

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

PERFORMANCE, COMPENSATION & TALENT MANAGEMENT COMMITTEE

MINUTES OF MEETING

June 19, 2018

The California Public Employees' Retirement System Board of Administration Performance, Compensation & Talent Management Committee met on Tuesday, June 19, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:00 a.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
Rob Feckner
David Miller
Theresa Taylor
Alan Lofaso for Betty Yee

AGENDA ITEM 2 – TIMED AGENDA

On MOTION by Ms. Hollinger, SECONDED by Ms. Mathur and CARRIED, the Committee approved the June 19, 2018 Performance, Compensation & Talent Management Committee Timed Agenda.

AGENDA ITEM 3 – EXECUTIVE REPORT

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

AGENDA ITEM 4 – ACTION CONSENT ITEMS

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

- a. Approval of the May 15, 2018 Performance, Compensation & Talent Management Committee Meeting Minutes
- b. Executive Compensation Policy Updates

AGENDA ITEM 5 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items as presented:

- a. Annual Calendar Review
- b. Draft Agenda for the September 25, 2018 Performance, Compensation & Talent Management Committee Meeting

AGENDA ITEM 6 – REVISED SALARY RANGES FOR CHIEF INVESTMENT OFFICER AND CHIEF FINANCIAL OFFICER; AND 2018-19 INCENTIVE DESIGN FOR THE CHIEF EXECUTIVE OFFICER

Mr. Gonzaga of Grant Thornton, the Board's primary compensation consultant, presented the item, and the Committee discussed options for revised salary and incentive ranges for the Chief Investment Officer and Chief Financial Officer positions.

On MOTION by Mr. Costigan, SECONDED by Ms. Hollinger and CARRIED, the Committee adopted a revised salary range of \$424,500 to \$707,500 and a revised incentive range of 0-150% for the Chief Investment Officer position.

On MOTION by Mr. Costigan, SECONDED by Ms. Hollinger and CARRIED, the Committee adopted a revised salary range of \$217,500 to \$362,500 and retained the incentive range of 0-40% for the Chief Financial Officer position.

The Committee deferred discussion on the 2018-19 incentive plan of the Chief Executive Officer to August 2018.

AGENDA ITEM 7 – 2018-19 INCENTIVE METRIC RECOMMENDATIONS

The Committee deferred this item to August 2018.

AGENDA ITEM 8 – SUMMARY OF COMMITTEE DIRECTION

Mr. Hoffner summarized the Committee's direction to bring back the items the Committee deferred to August 2018, including 2018-19 Incentive Metric Recommendations and Incentive Plan of the Chief Executive Officer.

AGENDA ITEM 9 – PUBLIC COMMENT

The Committee heard considerations for setting salary and incentive ranges for the Chief Investment Officer and Chief Financial Officer positions.

The meeting was adjourned at 12:03 p.m.

Prepared by: ANNIE MANOFF
Committee Secretary

The next Performance, Compensation and Talent Management Committee meeting is scheduled for September 25, 2018, in Sacramento, California.

Date: _____

DOUGLAS HOFFNER
Deputy Executive Officer
Operations and Technology