

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

MINUTES OF MEETING

November 15, 2016



The Finance & Administration Committee met on November 15, 2016, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 2:35 p.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):

Michael Bilbrey
Rob Feckner
Steve Juarez for John Chiang
Ron Lind
Priya Mathur
Theresa Taylor

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

On **MOTION** by Dana Hollinger, **SECONDED** and **CARRIED**, the Committee approved the Action Consent Items.

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

JJ Jelincic pulled Agenda Item 4d, Year-End Budget and Expenditure Report for discussion.

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 5a – 2015-16 BASIC FINANCIAL STATEMENTS

Cheryl Eason, Chief Financial Officer, and Kristin Montgomery, Controller, presented the 2015-16 Basic Financial Statements as an action item.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Draft CalPERS 2015-16 Basic Financial Statements.

AGENDA ITEM 5b – 2016-17 MID-YEAR BUDGET (FIRST READING)

Ms. Eason and Rose McAuliffe, Chief Officer, Financial Planning Policy and Budgeting, presented the 2016-17 Mid-Year Budget (First Reading).

On **MOTION** by Lynn Pacquin, **SECONDED** and **CARRIED**, the Committee recommended the Board 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 EMPLOYEES' RETIREMENT LAW

Mary Anne Ashley, Chief Officer, Legislative Affairs, presented the State Legislative Proposal: Policy and Technical Amendments to the Public Employees' Retirement Law.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board 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).

Richard Gillihan ABSTAINED.

At 3:49 p.m. a break was taken.

The Committee reconvened at 4:02 p.m.

AGENDA ITEM 7a – SECURING CALPERS FUTURE – MANAGING FUNDING RISKS, STAKEHOLDER OUTREACH AND ENGAGEMENT

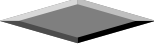
Cheryl Eason, Chief Financial Officer, Ted Eliopoulos, Chief Investment Officer, Brad Pacheco, Deputy Executive Officer, Communications and Stakeholder Relations, Scott Terando, Interim Chief Actuary, Andrew Junkin, Wilshire Consulting, and Allan Emkin, Pension Consulting Alliance, LLC, presented Securing CalPERS Future – Managing Funding Risks, Stakeholder Outreach and Engagement as an information item.

Public comment was received from the following:

Dave Hutchings with League of California Cities
Terry Brennand with Service Employees International Union
Neal Johnson with Service Employees International Union 1000
Dave Low with California School Employees Association
Dillon Gibbons with California Special Districts Association
Dan Pellissier, CalPERS retiree

The Chair moved and with no objections, that Agenda Item 7b, Collections & Termination Process for Public Agencies would be heard at 8:00 a.m. on November 16, 2016.

The meeting of the Finance and Administration Committee recessed at 6:18 p.m. to reconvene on Wednesday, November 16, 2016 at 8:00 a.m.



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MINUTES OF MEETING

November 16, 2016



The Finance & Administration Committee reconvened its regular meeting on November 16, 2016, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q. Street, Sacramento, California.

The meeting was called to order at 8:00 a.m. and the following members were present:

Richard Costigan, Chair
Dana Hollinger, Vice Chair
Katie Hagen for Richard Gillihan
JJ Jelincic
Henry Jones
Bill Slaton
Karen Greene-Ross for Betty Yee

Other Board Member(s):

Rob Feckner
Steve Juarez for John Chiang

AGENDA ITEM 7b – COLLECTIONS & TERMINATION PROCESS FOR PUBLIC AGENCIES

Cheryl Eason, Chief Financial Officer, Scott Terando, Interim Chief Actuary, and Arnita Paige, Staff Services Manager III, Pension Contract Management Services, presented the Collections & Termination Process for Public Agencies, as an information item.

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

AGENDA ITEM 8a – CalPERS 2017-2022 Strategic Plan (First Reading)

The Chair moved and with no objections, Agenda Item 8a, CalPERS 2017-2022 Strategic Plan (First Reading) be deferred to the December 15, 2016 Finance and Administration Committee Meeting.

AGENDA ITEM 9 – SUMMARY OF COMMITTEE DIRECTION

The Chair directed staff to 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.

The Chair directed staff on Agenda Item 7b to 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.

AGENDA ITEM 10 – PUBLIC COMMENT

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 8:35 a.m.

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

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER