



California Public Employees' Retirement System  
P.O. Box 942701  
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[www.calpers.ca.gov](http://www.calpers.ca.gov)

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Special:

## Circular Letter

November 4, 2016

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS  
AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION AND  
ITS COMMITTEES

The Board of Administration of the California Public Employees' Retirement System (CalPERS) and its committees will meet on November 14 through 16, 2016. The meetings will be held in the CalPERS auditorium located in Lincoln Plaza North, 400 Q Street, Sacramento, California, unless otherwise noted.

Copies of the agendas for the meetings are attached. This notice and the agendas are also available on our website, [www.calpers.ca.gov](http://www.calpers.ca.gov).

The estimated start times for each meeting are set forth below. In some cases, a portion of the meeting may be held in closed session. Please refer to the attached agendas for additional information.

### **Monday, November 14, 2016**

8:30 a.m. Board of Administration (*Closed Session Only*)  
8:45 a.m. Investment Committee (*Closed Session Only*)  
9:00 a.m. Investment Committee

### **Tuesday, November 15, 2016**

9:00 a.m. Pension and Health Benefits Committee  
11:00 a.m. Performance, Compensation & Talent Management  
Committee (*Closed Session Only*)  
11:30 a.m. Performance, Compensation & Talent Management Committee  
2:00 p.m. Finance & Administration Committee  
3:00 p.m. Risk & Audit Committee

### **Wednesday, November 16, 2016**

8:00 a.m. Board of Administration (*Closed Session Only*)  
9:00 a.m. Board of Administration

Live broadcasts of open session meetings of the Board and its committees are available for viewing at [www.calpers.ca.gov](http://www.calpers.ca.gov). Please refer to the website for information on attending meetings and presenting public comment.

The meeting facilities are accessible to persons with disabilities. Requests for disability-related modification or accommodation require a minimum of 72 hours' notice and may be requested by calling (916) 795-3065 (voice or TTY).

Questions regarding the meetings may be referred to Cheree Swedensky at (916) 795-3128 or [cheree.swedensky@calpers.ca.gov](mailto:cheree.swedensky@calpers.ca.gov).

MARCIE FROST  
Chief Executive Officer

Attachment



# Board of Administration Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 14, 2016**  
8:30 am

## **BOARD MEMBERS**

Rob Feckner, President  
Henry Jones, Vice President  
Michael Bilbrey  
John Chiang  
Richard Costigan

Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Closed Session**  
8:30 am

1. Chief Executive Officer's Briefing on Performance, Employment, and Personnel Items  
**(Government Code sections 11126 (a)(1), (e), and (g)(1))**

### **Notes**

- 1) Items designated for Information are appropriate for Committee Action if the Committee wishes to take action. Any Agenda Item from a properly noticed Committee meeting, held immediately prior to this Board meeting, may be considered by the Board.
- 2) The hour designated as the earliest starting time for this meeting is not intended to communicate the expected duration (or ending time) of the preceding meeting.
- 3) Public comment may be taken on any agenda item. There is a three-minute limitation on each public comment, unless otherwise directed by the Committee Chair.



# Investment Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 14, 2016**  
9:00 am  
Or upon adjournment of the  
Board Closed Session — Whichever is later

## COMMITTEE MEMBERS

Henry Jones, Chair  
Bill Slaton, Vice Chair  
Michael Bilbrey  
John Chiang  
Richard Costigan

Rob Feckner  
Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind

Priya Mathur  
Theresa Taylor  
Betty Yee

## AGENDA

**Closed Session**  
8:45 am

Or Upon Adjournment or Recess of Board Closed Session,  
Whichever is Later

1. Chief Investment Officer's Briefing on Market and Personnel Items  
**(Government Code sections 11126(a)(1) and 11126(c)(16))**

**Open Session**  
9:00 am

Or Upon Adjournment or Recess of Closed Session,  
Whichever is Later

1. Call to Order and Roll Call
2. Executive Report – Chief Investment Officer Briefing
3. Consent Items

### Action Consent Items:

- a. Approval of the September 19, 2016 Investment Committee Meeting Minutes

4. Consent Items

### Information Consent Items:

- a. Annual Calendar Review
- b. Draft Agenda for the December 19, 2016 Investment Committee Meeting
- c. Monthly Update – Performance and Risk

