

MEETING  
STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
OPEN SESSION

ROBERT F. CARLSON AUDITORIUM  
LINCOLN PLAZA NORTH  
400 P STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, NOVEMBER 16, 2016  
10:35 A.M.

JAMES F. PETERS, CSR  
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A P P E A R A N C E S

BOARD MEMBERS:

Mr. Rob Feckner, President

Mr. Henry Jones, Vice President

Mr. Michael Bilbrey

Mr. John Chiang, represented by Ms. Najia Rosales

Mr. Richard Costigan

Mr. Richard Gillihan

Ms. Dana Hollinger

Mr. J.J. Jelincic

Mr. Ron Lind

Ms. Priya Mathur

Mr. Bill Slaton

Ms. Theresa Taylor

Ms. Betty Yee, represented by Ms. Karen Greene-Ross

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Ms. Cheryl Eason, Chief Financial Officer

Mr. Ted Eliopoulos, Chief Investment Officer

Mr. Matthew Jacobs, General Counsel

Mr. Douglas Hoffner, Deputy Executive Officer

Ms. Donna Lum, Deputy Executive Officer

Mr. Doug McKeever, Deputy Executive Officer

Mr. Brad Pacheco, Deputy Executive Officer

A P P E A R A N C E S   C O N T I N U E D

STAFF:

Mr. Scott Terando, Acting Chief Actuary

Ms. Mary Anne Ashley, Chief, Legislative Affairs Division

Ms. Kara Buchanan, Board Secretary

ALSO PRESENT:

Mr. Chirag Shah, Shah and Associates  
(via teleconference)

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## P R O C E E D I N G S

PRESIDENT FECKNER: Good morning. We're going to call the Board of Administration meeting to order.

The first order of business is to please call the role.

BOARD SECRETARY BUCHANAN: Good monring.

Rob Feckner?

PRESIDENT FECKNER: Good morning.

BOARD SECRETARY BUCHANAN: Henry Jones?

VICE PRESIDENT JONES: Here.

BOARD SECRETARY BUCHANAN: Michael Bilbrey?

BOARD MEMBER BILBREY: Good morning.

BOARD SECRETARY BUCHANAN: Najia Rosales for John Chiang?

ACTING BOARD MEMBER ROSALES: Here.

BOARD SECRETARY BUCHANAN: Richard Costigan?

BOARD MEMBER COSTIGAN: Here.

BOARD SECRETARY BUCHANAN: Richard Gillihan?

BOARD MEMBER GILLIHAN: Here.

BOARD SECRETARY BUCHANAN: Dana Hollinger?

BOARD MEMBER HOLLINGER: Here.

BOARD SECRETARY BUCHANAN: J.J. Jelincic?

PRESIDENT FECKNER: I'm sure he's here somewhere.

BOARD SECRETARY BUCHANAN: Ron Lind?

BOARD MEMBER LIND: Here.

1 BOARD SECRETARY BUCHANAN: Priya Mathur?

2 BOARD MEMBER MATHUR: Good morning.

3 BOARD SECRETARY BUCHANAN: Bill Slaton?

4 BOARD MEMBER SLATON: Here.

5 BOARD SECRETARY BUCHANAN: Theresa Taylor?

6 BOARD MEMBER TAYLOR: Here.

7 BOARD SECRETARY BUCHANAN: Karen Greene-Ross for  
8 Betty Yee.

9 ACTING BOARD MEMBER GREENE-ROSS: Here.

10 PRESIDENT FECKNER: Thank you.

11 So we're going to suspend Item 2 for right now  
12 and move onto the Board President's report. First of all,  
13 good morning, everyone, those of you that got to go home  
14 last night.

15 I first of all want to apologize for the very  
16 late start this morning. It's been a very long week. I  
17 want to thank the audience that was here yesterday. I  
18 know some of you were here till 9:15 last night, as staff  
19 was here past that. So I appreciate your diligence for  
20 being with us. We had to have an early start this morning  
21 to finish some business that we couldn't even get to by  
22 9:00 o'clock last night.

23 So again, thank you for those that took the time  
24 to be with us, and I apologize for the lateness of both  
25 last night and the lateness of starting this morning, but

1 I do want to reach out and say thank you to the -- to the  
2 staff that worked so hard and stayed here yesterday. Some  
3 were here before 7:30 yesterday morning to get ready for  
4 the breakfast that we had for the stakeholders, and thus  
5 were here until almost 10:00 o'clock last night.

6 So extremely long day and I want to thank all the  
7 staff that was involved, and stayed, and really showed why  
8 we're a team here and why we have such a great System. So  
9 it's all about our staff and them being a good partner  
10 with us, so we thank them for that.

11 So last Friday, our nation celebrated a very  
12 venerable and very special day, Veterans Day. Veterans  
13 Day is more than just a national holiday. It's a time  
14 that Americans can honor all of those who have served or  
15 are currently serving in our armed forces, and those that  
16 currently serve in reserve status as well.

17 This morning I want to continue the celebration  
18 and honor the veterans who are part of our CalPERS family,  
19 and our extended family of members and employers and  
20 stakeholders. I'd like to welcome to the dais Ms. Denise  
21 Copher who is going to lead us in the Pledge of  
22 Allegiance.

23 Denise is a Retirement Program Specialist in our  
24 West Sacrament customer contact center. She was a  
25 Sergeant E-5 in the United States Army, and served as



1 transportation specialist for 9 years.

2 Denise, please lead us in the pledge.

3 MS. COPHER: Please place your right hand over  
4 your heart. Please repeat after me.

5 (Thereupon the Pledge of Allegiance was  
6 recited in unison.)

7 MS. COPHER: Thank you.

8 PRESIDENT FECKNER: Thank you very much, Denise,  
9 for honoring us with being here today and presenting for  
10 us. Appreciate that very much.

11 So right now we're going to take a moment of  
12 personal privilege. Some of you may remember this from  
13 the past. We have a video that we have had for some time  
14 now of a prior event that took place, and we'd like to  
15 showcase one of our long-time retirees who has recently,  
16 passed, but we think it's very apropos that we share this  
17 video at this time.

18 So will you please roll the video.

19 (Thereupon a video was played of Mr. Gus Lease  
20 singing "You're a Grand Old Flag".)

21 (Applause.)

