


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

MINUTES OF MEETING

September 20, 2016



The Finance & Administration Committee met on September 20, 2016, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:15 a.m. and the following members were present:

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

Other Board Member(s):

Grant Boyken for John Chiang
Rob Feckner
Ron Lind
Priya Mathur

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

JJ Jelincic moved to amend the August Meeting minutes to correct the motion on Agenda Item 5b, Board of Administration Contract Activity Reporting Policy.

The Chair directed that Item 3a, Approval of the August 16, 2016, Finance and Administration Committee Meeting Minutes, be pulled for discussion at the end of committee.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee approved updating the August 16, 2016 Meeting Minutes to amend Mr. Jelincic's motion that the proposed Board of Administration Contracting Activity Reporting Policy include the next to last paragraph in the original policy regarding the Investment Office providing a quarterly Spring Fed Pool Letter of Engagement Committee Report.

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

JJ Jelincic pulled Agenda Item 4e, Annual Contract and Procurement Activity Report for discussion.

JJ Jelincic pulled Agenda Item 4f, Annual Small Business and Disabled Veteran Business Enterprise Contract Participation Report for discussion.

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 5a – PROPOSED BOARD ELECTION REGULATIONS

Kim Malm, Chief Officer, Operations Support Services Division, presented the Proposed Board Election Regulations.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the revised proposed regulations with one update to remove the word "eligible" in Section 554.5 and submit the final rulemaking package to the Office of Administrative Law (OAL).

JJ Jelincic voted NO.

Public comment was received from George Linn with the Retired Public Employees Association.

AGENDA ITEM 6a – ANNUAL DIVERSITY REPORT

Doug Hoffner, Interim Chief Executive Officer, and Laurie Weir, Investment Director, presented the Annual Diversity Report as an information item.

AGENDA ITEM 7a – RISK PROFILE REVIEW

Cheryl Eason, Chief Financial Officer, Mr. Hoffner, and Brad Pacheco, Deputy Executive Officer, Communications and Stakeholder Relations, presented the Risk Profile Review as an information item.

AGENDA ITEM 7b – PUBLIC AGENCY CONTRACT REVIEW

Chery Eason, Chief Financial Officer, presented the Public Agency Contract Review as an information item.

Public comment was received from John Cussins with the City of Loyalton.

11:50 a.m. a break for lunch was taken.

12:45 p.m. session reconvened.

AGENDA ITEM 8a – ANNUAL ACTUARIAL VALUATION FOR THE TERMINATED AGENCY POOL

Scott Terando, Interim Chief Actuary, and Julian Robinson, Senior Pension Actuary, presented the Annual Actuarial Valuation for the Terminated Agency Pool as an information item.

AGENDA ITEM 8b – UPDATE OF PUBLIC AGENCY VALUATIONS

Alan Milligan, Chief Actuary, presented the Update of Public Agency Valuations as an information item.

AGENDA ITEM 8c – ANNUAL REVIEW OF FUNDING LEVELS AND RISK REPORT

Ms. Eason and Mr. Milligan presented the Annual Review of Funding Levels and Risk Report as an information item.

Public comment was received from George Linn with the Retired Public Employees Association.

AGENDA ITEM 8d – NOTIFICATION OF RISK MITIGATION POLICY

Ms. Eason presented the Notification of Risk Mitigation Policy as an information item.

AGENDA ITEM 7 – SUMMARY OF COMMITTEE DIRECTION

The Chair directed staff on Agenda Item 4f to bring back a discussion on how to report the Annual Small Business & Disabled Veteran Business Enterprise Contract Participation Report.

The Chair directed staff on Agenda Item 7b to provide an agenda item on the process for public agency contract delinquencies including use of legal remedies and suggested regulatory changes in November.

The Chair directed staff to bring back in November the current cost of the COLA rider as a portion of the total contribution and explain what portion of the unfunded liability goes to covering the current cost of the COLA benefit.

The Chair directed staff to survey agencies on prefunding their pension liabilities and explain additional options for consideration.

AGENDA ITEM 8 – PUBLIC COMMENT

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 2:09 p.m.

The next Finance & Administration Committee meeting is scheduled for November 15, 2016, in Sacramento, California.

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER