 ERCC meeting.*
4. Make a compensation recommendation for the Executive Director to the SIB on or before the June 30th of each year.
 - *The ERCC recommended compensation for the Executive Director at the May 17, 2024 SIB meeting.*
5. Administer a formal self-assessment of the SIB periodically.
 - *ERCC administer a self-assessment to the SIB and reported the results at the February 22, 2024 SIB meeting.*
6. Review and make recommendations regarding RIO's compensation policy to ensure RIO can recruit and retain superior talent to satisfy the core mission and strategic plan of the agency.
 - *Recommended an incentive compensation plan that was approved by the SIB on February 22, 2024.*
7. Conduct or procure a new peer compensation study or survey at least every three years to assess the current level of RIO staff compensation and recommend policy changes to address target salary ranges as appropriate.

- *The ERCC retained Mercer to do a staff compensation review. Mercer presented its recommendations to the ERCC at the March 13, 2024 meeting. It was then presented to the full SIB at the March 22, 2024 meeting. The ERCC made recommendations to the SIB following the compensation review.*

COMMITTEE ACTION REQUESTED: Approval of charter review.

Executive Review and Compensation Committee Charter

I. PURPOSE

The Executive Review and Compensation Committee (“ERCC”) will assist the State Investment Board (SIB) to fulfill its responsibilities regarding matters that relate to “monitoring executive performance (which) is synonymous with monitoring organizational performance against board policies on *Ends* and *Executive Limitations*”. The ERCC will also assist the SIB in developing compensation goals and strategies for the agency as a whole that are in alignment with the strategic plan of the agency.

II. KEY RESPONSIBILITIES

The ERCC shall perform all duties as requested or required by the SIB. Specifically:

1. Conduct a formal evaluation of the Executive Director annually prior to June 30th of each year;
2. Obtain SIB approval of the annual performance evaluation of the Executive Director prior to June 30th of each year;
3. Obtain performance surveys of the Chief Investment Officer and Deputy Executive Director- Chief Retirement Officer prior to June 30th of each;
4. Make a compensation recommendation for the Executive Director to the SIB on or before June 30th of each year;
5. Administer a formal self-assessment of the SIB periodically (unless instructed otherwise);
6. Review and make recommendations regarding RIO’s compensation policy to ensure RIO can recruit and retain superior talent to satisfy the core mission and strategic plan of the agency; and
7. Conduct or procure a new peer compensation study or survey at least every three years to assess the current level of RIO staff compensation and recommend policy changes to address target salary ranges as appropriate.

The ERCC will conduct a formal evaluation of the Executive Director, and performance survey’s regarding the performance of the Chief Investment Officer, and Deputy Executive Director – Chief Retirement Officer during the first half of every calendar year. This formal evaluation by the ERCC will serve as the basis for an annual compensation recommendation for the Executive Director only to be reviewed and approved by the SIB on or before June 30th each year. The survey results for all three positions will be reported to both the SIB and TFFR Board.

III. ERCC COMPOSITION AND TERM LIMITS

The ERCC shall be composed of at least three SIB members as appointed by the SIB Chair at the first SIB meeting in July of each year or when a vacancy arises. This is a standing committee with no term limits. At least one committee member must be an elected or appointed official.

The Chief Financial Officer- Chief Operating Officer (CFO-COO) will be responsible for the preparation of all committee materials with the exception of internal survey and audit materials. Internal audit will be responsible for preparing an annual summary of the required reports submitted to the SIB by the Executive Director in connection with its review of policy adherence to *Ends* and *Executive Limitations*. Internal audit will assist the ERCC in completing annual surveys of the Executive Director and Chief Investment Officer with the SIB, SIB clients, and RIO team members, and Executive Director and Deputy Executive Director- Chief Retirement Officer with the TFFR Board, TFFR stakeholders, and RIO team members. Internal audit will also assist the SIB and ERCC in administering the annual board self-assessment process.

IV. MEETINGS

The ERCC must meet at least twice in the second half of the fiscal year, and hold additional meetings as needed, to fulfill its responsibilities as described in this Committee Charter and as called by the Committee Chair. At its first meeting after July the Committee will elect a Committee Chair and Vice-Chair.

