

**NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE
MINUTES OF THE APRIL 16, 2024, COMMITTEE MEETING**

MEMBERS PRESENT: Dr. Rob Lech, TFFR, Chair
Thomas Beadle, State Treasurer, Vice Chair
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 10:04 a.m. on Tuesday, April 16, 2024. The meeting was held in the RIO Conference Room, 1600 E Century Ave., Bismarck.

ACCEPTANCE OF AGENDA:

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA AS DISTRIBUTED.

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

MINUTES:

The ERCC considered the minutes of the March 13, 2024, meeting.

IT WAS MOVED BY SEN. KLEIN AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE MARCH 13, 2024, MINUTES AS DISTRIBUTED.

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

EXECUTIVE DIRECTOR (ED) PERFORMANCE EVALUATION:

Mr. Skor provided an overview of the ED evaluation process. Survey responses from Board members and staff have been collected and provided to the ERCC. Board and staff responses concerning the ED are used by the ERCC as part of their evaluation. Board responses concerning the Deputy Executive Director/Chief Retirement Officer (DED/CRO) and the Chief Investment Officer (CIO), are used by the ED as part of her evaluation for those staff members.

Dr. Lech commented that the process used by the SIB to evaluate the ED position is very robust and uses a lot of data. The level of data is very transparent. The ERCC's responsibility is to consider the context of the data and observe trends. The evaluation should identify strengths and opportunities for growth. The ERCC discussed the evaluation process. Dr. Lech will draft the evaluation and provide it to the Committee for review and feedback at the May meeting. The Committee decided to implement an additional step to the evaluation process of written comments from the ED in response to survey comments. The Committee commented that Ms. Murtha's performance has been tremendous during a time of significant change for the agency.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE SURVEY RESULTS AND EVALUATION PROCESS.

AYES: TREASURER BEADLE, SEN. KLEIN, AND DR. LECH

NAYS: NONE

MOTION CARRIED

ED COMPENSATION DISCUSSION:

Mr. Skor reviewed the information that has been provided to the ERCC to aid in their discussion. Part of the ERCC's responsibility is to make a compensation recommendation for the ED position to the SIB annually. The Committee discussed the importance of having a target and timeline approved by the SIB to provide the ERCC the ability to work towards that goal. Committee discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE RECOMMEND A 50TH PERCENTILE GOAL OVER A THREE-BIENNIUM TIMELINE FOR THE ED POSITION COMPENSATION TO THE SIB FOR APPROVAL.

AYES: TREASURER BEADLE, SEN. KLEIN, AND DR. LECH

NAYS: NONE

MOTION CARRIED

RIO AGENCY-WIDE COMPENSATION DISCUSSION:

Ms. Murtha shared some observations from the Mercer compensation study. The study confirmed that most of the non-incentive eligible team members are near, at, or exceed the median salary for those positions. This is due in large part to the legislative equity package. The base salaries for new roles tend to be closer to median. Staff identified three non-incentive eligible roles to recommend some increases in the next biennium to bring them closer to the median. The ED, CIO, and CFO/COO fall significantly below median. The incentive compensation program helps alleviate that shortfall, but they are still below the median. The Committee discussed and provided feedback for staff to use as they prepare the budget for the next biennium.

OTHER:

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 11:46 a.m.

Submitted by:

Missy Kopp, Assistant to the Board