22 PRESIDENT FECKNER: For those of you that don't  
23 know, that's Gus Lease. Gus is a -- was a retiree, passed  
24 away about a month ago. Gus was, I believe, 65 years  
25 teaching music, et cetera, down at San Jose State

1 University. You can tell he could still carry more breath  
2 than I can today even in that song.

3 So we certainly appreciate our staff keeping that  
4 video and putting it out for us today.

5 At this time, I'd like to acknowledge all of the  
6 Veterans who work here in the Headquarters building, and  
7 those in our regional offices throughout the State. To  
8 all veterans that are here today and members, we invite  
9 you to please stand to be recognized. Do we have  
10 members in the audience that are veterans current or past?

11 (Applause.)

12 PRESIDENT FECKNER: Excellent.

13 Thank you very much for your dedication and your  
14 service. We certainly couldn't be here without all of  
15 you, so thank you very much.

16 Mr. Jelincic wanted to make a comment I believe  
17 on the video.

18 BOARD MEMBER JELINCIC: Yeah. When I was at the  
19 memorial for Gus, his family asked me to convey to the  
20 staff their appreciation. The first meeting he missed,  
21 that end chair, second row, they put his coat and the  
22 family was just very touched, and asked me to acknowledge  
23 that and thank you for the gesture.

24 PRESIDENT FECKNER: Thank you, Ms. Ortega for  
25 doing that.

1           So I know our CEO is going to be making some  
2 comments shortly about our recent Educational Forum, but  
3 I'd like to take this opportunity to thank all the members  
4 of our Board who participated this year. It was a  
5 valuable opportunity for all of us to engage with our  
6 employers, and talk with them about the issues that we all  
7 face together.

8           I want to extend a big thank you to our leaders  
9 are team employees who put on such a great event. It  
10 takes an enormous amount of work to organize that event  
11 every year. And I know I speak for all of our Board in  
12 thanking all of the staff for your efforts on behalf of  
13 our employee partners and employer partners. So thank you  
14 very much.

15           So that brings us to executive -- Item number 4,  
16 Executive Reports, the Chief Executive Officer's Report  
17 for your first one, Mr. Frost, please.

18           CHIEF EXECUTIVE OFFICER FROST: Good morning, Mr.  
19 President --

20           PRESIDENT FECKNER: Good morning.

21           CHIEF EXECUTIVE OFFICER FROST: -- and members of  
22 the Board. Thank you, Rob, for recognizing our veterans.  
23 I, too, would like to give special thanks to their  
24 service. And if I could have just a quick moment of  
25 personal privilege as well to acknowledge some respect for

1 my grandfather who served in World War II and was the  
2 recipient of the Bronze Medal for Valor. And he passed a  
3 couple years ago, but I think the way to take that service  
4 to the level that it needs to be is to continue to tell  
5 his story, and to express respect and appreciation for his  
6 services as well.

7 Before I begin my report this morning, I'd like  
8 to take just a quick opportunity to thank the Board. I  
9 really appreciate all the time you have spent with me  
10 sharing your perspectives, your expectations. And what  
11 I've noticed already in my 6 weeks of being on board as  
12 your new CEO is how truly dedicated you are to serving  
13 this mission and serving the public employees of  
14 California.

15 I'd also like to take a quick moment to thank the  
16 CalPERS executive team who is here just right here behind  
17 me. They've been a valuable resource again to really  
18 understand the issues that are facing CalPERS. Again, I  
19 come from another pension system just a couple states to  
20 the north, and I wanted to be really careful that I was  
21 not making any assumptions based on my 30 years of work  
22 experience in that State in coming into California.

23 And I think between the Board and the executive  
24 team and sharing your insight, that has really sent me off  
25 on a good pace to get started in my week number 7 coming

1 up.

2 As you know, I've also dedicated my first few  
3 months on the job to really understanding the needs and  
4 the expectations, not only of the Board and the executive  
5 team, but as well as our labor and our employer partners.  
6 And I know that we have some tough decisions ahead of us.  
7 And my commitment to the Board, and my commitment to the  
8 team and the stakeholders is that we will, I will, and the  
9 team will consistently work with you in helping you to  
10 understand the issues that you face, giving you the  
11 information that you need to make the tough decisions, but  
12 always being available and accessible to understand your  
13 perspective as well.

14 I think some of the common themes that have come  
15 up from these meetings are very familiar. They're not  
16 issues that are unique to California. These are issues  
17 that are being faced across the United States in the  
18 public pension space as well as the health care space.

19 And at the top of my list, and I'm sure at the  
20 top of yours as well, is ensuring the long-term  
21 sustainability of the pension system, and keeping in  
22 balance the adequacy of the benefit, the affordability of  
23 the System, and the sustainability of the System.

24 You did hear from our team yesterday about the  
25 low return environment that we are expecting over the next

1 decade, and the vulnerabilities that I think we really do  
2 have as a System that is 68 percent funded. It's going to  
3 be important again as an organization that we work  
4 collaboratively together amongst the CalPERS team, and the  
5 Board, but as well as with the employer partners and our  
6 member partners, to continue to take these discussions to  
7 actions that are necessary, again, to have the  
8 sustainability of the system that we all have a common  
9 goal to accomplish.

10           There's also the challenge of trying to minimize  
11 the increasing cost of health care, while also ensuring  
12 that we keep high quality health care programs available  
13 to the members. And I personally want to make sure that  
14 we're running a very efficient and effective organization,  
15 while also providing our members with the best service  
16 that we possibly can do, meeting their needs, meeting  
17 their expectations, and having a way of managing those and  
18 measuring those on an ongoing basis.

19           Now, these are just some of the items that we  
20 have been discussing. And as I wrap-up these meetings,  
21 I'm looking forward to giving you a more full report on  
22 everything that I've heard, along with specific actions  
23 that I think that I, along with the executive team and  
24 support of you, will be coming to talk with you more  
25 about.

1           So to start off today, I know our agenda item on  
2 the strategic plan was postponed to December, but I think  
3 you know that we are in the steps of finalizing that plan  
4 that will take us to the year 2022. And although we  
5 postponed that item until December, we are looking forward  
6 to getting the feedback that you all have, and then  
7 incorporating that into the plan, so that we can begin  
8 implementing and executing on that plan. And so we'll  
9 bring that back for finalization in December, and again in  
10 February.

11           Now, moving on to health, our open enrollment  
12 period ended on October 7th, and it's now complete for the  
13 year. I think our team worked very hard over the past few  
14 months during open enrollment to assist members with their  
15 health care choices. And even though open enrollment has  
16 closed officially, the team is still working directly with  
17 the membership to understand the choices that they made,  
18 along with potential premium changes that went along with  
19 that choice.

20           And as a reminder, we are moving to a new  
21 pharmacy benefits manager starting on January 1, so it's  
22 very important for our members to really review the  
23 material that's been sent to them and understand the  
24 changes in the pharmacy benefit plan as well.

25           Our team is working with that new pharmacy

1 benefit manager, which is OptumRx, to ensure that the  
2 transition is as smooth as possible for the members who  
3 are impacted by that change, both for the member and for  
4 the dependents. And I had an opportunity to sit in on one  
5 of the first meetings that OptumRx had with our retiree  
6 groups. And what I was struck by very quickly is that  
7 their customer satisfaction attitude is very similar to  
8 the one that is happening here at CalPERS. So I have a  
9 lot of positive feeling about the relationship moving  
10 forward with OptumRx.

11 And our members, of course, can find more details  
12 on their my|CalPERS account or through the CalPERS  
13 website.

14 The month of November is also National Diabetes  
15 Month. And I'm proud to share some of our recent efforts  
16 in promoting diabetes prevention. Beginning in January,  
17 we'll begin expanding our current diabetes components of  
18 the disease management program to include diabetes  
19 prevention programs for all of our members.

20 And these programs will follow standards by the  
21 National Centers for Disease Control and Prevention. And  
22 they are designed to slow and prevent Type 2 diabetes for  
23 those that have pre-diabetes.

24 And since many people aren't aware that they may  
25 have this condition, this program does help our members to



1 understand early indicators that can help them be more  
2 proactive in their efforts of preventing type 2 from  
3 setting in.

4 Members can also contact their CalPERS health  
5 plan to get more information or visit our website to learn  
6 more about the programs that will be available to them  
7 starting in January.

8 Searching for our new actuary, just a quick  
9 update on that as well, we are in the final rounds of  
10 interviews for the Chief Actuary position. And as you  
11 know, this is a critical piece of the executive team here  
12 at CalPERS in supporting the work you do on the Board.

13 I am pleased to report that we had interviews  
14 completed. And it is our hope to have an offer extended  
15 or a candidate by the end of the year.

16 Rob did talk a bit about the education forum.  
17 And I'd also like to make a few comments about my  
18 observations at that event.

19 That event was held at the end of October and it  
20 represented the 17th Annual Education Forum that this  
21 organization has put on. And, as you know, we did set a  
22 record for attendance at just over 800 attendees. It was  
23 a very large event, and the convention center was quite  
24 full. And that event was held in Riverside, California  
25 this year.

1           So as you know, we work side by side with our  
2 employer partners, and that is an extremely important  
3 relationship to the members as well. The accuracy of the  
4 data coming in and the importance of getting the  
5 contributions on time is a critical piece of the pension  
6 benefit, once someone decides that it's time to retire.

7           So this event does offer an opportunity for the  
8 exchange of ideas. It offers an opportunity for the  
9 Board, the CalPERS team, and CalPERS, in general, to  
10 listen and really upped the needs of our employer partners  
11 in better serving the membership.

12           And I think one of the things I noticed in  
13 walking through the exhibits that I was very impressed by  
14 is that the CalPERS team, who was there interacting with  
15 the employer partners, were the people who were working  
16 closest to the work, i.e., they could consider all of the  
17 technical questions that were coming up from the employers  
18 during the exhibits. And that was very impressive to  
19 watch.

20           It does take a lot of care and thought to plan  
21 and event like that, a very big an important event, not  
22 only for the employers, but for us as an organization. So  
23 I would like to also take just a moment to say thank you  
24 to all of our employees who made that event so successful.  
25 And we got very positive remarks from the employers this

1 year as well.

2 And next year's Education Forum will in Rancho  
3 Mirage, and I look forward to again joining everyone there  
4 for another great event.

5 As we head toward the end of the calendar year,  
6 we're on to other several important tasks. Our actuaries  
7 have completed all of the customized actuarial valuations  
8 for our employers, and they have been posted on the  
9 website. And again, in the exhibit all a the Education  
10 Forum, this was one of the most popular tables. The  
11 employers had their valuations in hand, and they were able  
12 to talk directly to our actuaries about questions that  
13 they had.

14 That was one of my -- one of the areas that I did  
15 some observation with, and went and talked to some of the  
16 employers about the importance of having that data in  
17 advance of the Education Forum. So that was a  
18 congratulations to the actuarial team for having those  
19 completed.

20 Next month, you'll be getting a report and  
21 recommendations back from us as it relates to our  
22 divestment policy on tobacco investments. And this will  
23 also include an analysis of the economics in the tobacco  
24 investment sector, as well as the stakeholder outreach  
25 that we have conducted, based on your direction.

1           In addition, we'll be finalizing the CAFR, the  
2 comprehensive annual financial report. And that report  
3 will also be released publicly and available on the public  
4 website.

5           Our health staff has been working with the  
6 Pension and Health Benefits Committee in preparation for  
7 the start of health plan negotiations just after the first  
8 of the year. And we're very much looking forward to  
9 interacting and listening from our health plan providers  
10 and partners as we're exploring more innovative and  
11 creative ways to reduce costs of health care, while also  
12 again maintaining the high quality services that have been  
13 come to be expected from CalPERS.

14           Moving now to some internally and focused --  
15 internally focused activities. Over the last 6 weeks,  
16 I've been visiting many of your divisions and branches and  
17 teams around the organization, and seeing really the  
18 people behind those teams. Open and transparent  
19 communication is a very important value for me, and one of  
20 the key values that I really expect in the organization.

21           I do believe that open and transparent  
22 communication is paramount to a healthy and  
23 high-performing organization. So it was really very good  
24 for me to hear how we as leaders can help our employees to  
25 be even more successful in meeting customer needs and

1 expectations.

2           There has been a lot of ideas an innovation that  
3 our employees have about how to make services better, and  
4 I think really meet the needs again and the expectations  
5 of our membership.

6           And also what does stand out to me most about our  
7 team members is really there is this comradery and this  
8 spirit of collaboration within the organization that we  
9 understand our mission, and that we are here to serve the  
10 member. And that is our only purpose is to make sure that  
11 that member has the access to the benefits that they've  
12 earned while working in their public service careers.

13           Keeping with the topic of our employees, which is  
14 always enjoyable to talk about, as you know, CalPERS  
15 employees participate in a number of charitable  
16 fundraising activities. And with the holiday season  
17 underway, I think it's especially important to note how  
18 generous our team is in giving back to their communities.

19           We are kicking off our annual California State  
20 Employees Food Drive. And as always, our employees are  
21 donating their time and setting up donation bins with food  
22 to help brighten the season for those individuals who  
23 might be in need during this time of year.

24           As a part of this, we're also collecting frozen  
25 turkeys and hams. And I think many of you may have

1 participated in that event in prior years. But those  
2 turkeys and hams can be dropped off at the loading dock on  
3 Friday, November 18th. And those donations will go to  
4 local food banks.

