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RETIREMENT SYSTEM INVESTMENT COMMISSION

1201 MAIN STREET, SUITE 1510, COLUMBIA, SC 29201

MICHAEL HITCHCOCK
CHIEF EXECUTIVE OFFICER

GEOFFREY BERG, CFA
CHIEF INVESTMENT OFFICER

AGENDA

FRIDAY, SEPTEMBER 15, 2017

RSIC Presentation Center

9:30 AM

Human Resources and Compensation Committee Meeting

- I. Call to Order & Adoption of Proposed Agenda
- II. Approval of Minutes (May 25, 2017)
- III. Human Resources Department Update
- IV. Review of the Human Resources and Compensation Committee Charter
- V. Executive Session to discuss personnel matters relating to the CEO performance review process and overview changes to RSIC Staff as well as receive legal advice pursuant to S.C. Code Ann. § 30-4-70(a)(1)-(2)
- VI. Potential actions resulting from Executive Session
- VII. Adjournment

NOTICE OF PUBLIC MEETING

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

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**South Carolina Retirement System Investment Commission
Human Resources and Compensation Committee Meeting
Minutes
May 25, 2017**

**Capitol Center
1201 Main Street, Suite 1510
Columbia, South Carolina 29201**

Committee Members Present:
Dr. Ronald Wilder, Chair
Dr. Rebecca Gunnlaugsson
Mr. Reynolds Williams (via telephone)

Others present for all or a portion of the meeting on Thursday, May 25, 2017: LaJoia Broughton, Betsy Burn, John Farmer, Mitchell Goldsmith, Michael Hitchcock, Tricia Miller, Brittany Storey, and Jose Tadeo from the South Carolina Retirement System Investment Commission (“RSIC”).

I. Call to Order & Adoption of Proposed Agenda

Chair Dr. Ronald Wilder called the meeting of the Human Resources (“HR”) and Compensation Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“Commission”) to order at 10:00 a.m. Dr. Gunnlaugsson made a motion, which was seconded by Mr. Reynolds Williams and passed unanimously, to adopt the agenda as presented.

II. Approval of Minutes (December 8, 2016)

Chair Wilder referred to the draft minutes from the December 8, 2016 Committee meeting and asked if there were any objections or corrections. Dr. Gunnlaugsson made a motion to adopt the minutes from the December 8, 2016 Committee meeting as presented. Mr. Williams seconded the motion, and it was unanimously approved.

III. Performance Management Software Update

Mr. John Farmer, HR Director, gave an overview of the rollout of RSIC’s new performance management software, Performance Pro. Mr. Farmer explained that one of the primary goals of Performance Pro is to encourage quarterly performance discussions between supervisors and employees. Mr. Michael Hitchcock, Chief Executive Officer, explained that the touchpoints should be informal meetings, such as discussions over coffee. Dr. Gunnlaugsson expressed concern about how the Leadership Team will ensure the meetings take place. Mr. Hitchcock responded that he is keeping his direct reports accountable. He also noted that year-end reviews are being scheduled and will probably take place in August of 2017. Mr. Hitchcock then introduced Ms. LaJoia Broughton who recently joined RSIC as the Director of External Communications.

IV. Executive Session

Dr. Gunnlaugsson made a motion at 10:11 a.m. to enter into Executive Session to discuss personnel matters and receive legal advice pursuant to S.C. Code Ann. § 30-4-70(a)(1)-(2). Mr. Williams seconded the motion, and it was unanimously approved. The Committee reconvened in open session at 10:57 a.m. Chair Wilder reported that the Committee met in

DRAFT

Executive Session to discuss personnel matters. He also reported that no action was taken during Executive Session.

V. Adjournment

There being no further business, Dr. Gunnlaugsson made a motion to adjourn. Mr. Williams seconded the motion, which passed unanimously.

[Staff Note: In compliance with S.C. Code Ann. Section 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, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C., at 11:32 a.m. on May 22, 2017.]

Human Resources and Compensation Committee

I. Definitions. For purposes of this charter, the following capitalized terms will have the defined meaning set forth below:

(A) “Commission” means the commission of seven members responsible for managing the South Carolina Retirement System Investment Commission, as specified in S.C. Code of Laws Ann. §9-16-315.

(B) “South Carolina Retirement System Investment Commission” or “RSIC” means the agency established by South Carolina law for the purpose of investing and managing all assets held in trust for the participants and beneficiaries of the state’s five separate defined benefit plans.

II. Purpose of the Committee. The Commission has established a Human Resources and Compensation Committee (“HR and Compensation Committee” or the “Committee”) to consider and make recommendations to the Commission concerning matters relating to the compensation of the RSIC staff and to provide oversight relating to human resources.

III. Primary Responsibilities

(A) Reviewing and making recommendations related to the RSIC’s Compensation Policy to ensure the RSIC can recruit and retain superior talent to satisfy the core mission of the Commission.

(B) Providing guidance and oversight to the human resources function.

(C) Receiving recommendations from the Director of Human Resources for human resources functional needs and changes as well as for RSIC staff development.

(D) Conducting or procuring a new peer compensation study at least every three years to assess the current level of RSIC staff compensation and make revisions to target salary ranges, as appropriate.

IV. Composition

(A) The Compensation Committee will consist of three members of the Commission.

(B) The Commission will appoint Committee members and the Committee Chair in accordance with the Committees Policy of the Commission.

V. Meetings

(A) The HR and Compensation Committee will provide guidance to staff on meeting

agendas, notices, and minutes in accordance with the Committees Policy of the Commission, the South Carolina Freedom of Information Act (“FOIA”), and all other applicable laws.

- (B) In the event a Commission member who is not a member of the HR and Compensation Committee attends a Compensation Committee meeting, he will not have voting rights and will not participate in discussions of the Compensation Committee.

VI. Authority. The Committee is empowered to:

- (A) Recommend to the Commission the retention of consultants or other resources needed by the Committee to carry out its primary responsibilities.
- (B) Meet with and seek information from the Commission, RSIC staff, consultants, and/or other subject matter specialists, as necessary to carry out its primary responsibilities.

VII. Reporting Responsibilities. Report to the Commission about Committee activities, issues, and related recommendations as appropriate.

VIII. Other Responsibilities

- (A) Perform other activities related to this charter as requested by the Commission.
- (B) Review and assess the adequacy of the Committee charter at least every three years, requesting Commission approval for proposed changes.
- (C) Confirm annually that all responsibilities outlined in this charter have been carried out.
- (D) Evaluate the Committee's and individual Committee member's performance on an annual basis.

Human Resource and Compensation Committee ("HRCC") Charter - Annual Review FY16-17

	FY16-17 Compliance			Comment/Explanation
	Yes	No	N/A	
Section III. Primary Responsibilities				
(A) Reviewing and making recommendations related to the RSIC's Compensation Policy to ensure the RSIC can recruit and retain superior talent to satisfy the core mission of the Commission.	X			During FY15-16, significant oversight was given by HRCC to update and implement RSIC's new Compensation Policy. During FY16-17, RSIC's HR Department continued to utilize the new Compensation Policy and sought HRCC guidance as needed or listened to HRCC guidance as given throughout the year.
(B) Providing guidance and oversight to the human resources function.	X			During FY16-17, the HR Department sought guidance from the HRCC members on oversight and direction of the Human Resources function and was available for input from HRCC members on the HR Department's direction.
(C) Receiving recommendations from the Director of Human Resources for human resources functional needs and changes as well as for RSIC staff development.	X			During FY16-17, the HR Department sought HRCC members' guidance on the CEO, CIO, and general employee evaluation processes.
(D) Conducting or procuring a new peer compensation study at least every three years to assess the current level of RSIC staff compensation and make revisions to target salary ranges, as appropriate.	X			The most recent search was conducted in 2015, and the current contract runs from May 2015 until May 2018.
Section IV. Composition				
(A) The Compensation Committee will consist of three members of the Commission.	X			HRCC is comprised of three members of the Commission.
(B) The Commission will appoint Committee members and the Committee Chair in accordance with the Committees Policy of the Commission.	X			On December 18, 2016, Dr. Ron Wilder was elected Chair of the HRCC.
Section V. Meetings				
(A) The HR and Compensation Committee will provide guidance to staff on meeting agendas, notices, and minutes in accordance with the Commission's Committees Policy, the South Carolina Freedom of Information Act ("FOIA"), and all other applicable laws.	X			The HR Department and the CEO frequently contacted HRCC members for their guidance on various topics.
(B) In the event a Commission member who is not a member of the HR and Compensation Committee attends a Compensation Committee meeting, he will not have voting rights and will not participate in discussions of the Compensation Committee.			X	No member of the Commission who is a non-HRCC member attended an HRCC meeting.
Section VII. Reporting Responsibilities				
Report to the Commission about Committee activities, issues, and related recommendations as appropriate.	X			
Section VIII. Other Responsibilities				
(A) Perform other activities related to this charter as requested by the Commission.			X	No other activities were requested of HRCC by the Commission beyond the responsibilities set out in the HRCC Charter.
(B) Review and assess the adequacy of the Committee charter at least every three years, requesting the Commission approval for proposed changes.	X			The Commission approved updates to the HRCC Charter on February 23, 2017.
(C) Confirm annually that all responsibilities outlined in this charter have been carried out.	X			This review will meet the requirement for FY16-17.
(D) Evaluate the Committee's and individual Committee member's performance on an annual basis.			X	The evaluation has not occurred during FY16-17, but the HR Department suggests discussion about incorporating the HRCC evaluation into the Commission evaluation process.