


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

MINUTES OF MEETING

November 17, 2015



The Finance & Administration Committee met on November 17, 2015, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:00 a.m. and the following members were present:

Richard Costigan, Chair
Dana Hollinger, Vice Chair
Richard Gillihan
JJ Jelincic
Henry Jones
Bill Slaton
Betty Yee

Other Board Member(s):

Rob Feckner
Grant Boyken for John Chiang
Ron Lind
Teresa Taylor
Priya Mathur

AGENDA ITEM 2 - EXECUTIVE REPORT

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

Ms. Eason requested that information Item 8a, Annual Review of Funding Levels and Risks Report, be heard prior to action Item 6a, Funding Risk Mitigation Policy.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

The Committee accepted the Action Consent Items as presented.

On **MOTION** by Henry Jones, **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.

Item 4b, 2016 Annual Calendar Review, required a correction to the February item regarding Notice of Election for discussion by JJ Jelincic.

AGENDA ITEM 5a – DRAFT 2014-15 BASIC FINANCIAL STATEMENTS

Cheryl Eason, Chief Financial Officer and Kristin Montgomery, Controller, presented the Draft 2014-15 Basic Financial Statements.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Draft 2014-15 Basic Financial Statements.

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

Ms. Eason presented the 2014-15 Mid-Year Budget Revisions (First Reading).

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the 2014-15 Mid-Year Budget Revisions (First Reading).

AGENDA ITEM 8a – ANNUAL REVIEW OF FUNDING LEVELS AND RISKS REPORT

Alan Milligan, Chief Actuary, Ms. Eason, and Theodore Eliopoulos, Chief Investment Officer, presented the Annual Review of Funding Levels and Risks Report as an information item.

AGENDA ITEM 6a – FUNDING RISK MITIGATION POLICY (SECOND READING)

Ms. Eason, Mr. Milligan, and Mr. Eliopoulos, presented the Funding Risk Mitigation Policy (Second Reading).

Public comment was received regarding Agenda Item 6a, Funding Risk Mitigation Policy (Second Reading), from Eric Stern, California Department of Finance, Christy Bouma, California Professional Fire Fighters, Jai Sookprasert, California School Employees Association, and Neal Johnson, SEIU.

On **MOTION** by Richard Gillihan, **SECONDED** and **FAILED**, the Committee recommended the Board approve the 6.5% discount rate.

On **MOTION** by Betty Yee, **SECONDED**, the Committee recommended the Board approve the Funding Risk Mitigation Policy at the 4% Threshold.

On substitute **MOTION** by Bill Slaton, **SECONDED**, the Committee recommended the Board approve the Funding Risk Mitigation Policy at the 2% Threshold.

An electronic vote was taken:

Richard Gillihan	YES
JJ Jelincic	NO
Henry Jones	NO
Bill Slaton	YES
Betty Yee	NO
Dana Hollinger	YES
Richard Costigan	YES

Final vote was 4 YES, 3 NO. Motion **PASSED**.

AGENDA ITEM 7a – LONG-TERM CARE VALUATION REPORT

Alan Milligan, Chief Actuary and Flora Hu, Senior Life Actuary, Actuarial Office, presented the Long-Term Care Valuation Report.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Long-Term Care Valuation Report.

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

Doug McKeever, Deputy Executive Officer, Benefit Program Policy and Planning, and Gary McCollum, Senior Life Actuary, Actuarial Office, presented the Semi-Annual Self-Funded Health Plans Report as an information item.

AGENDA ITEM 9b – ANNUAL COST EFFICIENCY AND EFFECTIVENESS REPORT

Cheryl Eason, Chief Financial Officer, presented the Annual Cost Efficiency and Effectiveness Report as an informational item.

AGENDA ITEM 9c – mylCaPERS FUNCTIONAL OPTIMIZATION UPDATE

Donna Ramel Lum, Deputy Executive Officer, Customer Service and Support, and Liana Bailey-Crimmins, Chief Information Officer, Information Technology Services, presented mylCaPERS Functional Optimization Update as an informational item.

AGENDA ITEM 10a – SERVICE CREDIT INSTALLMENT PAYMENT RESUMPTION

Donna Ramel Lum, Deputy Executive Officer, Customer Service and Support, presented the Service Credit Installment Payment Resumption as an information item.

SUMMARY OF COMMITTEE DIRECTION

No Committee Direction.

AGENDA ITEM 7 - PUBLIC COMMENT

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 10:09 a.m.

The next Finance & Administration Committee meeting is scheduled for December 15, 2015, in Sacramento, California.

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER