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

**MINUTES OF MEETING**

**April 19, 2016**

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The Finance & Administration Committee met on April 19, 2016, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:03 p.m. and the following members were present:

Richard Costigan, Chair  
Dana Hollinger, Vice Chair  
Ralph Cobb for Richard Gillihan  
JJ Jelincic  
Henry Jones  
Bill Slaton  
Lynn Paquin for Betty Yee

Other Board Member(s):

Eric Lawyer for John Chiang

**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 presented the Action Consent Items to the Committee for approval.

The Chair directed for item 3b Semi-Annual Contracting Prospective Report be pulled for discussion at the end of committee.

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.

#### **AGENDA ITEM 5a – 2016-17 ANNUAL BUDGET PROPOSAL (SECOND READING)**

Cheryl Eason, Chief Financial Officer, presented the 2016-17 Annual Budget Proposal (Second Reading).

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve, with the addition of \$500,000 for the outcomes of the work-related to the tobacco divestment initiative, the 2016-17 Annual Budget Proposal (Second Reading).

JJ Jelincic voted NO.

#### **AGENDA ITEM 6a – TREASURY MANAGEMENT POLICY REVIEW (SECOND READING)**

Ms. Eason presented the Treasury Management Policy Review (Second Reading).

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve, with amended language to include the Investment Committee update on all borrowed liquidity actions through the monthly performance and risk report, the Treasury Management Policy Review (Second Reading).

#### **AGENDA ITEM 7a – ANNUAL REVIEW OF BOARD MEMBER EMPLOYER REIMBURSEMENTS**

Ms. Eason presented the Annual Review of Board Member Employer Reimbursements.

On **MOTION** by Bill Slaton, **SECONDED** and **CARRIED**, the Committee recommended the Board approve, the Annual Review of Board Member Employer Reimbursements.

**AGENDA ITEM 8a – STATE ACTUARIAL VALUATION AND EMPLOYER/EMPLOYEE CONTRIBUTION RATES**

Alan Milligan, Chief Actuary and Kelly Sturm, Senior Pension Actuary, presented the State Actuarial Valuation and Employer/Employee Contribution Rates.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the State Actuarial Valuation and Employer/Employee Contribution Rates.

Public comment was received from Neal Johnson, SEIU.

**AGENDA ITEM 8b – SCHOOLS ACTUARIAL VALUATION AND EMPLOYER/EMPLOYEE CONTRIBUTION RATES**

Alan Milligan, Chief Actuary and Todd Tauzer, Senior Pension Actuary, presented the Schools Actuarial Valuation and Employer/Employee Contribution Rates.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Schools Actuarial Valuation and Employer/Employee Contribution Rates.

**AGENDA ITEM 8c – REVIEW OF ACTUARIAL COST METHOD POLICY AND AMORTIZATION POLICY (SECOND READING)**

Mr. Milligan and Scott Terando, Interim Deputy Chief Actuary, presented the Review of Actuarial Cost Method Policy and Amortization Policy (Second Reading).

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Review of Actuarial Cost Method Policy and Amortization Policy (Second Reading).

**AGENDA ITEM 9a – REVIEW OF ACTUARIAL ASSUMPTION POLICY (FIRST READING)**

Mr. Milligan and Mr. Terando presented the Review of Actuarial Assumption Policy (First Reading), as an Information Item.

**AGENDA ITEM 10a – SEMI-ANNUAL SELF-FUNDED HEALTH PLANS REPORT**

Doug McKeever, Deputy Executive Officer, Benefit Programs Policy and Planning, and Gary McCollum, Senior Life Actuary, presented the Semi-Annual Self-Funded Health Plans Report, as an Information Item.

**AGENDA ITEM 10b – FINAL UPDATE ON STAKEHOLDER ASSESSMENT PROJECT**

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholders Relations, presented the Final Update on Stakeholder Assessment, as an Information Item.

**AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION**

No Committee Direction.

**AGENDA ITEM 12 – PUBLIC COMMENT**

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 2:11 p.m.

The next Finance & Administration Committee meeting is scheduled for August 16, 2016, in Sacramento, California.

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

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CHERYL EASON  
CHIEF FINANCIAL OFFICER