



## Meeting Summary

March 18, 2014

The Finance & Administration Committee met on March 18, 2014.

### **THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:**

- **AGENDA ITEM 5a – JUDGES RETIREMENT SYSTEM ACTUARIAL VALUATION**
  1. Approve the June 30, 2013 Judges' Retirement System Actuarial Valuation Report along with the change in assumptions as described in the report and the corresponding transmittal letter to the Governor and Legislature.
  2. Continue to encourage the Governor and Legislature to adopt an employer contribution schedule that includes advanced funding of the Judges' Retirement
  3. Adopt the use of new mortality assumptions in all affected member calculations effective as follows:
    - a. For service credit purchases under the "present value" method, the use of the new mortality assumptions will apply to all applications received on or after March 20, 2014.
    - b. For retirement applications, any application with a retirement date on or after March 20, 2014 will be subject to the new mortality assumptions.
  
- **AGENDA ITEM 5b – JUDGES II RETIREMENT SYSTEM ACTUARIAL VALUATION AND EMPLOYER AND EMPLOYEE CONTRIBUTION RATES**
  1. Approve the June 30, 2013 Judges' Retirement System II Actuarial Valuation Report along with the change in assumptions as outlined in the report, and the corresponding transmittal letter to the Governor and Legislature.
  2. Adopt the employer contribution rate of 24.615 percent for the period of July 1, 2014 through June 30, 2015 for the Judges' Retirement System II.
  3. Adopt the use of new mortality assumptions in all affected member calculations effective as follows:
    - a. For service credit purchases under the "present value" method, the use of the new mortality assumptions will apply to all applications received on or after March 20, 2014.
    - b. For retirement applications, any application with a retirement date on or after March 20, 2014 will be subject to the new mortality assumptions.

- AGENDA ITEM 5c – LEGISLATORS’ RETIREMENT SYSTEM ACTUARIAL VALUATION AND EMPLOYER AND EMPLOYEE CONTRIBUTION RATES
  1. Approve the June 30, 2013 Legislators’ Retirement System Actuarial Valuation Report along with the change in assumptions as outlined in the report and the corresponding transmittal letter to the Governor and the Legislature.
  2. Adopt the employer contribution rate of 42.257 percent of payroll for the period of July 1, 2014 through June 30, 2015 for the Legislators’ Retirement System.
  3. Adopt the use of new mortality assumptions in all affected member calculations effective as follows:
    - a. For service credit purchases under the “present value” method, the use of the new mortality assumptions will apply to all applications received on or after March 20, 2014.
    - b. For retirement applications, any application with a retirement date on or after March 20, 2014 will be subject to the new mortality assumptions.

- AGENDA ITEM 6a – REQUEST FOR PROPOSAL (RFP) FOR LEGISLATIVE REPRESENTATIVE: FINALISTS SELECTION

Approve that the Board select the top three proposers for the Federal Principal Legislative Representative as Finalists for interviews with the Board in April 2014, and

Approve the award of contracts to all three proposers for the Spring-Fed Pool, unless one of such firms is awarded the contract for the Principal Representative; in which case, approve the use of contracts to the other two proposers for the Spring-Fed Pool.

- AGENDA ITEM 6b – REVIEW OF THE FINANCE & ADMINISTRATION COMMITTEE DELEGATION

Recommend the proposed changes to the Finance & Administration Committee Delegation Resolution for Board consideration and approval at the April 2014 Board meeting.

- AGENDA ITEM 7a – FISCAL YEAR 2014-15 ANNUAL BUDGET PROPOSAL (FIRST READING)

Approve the California Public Employees’ Retirement System Fiscal Year 2014-15 Administrative Budget as a First Reading of \$1,865,105,000 and 2,727 positions; Enterprise Projects of \$27,908,000; Headquarters Building costs of \$32,632,000; Investment External Management Fees of \$1,016,500,000; and Third Party Administrator Fees of \$289,300,000.

Approve the transmittal of this agenda item to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2013, and to the Legislative Analyst's Office, Government Operations Agency, and the Office of the Legislative Counsel

**The Committee received reports on several topics including:**

The Committee received a report regarding the CalPERS 2014-2016 Business Plan.

The Committee also received an update on Business Intelligence.

**At this time I would like to share some highlights of what to expect at the April Finance & Administration Committee meeting:**

Staff will be presenting the second reading of the 2014-2016 Business Plan and the second reading of the 2014 – 2015 Annual Budget Proposal.

The Committee will be receiving information regarding Board Member Employer Reimbursements, Actuarial Valuation and Contribution Rates for the 1959 Survivor Benefit Program and the State and Schools, and administrative items as well, including the Semi-Annual Self-Funded Health Plans Report; Sustainability Report, and My CalPERS PIER Plus Report Update.

The next meeting of the Finance & Administration Committee is scheduled for April 15, 2014, in Sacramento, California.