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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
BOARD GOVERNANCE COMMITTEE**

**MEETING MINUTES  
JUNE 16, 2015**

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The Board Governance Committee was noticed for June 16, 2015, and met on May 19, 2015, in the Robert F. Carlson Auditorium, Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:47 a.m. and the following members were present:

Bill Slaton, Chair  
Richard Costigan, Vice Chair  
Michael Bilbrey  
Rob Feckner  
Dana Hollinger  
Henry Jones  
Ron Lind

Other Board Member(s) present:

Grant Boyken for John Chiang  
Richard Gillihan  
J.J. Jelincic  
Priya Mathur  
Theresa Taylor  
Betty Yee, also represented by Terrence McGuire

**AGENDA ITEM 2 – EXECUTIVE REPORT**

Matthew Jacobs, General Counsel, presented the oral report to the Committee as an information item.

**AGENDA ITEM 3 – CONSENT ITEMS**

On MOTION by Mr. Bilbrey, SECONDED by Mr. Lind and CARRIED, the following action consent items were approved as presented.

- a. Approval of May 19, 2015 Board Governance Committee Meeting Minutes.

**AGENDA ITEM 4 – CONSENT ITEMS**

The Committee accepted the following information consent items:

- a. Annual Calendar Review

## **AGENDA ITEM 5 – FACILITATED DISCUSSION OF ROLES AND RESPONSIBILITIES OF THE BOARD**

The Committee members participated in a facilitated discussion on CalPERS Governance roles and responsibilities of the Board.

## **AGENDA ITEM 6– FACILITATED DISCUSSION ON CONSULTANT SELECTION AND REPORTING**

At the June 16, 2015 Governance Committee, members discussed the Board’s relationship to and selection process for what have historically been called “Board consultants.” In the current governance documents, the Board has retained authority to select these consultants. The following represents what we believe to be the consensus reached during the discussion.

- In order to fulfill its fiduciary duty the Board wishes to retain and maintain an independent relationship with the following consultants:
  - Fiduciary Counsel
  - Independent Auditor
  - Independent Actuary
  - Executive Compensation Consultant
  - Independent Counsel for Administrative Appeal (OAH) Matters
  - Investment Consultants
  - Executive Search Firm for CEO and CIO recruitments

As an aspect of the independent relationship, the Board maintains the authority to make the selection decision for these consultants. The details of the process for each selection will be determined on a case by case basis.

- Going forward, the Board will delegate the selection of the federal representatives to staff. Given the visibility of this function the Board continues to desire to receive periodic direct reports from the federal representatives.
- Although the Board does not require an independent relationship with third party contractors such as the health plans, the long term care administrator, and administrative services related to the self-funded health plans, it wishes to retain authority over the selection of these contractors. The details of the selection process for these contractors will be determined on a case by case basis.

Based on the consensus reached, staff will prepare revised delegation and governance documents for the Board's consideration.

**AGENDA ITEM 7 – PUBLIC COMMENT**

There was no public comment.

The meeting of the Board Governance Committee was adjourned at 11:19 a.m.

Date: \_\_\_\_\_

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MATTHEW G. JACOBS  
General Counsel