



Finance and Administration Committee Meeting Summary

November 16, 2016

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Finance and Administration Committee met on November 15 and 16, 2016.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- AGENDA ITEM 5a – 2015-16 Basic Financial Statements

Approve the Draft CalPERS 2015-16 Basic Financial Statements.

- AGENDA ITEM 5b – 2016-17 Mid-Year Budget (First Reading)

Approve the first reading of the California Public Employees' Retirement System Fiscal Year (FY) 2016-17 Mid-Year Total Budget of \$1,787,234,000 and 2,886 positions.

- AGENDA ITEM 6a – State Legislative Proposal: Policy and Technical Amendments to the Public Employee's Retirement Law

Approve sponsored legislation to make technical and minor policy changes to the sections of the Government Code affecting the benefit programs administered by the California Public Employees' Retirement System (CalPERS).

The Committee received reports on the following topics:

- Impact of cost-of-living adjustments or COLA on the fund
- Low return environment, changing demographics, funded status of our plan, a recap of stakeholder outreach and engagement, and US pension plans discount rate trends
- Collections and termination process for Public Agencies.

The Chair directed staff to do the following:

- Have continued discussions with stakeholders regarding follow-up questions related to agenda item 7a and in December, staff to bring back further information and a recommendation for action to the Board based upon the timelines if the Board chooses to take action for 2017-18 and 2018-19.
- On Agenda Item 7b, review legislation change for voluntary terminations, improve transparency and reporting of delinquent agencies to the committee, and work with stakeholders on appropriate notification to members.
- In December, bring back agenda item on the first reading of CalPERS 2017-2022 Strategic Plan.

The Committee heard public comment from the following:

- Dave Low, California School Employees Association (CSEA)
- Terry Brennand, SEIU California

- Neil Johnson, SEIU 1000
- Dan Pellissier, CalPERS retiree
- Dane Hutchings, League of California Cities
- Dillon Gibbons, California Special Districts Association
- George Linn, Retired Public Employees Association (RPEA)

At this time I would like to share some highlights of what to expect at the December Finance and Administration Committee meeting:

- The second reading of the 2016-17 Mid-Year Budget
- The first reading of the 2017-2022 Strategic Plan,
- Review the Actuarial Allocation Policy, and
- Annual reports on the Long Term Care Valuation as well as the Semi-Annual Self-Funded Health Plan.

The next meeting of the Finance and Administration Committee is scheduled for December 20, 2016, in Sacramento, California.