

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

PERFORMANCE, COMPENSATION & TALENT MANAGEMENT COMMITTEE

MINUTES OF MEETING

August 14, 2018

The California Public Employees' Retirement System Board of Administration Performance, Compensation & Talent Management Committee met on Tuesday, August 14, 2018, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:20 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
Rob Feckner
Steve Juarez for John Chiang
David Miller
Lynn Paquin for Betty Yee
Theresa Taylor

AGENDA ITEM 2 – TIMED AGENDA

On MOTION by Mr. Costigan, SECONDED by Ms. Hollinger and CARRIED, the Committee approved the August 14, 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. Jones, SECONDED by Ms. Mathur and CARRIED, the Committee approved the following action consent items:

- a. Approval of the June 19, 2018 Performance, Compensation & Talent Management Committee Meeting Minutes

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 6a – 2018-19 Incentive Metric Recommendations

Mr. Gonzaga of Grant Thornton, the Board’s primary compensation consultant, presented the item, and the Committee discussed options for revised incentive metrics for the 2018-19 incentive plan year.

On MOTION by Ms. Mathur, SECONDED by Ms. Hollinger and CARRIED, the Committee approved Option A for the Stakeholder Engagement incentive metric, to retain the existing survey questions and align scores with KPI average aspirations.

On MOTION by Ms. Mathur, SECONDED by Mr. Gillihan and CARRIED, the Committee approved Option A for the Enterprise Operational Effectiveness incentive metric, to exclude Board and Third-Party Costs.

The Committee made no changes to the remaining incentive metrics.

AGENDA ITEM 6b – 2018-19 Incentive Plan 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 the CEO’s 2018-19 incentive plan.

On MOTION by Ms. Mathur, SECONDED by Ms. Hollinger and CARRIED, the Committee approved Option A, to retain the current incentive plan structure for the CEO.

AGENDA ITEM 7a – SUMMARY OF COMMITTEE DIRECTION

No additional Committee Direction was given.

AGENDA ITEM 7b – PUBLIC COMMENT

The Committee heard public comment on the 2018-19 incentive metrics and CEO incentive plan from JJ Jelincic and Al Darby.

The meeting of the Performance, Compensation & Talent Management Committee was adjourned at 12:00 p.m.

Prepared by: JERROLYN QUERAL
Committee Secretary

The next Performance, Compensation and Talent Management Committee meeting is scheduled for November 14, 2018, in Sacramento, California.

Date: _____

DOUGLAS HOFFNER
Deputy Executive Officer
Operations and Technology