

**South Carolina Retirement System Investment Commission  
Human Resources and Compensation Committee Meeting  
Minutes  
February 13, 2019**

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

**Committee Members Present:**  
Dr. Ronald Wilder, Chair  
Dr. Rebecca Gunnlaugsson, Chair-Elect  
Mr. Edward Giobbe (via teleconference)

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**I. CALL TO ORDER AND 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 10:01 a.m. Dr. Rebecca Gunnlaugsson made a motion, which was seconded by Mr. Edward Giobbe and passed unanimously, to adopt the agenda as presented.

**II. APPROVAL OF MINUTES (AUGUST 30, 2018)**

Chair Wilder referred to the draft minutes from the August 30, 2018 Committee meeting and asked if there were any objections or corrections. Dr. Gunnlaugsson made a motion to adopt the minutes from the August 30, 2018 Committee meeting as presented. Mr. Giobbe seconded the motion, and it was unanimously approved.

**III. ELECTION OF COMMITTEE CHAIR**

Chair Wilder then stated that the Committee would need to elect a Committee Chair in light of Chair Wilder being named as Chair of the Commission. Mr. Giobbe moved to nominate Dr. Gunnlaugsson as Chair of the Committee. Chair Wilder asked if there were any further nominations. Seeing no objections, Chair Wilder asked for a vote to elect Dr. Gunnlaugsson as Chair of the Committee, and the vote passed unanimously. Chair Gunnlaugsson then assumed the role of Chair of the Committee.

**IV. HUMAN RESOURCES DEPARTMENT UPDATE**

Ms. Brittany Storey, HR Manager, gave an update to the Committee about recent Staff (“Staff”) changes at the South Carolina Retirement System Investment Commission (“RSIC”). Ms. Storey explained that the following individuals became members of Staff since the Committee’s last meeting: Ms. Michelle Kennedy, Director of Enterprise Risk Management and Compliance; and Ms. Mary Myers Walker, Administrative Assistant to the Chief Investment Officer. Ms. Storey noted that RSIC had no Staff departures since August 30, 2018. She then announced three promotions: Mr. Justin Young was promoted to Senior Investment Officer; Mr. Colin Bernier was promoted to Investment Officer; and Mr. Joshua Restauri was promoted to Associate Analyst.

Ms. Storey then referenced the Request for Proposal (“RFP”) for a Learning Management System (“LMS”) that Staff has been conducting. The RFP was issued on February 8, 2019, and responses are due on March 5, 2019. Dr. Wilder asked Ms. Storey to remind the Committee about the function of the LMS. Ms. Storey replied that the LMS is a software tool for training Staff on various finance-related topics and can also be used for continuing education credits for some certifications. Mr. Andrew Chernick, Chief Operating Officer, noted that the LMS’ courses are required material for RSIC’s Junior Analyst Program and are heavily used by RSIC interns.

Ms. Storey then referenced the Committee Charter’s (“Charter”) requirement that the Committee conduct a compensation study every three years. She informed the Committee that Staff is recommending that the Committee not conduct a full RFP for a compensation consultant at the current time. She stated that RSIC can contract with a vendor to receive compensation data as a sanity check on RSIC’s existing Compensation Policy. Mr. Mitchell Goldsmith, Legal Counsel, stated that the approach outlined by Ms. Storey would meet the requirements of the Committee’s Charter and be more cost efficient. The Committee voiced approval for this approach.

Ms. Storey then moved on to discuss updates to RSIC’s Succession Plan (“Succession Plan”). She stated that she had been working with the Executive Leadership Team, which consists of the Chief Executive Officer, the Chief Legal Officer, the Chief Investment Officer, and the Chief Operating Officer, to identify whether current Staff could be promoted as part of a succession plan or whether national searches would need to be conducted to fill positions as they become open. Mr. Chernick explained that the updates to the Succession Plan meet the recommendation for a succession plan review from the Funston Fiduciary Performance Audit Report. Dr. Wilder asked if the Succession Plan is only for executive level officers. Ms. Storey responded that the Succession Plan goes further than top level officers and that the Succession Plan, when finalized, will be made available to the Committee.

Mr. Chernick then turned to a discussion of the full-time employee (“FTE”) benchmarking report (“Report”) provided by CEM Benchmarking Inc. (“CEM”). He informed the Committee that, with 43 FTEs, RSIC comes close to but slightly under the benchmark of 46 FTEs for comparable plans. Mr. Chernick noted that the Report is best utilized as a planning tool particularly around what FTE changes could be needed in the event of an expected change in asset classes, change in implementation style, or growth in assets. The Committee then discussed the relative value of peer rankings, noting the difficulty of finding peers that mirror RSIC. Mr. Chernick stated that the Report also has value as a sanity check for RSIC’s staffing decisions. Then, Dr. Wilder asked Ms. Storey if she could provide updated biographies of Staff, and she agreed to do so.

## **V. EXECUTIVE SESSION**

Mr. Giobbe made a motion to recede into Executive Session to discuss personnel matters related to employee compensation and the Commission’s review of the CEO’s compensation, negotiations incident to proposed contractual arrangements, and receive legal advice pursuant to S.C. Code Ann. Section 30-4-70(a)(1)-(2). Chair Gunnlaugsson seconded the motion, which was unanimously approved.

## **VI. POTENTIAL ACTIONS RESULTING FROM EXECUTIVE SESSION**

Upon returning to open session, Chair Gunnlaugsson noted that the Committee met in Executive Session to discuss personnel matters related to employee compensation and the Commission's review of the CEO's compensation, negotiations incident to proposed contractual arrangements, and receive legal advice. She stated that no action was taken during Executive Session.

## **VII. ADJOURNMENT**

There being no further business, Mr. Giobbe made a motion to adjourn. Dr. Wilder seconded the motion, and it was approved 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 on February 12, 2019 at 8:26 a.m. at the entrance, in the lobbies, and near the 15<sup>th</sup> Floor Presentation Center at 1201 Main Street, Columbia, S.C.]