5 In addition to this, many of our employees are  
6 planning on running as a part of the CalPERS team in the  
7 "Run to Feed the Hungry" event that's held every year in  
8 Sacramento on Thanksgiving Day. And with over 28,000  
9 participants, this is the largest Thanksgiving Day race in  
10 the country. And that was -- I did not know that. And  
11 with all of the proceeds donated to the Sacramento Food  
12 Bank and family services areas.

13 Last month, I had an opportunity to participate  
14 in a couple of events that were held on-site as a part of  
15 the "Our Promise" campaign. The cake auction and the  
16 chili cook-off were at the center of those activities,  
17 with about \$4,000 raised again to give to charitable  
18 groups throughout the community.

19 So I'd like to thank all of our employees for  
20 their generosity, not just during the holidays, but for  
21 everything they do throughout the year. These are really  
22 activities that are happening 12 months out of the year  
23 and not just around the holiday season.

24 On that note, I'd like to close with a special  
25 acknowledgement for our team members who work to promote

1 our California Employees Retirement Benefit Trust Program,  
2 also known as CERBT, which is a new acronym for me.

3 Our CERBT funds provides a way for local,  
4 eligible California public agencies to pre-fund their OPEB  
5 liabilities. So those would be the other post-employment  
6 benefits. We are very proud of this program, because it  
7 provides an avenue for public agencies, even those that  
8 don't contract directly with us to pre-fund benefits such  
9 as health, vision, dental, and life insurance.

10 And we are proud of the small but mighty team  
11 that runs this program. And what they do is they make  
12 sure that it is uncomplicated, that it's affordable, and  
13 it's compliant with governmental accounting standards.  
14 And that is a very difficult balance done by this small,  
15 small team.

16 So I'm also proud to announce that this month the  
17 CERBT program reached a significant milestone by signing  
18 its 500th participant. And also, as an ironic twist, the  
19 program signed its 500th customer at the same time it  
20 reached 5.5 billion in assets. So maybe something there  
21 with the number 5 with that team.

22 So if I could also ask the team members from  
23 CERBT, who are here today, to stand now and be recognized  
24 for their efforts to promote the program.

25 (Applause.)

1 CHIEF EXECUTIVE OFFICER FROST: And for  
2 supporting our strategic plan goal of educating others on  
3 the need for retirement security.

4 So, in conclusion, I want to wish everyone here  
5 in the auditorium and all our employees at CalPERS and the  
6 Board a very Happy Thanksgiving next week, and thank you,  
7 Mr. President. This does conclude my prepared remarks,  
8 but, of course, I am available to answer any questions you  
9 may have.

10 PRESIDENT FECKNER: Great. Thank you very much.  
11 Great first report.

12 Item 4b, Chief Executive -- Chief Investment  
13 Officer's report, Mr. Eliopoulos, please.

14 CHIEF INVESTMENT OFFICER ELIOPOULOS: Good  
15 morning, Mr. President, members of the Board.

16 PRESIDENT FECKNER: Good morning.

17 CHIEF INVESTMENT OFFICER ELIOPOULOS: I have a  
18 brief update on the performance of the Public Employees'  
19 Retirement Fund as of September 30th, 2016. The total  
20 fund performance for this first quarter of the fiscal year  
21 is 3.6 percent. Of course we, like to look at much longer  
22 time periods, as they are more meaningful for measuring  
23 our performance. The 3-year return of the total fund is  
24 6.2 percent, the 5-year return is 9.1 percent, the 10-year  
25 return is 5.0 percent, and the 20-year return of the total



1 fund is 7.1 percent. The total fund assets are valued, as  
2 of September 30th, 2016 at \$305.2 billion.

3 Mr. President, that is my report.

4 PRESIDENT FECKNER: Very good. Thank you.

5 Seeing no requests.

6 Move to Item 5, the action consent calendar.

7 And Mr. Jelincic has a question on Item 5a.

8 BOARD MEMBER JELINCIC: On -- yeah, on 5a, which  
9 is the minutes, attached is a subject vote report. It's  
10 on the regs on limiting public comment. And when I look  
11 at the page 1 of 2 of that attachment, it lists 10 yes, 0  
12 abstain, 2 noes, and 9 absent. So I think we've got a  
13 glitch in the system, because we don't have that many  
14 Board members. And then on Table 2 -- or page 2 of it, we  
15 can see that they said absence, who were the designees,  
16 but one of the other people who was absent was Rob  
17 Feckner, and I think he abstained rather than being  
18 absent.

19 So I would like to request that we correct the  
20 minutes, and that we look at the program to see how that  
21 glitch is coming about.

22 PRESIDENT FECKNER: Very well. We will do that.

23 Any other concerns under action Consent Item  
24 number 5?

25 Seeing none.

1           What's the pleasure of the Board?

2           BOARD MEMBER LIND:   Move approval.

3           PRESIDENT FECKNER:   Moved by Lind.

4           VICE PRESIDENT JONES:   Second.

5           PRESIDENT FECKNER:   Second by Jones.

6           BOARD MEMBER JELINCIC:   As amended.

7           PRESIDENT FECKNER:   As amended.

8           Any discussion on the motion?

9           Seeing none.

10          All in favor say aye?

11          PRESIDENT FECKNER:   Opposed, no?

12          Motion carries.

13          Item 6, Information Consent items.   I have  
14 nothing.   Nobody has made a request to remove anything.

15          Pardon?

16          BOARD MEMBER JELINCIC:   You just did 5a.   You  
17 didn't do Board travel.

18          PRESIDENT FECKNER:   All right.   Well -- all  
19 right.   I said action items on 5, but we'll do 5b  
20 separately.

21          BOARD MEMBER COSTIGAN:   I'll move 5b.

22          PRESIDENT FECKNER:   Pardon?

23          BOARD MEMBER COSTIGAN:   I'll move 5b.

24          PRESIDENT FECKNER:   Mr. Costigan moved 5b.

25          BOARD MEMBER MATHUR:   Second.

1           PRESIDENT FECKNER: Ms. Mathur seconded 5b.

2           Seeing no discussion.

3           All in favor say aye?

4           PRESIDENT FECKNER: Oppose, no?

5           Motion carries. Thank you.

6           Having no requests to move anything off 6, that  
7 brings us to Item 7, Committee Reports. For that -- 7a is  
8 the Investment Committee. For that, I call on the Chair,  
9 Mr. Jones.

