

Special Meeting
Friday, January 3, 2025, 11:00 a.m.
VIRTUAL ONLY
[Click here to join the meeting](#)

AGENDA

- I. CALL TO ORDER AND ACCEPTANCE OF AGENDA - (*Board Action*)**
 - A. Conflict of Interest Disclosure
 - B. Executive Summary
 - C. Welcome New Board Members

- II. GOVERNANCE (30 minutes)**
 - A. Election of Chair (*Board Action*) - Dr. Lech
 - B. Executive Search Committee Report and Recommendations (*Board Action*) – Dr. Lech
 - 1. Interim Executive Director Finalist and Salary Recommendation
 - 2. Permanent Executive Director Selection Process (*Board Action*) – Dr. Lech

- III. ADJOURNMENT**

EXECUTIVE SUMMARY

SIB Special Meeting

January 3, 2025 – 11:00 a.m. CT

- I. **Agenda:** The **January Special Board Meeting will be virtual only**. A link will be provided so that Board members and other attendees may join via video conference.
 - Conflict of Interest Disclosure: For best practice board members are asked to review the agenda and note any potential conflicts of interest for an item in advance of or at the start of the meeting. Conflicts can be documented using the following form: [Conflict of Interest Disclosure Form 8 17 2022 .pdf \(nd.gov\)](#)
 - Welcome Governor Armstrong and Mr. Buck to the SIB.

- II. **GOVERNANCE**
 - A. Election of Chair (**Board Action**) - Dr. Lech will open the meeting and lead the agenda until a new chair is elected.
 - B. Executive Search Committee Report and Recommendations (**Board Action**)
The committee chair will report on its recommendations relating to the interim executive director candidate finalist and salary recommendation; and recommendations relating to the permanent executive director search process.

- III. **Adjournment.**

MEMORANDUM

TO: SIB
FROM: Jan Murtha, Executive Director
DATE: January 3, 2025
RE: Election of Chair

I. Overview

The SIB does not have a chair designated by statute, rather by policy a chair is elected annually or when a vacancy occurs. The relevant language may be found in Chapter 3 of the By-laws in the SIB Governance Manual located on page 84 of the manual. The manual is available on the RIO website at: [GovernanceManual.pdf](#).

CHAPTER 3 - OFFICERS AND DUTIES

Section 3-1. The officers of the SIB are a Chair and Vice Chair, one of which must be an appointed or elected member of the TFFR or PERS Board. The officers will be elected by the SIB to a one-year term at the first regularly scheduled meeting following July 1 of each year. *Vacancies will be filled by the SIB at the first scheduled meeting following the vacancy.*

Section 3-2. Chair. The Chair will preside at all meetings of the SIB.

Section 3-3. Vice Chair. In the absence of the Chair, the Vice Chair will perform the duties of the Chair.

Currently there is a vacancy in the Chair position. Dr. Lech, a TFFR Board Trustee currently serves as Vice Chair. The SIB must elect a new Chair.

II. Nomination and Election Process

Vice-Chair Lech will lead this agenda item. He will invite nominations for the Chair position. Nominations do not require a second. Once nominations are closed he will ask for a motion to cast the ballot. Upon that motion and second the election will occur.

III. Next Steps

Vice Chair Lech will turn over progress of the meeting to the newly elected Chair.

Board Action Requested: Motion to cast ballot for Chair.

MEMORANDUM

TO: SIB
FROM: Jan Murtha, Executive Director
DATE: January 3, 2025
RE: Executive Search Committee Report and Recommendations

I. Overview

Board Policy Section II.E. allows for the creation of ad hoc committees to address needs of the board. At the November 22, 2024, SIB meeting an ad hoc executive search committee was created. Dr. Lech, Treasurer Beadle, and Mr. Jahner were appointed. The committee was tasked with making recommendations for an interim executive director and recommendations for the executive search process to fill the executive director position permanently. The committee met on December 5, 2024, December 17, 2024, and January 2, 2025. The committee elected Dr. Lech as chair. Committee materials are available on the RIO website.

