

MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL

Conference Call

May 12, 2016

1) Roll Call

The meeting was called to order at 11 a.m. on May 12, 2016 by Chair Jim Means. Council members in attendance were Lorin Brass, Ryan Brunner, David Hillard, Steve Kirby, Laura McNally, Jim Means, Rich Sattgast and Rob Wylie.

Others attending included Matt Clark and Laurie Riss from the Investment Office.

(Note: For sake of continuity, the following minutes are not necessarily in chronological order. Documents referenced are on file in the Investment Office, and public access is subject to the provisions of SDCL 1-27.)

2) Compensation Committee

Compensation Study

The Compensation Committee reviewed their recommendation made to the full Council at the 4/19/16 Council meeting regarding the compensation analysis completed by internal staff using McLagan data. Their recommendation was to accept the internal analysis in lieu of a formal study with an outside consultant. It was confirmed that Matt Clark had reviewed the analysis with the full Council at the last meeting and that a copy was provided in advance of this call.

DAVID HILLARD MOVED, SECONDED BY STEVE KIRBY, TO ACCEPT THE COMPENSATION COMMITTEE'S RECOMMENDATION THAT THE INTERNAL COMPENSATION ANALYSIS BE CONSIDERED SUFFICIENT FOR THE CURRENT CYCLE UPDATE IN LIEU OF A FORMAL OUTSIDE CONSULTANT STUDY. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE.

State Investment Officer FY 2017 Compensation

David Hillard reviewed the Compensation Committee's recommendation, made at the 4/19/16 Council meeting, regarding the State Investment Officer's total compensation for fiscal year 2017. The recommendation included a 4.5% increase in base salary (state policy increase of 2.7% plus the long-term plan increase of 1.8%), along with continuation of the incentive plan. Discussion continued.

DAVID HILLARD MOVED, SECONDED BY LAURA MCNALLY, THAT THE INVESTMENT COUNCIL RECOMMEND TO THE LRC EXECUTIVE BOARD THAT TOTAL COMPENSATION FOR THE STATE INVESTMENT OFFICER PAYABLE IN FISCAL YEAR 2017 BE COMPRISED OF A 4.5% INCREASE IN BASE SALARY AND CONTINUATION OF THE INVESTMENT INCENTIVE PERFORMANCE INCENTIVE PLAN, WITH ANY EARNED INCENTIVES TO BE PAID FOLLOWING COMPLETION OF THE AUDIT. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE.

AGENDA ITEMS:

- 1) Roll Call
- 2) Compensation Committee
 - Compensation Study
 - SIO FY 2017 Compensation
- 3) Investment Update
- 4) Adjournment

3) Investment Update – FY 2016

Matt Clark provided an update on asset allocation valuation trigger points and returns fiscal year to date.

4) Adjournment

Chair Means declared the meeting adjourned at 11:15 a.m.