10           VICE PRESIDENT JONES: Yeah. Thank you, Mr.  
11 President.

12           The Investment Committee met on November the  
13 14th, 2016. The Committee approved the following:

14           Agenda Item 5a to remove 3 portfolio companies  
15 from the CalPERS list of companies subject to the  
16 California Public Divest from Iran Act. The Chair  
17 directed staff to return with holdings information from  
18 those 3 companies. Staff provided that data at the end of  
19 the meeting.

20           Agenda Item 6a, to sponsor legislation to expand  
21 the types of collateral allowed within the CalPERS'  
22 security lending transactions.

23           The Committee received reports on the following  
24 topics:

25           One, the first reading of the revised legislative

1 and policy engagement guidelines. The Chair directed  
2 senior staff and the federal representatives to continue  
3 the discussion of the purpose and structure of the  
4 guidelines at the January off-site.

5 Two, the Public Equity Annual Program review  
6 given by staff and Pension Consulting Alliance. The Chair  
7 directed staff to continue to report back on progress  
8 regarding the capture and disclosure of private equity  
9 fees. The Chair also directed staff to explore  
10 opportunities to engage with other limited partners and  
11 ILPA to encourage further fee disclosure and other limited  
12 partner priorities.

13 And three, the real asset annual program review  
14 presented by staff and Pension Consulting Alliance,  
15 Wilshire Associates and StepSton.

16 At this time, I'd like to share some highlights  
17 of what to expect at the December Investment Committee  
18 meeting. One, a review of tobacco restrictions, the  
19 Responsible Contractor Program annual report, an update on  
20 CalPERS's governance and sustainability activities, and an  
21 update on the Investment Office Roadmap and Target  
22 Operating Model.

23 The next meeting of the Investment Committee is  
24 scheduled for December the 19th, 2016 in Sacramento,  
25 California. And that concludes my report, Mr. President.

1           PRESIDENT FECKNER: Thank you.

2           Brings us to Item 7b, Pension and Health  
3 Committee. For that, I call on the Chair Ms. Mathur.

4           BOARD MEMBER MATHUR: Thank you, Mr. President.  
5 The Pension and Health Benefits Committee met yesterday,  
6 November 15th, 2016.

7           The Committee recommends and I move that the  
8 Board sponsor legislation to make technical and minor  
9 policy changes to sections of the Government Code  
10 affecting the benefit programs administered by California  
11 Public Employees' Retirement System.

12           PRESIDENT FECKNER: On motion by Committee. Any  
13 discussion on the motion?

14           Seeing none.

15           All in favor say aye?

16           (Ayes.)

17           PRESIDENT FECKNER: Opposed, no?

18           Motion carries.

19           BOARD MEMBER GILLIHAN: Please record me as  
20 abstaining.

21           PRESIDENT FECKNER: Please record Mr. Gillihan as  
22 abstaining.

23           BOARD MEMBER MATHUR: The Committee also received  
24 updates on customer service and support performance, and  
25 the pharmacy benefit manager transition.

1           The Chair directed staff to present the  
2 legislative and policy engagement guidelines at the  
3 January Board of Administration off-site, and to bring  
4 recommendations for final approval to the February 2017  
5 PHBC meeting.

6           The Committee received public comment from Tim  
7 Behrens, California State Retirees regarding the reporting  
8 of pharmacy costs. And Dave Bilby, City of Chula Vista  
9 regarding adding investment discussions to the CalPERS  
10 Benefit Education Events.

11           Some highlights of what you can expect at the  
12 December Pension and Health Benefits Committee meeting  
13 include: A Long-Term Care Program solicitation, the  
14 population health management dashboard, and further  
15 information about the transition of the pharmacy benefit  
16 manager.

17           The next meeting of the Pension and Health  
18 Benefits Committee is scheduled for December 20th, 2016  
19 here in Sacramento, California.

20           That concludes my report, Mr. President.

21           PRESIDENT FECKNER: Thank you.

22           Next is Item 7c, Finance and Administration  
23 Committee report. For that, I'd like to call on the  
24 Chair, Mr. Costigan. Push your button, please, sir.

25           Thank you.

1 Mr. Costigan.

2 BOARD MEMBER COSTIGAN: Thank you, Mr. Feckner.

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

5 (Laughter.)

6 BOARD MEMBER COSTIGAN: The Committee recommends  
7 and I move the Board approve the following:

8 Agenda Item 5a, the 2015-16 basic financial  
9 statements and approve the draft CalPERS 2015167 basic  
10 financial statements.

11 PRESIDENT FECKNER: On motion by Committee.

12 Any discussion on the motion?

13 Seeing none.

14 All in favor say aye?

15 (Ayes.)

16 PRESIDENT FECKNER: Opposed?

17 Abstain?

18 BOARD MEMBER COSTIGAN: Agenda Item 5 --

19 PRESIDENT FECKNER: Motion carries.

20 BOARD MEMBER COSTIGAN: Sorry.

21 Agenda Item 5b, the 2016-17 mid-year budgeting,  
22 first reading, and approve the first reading of the  
23 California Public Employees' Retirement System fiscal year  
24 2016-17 mid-year total budget of \$1,787,234,000 and 2,886  
25 positions.

1           PRESIDENT FECKNER: On motion by Committee.

2           Any discussion on the motion?

3           Seeing none.

4           All in favor say aye?

5           (Ayes.)

6           PRESIDENT FECKNER: Opposed say no?

7           Motion carries.

8           BOARD MEMBER COSTIGAN: Agenda Item 6a the State  
9 legislative proposal, policy and technical amendments to  
10 the Public Employees' Retirement Law, and approve  
11 sponsored legislation to make technical and minor changes  
12 so the sections of the Government Code affecting the  
13 benefits of program administered by the California Public  
14 Employees' Retirement System.

15          PRESIDENT FECKNER: On motion by Committee.

16          Any discussion on the motion?

17          Seeing none.

18          All in favor say aye?

19          (Ayes.)

20          PRESIDENT FECKNER: Opposed, no?

21          Motion carries.

22          BOARD MEMBER GILLIHAN: Please record me as  
23 abstaining.

24          PRESIDENT FECKNER: Please record Mr. Gillihan as  
25 abstaining.



1           BOARD MEMBER COSTIGAN: The Committee received  
2 reports on the following topics:

3           Impact of cost of living adjustments, or the  
4 COLA, on the fund; the low return environment, changing  
5 demographics, the funded status of our plan, a recap of  
6 stakeholder outreach and engagement, and U.S. pension plan  
7 discount rates, as well as collections and termination  
8 process for public agencies.

