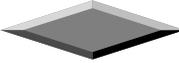


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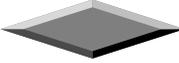
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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**PERFORMANCE, COMPENSATION & TALENT MANAGEMENT COMMITTEE**

**MINUTES OF MEETING  
May 15, 2018**

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The California Public Employees' Retirement System Board of Administration Performance, Compensation & Talent Management Committee met on Tuesday, May 15, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 3:55 p.m. and the following members were present:

Bill Slaton, Chair  
Richard Costigan, Vice Chair  
Richard Gillihan  
Dana Hollinger  
Henry Jones  
Priya Mathur  
Ramon Rubalcava

Other Board Member(s):

Margaret Brown  
Matthew Saha for John Chiang  
David Miller  
Lynn Paquin for Betty Yee

**AGENDA ITEM 2 – EXECUTIVE REPORT**

Doug Hoffner, Deputy Executive Officer, presented this oral report to the Committee.

**AGENDA ITEM 3 – ACTION CONSENT ITEMS**

On MOTION by Mr. Jones, SECONDED by Mr. Costigan and CARRIED, the Committee approved the following action consent items:

- a. Approval of the March 20, 2018 Performance, Compensation & Talent Management Committee Meeting Minutes

**AGENDA ITEM 4 – INFORMATION CONSENT ITEMS**

The Committee accepted the following information consent items as presented:

- a. Annual Calendar Review

- b. Draft Agenda for the June 19, 2018 Performance, Compensation & Talent Management Committee Meeting

**AGENDA ITEM 5 – PAY PHILOSOPHY DISCUSSION FOR POSITIONS COVERED UNDER THE BOARD’S POLICY FOR EXECUTIVE AND INVESTMENT MANAGEMENT POSITIONS**

Mr. Gonzaga of Grant Thornton, the Board’s primary compensation consultant, presented the item, and the Committee discussed several pay philosophy components for positions covered under the Board’s Executive and Investment Compensation Policy.

On MOTION by Ms. Mathur, SECONDED by Mr. Rubalcava and CARRIED, the Committee affirmed the Board of Administration’s compensation policy purpose statement with the amendment to add “highly qualified” to the statement.

On MOTION by Ms. Mathur, SECONDED by Mr. Costigan and CARRIED, the Committee modified the Executive Management comparator group to include the British Columbia Investment Management Corporation (BCIMC).

On MOTION by Ms. Mathur, SECONDED by Ms. Hollinger and CARRIED, the Committee modified the Investment Management comparator group to include the BCIMC, University of California Office of the Chief Investment Officer, and other university endowments.

On MOTION by Ms. Mathur, SECONDED by Mr. Gillihan and CARRIED, the Committee adopted a range for the executive and investment positions of between the 25<sup>th</sup> and 75<sup>th</sup> percentiles of the respective comparator groups.

**AGENDA ITEM 6 – SUMMARY OF COMMITTEE DIRECTION**

Mr. Hoffner summarized the Committee’s direction from the meeting:

- Work with the Board’s Compensation Consultant to return with data on total cash for endowment funds.
- Bring back options for fixed and variable compensation for the Chief Executive Officer position.

**AGENDA ITEM 7 – PUBLIC COMMENT**

There was no public comment.

The meeting of the Performance, Compensation & Talent Management Committee was adjourned at 5:15 p.m.

Prepared by: BRITTANY EMMONS  
Committee Secretary