



University of Pittsburgh

**Board of Trustees
Compensation Committee
Public Meeting
December 21, 2022
1:30 p.m. – 1:45 p.m.**

Agenda

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| I. Welcome and Approval of Minutes of the February 25, 2022 Public Meeting | Browning |
| II. Officer Compensation for Calendar Year 2023 | Browning |
| A. Compensation Recommendations for University Officers | Gallagher |
| B. Compensation Recommendation for the University's Chancellor and Chief Executive Officer | Browning |
| III. New Business/Adjournment | Browning |

Approval of Minutes of the February 25, 2022 Public Meeting

**MINUTES OF THE PUBLIC MEETING
OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF PITTSBURGH**

February 25, 2022

Committee Members Present

Mary Ellen Callahan, Vice Chair of the Board of Trustees
Louis R. Cestello, Vice Chair of the Board of Trustees
Patricia D. Horoho
William K. Lieberman
Larry J. Merlo
Herbert S. Shear
Marna C. Whittington

University Staff Present

Patrick Gallagher, Chancellor and Chief Executive Officer
Rosalynd Jones, Secretary of the Board of Trustees
Geovette Washington, Committee Liaison, and Senior Vice Chancellor and Chief Legal Officer

A public meeting of the Compensation Committee of the Board of Trustees was held on Friday, February 25, 2022 at 2:00 p.m. Due to the ongoing COVID-19 pandemic, the meeting was held remotely.

Welcome. Vice Chairperson Mary Ellen Callahan chaired the meeting and convened the public meeting of the Compensation Committee. She stated that the meeting had been duly advertised as a public meeting in accordance with the Sunshine Act and was therefore, open to members of the public as observers. A quorum was present for the transaction of business.

Resolution Approving the Salary of the Chief Investment Officer. At the request of Vice Chairperson Callahan, Chancellor Patrick Gallagher provided the members of the Compensation Committee with his recommendation of compensation for the Chief Investment Officer, Jeffer Choudhry, whose election was approved by the Board earlier in the day during its Winter Meeting.

Chancellor Gallagher noted that the peer group used to benchmark compensation for the CIO position is a custom endowment-based peer group. In particular, he explained that the peer group is 28 universities whose endowment size is comparable to the University, with a median endowment of \$4.4 billion. Within that peer group, a total compensation package of \$1.467 million is in the 50th percentile and a package of \$1.84 million is in the 75th percentile. The Chancellor then explained that, with this benchmarking in mind, the proposed compensation package for Mr. Choudhry is a base annual salary of \$700,000 with eligibility for incentive payments with a target of seventy percent (70%) of base pay for each fiscal year, based on qualitative and quantitative factors, effective immediately. Assuming this package is approved, Mr. Choudhry will be eligible for compensation totaling \$1.4 million annualized or \$989,000 pro rata in FY22 and \$1.4 million in FY23 with a maximum take home pay of \$1.3 million and the remainder deferred.

Upon motion duly made and seconded, the Committee approved the Resolution of the Compensation Committee Approving the Compensation Package of the Chief Investment Officer. A copy of the Resolution is included as page 3 of these minutes.

New Business/Adjournment. There being no new business or any further discussion, Vice Chairperson Callahan adjourned the public meeting.

Attachments. A copy of the following document is filed with the official minutes of this meeting.

- Resolution

Geovette Washington,
Compensation Committee Liaison,
Senior Vice Chancellor and
Chief Legal Officer

These minutes were reviewed and approved
by the Compensation Committee at an
information meeting held on
_____, 2021.