9           The Chair directed the staff to do the following:  
10           Have continued discussions with the stakeholders  
11 regarding follow-up questions related to Item -- Agenda  
12 Item 7a; and, in December, for staff to bring back further  
13 information and a recommendation for action to the Board  
14 based upon the timelines, if the Board chooses to take  
15 action for the 2017-18 and 2018-19 calendar years.

16           On Agenda Item 7b, review legislation changes for  
17 voluntary termination, improve transparency and reporting  
18 of delinquent agencies to the Committee, and work with  
19 stakeholder on appropriate notification to members; and,  
20 in December to bring back agenda items on the first  
21 reading of the CalPERS 2017-22 strategic plan.

22           The Committee heard public comment from Dave Low  
23 of the California School Employees Association, Terry  
24 Brennand with SEIU California, Neal Johnson with SEIU  
25 1000, Dan Pellissier a CalPERS retiree, Dane Hutchings

1 with the League of California Cities, Dillon Gibbons from  
2 the California Special Districts Association, and George  
3 Linn, Retired Public Employees Association.

4 At this time, I would like to share some  
5 highlights of what to expect at the December Finance and  
6 Administration Committee Meeting. We will take up the  
7 second reading of the 2016-17 mid-year budget, the first  
8 reading of the 2017-22 strategic plan, review the  
9 actual -- actuarial allocation policy, and the annual  
10 reports on the long-term care valuation, as well as the  
11 semiannual self-funded health plan.

12 The next meeting of the Finance and  
13 Administration Committee is scheduled for December 20th,  
14 2016 in Sacramento, California.

15 Thank you, Mr. President. That's my report.

16 PRESIDENT FECKNER: Thank you, Mr. Costigan.

17 Item 7d, Performance, Compensation and Talent  
18 Management Committee. For that, I call on the Chair Mr.  
19 Bilbrey.

20 BOARD MEMBER BILBREY: Thank you, Mr. President.

21 The Performance, Compensation and Talent  
22 Management Committee met on November 15th, 2016.

23 The Committee recommends and I move the Board  
24 approve the following items reviewed in closed session:

25 Agenda Item 3, review of the 2015-16 performance

1 former Chief Executive Officer. For the former chief --  
2 former CEO, approve the fiscal year 2015-16 performance  
3 award of \$119,038.

4 PRESIDENT FECKNER: On motion by Committee.

5 Any discussion on the motion?

6 Seeing none.

7 All in favor say aye?

8 (Ayes.)

9 PRESIDENT FECKNER: Opposed, no?

10 Motion carries.

11 BOARD MEMBER GILLIHAN: Will you please record me  
12 as abstaining.

13 PRESIDENT FECKNER: Please show Mr. Gillihan as  
14 abstaining.

15 BOARD MEMBER BILBREY: Agenda Item 4, review of  
16 2015-16 performance, Chief Investment Officer. For the  
17 CIO, approve the fiscal year 2015-16 performance award of  
18 \$248,026 and a fiscal year 2016-17 base salary of \$543,780

19 PRESIDENT FECKNER: On motion by Committee.

20 Any discussion on the motion.

21 Seeing none.

22 All in favor say aye?

23 (Ayes.)

24 PRESIDENT FECKNER: All opposed, no?

25 Abstaining?

1 BOARD MEMBER GILLIHAN: Yes.

2 PRESIDENT FECKNER: Please show Mr. Gillihan as  
3 abstaining.

4 Motion carries.

5 BOARD MEMBER BILBREY: The Committee recommends  
6 and I move the Board approve the following items reviewed  
7 in open session:

8 Agenda Item 5, 2016-17 performance plan of the  
9 Chief Executive Officer. Approve the 2016-17 performance  
10 plan of the CEO.

11 PRESIDENT FECKNER: On motion by Committee.

12 Any discussion on the motion?

13 Seeing none.

14 All in favor say aye?

15 (Ayes.)

16 PRESIDENT FECKNER: Opposed say no?

17 Motion carries.

18 GENERAL COUNSEL JACOBS: Excuse me, if I may?

19 PRESIDENT FECKNER: Yes, sir.

20 GENERAL COUNSEL JACOBS: May the record reflect  
21 that Mr. Jelincic did not vote on Items 3, 4, and 5.

22 PRESIDENT FECKNER: Correct, he left the room.

23 GENERAL COUNSEL JACOBS: Thank you.

24 PRESIDENT FECKNER: Thank you.

25 BOARD MEMBER BILBREY: The Committee received

1 reports on the following topics:

2 The Committee received an update on the  
3 Organizational Health Index survey, a risk report for the  
4 Performance, Compensation and Talent Management Committee,  
5 and the workforce strategic plan annual update.

6 The Committee also heard public comment from Neal  
7 Johnson, SEIU Local 1000 on employee development efforts.

8 At this time, I'll share some highlights of what  
9 to expect at the next meeting, which will be in February.

10 The Committee will receive semiannual status  
11 reports on the performance plans of the CEO and CIO and  
12 discuss the biennial salary review -- biennial salary  
13 survey.

14 The next meeting of the Performance, Compensation  
15 and Talent Management Committee is set for February 14th,  
16 2017 here in Sacramento.

17 Thank you, Mr. President.

18 PRESIDENT FECKNER: Thank you.

19 Brings us to Item 7e, Risk and Audit Committee.  
20 For that, I call on the Chair, Mr. Lind.

21 BOARD MEMBER LIND: Thank you.

22 The Risk and Audit Committee met on November  
23 15th, 2016.

24 The Committee recommends and I move the Board  
25 approve the following:

1           Agenda Item 5a, independent auditor's report for  
2   fiscal years 2015-2016, to approve the independent  
3   auditor's audit report on the basic financial statements,  
4   and the accompanying required communications for the  
5   fiscal year ended June 30th, 2016.

6           PRESIDENT FECKNER: On motion by Committee. Any  
7   discussion on the motion?

8           Seeing none.

9           All in favor say aye?

10          (Ayes.)

11          PRESIDENT FECKNER: Opposed, no?

12          Motion carries.

13          BOARD MEMBER LIND: Agenda Item 5b, approve the  
14   management letter as prepared by Macias, Gini & O'Connell  
15   LLP for the fiscal year ended June 30th, 2016.

16          PRESIDENT FECKNER: On motion by Committee.

17          Any discussion on the motion?

18          Seeing none.

19          All in favor say aye?

20          (Ayes.)

21          PRESIDENT FECKNER: Opposed say no?

22          Motion carries.

23          BOARD MEMBER LIND: Item 5c, finalist interviews  
24   for the independent financial statement auditor. Approve  
25   the independent financial statement auditor contract be

1 awarded to Macias, Gini & O'Connell, LLC.