II. Interim Executive Director Selection Process

The SIB may appoint an interim Executive Director from internal or external candidates to the organization. The SIB has leveraged both options in the past.

SIB Governance Manual Section VIII. Bylaws, Chapter 3, Section 3-4 states:

Section 3-4. Executive Director. An Executive Director will be retained by the SIB. The Executive Director will serve at the SIB's pleasure, be responsible for keeping the records of the SIB and TFFR Board actions and perform such duties as the SIB prescribes. The Executive Director will make out and give out all notices required to be given by law, procedures, or rules and regulations of the two boards.

The committee invited letters of interest from internal RIO team members and pursuant to guidance from both HRMS and the Asst. Attorney General Kelsch, search committee members were also authorized to solicit letters of interest from individuals external to the organization. The committee reviewed all letters of interest and designated Jodi Smith as a finalist for the Interim Executive Director position. The letter of Interest submitted by Ms. Smith is included in the materials for your review. The SIB is authorized to extend an offer to Ms. Smith for the Interim Executive Director position. Ms. Smith is an external candidate to the organization and therefore subject to standard application for employment processes upon which such an offer of employment must be contingent; a minimum of two weeks is needed between acceptance of an offer and a proposed start date in order to allow time to

complete such processes. A representative of HRMS will be available at the meeting to answer questions.

If the SIB moves forward with the committee recommendation the committee recommends that Ms. Seiler, Supervisor of Internal Audit, be designated as the primary agency contact for coordinating the offer, acceptance, and onboarding of Ms. Smith.

The committee also recommends that the interim executive director be offered the current monthly salary budgeted for the position of \$19,783.93.

Board Action Requested. Discuss whether to extend an offer to finalist applicant for Interim Executive Director position, and if motion to approve offer is made, discuss salary parameters and designate Ms. Seiler as agency contact for extending and coordinating efforts related to the offer.

III. Permanent Executive Director Selection Process

The committee recognizes that it is in the best interest of the organization to seek highly qualified candidates to fill the executive director position on a permanent basis. Securing high quality leadership and reducing the interim period to provide stability to the organization and programs has been a priority of the SIB in prior searches. The committee therefore recommends that an executive search firm be retained to assist with the SIB will filling the Executive Director position on a permanent basis. Prior search efforts are summarized below.

A. Summary of Prior Search Efforts

1) 2010 ED/CIO Search: The Board took the following actions:

- Created an Executive Search Committee.
- Issued an RFP for a Consultant - executive search firm.
- Firm retained.
- Retained a new ED/CIO in December 2010.
- Interim duration April to December 2010 (approx. 7 months).
- AUM approximately \$4 billion.

2) 2012 ED/CIO Search: The Board took the following actions:

- Created an Executive Search Committee.
- Posted the position within the State system.
- While receiving more than 100 applications, the search committee determined the majority of applications did not meet the minimum qualifications of the position, and the remaining applicant pool lacked sufficient experience to pursue.
- Subsequent to closing the position posting, an RFP for a Consultant search firm was issued.
- Firm retained.
- Retained a new ED/CIO in December 2013

- Interim duration May 2012 to December 2013 (approx. 18 months).
- AUM approximately \$8 billion.

3) 2021 CIO Search: The Board took the following actions:

- Separated the ED/CIO combined positions into two separate positions.
- Created and Executive Search Committee.
- Issued an RFP for a Consultant - executive search firm.
- Firm retained.
- Appointed Deputy Executive Director as Interim Executive Director in June 2021.
- Initiated search for CIO.
- Appointed Interim Executive Director as the permanent Executive Director in November 2021.
- Retained a new CIO in January 2022.
- Interim duration approximately June to December 2022 (approx. 6 months).
- AUM approximately \$19 billion.

Given the split of the ED/CIO position, subsequent CIO searches will not require full board approval as the CIO position now reports to the Executive Director.

B. Executive Search Method

The two primary options for an executive search are:

- 1) Hiring an Executive Search firm to assist with the candidate search; or
- 2) Posting the position.

