

**STATE INVESTMENT BOARD  
MINUTES OF THE  
MARCH 14, 2008, BOARD MEETING**

**BOARD MEMBERS PRESENT:** Clarence Corneil, Vice Chair  
 Jeff Engleson, Deputy Land Commissioner  
 Mike Gessner, TFFR Board  
 Ron Leingang, PERS Board  
 Mike Sandal, PERS Board  
 Kelly Schmidt, State Treasurer  
 Cindy Ternes, Workforce Safety & Insurance  
 Bob Toso, TFFR Board  
 Tom Trenbeath, PERS Board

**MEMBERS ABSENT:** Lt. Governor Jack Dalrymple, Chair  
 Adam Hamm, Insurance Commissioner

**STAFF PRESENT:** Steve Cochrane, Executive Director  
 Fay Kopp, Deputy Executive Director  
 Connie Flanagan, Fiscal & Investment Officer  
 Susan Gefroh, Investment Accountant  
 Bonnie Heit, Office Manager  
 Les Mason, Internal Audit

**OTHERS PRESENT:** Weldee Baetsch, former SIB trustee  
 John Cosgriff, Lewis & Clark  
 Bill Kalanek, RTA/AFPE  
 Lowell Latimer, TFFR Trustee  
 Jeff Mellas, Wells Capital Management  
 John Mongeon, Brady, Martz & Associates  
 Jim Paulsen, Wells Capital Management  
 Bryan Reinhardt, PERS  
 Aaron Webb, Attorney General's Office  
 Al Weisbeck, BND

**CALL TO ORDER:**

Mr. Corneil, TFFR Trustee, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, March 14, 2008, in the Ft. Union Room, at the State Capitol, Bismarck, ND.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: MS. TERNES, MR. ENGLESON, MR. GESSNER, MR. LEINGANG, MR. TRENBEATH, MR. SANDAL, MR. TOSO, MR. CORNEIL, AND TREASURER SCHMIDT**

**MINUTES:**

The Board considered the minutes of the February 15, 2008, meeting,

**TREASURER SCHMIDT MOVED AND MR. TOSO SECONDED TO APPROVE THE FEBRUARY 15, 2008, MEETING MINUTES.**

AYES: MR. GESSNER, MR. ENGLESON, MR. LEINGANG, MS. TERNES, TREASURER SCHMIDT, MR. TOSO, MR. CORNEIL, MR. TRENBEATH, AND MR. SANDAL  
 NAYS: NONE

**MOTION CARRIED**

**ABSENT: LT. GOVERNOR DALRYMPLE, COMMISSIONER HAMM**

Mr. Steve Cochrane, Executive Director, reported on performance for the period ending December 31, 2007.

**BOARD EDUCATION:**

Economic Analysis/Outlook - Mr. Jim Paulsen, Chief Investment Strategist, Wells Capital Management, presented his viewpoint on the economy.

Portable Alpha - Mr. Jeff Mellas, Managing Director, Quantitative Asset Management, Wells Capital Management, presented an update on performance of the portable alpha account the firm manages for the SIB in the large cap domestic equity allocation for the Pension Trust.

A copy of his presentation is on file at RIO.

**GOVERNANCE:**

Mr. Les Mason, Supervisor of Internal Audit, presented an annual governance policy monitoring summary for the period ending December 31, 2007 per the following governance policy - **BOARD-STAFF RELATIONSHIP/MONITORING EXECUTIVE PERFORMANCE**: The internal audit staff will be responsible for preparing an annual summary of the board's action concerning required reports submitted by the Executive Director, and the summary will be made available as a part of the formal evaluation of the Executive Director. Each March the board will conduct a formal evaluation of the executive director/investment officer. This evaluation will be based on accomplishments of *Ends* and *Compliance with Executive Limitations*. At the March board meeting, the chairperson will appoint a three-member committee to review the board's evaluation and make a recommendation to the full board concerning salary for the executive director/investment officer.

In making its recommendation, the committee will consider job performance as evidenced by the annual summary of the periodic monitoring reports, the Retirement and Investment Office budget status, the annual Public Pension System's Compensation Survey, the annual National Association of State Investment Officer's survey, the legislature's approved salary increases for state employees, the North Dakota market compensation for comparable positions, and other data or information considered relevant by the committee. The committee's recommendation will be placed on the May board meeting agenda for possible action by the board. Final action by the board will be accomplished no later than the June board meeting.

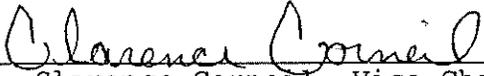
**OTHER:**

Mr. Cochran informed the Board Mr. Ken Rood, who occasionally represented the ND Insurance Dept. at the SIB meetings, will be retiring from state employment on April 3, 2008. Mr. Cochran wished him well.

**ADJOURNMENT:**

With no further business to come before the Board, Mr. Corneil adjourned the meeting at 10:30 a.m.

Respectfully Submitted:



Mr. Clarence Corneil, Vice Chair  
State Investment Board



Bonnie Heit  
Reporting Secretary