2 PRESIDENT FECKNER: On motion by Committee.

3 Any discussion on the motion?

4 Seeing none.

5 All in favor say aye?

6 (Ayes.)

7 PRESIDENT FECKNER: Opposed, no?

8 Motion carries.

9 BOARD MEMBER LIND: The Committee received  
10 reports on the following topics: The semiannual  
11 enterprise risk dashboard, risk profiles, and heat map;  
12 the independent review of the actuarial valuations of the  
13 contracting public agency plans by Buck Consultants, LLC.

14 The Chair directed staff to work with CalPERS  
15 independent financial statement auditor to reach out to  
16 the Governmental Accounting Standards Board regarding the  
17 wording for private equity fee reporting.

18 At this time, I'd like to share some highlights  
19 of what to expect at the February Risk and Audit Committee  
20 meeting. The election of the Risk and Audit Committee  
21 Chair and Vice Chair; review of the Risk and Audit  
22 Committee delegation; the third-party valuation and  
23 certification of the State and schools plans; the external  
24 assessment of the office -- the external assessment of the  
25 Office of Audit Services Quality Assurance and Improvement

1 Program.

2 Our next meeting is scheduled for February 14th,  
3 2017.

4 Thank you.

5 PRESIDENT FECKNER: Thank you.

6 Mr. Jelincic.

7 BOARD MEMBER JELINCIC: Yeah, I just want --  
8 think that we ought to note that the meeting adjourned at  
9 9:15 p.m..

10 PRESIDENT FECKNER: Thank you.

11 Agenda Item 7f, Board Governance Committee.

12 There was no meeting, no report. Good thing there was no  
13 Committee meeting, because we might had to put cots in  
14 here.

15 (Laughter.)

16 PRESIDENT FECKNER: But thank you, Mr. Slaton for  
17 pulling that off this month.

18 That brings us to Agenda Item 8, delinquency  
19 contracting agency matter.

20 Ms. Eason, please.

21 CHIEF FINANCIAL OFFICER EASON: Thank you, Mr.  
22 Char.

23 Good morning --

24 PRESIDENT FECKNER: Good morning.

25 CHIEF FINANCIAL OFFICER EASON: -- Committee



1 members. Cheryl Eason, CalPERS CFO.

2           The agenda item before you, -- is to recommend  
3 that the Board of Administration declare the City of  
4 Loyalton in default of its obligations to the California  
5 Public Employees' Retirement System, and reduce the  
6 retirement benefits to be paid to Loyalton's employees  
7 retirees in accord with Government Code section 20577.  
8 I just wanted to remind the Committee that at the  
9 September Finance and Administration Committee, meeting,  
10 staff presented an update on contracting agencies  
11 significantly delinquent on their payment obligations to  
12 CalPERS, that being the California Fairs Financing  
13 Authority, or CFFA, the Niland Sanitary District, and the  
14 City of Loyalton.

15           The agenda item includes updates on actions taken  
16 by both CFFA and Niland to avoid initiation of involuntary  
17 termination proceedings under Government Code section  
18 20572, and therefore we have staff's recommendation to  
19 declare Loyalton in default. And reduce retirement  
20 benefits under Loyalton's contract in accordance with  
21 code section 20577.

22           An update to the Loyalton situation is that staff  
23 met with several of Loyalton's council members on Monday  
24 November 14th, and it was determined that they were not  
25 able to pay the liability termination, and that they would

1 not contest staff's recommendation to the Board at today's  
2 Board of Administration meeting to declare the city in  
3 default of its obligations, and reduce the member's  
4 benefits accordingly.

5 The city understands its failure to pay its  
6 termination liability, and that will -- it will result in  
7 approximately 40 percent reduction in the benefits paid to  
8 its members.

9 We were notified last night by City Council of  
10 Loyalton that yesterday they voted to pay the members  
11 reduction amount of approximately 60 percent directly to  
12 the members to ensure the 100 percent benefit payment.

13 And with that, I ask that the Board accept  
14 staff's recommendation to declare the City of Loyalton in  
15 default of its obligation and to reduce the retirement  
16 benefits.

17 BOARD MEMBER COSTIGAN: Move staff  
18 recommendation.

19 PRESIDENT FECKNER: Sure.

20 VICE PRESIDENT JONES: Second.

21 PRESIDENT FECKNER: Motion by costigan, seconded  
22 by Jones.

23 Any discussion on the motion?

24 Ms. Mathur.

25 BOARD MEMBER MATHUR: No, I just want to say this

1 is a very sad day. This is the first time in my memory, I  
2 think maybe in CalPERS history, that something like this  
3 has happened, and it's really a shame.

4 PRESIDENT FECKNER: Thank you.

5 Mr. Jelincic.

6 BOARD MEMBER JELINCIC: Yeah. I also want to  
7 acknowledge this is a tough one, but I don't know that we  
8 have a choice. The employer made the promise. The  
9 employer has got an obligation to fund the promise. Our  
10 job is to administer it. And if they won't fund it, there  
11 isn't much we can do about it.

12 PRESIDENT FECKNER: Any other comments?

13 Seeing none.

14 All in favor say aye?

15 (Ayes.)

16 PRESIDENT FECKNER: Opposed, no?

17 Motion carries.

18 Anything else, Ms. Eason?

19 CHIEF FINANCIAL OFFICER EASON: Nothing.

20 PRESIDENT FECKNER: Very good. Thank you.

21 That brings us to Agenda Item 9, proposed  
22 decisions of administrative law judges. For the record, I  
23 want to say that Chirag Shah of Shah & Associates is on  
24 the line. He's the Board's independent counsel for  
25 administrative law decisions.

1           Good morning, Mr. Shah.

2           MR. SHAH: Good morning, Mr. President. Good  
3 morning, members of the Board.

4           PRESIDENT FECKNER: So, Mr. Jones, please.

5           VICE PRESIDENT JONES: Yeah. Thank you, Mr.  
6 President. I move that the Board, one, adopt the proposed  
7 decisions at Agenda Item 9a through 9c and 9e through 9dd  
8 as the Board's own decision with the minor modification  
9 argued by staff; and 2, schedule Agenda Item 9d for a full  
10 board hearing on the limited questions of, A, whether  
11 member compensation with the water master was made  
12 pursuant to publicly available pay schedules; B, whether  
13 member, as an employee, during the time received severance  
14 pay; and C, whether the 6 months of severance pay that  
15 member received constitutes compensation earnable for  
16 purposes of the PERL.

17           PRESIDENT FECKNER: Motion by Jones.

18           Is there a second?

19           BOARD MEMBER LIND: Second.

20           PRESIDENT FECKNER: Seconded by Lind.

21           The motion is to adopt the proposed decisions on  
22 Item 9a through c, 9e through double d, and also set 9d  
23 for a full Board hearing.