V. AUTHORIZATION AND LIMITATIONS OF POWER

The ERCC is established by the SIB governance manual and has no power or authority to act on behalf of the full board. The ERCC will abide by the provisions in the governance manual that pertain to the meetings and actions of the Board.

MEMORANDUM

TO: Executive Review and Compensation Committee
FROM: Sara Seiler, Supervisor of Internal Audit
DATE: January 10, 2025
RE: SIB Self and Board Assessment

Attached is the proposed SIB self and board assessment. The assessment was revised in FY 2024 to streamline the questionnaire and improve question clarity.

The proposed timeframe for the evaluation is the assessment to be sent out after the SIB meeting on Friday, January 24, 2025, and close on Friday, February 7, 2025. The results will then be compiled and presented at the next ERCC meeting on April 9, 2025.

The Committee also will need to decide on how they would like to communicate the results to the SIB. In the past, the Committee has provided the results to the SIB in various formats including, by giving the raw data, a PowerPoint of the trends, comparison of trends, or an executive summary.

COMMITTEE ACTION REQUESTED: Approval of SIB self and board assessment.



State Investment Board

RETIREMENT & INVESTMENT

2024 State Investment Board Self and Board Assessment

Introduction

State Investment Board (SIB) members are invited to participate in a self and a board assessment responsibilities, meetings and structure, and financial management and investment practices. Following each section, space is provided to explain your rankings or comment.

Any questions regarding the assessment, which is administered by the SIB's Executive Review and Compensation Committee, should be directed to Sara Seiler, the Retirement and Investment Office's supervisor of internal audit, at 701-328-9896 or sseiler@nd.gov.

Survey responses are due by midnight on **Friday, February 2, 2024**.

Thank you in advance for your participation.

* 1. Full name of State Investment Board member completing the evaluation:

2024 State Investment Board Self and Board Assessment

Section 1: Self Assessment

Board and Committee Member Responsibilities

This section refers to your perspective as an individual board member.

2. I receive the training necessary to fulfill my responsibilities as a SIB member.

Strongly Agree

Agree

Disagree

Strongly Disagree

3. I understand the authority that has been retained by the SIB and what duties have been delegated to the committees of the SIB and RIO staff.

Strongly Agree

Agree

Disagree

Strongly Disagree

4. I make an effort to learn about aspects of the investment program that I do not understand by participating in education provided by RIO's staff.

Strongly Agree

Agree

Disagree

Strongly Disagree

5. I fully understand the policies of the SIB and/or review them as necessary to fulfill my role.

Strongly Agree

Agree

Disagree

Strongly Disagree

Comments for Board and Committee Member Responsibilities



2024 State Investment Board Self and Board Assessment

Board & Committee Meetings and Structure

This section refers to your perspective as an individual board member.

6. 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"/>

7. I am prepared for meetings, reviewing the materials 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"/>

8. If I am unable to attend a SIB meeting, I review the information that was presented.

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

9. 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"/>

Comments for Board and Committee Meetings and Structure



2024 State Investment Board Self and Board Assessment

Financial Management and Investment Practices

This section refers to your perspective as an individual board member.

10. 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"/>

11. I sufficiently understand all financial, performance, and audit, reports and seek clarification when necessary.

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

Comments for Financial Management and Investment Practices



2024 State Investment Board Self and Board Assessment

Section 2: Board Assessment

Board and Committee Member Responsibilities

This section refers to your perspective of the performance of the Board as a whole.

12. The Board has healthy discussions on a topic before making a decision.

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

13. The Board recognizes the authority it has retained and what has been delegated to RIO's staff.

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

14. The Board reviews policies on a regular basis and updates them as needed. If a new policy is needed, the policy is clearly presented and discussed.

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

Comments for Board and Committee Member Responsibilities



2024 State Investment Board Self and Board Assessment

Board and Committee Meetings and Structure

This section refers to your perspective of the performance of the Board as a whole.

15. Meetings are generally well-run and make good use of time with the right allocation between Board discussions and presentations.

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

16. Standing and ad hoc committees complete tasks and communicate them 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 Meetings and Structure



2024 State Investment Board Self and Board Assessment

Financial Management and Investment Practices

This section refers to your perspective of the performance of the Board as a whole.

