

ATTACHMENT C

TRANSCRIPT OF MAY 15, 2013 BOARD MEETING

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
OPEN SESSION

ROBERT F. CARLSON AUDITORIUM
LINCOLN PLAZA NORTH
400 Q STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, MAY 15, 2013

9:02 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Mr. Rob Feckner, President
Dr. George Diehr, Vice President
Mr. Michael Bilbrey
Ms. Julie Chapman, represented by Mr. Howard Schwartz
Mr. John Chiang, represented by Mr. Terrence McGuire
Mr. Richard Costigan
Mr. J.J. Jelincic
Mr. Henry Jones
Mr. Bill Lockyer, represented by Mr. Grant Boyken
Ms. Priya Mathur (via teleconference)
Mr. Bill Slaton

STAFF:

Ms. Anne Stausboll, Chief Executive Officer
Ms. Ann Boynton, Deputy Executive Officer
Mr. Robert Glazier, Deputy Executive Officer
Mr. Douglas Hoffner, Deputy Executive Officer
Ms. Donna Lum, Deputy Executive Officer
Ms. Cheryl Eason, Chief Financial Officer
Ms. Janine Guillot, Chief Operating Investment Officer
Mr. Alan Milligan, Chief Actuary
Mr. Peter Mixon, General Counsel

A P P E A R A N C E S C O N T I N U E D

STAFF:

Ms. Kathleen Webb, Chief Officer for Risk, Compliance and Ethics

Ms. Ashley Lucas, Board Secretary

ALSO PRESENT:

Mr. Miguel Cordova, Service Employees International Union
Local 1000

Mr. Neal Johnson, Service Employees International Union
Local 100

Mr. Tom Lussier, Lussier, Gregor, Vienna & Associates
(via teleconference)

Mr. Harvey Robinson, Retired Public Employees Association

Mr. Chirag Shah, Shah & Associates
(via teleconference)

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CLOSED SESSION

11. In re: City of Stockton (U.S. Bankruptcy Court,
Eastern District of CA, No. 12-32118); In re:
City of San Bernardino (U.S. Bankruptcy Court,
Central District of CA, No. 2-BK-28006); and
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1 Priya Mathur?

2 BOARD MEMBER MATHUR: Yes.

3 BOARD SECRETARY LUCAS: Aye for Priya Mathur.

4 Bill Slaton?

5 BOARD MEMBER SLATON: Aye.

6 BOARD SECRETARY LUCAS: Aye for Bill Slaton.

7 PRESIDENT FECKNER: Thank you. Motion passes.

8 We're on Item 6, the ALJ decisions. A reminder
9 to the Board that Chirag Shah is on the line, if there are
10 any questions.

11 I call on Mr. Diehr.

12 VICE PRESIDENT DIEHR: I move to accept the
13 recommendations of our independent Board counsel and adopt
14 proposed decisions as Agenda Items 6a1 through 6a4 and
15 6a16 in their entirety as the Board's own decision.

16 PRESIDENT FECKNER: Is there a second?

17 BOARD MEMBER JONES: Second.

18 PRESIDENT FECKNER: It's been moved by Diehr
19 seconded by Jones that we take Item 6a1 through 4 and Item
20 6, and adopt them according to the report of our
21 administrative law independent counsel.

22 Any discussion on the motion?

23 Seeing none.

24 All in favor say aye?

25 (Ayes.)

1 PRESIDENT FECKNER: Please vote by -- I caught it
2 before George did.
3 (Laughter.)
4 PRESIDENT FECKNER: Please call the roll.
5 BOARD SECRETARY LUCAS: George Diehr?
6 VICE PRESIDENT DIEHR: Aye.
7 BOARD SECRETARY LUCAS: Aye for George Diehr.
8 Michael Bilbrey?
9 BOARD MEMBER BILBREY: Aye.
10 BOARD SECRETARY LUCAS: Aye for Michael Bilbrey.
11 Howard Schwartz?
12 ACTING BOARD MEMBER SCHWARTZ: Aye.
13 BOARD SECRETARY LUCAS: Aye for Howard Schwartz.
14 Terry McGuire?
15 ACTING BOARD MEMBER MCGUIRE: Aye.
16 BOARD SECRETARY LUCAS: Aye for Terry McGuire.
17 Richard Costigan?
18 BOARD MEMBER COSTIGAN: Aye.
19 BOARD SECRETARY LUCAS: Aye for Richard Costigan?
20 J.J. Jelincic?
21 BOARD MEMBER JELINCIC: Yes.
22 BOARD SECRETARY LUCAS: Yes for J.J. Jelincic.
23 Henry Jones?
24 BOARD MEMBER JONES: Aye.
25 BOARD SECRETARY LUCAS: Aye for Henry Jones.