24           Any discussion on the motion?

25           Seeing none.

1 All in favor say aye?

2 (Ayes.)

3 PRESIDENT FECKNER: Opposed, say no?

4 Motion carries. Thank you.

5 That brings us to Item 10, Petitions for  
6 Reconsideration.

7 Mr. Jones.

8 VICE PRESIDENT JONES: Yeah. Thank you, Mr.  
9 President.

10 I move to deny the petitions for reconsideration  
11 at Agenda Item 10a through 10c.

12 BOARD MEMBER LIND: Second.

13 PRESIDENT FECKNER: Motion by Jones, second by  
14 Lind.

15 Any discussion on the motion?

16 Seeing none.

17 All in favor say aye?

18 (Ayes.)

19 PRESIDENT FECKNER: Opposed say, no?

20 Motion carries. Thank you.

21 That brings us to -- thank you, Mr. Shah.

22 MR. SHAH: Thank you, Mr. President.

23 PRESIDENT FECKNER: That brings us to Agenda Item  
24 10, State Legislative Update.

25 Ms. Ashley.

1           LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: Good  
2 morning, Mr. President, members of the Board. Mary Anne  
3 Ashley, CalPERS team member.

4           Agenda Item 11 is an informational item.  
5 Included in your Board materials is the summary of  
6 legislation that notes the final disposition of both of  
7 CalPERS sponsored measures as well as the disposition of  
8 bills that the Board has taken a position on, and other  
9 legislation that could have potentially impacted CalPERS.

10           I'm very pleased to report that CalPERS was  
11 successful, and that both of our sponsored measures were  
12 signed by the Governor. And as I noted, the summary is  
13 included in your Board, materials but I'd like to  
14 highlight just a couple of bills that have changed since  
15 the last Board meeting report.

16           AB 1878, which the Board ultimately had a neutral  
17 position on, and would have authorized the CalPERS Board  
18 to adjust the death benefit amount, based on the changes  
19 in the all-urban California Consumer Price Index was  
20 vetoed by the governor.

21           The Governor signed AB 2028, which the Board  
22 ultimately was in support of, and which requires members  
23 who are involuntary terminated, and subsequently  
24 reinstated to employment through specified proceedings to  
25 receive all retired -- retirement benefits they would have

1 otherwise accrued had they not been terminated.

2 AB 2348, which the Board adopted a neutral  
3 position on, and that would have authorized the Department  
4 of Finance to identify infrastructure projects in  
5 California, for which the Department would have guaranteed  
6 a rate of return on investments made by CalPERS, was  
7 vetoed by the Governor.

8 And the Governor signed SB 294, which requires  
9 CalPERS to create and use a separate form to be used by  
10 CalPERS members requiring retirement service credit for  
11 active military service, while on leave from CalPERS  
12 covered employment.

13 And then finally I'd like to mention a bill that  
14 wasn't included in the summary, but was signed by the  
15 Governor, and could potentially have an impact to CalPERS.  
16 It is Assembly Bill 1887. And it prohibits State agencies  
17 from requiring an employee to travel, with certain  
18 exceptions, on State business to any State that has, after  
19 June 15th -- or excuse me, June 26th, 2015, passed any law  
20 that voids or repeals existing State or local protections  
21 against discrimination as specified, or from approving a  
22 request for State funding travel to a State that has  
23 adopted legislation that I just noted.

24 The Attorney General is to compile a list of  
25 states that meet the criteria, and will post that list on

1 its website.

2 In terms of federal legislation, bills in the  
3 114th Congress are still outstanding. And they're noted  
4 on the legislative summary report.

5 Our federal representatives have provided insight  
6 and updates on the bills in their reports. And they will  
7 continue to monitor and update as appropriate.

8 And then finally, the California legislature  
9 reconvenes next month on December 5th. So we will be  
10 providing the Board with a new legislative summary and  
11 report as the new session convenes and moves through the  
12 legislative process.

13 And that concludes my report, and I am happy to  
14 answer any questions.

15 PRESIDENT FECKNER: Thank you.

16 Mr. Jelincic.

17 BOARD MEMBER JELINCIC: On page 5 at the bottom,  
18 1954, will that necessitate any changes in our health  
19 benefit program? And you may not know it, but there may  
20 be people who do sitting behind you.

21 LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: We  
22 didn't identify any that would be needing additional  
23 resources or costs.

24 BOARD MEMBER JELINCIC: Do we currently allow  
25 people to do this without requiring a referral.



1           LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: I --  
2 that's a good question, and I don't have the answer to  
3 that. I don't know if there's anybody from Health  
4 Benefits that could answer, but I'd certainly be happy to  
5 get that information and bring it back to you.

6           BOARD MEMBER JELINCIC: Thank you.

7           LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: Thank  
8 you.

9           PRESIDENT FECKNER: Seeing no other requests.  
10 Thank you.

11           The brings us to Item 11, summary of Board  
12 Direction.

13           Mr. Frost, anything jump out at you this morning?

14           CHIEF EXECUTIVE OFFICER FROST: I think the only  
15 direction was the question that was asked by Mr. Jelincic  
16 hear at the end that we need to do some follow-up on on  
17 data.

18           PRESIDENT FECKNER: And also the minutes earlier  
19 on -- check those.

20           CHIEF EXECUTIVE OFFICER FROST: The minutes. The  
21 corrections, right, to the minutes.

22           PRESIDENT FECKNER: All right. Very well.

23           Brings us to Agenda Item 13, public comment.

24           Any one from the public wish to address the Board  
25 at this time?

1           Seeing none.

2           I just want to remind everyone, I say this  
3 annually, that we are coming into the holiday time of the  
4 season. And it's a tough time for some folks. And we  
5 just ask you all to be a little more compassionate, reach  
6 out to some folks and maybe brighten their holiday season  
7 a little bit. It's pretty easy to offer somebody a slice  
8 of turkey at the holiday time. So take that under  
9 consideration and try and make it a better year for other  
10 people as well.

11           I hope everyone has an enjoyable Thanksgiving,  
12 and we will see you December.

13           This meeting is adjourned.

14           (Thereupon the California Public Employees'  
15 Retirement System, Board of Administration  
16 open session meeting adjourned at 11:24 a.m.)

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## C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California.

That the said proceedings was taken before me, in shorthand writing, and was thereafter transcribed, under my direction, by computer-assisted transcription.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of November, 2016.



JAMES F. PETERS, CSR  
Certified Shorthand Reporter  
License No. 10063