

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, DECEMBER 21, 2016

9:01 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

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 Mr. Steve Juarez

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. Lynn Paquin

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

Ms. Preet Kaur, Senior Staff Attorney

Ms. Marguerite Seabourn, Assistant Chief Counsel

ALSO PRESENT:

Mr. Tim Behrens, California State Retirees

Mr. Bradley Herrema, Chino Basin Watermaster

Mr. Neal Johnson, Service Employees International Union,
Local 1000

Mr. Chirag Shah, Shah and Associates

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1 participation on outside organizations and bring it back
2 to a future Board governance meeting.

3 Committee heard public comment on Agenda Item 10
4 Neal Johnson from SEIU.

5 The next meeting of the Board Governance
6 Committee is tentatively scheduled for February 14th,
7 2017, in Sacramento, California.

8 That completes my report.

9 PRESIDENT FECKNER: Thank you.

10 Mr. Mathur.

11 BOARD MEMBER MATHUR: Thank you.

12 I just wanted to noted that also the Chair
13 directed staff to work on amending the form requesting to
14 speak such that if individuals believe that they will need
15 more time for public comment, that they can indicate so,
16 and the Chair can make a determination.

17 Thank you.

18 PRESIDENT FECKNER: Very well. Thank you.

19 That brings us to Agenda Item 8, the proposed
20 decision of administrative law judges.

21 I will note that Mr. Shah -- Chirag Shah from
22 Shah & Associates, the Board's independent counsel for
23 administrative decisions, is here with us.

24 Today good, Mr. Shah.

25 MR. SHAH: Good morning, Mr. President.

1 PRESIDENT FECKNER: And Mr. Jones please.

2 VICE PRESIDENT JONES: Yeah. Thank you,
3 Mr. President. Yeah, this item 8 has four components to
4 the -- four different motions, and I'll start with the
5 first one.

6 I move to adopt the proposed decisions at Agenda
7 items 8a through 8d, Agenda Item 8f, Agenda items 8i and
8 8j, and Agenda items 8l through 8u as the Board's own
9 decision, with the minor modification argued by staff to
10 Agenda items 8c, 8l, and 8p.

11 PRESIDENT FECKNER: On motion -- is there a
12 second?

13 BOARD MEMBER LIND: Second.

14 PRESIDENT FECKNER: It's been moved by Jones,
15 seconded by Lind that the Board take the recommendations
16 on Item 8a through d, 8f 8i, 8j, and 8l through 8u, with
17 some -- also with modifications.

18 So motion being before you, any discussion on the
19 motion?

20 Seeing none.

21 All in favor say aye?

22 (Ayes.)

23 PRESIDENT FECKNER: Opposed, no?

24 Motion carries.

25 Mr. Jones.

1 VICE PRESIDENT JONES: I move to schedule Agenda
2 Items 8e and 8h for full Board hearings.

3 BOARD MEMBER JELINCIC: Second.

4 PRESIDENT FECKNER: It's been moved by Jones,
5 seconded by Jelincic that Item 8e and 8h be moved into
6 full Board hearings.

7 Any discussion on the motion?

8 Seeing none.

9 All in favor say aye?

10 (Ayes.)

11 PRESIDENT FECKNER: Opposed, no?

12 Motion carries.

13 VICE PRESIDENT JONES: I move to remand Agenda
14 Item 8g for the taking of additional evidence regarding
15 the psychological conditions asserted by the member.

16 PRESIDENT FECKNER: Is there a second?

17 BOARD MEMBER MATHUR: Second.

18 PRESIDENT FECKNER: Been moved by Jones, seconded
19 by Mathur that we take Item 8g and remand for additional
20 evidence.

21 Any discussion on the motion?

22 Seeing none.

23 All in favor say aye?

24 (Ayes.)

25 PRESIDENT FECKNER: All opposed say no?

1 Motion carries.

2 VICE PRESIDENT JONES: One more.

3 PRESIDENT FECKNER: Yep.

4 VICE PRESIDENT JONES: I move to remand Agenda
5 Item 8k for the taking of additional evidence regarding
6 whether staff's determination elevates form over
7 substance.

8 BOARD MEMBER HOLLINGER: Second.

9 PRESIDENT FECKNER: It's been moved by Jones,
10 seconded by Hollinger that we take Item 8k for remand back
11 to additional -- for additional evidence.

12 Any discussion on the motion?

13 Seeing none.

14 All in favor say aye?

15 (Ayes.)

16 PRESIDENT FECKNER: Oppose, say no?

17 Motion carries.

18 Brings us to Agenda Item 9.

19 Mr. Jones.

20 VICE PRESIDENT JONES: I move to deny the
21 petitions at Agenda items 9a through 9d.

22 PRESIDENT FECKNER: Okay. Is there a second?

23 BOARD MEMBER COSTIGAN: I'll second it.

24 PRESIDENT FECKNER: Been moved by Jones, seconded
25 by Costigan that 9a through 9d we deny the petitions.

1 Any discussion on the motion?

2 Seeing none.

3 All in favor say aye?

4 (Ayes.)

5 PRESIDENT FECKNER: Opposed, say no?

6 Motion carries.

7 Item 10 we were going to wait. We're going to
8 take the Item 11 first. And then we'll go back to the
9 Item 10 for the full Board hearing.

10 So, Ms. Ashley, will you please do the -- you can
11 stay there, Mr. Shah. It won't be long -- the State and
12 Federal Legislative Update.

13 Ms. Ashley, please.

14 LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: Good
15 morning and happy holidays --

16 PRESIDENT FECKNER: Good morning.

17 LEGISLATIVE AFFAIRS DIVISION CHIEF ASHLEY: --
18 Mr. President and members of the board Mary Anne Ashley,
19 CalPERS team member. I will be presenting Agenda Item 11,
20 which is an informational item. The legislative summary
21 is included in your Board materials for your reference.

22 The new legislative session began on December 5th, and
23 an just under 100 bills have been introduced thus far.
24 The Legislative Affairs team has identified those bills
25 which do or potentially will have an impact to CalPERS,

