

MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL Conference Call December 9, 2011

1) Roll Call

The conference call meeting was called to order at 9:05 a.m. by Chair Joseph Anglin. Council members in attendance were Joseph Anglin, Hugh Bartels, Jon Hunter, Jim Means, Rich Sattgast, Wesley Tschetter, and Rob Wylie. Council member Jarrod Johnson was absent. Also present were Matt Clark, Brett Fligge, Tammy Otten, Chris Nelson and Laurie Riss of the Investment Office; and Jane Roberts, Susan Jahraus and Michelle Mikkelsen of the South Dakota Retirement System.

AGENDA ITEMS:

- 1) Roll Call
- 2) Fiscal Year 2013 Budget Request
- 3) LRC Executive Board Meeting
Review 12/6/11
- 4) New/Old Business Agenda Items
- 5) Adjournment

2) Fiscal Year 2013 Budget Request

Matt Clark discussed the Governor's recommendation for the Council's fiscal year 2013 budget request, which includes support for Version A of the Council's budget with some modest adjustments. Clark reminded the Council that Version A includes the long-term plan increases, promotional increases for some investment positions and a capped investment performance incentive pool. He also discussed the Governor's proposal of a one-time 5% salary distribution for all state employees in fiscal year 2012.

Council discussion continued on the changes that would be made to the originally approved budget per the Governor's recommendation. The Council discussed reasonableness of the changes given the current economic situation, as well as the need to continue to focus on long-term budget challenges. The best way to present the Council's budget proposal and support to the Appropriations Committee was discussed.

WESLEY TSCHETTER MOVED, SECONDED BY JON HUNTER, THAT THE INVESTMENT COUNCIL CONCUR WITH THE GOVERNOR'S RECOMMENDATIONS FOR THE COUNCIL'S FISCAL YEAR 2013 BUDGET AND THE ONE-TIME 5% SALARY DISTRIBUTION FOR ALL STATE EMPLOYEES, AND THAT THE COUNCIL MAKE THE MODEST ADJUSTMENTS TO ITS VERSION A BUDGET REQUEST TO COINCIDE WITH THE GOVERNOR'S RECOMMENDED BUDGET TO PRESENT TO THE APPROPRIATIONS COMMITTEE. MOTION PASSED ON A ROLL CALL VOTE WITH ALL VOTING IN FAVOR.

3) LRC Executive Board Meeting Review 12/6/11

Clark reviewed his meeting with the LRC Executive Board on December 6, 2011. The topics covered included the return of the trust funds, the Iran letter, and the SDRS funding status.

4) New/Old Business Agenda Items

Jim Means referenced the letter that was recently sent by Joe Anglin to all legislators and the Governor. He requested that this issue be placed on the next Council meeting's agenda so that so that all Council members would have an opportunity to discuss the topics that were included in the letter.

5) Adjournment

Chair Anglin declared the meeting adjourned at 9:45 a.m.