17. The Board is regularly informed of economic trends or conditions that can affect investment performance.

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

18. The Board quarterly Ends reports provide adequate information relating to investment, retirement, fiscal, audit, and executive limitation activities of the agency.

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

Comments for Financial Management and Investment Practices



State Investment Board
RETIREMENT & INVESTMENT

2024 State Investment Board Self and Board Assessment
Overall Assessment

* 19. Any final comments, observations, or suggestions?

State Investment Board
2024 Board Self-Evaluation

Compilation of State Investment Board Self-Evaluation Results

GENERAL OVERVIEW

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

- Board and Committee Member Responsibilities
- Board and Committee Meetings and Structure
- 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.

**2024 State Investment Board Self-Evaluation
Self Assessment - Board and Committee Member Responsibilities**

2. I receive the training necessary to fulfill my responsibilities as a SIB member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	9	69.23%	3.69
3 - Agree	4	30.77%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

3. I understand the authority that has been retained by the SIB and what duties have been delegated to the committees of the SIB and RIO staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

4. I make an effort to learn about aspects of the investment program that I do not understand by participating in education provided by RIO's staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.46
3 - Agree	5	38.46%	
2 - Disagree	1	7.69%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

5. I fully understand the policies of the SIB and/or review them as necessary to fulfill my role.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	3	23.08%	3.23
3 - Agree	10	76.92%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**2024 State Investment Board Self-Evaluation
Self Assessment - Board and Committee Member Responsibilities**

Comments for Self-Assessment - Board and Committee Member Responsibilities:

I believe that board education, the updated board on-boarding, and the adoption of a GPR committee that regularly reports to the board support my personal growth as a board member and the growth of the board as a whole.

I am still learning - the beginning learning curve is somewhat steep if you have no government experience

The new onboarding training sessions have been a good addition.

I am always learning.

Staff outreach and education reminders is very helpful.

It will take a while to fully understand them, but I do review them as necessary.

2024 State Investment Board Self-Evaluation
Self Assessment - Board & Committee Meeting & Structure

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

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	11	84.62%	3.85
3 - Agree	2	15.38%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

7. I am prepared for meetings, reviewing the materials in advance so I can make informed decisions.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

8. If I am unable to attend a SIB meeting, I review the information that was presented.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

9. I am comfortable with the amount I devote as a Board member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	5	41.67%	3.42
3 - Agree	7	58.33%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	12	100.00%	

**2024 State Investment Board Self-Evaluation
Self Assessment - Board & Committee Meeting & Structure**

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

The time commitment is significant and serving on multiple committees does exacerbate that commitment even more.

Again - Being new to the Board - I am still learning. Staff has done a great job of helping me acclamate

There is so much information, but I am always working to be better informed.

Balancing board responsibilities with elected official hat can present some grey areas - constituents have the right to speak with me on any issue, some might be from my official capacity and some as my board capacity. I just make sure that when I speak with them, they know I am not speaking on behalf of the board as a whole.

I appreciate the thorough information we are provided prior to the meetings and always review so I am prepared.

2024 State Investment Board Self-Evaluation
Self-Assessment - Financial Management and Investment Practices

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

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	9	69.23%	3.69
3 - Agree	4	30.77%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

11. I sufficiently understand all financial, performance, and audit reports and seek clarification when necessary.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	5	38.46%	3.38
3 - Agree	8	61.54%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

Comments for Self Assessment - Financial Management and Investment Practices:

Staff, board leadership, and the board, as a whole, does an exemplary job at reinforcing fiduciary responsibility. Like the other areas, both of these are included regularly in board education and during board on-boarding.

Learning and making progress

I am still working to fully understand all the reports.

Fiscal team does a great job getting information over and communicating it to the board in an understandable way.

I thoroughly understand financial and audit report, and have a very good handle on performance reports. I ask for clarification when necessary.