Rosalyn E. Jones
Vice Chancellor and Secretary of the Board
of Trustees

**RESOLUTION OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
APPROVING THE COMPENSATION PACKAGE OF THE
CHIEF INVESTMENT OFFICER**

WHEREAS, the Compensation Committee of the Board of Trustees has been delegated authority and responsibility for, among other things, determining upon the recommendation of the Chancellor and Chief Executive Officer, the compensation of the officers of the University except for the assistant treasurers and associate and assistant secretaries; and

WHEREAS, the Chief Investment Officer is the executive responsible for the oversight and management of the University's Consolidated Endowment Fund; ensuring profitable sourcing, managing, and monitoring of asset portfolios; establishing clear investment goals and objectives; and implementing strategies to provide financial support for scholarships, financial aid, faculty positions, and research activities in support of the University's mission and vision now and for future generations of University stakeholders, including students, faculty and staff; and

WHEREAS, at the Meeting of the Board of Trustees on February 25, 2022, upon the recommendation of Vice Chairperson Mary Ellen Callahan and Chancellor Patrick Gallagher, the Board of Trustees elected Jeffer Choudhry to serve as Chief Investment Officer, effective immediately; now therefore be it

RESOLVED, that upon recommendation of the Chancellor and consistent with the University's Policy on Executive Compensation, the Compensation Committee hereby approves the Chief Investment Officer's base annual salary of \$700,000 with eligibility for incentive payments with a target of seventy percent (70%) of base pay for each fiscal year, based on qualitative and quantitative factors, effective immediately.

**Resolution of the Compensation Committee of the
Board of Trustees Approving Officer Compensation for
Calendar Year 2023**

**RESOLUTION OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
APPROVING OFFICER COMPENSATION FOR CALENDAR YEAR 2023**

WHEREAS, the Compensation Committee of the Board of Trustees has been delegated authority and responsibility for determining the compensation of (i) the Chancellor and Chief Executive Officer, and (ii) upon the recommendation of the Chancellor and Chief Executive Officer, the officers of the University, except for the assistant treasurers and associate and assistant secretaries; and

WHEREAS, at the September 23, 2022 Fall Meeting of the Board of Trustees, Chancellor Gallagher presented his annual report for Fiscal Year 2022, which, among other things, sets forth institutional accomplishments of the University; and

WHEREAS, in an executive session, the Chancellor reviewed the officers' individual performance during Fiscal Year 2022; and

WHEREAS, Chancellor Gallagher has recommended (i) salary increases of 4.25% for the officers who served in such positions during Fiscal Year 2022; and

WHEREAS, the Compensation Committee finds the recommendation made by the Chancellor as to the other officers to be acceptable and consistent with the compensation philosophy set forth in the *Policy on Executive Compensation* as initially approved by the Committee at its public meeting held on December 18, 2017; and

WHEREAS, Chancellor Gallagher has led the University through another remarkable year and is deserving of salary increase similar to that (i) as applied to the University's faculty and staff, and (ii) as recommended by the Chancellor for the other officers of the University; now therefore be it

RESOLVED, that the Compensation Committee of the Board of Trustees hereby approves a 4.25 % salary increase for the eligible officers of the University, and the base salaries for the eligible officers of the University, reflecting the aforementioned adjustment are as set forth below:

University Officer	2023 Base Salary
Patrick Gallagher <i>Chancellor and Chief Executive Officer</i>	\$698,202
Ann E. Cudd <i>Provost and Senior Vice Chancellor</i>	\$495,670
Anantha Shekhar <i>Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine</i>	\$1,042,500
Rob A. Rutenbar <i>Senior Vice Chancellor for Research</i>	\$441,946
Narahari Sastry <i>Senior Vice Chancellor and Chief Financial Officer</i>	\$415,723
David N. DeJong <i>Senior Vice Chancellor for Business and Operations</i>	\$427,425
Geovette E. Washington <i>Senior Vice Chancellor and Chief Legal Officer</i>	\$446,183
Rosalyn E. Jones <i>Vice Chancellor and Secretary of the Board of Trustees</i>	\$260,625
Jeffer Choudhry <i>Chief Investment Officer</i>	\$729,750
Paul Lawrence <i>Treasurer</i>	\$412,526

and be it further

RESOLVED, that this resolution supersedes all prior Compensation Committee resolutions regarding salary and executive benefits for University officers, and the Office of the Secretary is hereby authorized to take such action as may be necessary to effect the changes approved by this resolution; and be it further

RESOLVED, that the Compensation Committee of the Board of Trustees will report this action to the Board of Trustees.