Ted Eliopoulos  
Ted Eliopoulos

Ted Eliopoulos



- d. Monthly Update – Investment Compliance
- e. Federal Investment Policy Representative Update

**Action Agenda Items**

- 5. Total Fund
  - a. California Public Divest from Iran Act
- 6. Legislation
  - a. State Legislative Proposal: Authorized Collateral for Security Loan Agreements

Kit Crocker

Mary Anne Ashley  
Wylie Tollette

**Information Agenda Items**

- 7. Legislation
  - a. Annual Review of the Legislative and Policy Engagement Guidelines – First Reading
- 8. Program Reviews
  - a. Private Equity Annual Program Review
  - b. Consultant Review of the Private Equity Program
  - c. Real Assets Annual Program Review
  - d. Consultant Review of the Real Assets Program

Mary Anne Ashley  
Wylie Tollette

Réal Desrochers

Michael Moy,  
Andrew Bratt  
Pension Consulting Alliance

Paul Mouchakkaa

David Glickman,  
Christy Fields,  
Dillon Lorda,  
Pension Consulting Alliance

Andrew Junkin,  
Wilshire Associates Consulting

David Altshuler,  
StepStone

Ted Eliopoulos

- 9. Summary of Committee Direction
- 10. Public Comment

**Closed Session**

Upon Adjournment or Recess of Open Session  
(Government Code sections 11126(a)(1), (c)(16) and (e))

- Ted Eliopoulos
  - 1. Call to Order and Roll Call
  - 2. Consent Items
    - Action Consent Items:**
      - a. Approval of the September 19, 2016 Investment Committee Closed Session Minutes
- Ted Eliopoulos
  - 3. Consent Items
    - Information Consent Items:**
      - a. Closed Session Activity Reports
        - 1) Status of Action Items Not Yet Reported
        - 2) Items Completed Under Delegated Authority
        - 3) Disclosure of Placement Agent Fees: Proposed Investments
        - 4) Investment Proposal Status Reports
    - Information Agenda Items**
- Kit Crocker
  - 4. Total Fund
    - a. California Public Divest from Iran Act
  - 5. External Manager and Investment Decision Updates
    - a. Private Equity
    - b. Real Assets
    - c. Global Equity
    - d. Global Fixed Income Programs
    - e. Opportunistic
    - f. Asset Allocation
- Réal Desrochers
- Paul Mouchakkaa
- Dan Bienvenue
- Curtis Ishii
- Ted Eliopoulos
- Eric Baggesen
- Ted Eliopoulos
  - 6. Chief Investment Officer – Personnel, Employment and Performance

**Notes**

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- 4) Board Members may attend meetings of committees of which they are not members and participate in the discussions during those meetings.



# Pension and Health Benefits Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street, Sacramento, CA

**November 15, 2016**  
9:00 am

## **COMMITTEE MEMBERS**

Priya Mathur, Chair  
Michael Bilbrey, Vice Chair  
John Chiang  
Rob Feckner  
Richard Gillihan

Dana Hollinger  
Henry Jones  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Open Session**  
9:00 am

Doug McKeever

Doug McKeever

Doug McKeever

1. Call to Order and Roll Call
2. Executive Report(s)
3. Consent Items

### **Action Consent Items:**

- a. Approval of the September 20, 2016, Pension and Health Benefits Committee Meeting Minutes

4. Consent Items

### **Information Consent Items:**

- a. Annual Calendar Review
- b. Draft Agenda for December 20, 2016, Pension and Health Benefits Committee Meeting
- c. Federal Health Care Policy Representatives Update
- d. Federal Retirement Policy Representatives Update

### Action Agenda Items

Mary Anne Ashley

5. State Legislative Proposal: Policy and Technical Amendments to the Public Employee's Retirement Law

### Information Agenda Items

Mary Anne Ashley

6. Annual Review of the Legislative and Policy Engagement Guidelines – First Reading
7. Customer Services and Support Performance Update
8. Pharmacy Benefit Manager Transition
9. Summary of Committee Direction
10. Public Comment

