

## MINUTES OF THE DECEMBER 2, 2016, COMPENSATION AND HUMAN RESOURCES COMMITTEE TELECONFERENCE MEETING

The Compensation and Human Resources Committee (“Committee”) of the Smithsonian Institution (“Smithsonian”) Board of Regents conducted a meeting on December 2, 2016. Participating were Committee Chair John Fahey; Committee members Ambassador Barbara Barrett; Senator John Boozman; and Board and Executive Committee Chair John W. McCarter, Jr.

Also present by invitation of the Committee were Secretary David Skorton; Associate Director of the Office of Human Resources (“OHR”) and Chief of Staff to the Secretary Greg Bettwy; Counselor to the Inspector General Evin Christensen; Director of OHR James Douglas; Senior Researcher & Writer for the Office of the Regents Jennifer Ehlinger (recorder); Liaison for Senator Boozman Toni-Marie Higgins; Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath; General Counsel Judith Leonard; Deputy Chief of Staff to the Regents Rachel Parker; and Chief of Staff to the Regents Porter Wilkinson.

### CALL TO ORDER

Committee Chair John Fahey called the meeting to order at 10:02 a.m. He welcomed the Committee members and participants joining the meeting by phone, and asked that Smithsonian staff go around the room to introduce themselves for the benefit of those participating by phone.

### APPROVAL OF MINUTES

Upon motion duly made and seconded, the draft minutes of the September 12, 2016, Committee meeting were approved without modification.

### 2017 COMPENSATION UPDATE

#### ***Advanced Payment of Award***

Associate Director for Human Resources and Chief of Staff to the Secretary Greg Bettwy reminded the Committee about their discussions in September, regarding the early approval of a performance award for a departing executive. Executives who depart prior to the performance award payout period are eligible to receive performance awards if their performance merits such recognition. The award goes through the normal review and approval process; however, review occurs earlier than normal in order to permit early payment prior to the employee’s departure.

Management has recommended that a departing executive be considered for a performance award, based on the individual's extraordinary achievements and service to the Smithsonian during their tenure. Management has also recommended early approval of the award due to the departure date of the executive who being considered for the award.

The Committee considered and further discussed the merits of the request and the amount of the award related to the compensation philosophies. Upon motion duly made and seconded, the Committee voted to approve the award, and additionally, voted to approve its early payment to the departing executive.

**VOTED** that the Compensation and Human Resources Committee approves management's request for a performance award for a departing executive. Further, the Committee approves of the early payment of that award.

### ***2017 Smithsonian Enterprises Incentives***

Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath updated the Committee on the general framework and implementation progress of the incentive program for Smithsonian Enterprises executives. He then reviewed the preliminary estimates of maximum total cash levels for certain executives for fiscal year 2016. The Committee will be provided with final figures during its formal review in January 2017.

### ***2017 Comparable Process***

Mr. Bettwy updated the Committee on the work of the Smithsonian's Compensation Consultant Pearl Meyer with regard to their recommended approach for determining comparable compensation for Trust executive positions. Since August, Pearl Meyer has been working to gather the appropriate compensation data, using the framework approved by the Committee at its September meeting. Mr. Bettwy informed the Committee that Pearl Meyer is on track to deliver the compensation data in early December, which will allow for improved compensation materials to be provided to the Committee for its formal review in January.

## **ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at approximately 10:13 a.m.

Respectfully submitted,

John Fahey  
Chair