2024 State Investment Board Self-Evaluation
Board Assessment - Board and Committee Member Responsibilities

12. The Board has healthy discussions on a topic before making a decision.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	3.46
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

13. The Board recognizes the authority it has retained and what has been delegated to RIO's staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

14. The Board reviews policies on a regular basis and updates them as needed. If a new policy is needed, the policy is clearly presented and discussed.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

**2024 State Investment Board Self-Evaluation
Board Assessment - Board and Committee Member Responsibilities**

Comments for Board Assessment - Board and Committee Member Responsibilities:

THE GPR committee is conducting a full policy review. Also, I believe the board has consistently exhibited the board table is a place for open dialogue and that disagreement is a sharing of an alternate perspective. All board discussion maintains the professionalism and decorum that should be expected of this board.

Strong group of Board members

Would like more board members to voice their opinions. One suggestion is to leave more time in the agenda for open discussion on certain topics.

GPR does a great job of monitoring policy and seeing what changes should be made, and staff works very well with the board in exploring what areas might need review or updating. I think the board discussions on the whole are good, but often feel that only about half the board is engaged in those conversations.

Staff has spent a great deal of time educating the board on policies and the delineation and delegation of duties.

**2024 State Investment Board Self-Evaluation
Board Assessment - Board and Committee Meeting and Structure**

15. Meetings are generally well-run and make good use of time with the right allocation between Board discussion and presentations.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

16. Standing and ad hoc committees complete their tasks and communicate them to the full board in an effective and timely manner.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	3.46
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

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

I believe there has been improvement in both of these areas. I believe staff and leadership recognize the need of efficiency and the depth of presentation needed for the board to fully grasp the concept. Also, Lt. Governor Miller has expected and supported more detailed board reporting, which has been a critical, and welcomed, improvement.

See previous comment about more time for discussion

The meetings are very well run.

Meetings have been staying on schedule with more frequency lately. It's very appreciated.

I feel informed from the Committee meetings and understand how they relate to the full board.

2024 State Investment Board Self-Evaluation
Board Assessment - Financial Management and Investment Practices

17. The Board is regularly informed of economic trends and conditions that can affect investment performance.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	7	53.85%	3.54
3 - Agree	6	46.15%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

18. The Board quarterly Ends reports provide adequate information relating to investment, retirement, fiscal, audit, and executive limitation activities of the agency.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2024 Average Response</u>
4 - Strongly Agree	6	46.15%	3.46
3 - Agree	7	53.85%	
2 - Disagree	0	0.00%	
1 - Strongly Disagree	0	0.00%	
	13	100.00%	

Comments for Board Assessment - Financial Management and Investment Practices:

Again, board education and regular and timely presentations for the board are critical in building and support board members in this area.

Scott and team as well as vendor give outstanding updates and presentations to fully inform Board

Maybe change the name of the Ends & Executive Limitations reports? Have not seen these on any other board I have been on and can be confusing.

As a new member I continue to learn and have had great help when I need more information

I really enjoy the outside managers that come in and speak on a specific area of the market that they are experts in. Those discussions add a lot of value.

**2024 State Investment Board Self-Evaluation
Overall Assessment**

19. Any final comments, observations, or suggestions?

I believe the State Investment Board is an outstanding example of effective governance. The board, staff, and chair should have great pride in the work, effectiveness, and importance of this agency and board.

Because of the recent governance changes more of the board's work has gone to committees for more in-depth discussions with staff. This process seems to be working well; and it appears to be a positive change in the way the board conducts business. Thanks to all the members that put extra time and effort into committee work.

N/A

Strong Board/management make for a successful organization.

Overall I think board members are well informed and engaged. Staff provides good education. Even though policies require certain reports could we use more intuitive names? Would like more discussion and opinion sharing by board members

The board is well run, and members are very helpful in providing answers to questions. Staff is also outstanding in providing information.

I love all the improvements that the department has made regarding communication over the last year!

The board education and financial presentations can be lengthy at times, but they provide excellent material that helps me understand more about the SIB and state in general. It is much appreciated.

none

The RIO staff have been a pleasure to work with and very helpful!

Board members are engaged. Board works well with RIO leadership team. Roles are clear and communication is very effective.

None

I think the SIB is run very efficiently and the board is well informed. The staff are always very helpful. I do not have any recommendations for improvement. Great job!