Donna Lum  
Anthony Suine  
Kathy Donneson  
Victoria Eberle  
Doug McKeever

### Closed Session

Upon Adjournment or Recess of Open Session  
**(Government Code Section 11126(c)(17))**

Shari Little

1. Call to Order and Roll Call
2. Health Plan Historical Financial Report for Rate Negotiations

### Notes

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# Performance, Compensation & Talent Management Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 15, 2016**  
11:00 am  
Or upon adjournment of the  
Pension & Health Benefits Committee —  
Whichever is later

## COMMITTEE MEMBERS

Michael Bilbrey, Chair  
Priya Mathur, Vice Chair  
John Chiang  
Richard Costigan

Richard Gillihan  
Ron Lind  
Theresa Taylor

## AGENDA

**Closed Session**  
11:00 am

Or upon adjournment of the Pension & Health Benefits  
Committee — Whichever is later  
**(Government Code sections 11126(a)(1) and (g)(1))**

1. Call to Order and Roll Call

### Action Agenda Items

- |               |  |
|---------------|--|
| Tina Campbell | 2. Approval of the March 15, 2016 Performance, Compensation & Talent Management Committee Closed Session Meeting Minutes |
| Tina Campbell | 3. Review of 2015-16 Performance: Former Chief Executive Officer   |
| Tina Campbell | 4. Review of 2015-16 Performance: Chief Investment Officer   |

### Information Agenda Items

- |               |  |
|---------------|--|
| Tina Campbell | 5. Review of 2015-16 Performance: Chief Actuary, General Counsel and Chief Financial Officer   |
| Tina Campbell | 6. Chief Executive Officer's Report of 2015-16 Performance: Chief Operating Investment Officer, Managing Investment Directors, Investment Directors, and Investment Managers |
| Marcie Frost  | 7. 2016-17 Performance Plan of the Chief Executive Officer   |

**Open Session**  
11:30 am

Or Upon Adjournment of the Closed Session,  
Whichever is Later

Doug Hoffner

1. Call to Order and Roll Call

Doug Hoffner

2. Executive Report

3. Consent Items

**Action Consent Items:**

- a. Approval of the August 16, 2016  
Performance, Compensation & Talent Management  
Committee Meeting Minutes

Doug Hoffner

4. Consent Items

**Information Consent Items:**

- a. Annual Calendar Review
- b. Draft Agenda for the February 14, 2017  
Performance, Compensation & Talent Management  
Committee Meeting

**Action Agenda Items**

Tina Campbell

5. 2016-17 Performance Plan of the Chief Executive Officer

**Information Agenda Items**

Tina Campbell,  
Doug McKeever

6. Organizational Health Index (OHI) Survey Update

Doug Hoffner

7. Risk Profile Review

Tina Campbell

8. Workforce Strategic Plan Annual Report

Doug Hoffner

9. Summary of Committee Direction

10. Public Comment

**Notes**

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# Finance and Administration Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P. Street  
Sacramento, CA

**November 15, 2016**  
2:00 pm

Or upon adjournment of the  
Performance, Compensation & Talent Management  
Committee — Whichever is later

## COMMITTEE MEMBERS

Richard Costigan, Chair  
Dana Hollinger, Vice Chair  
Richard Gillihan  
JJ Jelincic  
Henry Jones

Bill Slaton  
Betty Yee

## AGENDA

**Open Session**  
2:00 pm

Or Upon Adjournment of the Performance, Compensation &  
Talent Management Committee, Whichever is Later

Cheryl Eason

1. Call to Order and Roll Call
2. Executive Report
3. Consent Items

Cheryl Eason

### Action Consent Items:

- a. Approval of the September 20, 2016, Finance and Administration Committee Meeting Minutes

