



Minutes of the PRIM Compensation Committee
Meeting on November 15, 2018

Meeting attendees:

- Michele A. Whitham, Esq., Chair
- Treasurer Deborah B. Goldberg
- Patrick E. Brock
- Robert L. Brousseau
- Joseph A. Connolly

The meeting of the PRIM Compensation Committee was called to order at 11:36 a.m.

I. Approval of the Minutes

The Compensation Committee approved (unanimously) the minutes of its April 30, 2018, meeting.

II. Executive Director's Report

Mr. Trotsky thanked the Committee for providing the tools necessary to help him build a great team here at PRIM and reminded them that the current PRIM team is often referred to as the best team PRIM has ever had. He said it is important that PRIM leadership "not ever get complacent."

III. Administration and Audit Committee Chair's Report on the Executive Director's Fiscal Year 2018 Performance Evaluation

Administration and Audit Committee Chair Robert Brousseau presented for the Committee a summary of the Board's August 14, 2018, evaluation of the Executive Director.

Mr. Brousseau indicated that the Executive Director's current evaluation is very similar to those of the last two, three, and four years. He mentioned that all of the 11 evaluations he received either gave Michael an "A plus," "outstanding," or "exceptional." He relayed remarks the Board and committee members had shared with him during the formal review of Mr. Trotsky earlier this year. Those assessments and observations included:

- "Innovation defines Michael and his team"
- "Relentless drive to innovate and to keep PRIM in a leadership position"
- "National recognition continues"
- "Great listener, open to new ideas"
- "Communicates well with the Board and committee members"
- "The accomplishments of the staff are a great reflection of the leadership at PRIM"
- "Highly respected internally, as well as externally"
- "Skilled"
- "Intelligent"
- "Thoughtful"
- "Mentor"

Treasurer Goldberg commented that she has a very productive and collaborative working relationship with the Executive Director and reminded the Committee that he also fills the role of Chief Investment Officer, and that while PRIM has achieved many of its goals, there is still much work to be done. She added that while there wasn't much change in the evaluation comments from prior years, much thought does go into the evaluation process, and the consistent positive feedback is a credit to the Executive Director/Chief Investment Officer's consistent outstanding performance.

IV. Executive Director's Fiscal Year 2018 Individual Performance Component (Voting Item)

Mr. Brousseau explained the Committee's responsibility to recommend to the Board the Executive Director/Chief Investment Officer's Individual Performance Incentive Multiplier for Fiscal Year 2018, based upon the evaluation that was discussed at the August 14, 2018 Board meeting.

Mr. Brousseau moved to set Mr. Trotsky's Individual Performance Incentive Multiplier at 1.0 for the fiscal year ended June 30, 2018, based on the Board's evaluation of his performance as "exceptional" and "outstanding."

The Compensation Committee voted (unanimously) to make a recommendation to the PRIM Board to set the Executive Director/Chief Investment Officer's Individual Performance Multiplier at 1.0.

V. Executive Director's Compensation (Voting Item)

Mr. Brousseau explained the Committee's responsibility to recommend to the Board the Executive Director/Chief Investment Officer's compensation. He noted that at its May 2018 meeting, the Board voted to approve updated salary ranges prepared and presented by PRIM's compensation consultant, McLagan, thereby establishing a new salary range for the Executive Director/Chief Investment Officer.

The Committee further discussed that:

- Under the Executive Director/Chief Investment Officer's leadership, the PRIT Fund has delivered very strong performance, both absolute and relative, delivering large positive investment returns significantly above benchmark.
- The Executive Director/Chief Investment Officer has recruited and retained a high-performing staff, replete with individuals having extensive experience and significant expertise.
- The Executive Director/Chief Investment Officer and his staff have earned national recognition for the performance, innovation and success of PRIM's investment program, for the transparency and completeness of its financial reporting, and for the success of its legal, client service and communications operations.
- The Executive Director/Chief Investment Officer continues to cultivate healthy and productive relationships with his staff and also with Board and committee members, investors/clients, beneficiaries, and other constituents and stakeholders.

The Committee members agreed that the performance, accomplishments, expertise and experience (nearly 30 years of investment experience) of the Executive Director/Chief Investment Officer requires that his annual salary should remain at the top quartile of the updated Board approved salary range.

Mr. Brousseau moved to increase Mr. Trotsky's salary by \$25,000, placing his salary at the 75th percentile of the updated salary range, and the Compensation Committee voted (unanimously) to do so and to make

a recommendation to the PRIM Board to set the Executive Director's compensation at the 75th percentile (\$495,000) of the Board approved salary range, effective December 1, 2018.

The meeting of the PRIM Compensation Committee adjourned at 11:55 a.m.

List of documents and exhibits used during the meeting:

Minutes of the PRIM Compensation Committee meeting of April 30, 2018

Draft Minutes of the Board's Fiscal Year 2018 Performance Evaluation of the Executive Director