1 Grant Boyken?

2 ACTING BOARD MEMBER BOYKEN: Aye.

3 BOARD SECRETARY LUCAS: Aye for Grant Boyken.

4 Priya Mathur?

5 BOARD MEMBER MATHUR: Yes.

6 BOARD SECRETARY LUCAS: Aye for Priya Mathur.

7 Bill Slaton?

8 BOARD MEMBER SLATON: Aye.

9 BOARD SECRETARY LUCAS: Aye for Bill Slaton.

10 PRESIDENT FECKNER: Thank you. Motion carries.

11 On to item 6a5. Mr. Diehr.

12 VICE PRESIDENT DIEHR: I move to accept the
13 recommendation of our independent Board counsel and reject
14 the proposed decision at Agenda Item 6a5, and refer the case
15 back to the Office of Administrative Hearings to take
16 additional evidence on the following two questions:

17 First, whether the holiday premium pay
18 constitutes 262 percent of the member's regular rate of
19 pay or 50 percent of the member's regular rate of pay;
20 and, two, whether the holiday premium pay constitutes one
21 layer of additional pay over and above the member's
22 regular rate of pay or two or more layers of additional
23 pay over and above the member's regular rate of pay?

24 BOARD MEMBER JONES: Second.

25 PRESIDENT FECKNER: On motion by Mr. Diehr

1 seconded by Mr. Jones.
2 Any discussion on the motion?
3 Seeing none.
4 Please call the roll.
5 BOARD SECRETARY LUCAS: George Diehr?
6 VICE PRESIDENT DIEHR: Aye.
7 BOARD SECRETARY LUCAS: Aye for George Diehr.
8 Michael Bilbrey?
9 BOARD MEMBER BILBREY: Aye.
10 BOARD SECRETARY LUCAS: Aye for Michael Bilbrey?
11 Howard Schwartz?
12 ACTING BOARD MEMBER SCHWARTZ: Aye.
13 BOARD SECRETARY LUCAS: Aye for Howard Schwartz.
14 Terry McGuire?
15 ACTING BOARD MEMBER MCGUIRE: Aye.
16 BOARD SECRETARY LUCAS: Aye for Terry McGuire?
17 Richard Costigan?
18 BOARD MEMBER COSTIGAN: Aye.
19 BOARD SECRETARY LUCAS: Aye for Richard Costigan?
20 J.J. Jelincic?
21 BOARD MEMBER JELINCIC: Aye.
22 BOARD SECRETARY LUCAS: Aye for J.J. Jelincic.
23 Henry Jones?
24 BOARD MEMBER JONES: Aye.
25 BOARD SECRETARY LUCAS: Aye for Henry Jones.

1 Grant Boyken?
2 ACTING BOARD MEMBER BOYKEN: Aye.
3 BOARD SECRETARY LUCAS: Aye for Grant Boyken.
4 Priya Mathur?
5 BOARD MEMBER MATHUR: Yes.
6 BOARD SECRETARY LUCAS: Aye for Priya Mathur.
7 Bill Slaton?
8 BOARD MEMBER SLATON: Aye.
9 BOARD SECRETARY LUCAS: Aye for Bill Slaton.
10 PRESIDENT FECKNER: Thank you. Motion carries.
11 Item -- thank you, Mr. Shah.
12 Item 7, Consent Items 7a, b, and c.
13 Seeing no requests to pull any of those off.
14 We will move forward to Item 8, Committee
15 Reports.
16 Item 8a, Investment Committee. For that I call
17 if the Chair, Mr. Jones.
18 BOARD MEMBER JONES: Thank you, Mr. President.
19 The Investment Committee met on May 13, 2013.
20 The Committee approved the adoption of a delegation
21 resolution to provide clarity regarding staff's authority
22 in the administration of the Opportunistic Program.
23 The Committee received presentations on the
24 quarterly performance and risk profile of the total fund.
25 Investment policy items including, one, the

1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Public Employees' Retirement System,
7 Board of Administration open session meeting was reported
8 in shorthand by me, James F. Peters, a Certified Shorthand
9 Reporter of the State of California.

10 That the said proceedings was taken before me, in
11 shorthand writing, and was thereafter transcribed, under
12 my direction, by computer-assisted transcription.

13 I further certify that I am not of counsel or
14 attorney for any of the parties to said meeting nor in any
15 way interested in the outcome of said meeting.

16 IN WITNESS WHEREOF, I have hereunto set my hand
17 this 21st day of May, 2013.

18
19
20 

21
22
23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
25 License No. 10063

5/21/2013
JPETERS 17:08:33
PM;