


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

MINUTES OF MEETING

November 18, 2014



The Finance & Administration Committee met on November 18, 2014, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:32 a.m. and the following members were present:

Bill Slaton, Chair
Richard Costigan, Vice Chair
John Chiang, represented by Terrence McGuire
George Diehr
Richard Gillihan, represented by Ralph Cobb
Bill Lockyer, represented by Grant Boyken

Henry Jones was excused:

Other Board Member(s):

Priya Mathur
Dana Hollinger
J.J. 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

Cheryl 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 – DRAFT 2013-14 BASIC FINANCIAL STATEMENTS

Cheryl Eason, Chief Financial Officer, presented the Draft CalPERS 2013-14 Basic Financial Statements as an action item.

On MOTION by Richard Costigan, SECONDED and CARRIED, the Committee recommended the Board approve the Draft CalPERS 2013-14 CalPERS Basic Financial Statements.

AGENDA ITEM 5b – 2014-15 MID-YEAR BUDGET REVISIONS (FIRST READING)

Cheryl Eason, Chief Financial Officer, and Rose McAuliffe, Chief of Financial Planning Policy and Budgeting, presented the 2014-15 Mid-Year Budget Revisions (First Reading).

On MOTION by Richard Costigan, SECONDED and CARRIED, the Committee recommended the Board approve CalPERS Fiscal Year 2014-15 Mid-Year Total Budget of \$1,858,230,000 and 2727 positions, and the transmittal letter of this agenda item to the appropriate parties as listed in the item.

AGENDA ITEM 5c- AMENDED BOARD MEMBER EMPLOYER REIMBURSEMENT

Cheryl Eason, Chief Financial Officer, presented an amendment to the approved April 2014 Board Member Reimbursement to account for changes in duties for Board Member Priya Mathur.

On MOTION of George Diehr, SECONDED and CARRIED, the Committee recommended the Board approve the amended percentage of time to be spent on Board duties by Board Member Priya Mathur, effective October 15, 2014.

**AGENDA ITEM 6a – RETIREMENT POLICY FEDERAL REPRESENTATIVE:
SELECTION OF FINALISTS FOR INTERVIEW**

Danny Brown, Chief of Legislative Affairs, presented this item to prepare the Board to interview Finalists for the Retirement Representative contract in November 2014.

On MOTION of George Diehr, SECONDED and CARRIED, the Committee recommended the Board select the top three proposers for the Retirement Policy Federal Representative as Finalists for interviews with the CalPERS Board in December 2014.

**AGENDA ITEM 6b – INVESTMENT POLICY FEDERAL REPRESENTATIVE:
SELECTION OF FINALISTS FOR INTERVIEW**

Danny Brown, Chief of Legislative Affairs, presented this item to prepare the Board to interview Finalists for the Investment Representative contract in November 2014.

On MOTION of Grant Boyken, SECONDED and CARRIED, the Committee recommended the Board select the top two proposers for the Investment Policy Federal Representative as Finalists for interviews with the CalPERS Board in December 2014.

**AGENDA ITEM 7a – ASSET LIABILITY MANAGEMENT – FUNDING LEVELS
AND RISK REPORT**

Cheryl Eason, Chief Financial Officer, and Alan Milligan, Chief Actuary, presented this report to assist the CalPERS Board in assessing the funded status of the Public Employees Retirement System and its overall soundness and sustainability as an information item.

**AGENDA ITEM 8a – 2014 CalPERS BOARD OF ADMINISTRATION STATE,
SCHOOL, AND PUBLIC AGENCY ELECTIONS – SUMMARY OF RESULTS**

Kim Malm, Chief, Operations Support Services Division, presented the results and demographics of the 2014 State, School, and Public Agency Elections as an information item.

AGENDA ITEM 8b – SEMI-ANNUAL SELF-FUNDED HEALTH PLANS REPORT

Gary McCollum, Senior Life Actuary, presented the overall financial position of the Self-Funded Preferred Provider Organization to the Committee as an information item.

AGENDA ITEM 9a – TREASURY MANAGEMENT (LIQUIDITY) UPDATE

Cheryl Eason, Chief Financial Officer, presented an update on treasury management and liquidity issues as an information item.

AGENDA ITEM 9b – ANNUAL COST EFFICIENCY REPORT

Cheryl Eason, Chief Financial Officer, presented a summary of the savings realized and costs avoided due to efforts made by CalPERS over the last three years which totals \$176.1 million.

AGENDA ITEM 10 - PUBLIC COMMENT

The Committee received public comment from Neal Johnson, SEIU Local 1000.

The meeting of the Finance & Administration Committee was adjourned at 11:54 a.m.

The next Finance & Administration Committee meeting is scheduled for December 16, 2014, in Sacramento, California.

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER