

**South Carolina Retirement System Investment Commission
Compensation Committee Meeting Minutes**

November 17, 2011

**Wampee Training and Conference Center
1274 Chicora Drive
Pinopolis, SC 29461**

Committee Members Present:

Mr. Allen Gillespie
Dr. Travis Pritchett
The Honorable Curtis M. Loftis, Jr.

Others present for all or a portion of the meeting on Thursday, November 17, 2011: Sarah Corbett, Robert Feinstein, Rebecca Gunnlaugsson, and Adam Jordan from RSIC; Tammy Nichols from SCRS; Bill Condon, Brian DeRoy, Rick Harmon, Bill Leidinger, and Shakun Tahiliani from the State Treasurer's Office ("STO"). Commissioners Reynolds Williams and Edward Giobbe attended the meeting as non-voting observers.

- I. **Call to Order** – Mr. Allen Gillespie called the meeting of the Commission's Compensation Committee ("Committee") to order. Mr. Gillespie temporarily relinquished the chair to Mr. Curtis M. Loftis, Jr. due to technical difficulties. Dr. Travis Pritchett made a motion to accept the Agenda as written, which was seconded by Mr. Gillespie and approved unanimously.

Mr. Gillespie resumed his duties as Chairman. Mr. Gillespie noted that he had asked Dr. Pritchett to serve on the Compensation Committee.

- II. **Compensation Committee Charter** – The Committee discussed the Committee's proposed charter. Mr. Gillespie noted that the charter was structured much like the charters for the Commission's other standing committees, and opened the floor to questions or comments. Dr. Pritchett asked for clarification regarding the purpose of the Committee. Mr. Gillespie explained that the primary purpose of the Committee was to address compensation structures and issues, with the assistance of a compensation consultant, and noted that an RFP needs to be issued to select this consultant. Dr. Pritchett then asked why the charter referred to "Investment Staff", rather than all RSIC staff. After discussion, the Committee agreed to delete the word "Investment" in Section II of the charter, entitled "Purpose of the Committee". Mr. Loftis stated that the document makes sense to him, and served its purpose. Mr. Gillespie asked if there were any further questions or comments.

Mr. Loftis made a motion to approve the Compensation Committee Charter, with the modification in Section II to include all RSIC staff. Dr. Pritchett seconded the motion, and it was approved unanimously.

III. Review and Approval of Compensation Consultant RFP Scope – Ms. Shakun Tahiliani (STO) indicated that a draft scope of services for the compensation consultant RFP had been developed, but noted that the format may change based on State Procurement formatting guidelines. Ms. Tahiliani added that the Committee’s direction was needed as to the proposed statement of the scope of services. Mr. Adam Jordan agreed, and explained that once the Committee adopts the scope statement, staff will proceed to work through the proper State procurement channels to get an RFP issued. Mr. Gillespie noted the use of the term “Investment Staff” rather than “Staff” in the document, and asked that a conforming change be made to the scope of services statement. He also suggested that the phrase “compensation levels and structures” should be used, rather than simply “compensation”. There was consensus that these changes should be incorporated.

Mr. Loftis requested guidance as to how the procurement process would unfold, and how closely the Committee will be working with State procurement officials. Mr. Jordan noted that while State procurement officials will oversee the procurement, the Committee will make the final decisions. Mr. Loftis asked if a timeframe was known for the process. Mr. Jordan indicated that there was not yet a specified timeline, but that State Procurement would be asked to expedite the process. Mr. Gillespie noted that the Committee would like information back by March 30, 2012 due to a request from a Senate Retirement Committee.

Mr. Gillespie said he was fine with the scope, as modified, and asked if there were any further comments. Mr. Feinstein requested clarification as to what entity was responsible for working with state procurement officials on the compensation consultant procurement. Mr. Gillespie stated that he assumed it would be RSIC staff. Mr. Loftis said he would like Ms. Tahiliani involved as well. Mr. Gillespie added that he believed that Mr. Jordan would be the staff person who would take the lead in working with State Procurement on this matter.

Mr. Loftis made a motion to approve the scope of services statement that had been presented, with the modifications noted by the Committee, which was seconded by Mr. Gillespie and approved unanimously.

Dr. Pritchett made a motion to have Mr. Jordan take the lead in working with State Procurement on the RFP for a compensation consultant. Mr. Gillespie seconded the motion and it was approved unanimously.

IV. Adjournment

There being no further business, the meeting was adjourned.

[Staff Note: In compliance with S.C. Code. Ann. §30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted at the entrance of the South Carolina Retirement System Investment Commission at 1201 Main Street, Suite 1510, Columbia, South Carolina, and were posted at the Wampee Training and Conference Center at 1274 Wampee Plantation Road, Pinopolis, South Carolina on November 15, 2011.]