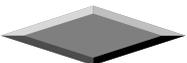


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

PERFORMANCE, COMPENSATION & TALENT MANAGEMENT COMMITTEE

MINUTES OF MEETING

May 14, 2013



The Performance and Compensation Committee met on Wednesday, April 17, 2013, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. the following members were present:

Michael Bilbrey, Chair
Priya Mathur, Vice Chair
Darlene Schell for Julie Chapman
Terry McGuire for John Chiang
Richard Costigan
Grant Boyken for Bill Lockyer

Excused:

Ron Lind

Other Board Members present:

Rob Feckner
George Diehr
JJ Jelincic
Henry Jones

AGENDA ITEM 2 – EXECUTIVE REPORT

Doug Hoffner, Deputy Executive Officer, presented the Executive Report to the Committee as an information item.

AGENDA ITEM 3 – CONSENT ITEMS

On **MOTION** by Darlene Schell, **SECONDED** by Richard Costigan and **CARRIED**, the Committee approved the Action Consent Item 3a, Approval of Meeting Minutes.

AGENDA ITEM 5 – BIENNIAL SALARY SURVEY COMPARATOR GROUP(S), TARGET QUARTILE SELECTION, AND RECOMMENDED POLICY REVISIONS

Katie Hagen, Chief, Human Resources Division, Kathleen Maffei and Michael Oak, McLagan, presented, as an action item, the biennial salary survey comparator group(s), target quartile selection, and recommended policy revisions.

On **MOTION** by Grant Boyken, **SECONDED** by Richard Costigan and **CARRIED**, the Committee approved the proposed comparator group for Investment Management positions for base salary benchmarking, and approve the alternative salary ranges to bring those incumbents not at the minimum of range up to the minimum over a two-year phase-in period beginning July 1, 2013.

AGENDA ITEM 6 – REVISED INVESTMENT OFFICE MANAGEMENT CLASSIFICATIONS

Ms. Hagen also reported, as an action item, the revised Investment Office management classifications.

On **MOTION** by Grant Boyken, **SECONDED** by Richard Costigan and **CARRIED**, the Committee approved the submission of the Classification Proposal to the California Department of Human Resources and the State Personnel Board, and approve the proposed salary range for the Associate Investment Manager classification.

AGENDA ITEM 7 - THIRD QUARTER STATUS REPORTS ON PERFORMANCE PLANS OF THE CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER

Ms. Hagen reported, as an information item, the Third Quarter Status Reports of the Chief Executive Officer and Chief Investment Officer.

AGENDA ITEM 8 – OVERVIEW OF STRATEGIC WORKFORCE PLAN

Ms. Hagen gave a comprehensive overview of the Strategic Workforce Plan and enterprise-wide talent management strategies.

AGENDA ITEM 9 – HUMAN RESOURCES DIVISION REPORT

There was no report.

AGENDA ITEM 9 – PUBLIC COMMENT

Dave Elder, retired member, commented on Agenda Item 5.

Neil Johnson, SEIU Local 1000, commented on Agenda Item 6.

The meeting was adjourned at 9:52 a.m.

The next Performance and Compensation Committee meeting is scheduled for June 2013, in Sacramento, California.

Date: _____

DOUGLAS HOFFNER
Deputy Executive Officer