

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
PERFORMANCE, COMPENSATION & TALENT MANAGEMENT COMMITTEE**

**MEETING MINUTES
September 17, 2019**

The California Public Employees' Retirement System Board of Administration Performance, Compensation & Talent Management Committee met on Tuesday, September 17, 2019, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 2:22 p.m. and the following members were present:

Theresa Taylor, Chair
Eraina Ortega
Rob Feckner
Matthew Saha for Fiona Ma
Lisa Middleton
Stacie Olivares
Mona Pasquil Rogers

Other Board Member(s):

Margaret Brown
Henry Jones
David Miller
Jason Perez
Lynn Paquin for Betty Yee
Ramon Rubalcava

AGENDA ITEM 2 – TIMED AGENDA

On MOTION by Mona Pasquil Rogers, SECONDED by Lisa Middleton and CARRIED, the Committee approved the September 17, 2019 Performance, Compensation & Talent Management Committee Timed Agenda.

AGENDA ITEM 3 – EXECUTIVE REPORT

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

AGENDA ITEM 4 – ACTION CONSENT ITEMS

On MOTION by Rob Feckner, SECONDED by Mona Pasquil Rogers and CARRIED, the Committee approved the following action consent items:

- a. Approval of the June 18, 2019 Performance, Compensation & Talent Management Committee Meeting Minutes
- b. Proposed Revisions to Board's Compensation Policy for Executive and Investment Management Positions

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 next Performance, Compensation & Talent Management Committee Meeting

AGENDA ITEM 6a – REVIEW OF 2018-19 PERFORMANCE: CHIEF EXECUTIVE OFFICER

Tina Campbell presented the Review of 2018-19 Performance of the CEO as an action item.

On MOTION by Mona Pasquil Rogers, SECONDED by Rob Feckner and CARRIED, the Committee approved the CEO's incentive compensation of \$94,340.

On MOTION by Rob Feckner, SECONDED by Lisa Middleton and CARRIED, the Committee approved the CEO's 2019-20 base salary of \$337,334.

AGENDA ITEM 6b – REQUEST FOR PROPOSAL FOR THE BOARD'S PRIMARY COMPENSATION CONSULTANT

Tina Campbell presented this item to seek approval from the Board to begin the Request for Proposal process for a new contract for the Board's Primary Compensation Consultant.

On MOTION by Lisa Middleton, SECONDED by Stacie Olivares and CARRIED, the Committee approved the development, service categories, and selection process for a Primary Executive Compensation Consultant Request for Proposal.

AGENDA ITEM 6c – SALARY AND INCENTIVE RANGES FOR DEPUTY CHIEF INVESTMENT OFFICER AND GENERAL COUNSEL

Tina Campbell, Eric Gonzaga and Eric Myszka of Grant Thornton LLP presented this item to seek approval for the salary and incentive ranges for the Deputy Chief Investment Officer and the General Counsel positions.

On MOTION by Lisa Middleton, SECONDED by Mona Pasquil Rogers and CARRIED, the Committee approved a base salary range of \$339,900 - \$566,500 and an incentive range of 0-120% for the Deputy Chief Investment Officer position and a revised base salary range of \$225,000 - \$375,000 for the General Counsel position.

AGENDA ITEM 6d – LONG-TERM INCENTIVE PROGRAM DESIGN AND IMPLEMENTATION OF REVISED SALARY/INCENTIVE RANGES FOR INVESTMENT MANAGEMENT POSITIONS (SECOND READING)

Eric Gonzaga and Eric Myszka of Grant Thornton LLP presented a second reading on the design of a Long-Term Incentive Program, and information on the implementation of revised salary and incentive ranges for investment management positions.

On MOTION by Rob Feckner, SECONDED by Lisa Middleton and CARRIED, the Committee approved Option A for the Long-Term Incentive Program design for covered investment management positions in the Investment Office.

AGENDA ITEM 7a – SUMMARY OF COMMITTEE DIRECTION

The Chair directed team members to provide the Committee with a proposed organization chart, funding plan, and roles and responsibilities for the Deputy Chief Investment Officer position.

The Chair also directed team members to provide comparable compensation data for the Chief Executive Officer position.

AGENDA ITEM 7b – PUBLIC COMMENT

Public comment was made by Neal Johnson, SEIU Local 1000, on the collective bargaining process and impacts to the investment officer classifications.

The meeting of the Performance, Compensation & Talent Management Committee was adjourned at 3:26 p.m.

Prepared by: JERROLYN QUERAL
Committee Secretary

The next Performance, Compensation and Talent Management Committee meeting is scheduled for February 19, 2020, in Sacramento, California.

Date: _____

DOUGLAS HOFFNER
Chief Operating Officer
Operations and Technology