Cheryl Eason

4. Consent Items

### Information Consent Items:

- a. 2016 Annual Calendar Review
- b. 2017 Annual Calendar Review
- c. Draft Agenda for the December 20, 2016, Finance and Administration Committee Meeting
- d. Year-End Budget and Expenditure Report
- e. Annual Cost Efficiency and Effectiveness Report

### **Action Agenda Items**

Cheryl Eason  
Kristin Montgomery

Cheryl Eason  
Rose McAuliffe

Mary Anne Ashley

5. Accounting, Financial Reporting, and Budgeting
  - a. 2015-16 Basic Financial Statements
  - b. 2016-17 Mid-Year Budget (First Reading)
6. Legislative Proposals
  - a. State Legislative Proposal: Policy and Technical Amendments to the Public Employee's Retirement Law

### **Information Agenda Items**

Cheryl Eason  
Ted Eliopoulos  
Scott Terando

Cheryl Eason  
Donna Lum  
Arnita Paige  
Scott Terando

Doug Hoffner  
Sabrina Hutchins

Cheryl Eason

7. Program Administration
  - a. Securing CalPERS Future – Managing Funding Risks, Stakeholder Outreach and Engagement
  - b. Collections & Termination Process for Public Agencies
8. Business Planning
  - a. CalPERS 2017-2022 Strategic Plan (First Reading)
9. Summary of Committee Direction
10. Public Comment

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# Risk and Audit Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 15, 2016**  
3:00 pm  
Or upon adjournment or recess of the  
Finance & Administration Committee —  
Whichever is later

## **COMMITTEE MEMBERS**

Ron Lind, Chair  
Dana Hollinger, Vice Chair  
JJ Jelincic  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Open Session**  
3:00 pm

Or Upon Adjournment of the Finance & Administration  
Committee, Whichever is Later

Cheryl Eason

1. Call to Order and Roll Call

Cheryl Eason

2. Executive Report

3. Consent Items

### **Action Consent Items:**

a. Approval of the September 20, 2016 Risk and Audit  
Committee Meeting Minutes

Cheryl Eason

4. Consent Items

### **Information Consent Items:**

a. 2016 Annual Calendar Review

b. 2017 Annual Calendar Review

c. Draft Agenda for the February 14, 2017 Risk and  
Audit Committee Meeting

d. Quarterly Status Report – Office of Audit Services

e. Quarterly Status Report – Enterprise Risk  
Management

f. Quarterly Status Report – Enterprise Compliance

- g. CalPERS Ethics Helpline Report

**Action Agenda Items**

- 5. Audit
  - a. Independent Auditor's Report – Fiscal Years 2015-16
  - b. Review of Independent Auditor's Management Letter
  - c. Finalist Interviews for the Independent Financial Statement Auditor

Beliz Chappuie  
Rick Green, Macias Gini &  
O'Connell

Beliz Chappuie

**Information Agenda Items**

- 6. Audit
  - a. Third Party Valuation and Certification of the Contracting Public Agency Plans as of June 30, 2014
- 7. Enterprise Risk Management
  - a. Semi-Annual Enterprise Risk Reports
- 8. Summary of Committee Direction
- 9. Public Comment

Beliz Chappuie  
David Driscoll  
Aaron Shapiro

Cheryl Eason  
Forrest Grimes

Cheryl Eason

**Closed Session**

Upon adjournment or Recess of Open Session  
(Government Code sections 11126(a)(1) and (g)(1))

- 1. Call to Order and Roll Call
- 2. Consent Items

**Action Consent Items**

- a. Approval of the September 20, 2016 Risk and Audit Committee Closed Session Meeting Minutes
- 3. Personnel, Employment and Performance – Chief Auditor
- 4. Personnel, Employment and Performance – Chief Compliance Officer
- 5. Personnel, Employment and Performance – Investment Director

Beliz Chappuie

Marlene Timberlake  
D'Adamo

Kit Crocker



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# Board of Administration Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 16, 2016**  
8:00 am

## BOARD MEMBERS

Rob Feckner, President  
Henry Jones, Vice President  
Michael Bilbrey  
John Chiang  
Richard Costigan

Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## AGENDA

**Closed Session**  
8:00 am

Matthew Jacobs

1. Litigation Matters  
**(Government Code section 11126(e))**
  - a. In re: City of San Bernardino (U.S. Bankruptcy Court, Central District of CA, No. 2-BK-28006)
  - b. Centinela Capital Partners, LLC v. CalPERS, et al. (Los Angeles Superior Court, No. BC504309); Baez v. CalPERS, et al. (Los Angeles Superior Court, No. BC498010)
  - c. Marin Association of Public Employees v. Marin County Employees' Retirement Association (1<sup>st</sup> District Court of Appeal, Case No. A139610)
  - d. Pending Litigation – Delinquent Contracting Agencies Matter

Tina Campbell

2. Personnel Matters  
**(Government Code section 11126(a)(1), (e), and (g)(1))**
  - a. Review of 2015-16 Performance: Former Chief Executive Officer
  - b. Review of 2015-16 Performance: Chief Investment Officer
  - c. Review of 2015-16 Performance: Chief Actuary, General Counsel and Chief Financial Officer



Marcie Frost

- d. Chief Executive Officer's Report of 2015-16 Performance: Chief Operating Investment Officer, Managing Investment Directors, Investment Directors, and Investment Managers
- e. 2016-17 Performance Plan of the Chief Executive Officer
- f. Chief Executive Officer's Briefing on Performance, Employment, and Personnel Items

**Open Session**  
9:00 am

Or Upon Adjournment or Recess of Board Closed Session, Whichever is Later

Rob Feckner

- 1. Call to Order and Roll Call

Rob Feckner

- 2. Pledge of Allegiance

Rob Feckner

- 3. Board President's Report

- 4. Executive Reports

Marcie Frost

- a. Chief Executive Officer's Report (Oral)

Ted Eliopoulos

- b. Chief Investment Officer's Report (Oral)

Rob Feckner

- 5. Consent Items

**Action Consent Items:**

- a. Approval of the September 21, 2016 Board of Administration Meeting Minutes
- b. Board Travel Approvals

- 6. Consent Items

**Information Consent Items:**

- a. Board Agenda Item Calendar 2016
- b. Draft Agenda for the December 21, 2016 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

- 7. Committee Reports and Actions

Henry Jones

- a. Investment Committee (Oral)

Priya Mathur

- b. Pension & Health Benefits Committee (Oral)

Richard Costigan

- c. Finance & Administration Committee (Oral)



Michael Bilbrey

d. Performance, Compensation & Talent Management Committee (Oral)

Ron Lind

e. Risk & Audit Committee (Oral)

Bill Slaton

f. Board Governance Committee (Oral)

### **Action Agenda Items**

Cheryl Eason

8. Delinquent Contracting Agencies Matter

a. Niland Sanitary District

b. City of Loyalton

c. California Fairs Financing Authority

Rob Feckner

9. Proposed Decisions of Administrative Law Judges

a. Kristina Chavez

b. Darren Gutierrez

c. James Towns

d. Desi Alvarez

e. Nellie E. Rodriguez

f. Timothy R. Jones

g. Radu M. Mischiu

h. Joseph Poindexter

i. Joseph Chapa

j. Linda Martinez

k. Michael Swaney

l. Theodore R. Parrish

m. Sonia Garvin

n. Jerri L. Clay

o. Tyrone Sharpe

p. Mauricio Cardenas

q. James Bieg

r. Albert Peterson

s. Gwyndolyn Harshaw

t. Ryann O. Mullen

u. Ann J. Stanfield

v. Alfredo Macias

w. Jeffrey H. Cadwell

x. Marty Gaines

y. Janette E. Cain

z. Marilyn Strasburg-Langford

aa. David Duran

bb. Edward Stuckenschneider

cc. Frederick Orsborn

dd. Susan E. Schmidt

Rob Feckner

10. Petitions for Reconsideration

- a. Harry Dhesi
- b. Nicole Collins
- c. Cari McCormick

**Information Agenda Items**

Mary Anne Ashley

11. State and Federal Legislation Update

Marcie Frost

12. Summary of Board Direction

13. Public Comment

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