Please note that the executive search firm option does not foreclose the ability of an individual to apply for the position, rather applications will be routed through the consultant.

C. Committee Recommendation

The Committee recommends retaining a consultant to assist the SIB with the Executive Director search. This recommendation is based on the following considerations:

- Current Assets under management exceed \$23 billion; an executive search firm will have enhanced access to potential candidates with the qualifications and experience needed to oversee and continue to lead an organization of this size and complexity.
- As a result of splitting the ED/CIO role in 2021 the Executive Director role now encompasses additional duties related to support of the TFFR Board and program, therefore successful candidates should have experience in both the pension and investment industries.
- Use of an executive search firm in 2010, 2012, and 2021 searches resulted in a swift and successful candidate placement.
- Use of a posting alone in 2012 failed to produce sufficiently qualified candidates and prolonged the interim period.

D. Consultant Search RFP Development and Issuance Options

In the event the SIB elects to proceed with retention of an executive search firm, the committee recommends the Board:

Authorize the committee to issue an RFP for an executive search firm and delegate selection of the firm and designation of permanent Executive Director finalist candidates to the search committee. The full board would retain responsibility for interviewing finalist candidates for the permanent Executive Director position.

E. Chief Fiscal Officer – Chief Operating Officer Search

Mr. Skor, RIO's CFO-COO resigned his position effective as of January 3, 2025. This position is a member of RIO's executive team and reports directly to the Executive Director. Rachel Kmetz will serve as interim CFO-COO until the position is filled on a permanent basis. The Board does not oversee the hiring of the CFO-COO position, this responsibility is delegated to the executive director. If the Board elects to use the services of an executive search firm to conduct the executive director search, staff is requesting the authority to include within the scope of services an additional CFO-COO search. Staff believes that the investment program and organization will benefit from a national search for CFO-COO candidates. The executive search committee would not be involved in the search or selection of the CFO-COO candidate and the CFO-COO search should have no impact on the duration of the search for the permanent executive director. The agency would proceed with continuing to fill the CFO-COO position along with the remaining new FTE positions in the normal course of business. Use of the search firm would merely provide an additional recruitment tool for the CFO-COO search. The committee agrees that it would be appropriate to include the CFO-COO search within the scope of services for a search firm but acknowledges that the committee does not have a role in hiring the CFO-COO position.

F. Funding

RIO has contingency funding available to pay for the services of an executive search firm.

Board Action Requested: Motion to approve use of an executive search firm for both the permanent ED and CFO-COO positions. Delegate authority to the executive search committee to issue the RFP, select the search firm, and designate finalist candidates for the permanent executive director position.

Governor and Chairman Kelly Armstrong
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Governor and Chairman Armstrong:

It is with enthusiasm I submit my application for appointment as the Executive Director for the Retirement and Investment Office (RIO) and State Investment Board. With over two decades of experience executing the vision and strategy of an administration and Board of Directors, my skillset is well-equipped to provide the leadership the state agency and Board needs.

I excel at creating and implementing innovative solutions to difficult problems. My experience allows me to naturally see possibilities for improvement within complex systems, and my organization and determination provide the fortitude necessary to implement these ideas for change.

Decisions grounded in high expectations, cooperation and mutual respect, guided with structure and process, ensure strategies initiated last into the future. I excel in roles that entail complex services; a role where preparation, rigor and detail make all the difference. Colleagues can attest to my high level of mental and physical energy, which facilitates excellence in a team-oriented philosophy. Finally, I have a service-oriented personality which is rounded out with resourcefulness and professionalism.

My previous experience as a state agency leader and engagement with multi-faceted stakeholders, skillset in overseeing an investment team and knowledge of the legislative process will ensure effective and efficient investment the funds managed by RIO and SIB.

Given my proven record as a formidable agent of lasting change, I know I can make a positive difference for North Dakota and be an excellent extension of the State Investment Boards mission and vision. I appreciate your consideration.

Sincerely,

Jodi Smith
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(970) 302-0773