State Investment Board

SELF AND BOARD ASSESSMENT RESULTS

**Executive Review and
Compensation Committee**



Overall Results

POSITIVE RESULTS OVERALL

- Average score was 3.52 on a 4.0 scale.
- Always learning.
 - Onboarding has been a great addition.
- Great leadership on board and staff level.
 - Committees do a great job.
- Additional time for discussions after certain topics.
 - More board members to voice their opinions.

General Comments

- SIB is an example of outstanding and effective governance.
- Board members are well informed and engaged.
- RIO staff is a pleasure to work with and is helpful.
- Would like more discussion and opinion sharing by board members.
- Board works well with RIO leadership.
- Board education and presentations can be lengthy but does help with understanding the SIB better.

MEMORANDUM

TO: Executive Review and Compensation Committee
FROM: Sara Seiler, Supervisor of Internal Audit
DATE: January 6, 2025
RE: Performance Surveys

On an annual basis as outlined in the Executive Review and Compensation Committee (ERCC) charter, performance surveys of the Chief Investment Officer (CIO) and Deputy Executive Director/Chief Retirement Officer (DED/CRO) are administered.

Both the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR) Board will have the opportunity to participate in a survey regarding the Executive Director's performance. The SIB will also be given the chance to complete a survey about the performance of the CIO, and the TFFR Board of the DED/CRO.

The proposed timeline for the surveys is at the January SIB and TFFR Board meeting each respective survey will be presented. The surveys will be sent out Monday, March 17, 2025, and close on Monday, March 31, 2025. This will allow another reminder at the March board meetings about surveys.

COMMITTEE ACTION REQUESTED: Approval of proposed surveys and timeline.

2024 Performance Surveys - SIB

Chief Investment Officer Performance Survey

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

13. The CIO effectively communicates investment strategies, performance, and changes allowing the SIB members to adequately perform their roles.

- Exceeded expectations
- Met expectations
- Below expectations

14. The CIO successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the investment program and fund performance.

- Exceeded expectations
- Met expectations
- Below expectations

15. The CIO ensures compliance with investment objectives and policies.

- Exceeded expectations
- Met expectations
- Below expectations

16. The CIO advises, monitors, and reports on investment performances comparing it to relevant benchmarks and industry standards.

- Exceeded expectations
- Met expectations
- Below expectations

17. The CIO produces accurate and timely reports concerning investments and the progress of projects.

- Exceeded expectations
- Met expectations
- Below expectations

18. The CIO has a track record of effectively managing risk and protecting investments.

- Exceeded expectations
- Met expectations
- Below expectations

19. The CIO routinely analyzes and monitors investment expenses to ensure that the programs are operating efficiently and effectively based on comparable market standards.

- Exceeded expectations
- Met expectations
- Below expectations

20. The CIO upholds ethical standards in their decisioning and investment practices.

- Exceeded expectations
- Met expectations
- Below expectations

* 21. Overall, how satisfied are you with the job being done by the CIO?

2024 Performance Surveys - TFFR

Deputy Executive Director/Chief Retirement Officer Performance Survey

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

13. The DED/CRO understands the TFFR operations, board goals, strategic direction, and effectively and efficiently administers the retirement program.

- Exceeded expectations
- Met expectations
- Below expectations

14. The DED/CRO adds value to the TFFR pension program and operations suggesting and managing that improve efficiency (i.e., technological advancements, industry best practices, etc.).

- 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 understands and adheres to TFFR governance.

- Exceeded expectations
- Met expectations
- Below expectations

17. The DED/CRO upholds ethical standards in their decision-making and administrative practices.

- Exceeded expectations
- Met expectations
- Below expectations

18. The DED/CRO effectively communicates with and educates stakeholders about the retirement program.

- Exceeded expectations
- Met expectations
- Below expectations

19. The DED/CRO works to ensure educators have a clear understanding of their pension benefit, any program or contribution rate changes.

- Exceeded expectations
- Met expectations
- Below expectations

20. The DED/CRO stays informed of developments in pension management, regulations and industry trends and provides the board with information that aids in their growth and development as trustees.

- Exceeded expectations
- Met expectations
- Below expectations

* 21. Overall, how satisfied are you with the job being done by the DED/CRO?