


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
FINANCE & ADMINISTRATION COMMITTEE**

MINUTES OF MEETING

April 14, 2014



The Finance & Administration Committee met on April 14, 2014, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 2:15 p.m. and the following members were present:

Bill Slaton, Chair
Richard Costigan, Vice Chair
Richard Gillihan
Terry McGuire for John Chiang
George Diehr
Henry Jones
Robert Biegler, for Bill Lockyer

Other Board Member(s):

Rob Feckner
JJ Jelincic

AGENDA ITEM 2 - EXECUTIVE REPORT

Cheryl Eason, Chief Financial Officer, presented the oral report to the Committee as an information item.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

Ms. Eason, Chief Financial Officer, presented the Action Consent Items to the Committee for approval.

On **MOTION** by Richard Costigan, **SECONDED** and **CARRIED**, the Committee approved the Action Consent Items.

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 5a – BUSINESS PLANNING – 2014 – 2016 BUSINESS PLAN (SECOND READING)

Douglas Hoffner, Deputy Executive Officer, Operations and Technology, and Sabrina Stroud, Division Chief of Enterprise Strategy & Performance, presented the second reading of the CalPERS 2014-16 Business Plan to the Committee as an action item.

On **MOTION** by Robert Biegler, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the 2014-2016 Business Plan as a second reading.

AGENDA ITEM 6a – 2014 – 2015 ANNUAL BUDGET PROPOSAL (SECOND READING)

Cheryl Eason presented the first reading of the 2014-15 Annual Budget Proposal to the Committee as an action item.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended that the Board:

- (1) Approve the proposed CalPERS FY 2014-15 Administrative Budget of \$1,862,000,000 and 2,727 positions.
- (2) Approve the proposed Enterprise Projects of \$27,908,000.
- (3) Approve the proposed CalPERS Headquarters Building Account Budget of \$32,652,000.
- (4) Approve the proposed CalPERS Investment External Management Fees Budget of \$1,016,484,000.
- (5) Approve the proposed CalPERS Third Party Administrator Fees Budget of \$289,291,000.
- (6) Approve the transmittal of this agenda item to the appropriate parties as listed in the item.

AGENDA ITEM 7a – BOARD MEMBER EMPLOYER REIMBURSEMENT POLICY

Cheryl Eason presented the proposed policy on elected Board Member employer reimbursement as an action item.

On **MOTION** by Richard Costigan, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve the proposed elected Board Member Employer Reimbursement Policy.

AGENDA ITEM 7b – BOARD MEMBER EMPLOYER REIMBURSEMENTS

Cheryl Eason presented the proposed elected Board Member percentages of time to be spent on Board related duties for Fiscal Year 2014-15 as an action item.

On **MOTION** by Richard Costigan, **SECONDED** and **CARRIED**, the Committee recommended that the Board approve the proposed elected Board Member percentages of time to be spent on Board related duties.

AGENDA ITEM 8a – STATE AND SCHOOL ACTUARIAL VALUATION AND EMPLOYER CONTRIBUTION RATES

Alan Milligan, Chief Actuary, and Kelly Stern, Senior Actuary, presented the proposed valuation and contribution rates for the State and Schools to the Committee as an action item.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended that the Board adopt the employer contribution rates for State and Schools for the period July 1, 2013, to June 30, 2014, as detailed in the item.

ITEM 8b – CHANGES TO PENSION RISK POOLS AS A RESULT OF PENSION REFORM

Alan Milligan, and David Lamoureux, Deputy Chief Actuary, reviewed the recommendations as outlined in the item and informed the Board that they would be performing additional outreach to employer associations and that this item will be brought back to the Committee at the next meeting.

ITEM 9a – SEMI-ANNUAL SELF-FUNDED HEALTH PLANS REPORT

Gary McCollum, Senior Life Actuary, and James DeBenedetti, Assistant Division Chief in the Health Policy Research Division, presented the Semi-Annual Self-Funded Health Plans Report as an information item.

ITEM 9b – ANNUAL OPERATIONAL SUSTAINABILITY UPDATE

Kimberly A. Malm, Chief, Operations Support Services Division, presented the Sustainability Report to the Committee as an information item.

ITEM 9c – mylCalPERS PIER PLUS REPORT UPDATE

Cheryl Eason, presented the mylCalPERS Pier Plus Report Update as an information item.

AGENDA ITEM 10 - PUBLIC COMMENT

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 3:40 p.m.

The next Finance & Administration Committee meeting is scheduled for May 20, 2014, in Sacramento, California.

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER