


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

MINUTES OF MEETING

February 14, 2017



The Finance & Administration Committee met on February 14, 2017, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:58 a.m. and the following members were present:

Richard Costigan, Chair
Theresa Taylor, Vice Chair
Steve Juarez for John Chiang
JJ Jelincic
Henry Jones
Bill Slaton
Lynn Paquin for Betty Yee

Other Board Member(s):

Michael Bilbrey
Rob Feckner
Richard Gillihan
Katie Hagen for Richard Gillihan
Dana Hollinger
Priya Mather

AGENDA ITEM 2 – ELECTION OF CHAIR AND VICE CHAIR

Bill Slaton called for nominations for the Chair and Vice Chair of the Finance & Administration Committee.

Theresa Taylor nominated Richard Costigan for Chair. No further nominations were made for Chair.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee elected Richard Costigan for Chair.

Richard Costigan called for nominations for the Vice Chair of the Finance & Administration Committee.

Bill Slaton nominated Theresa Taylor for Vice Chair. No further nominations were made for Vice Chair.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee elected Theresa Taylor for Vice Chair.

AGENDA ITEM 3 - EXECUTIVE REPORT

Marlene Timberlake D'Adamo, Interim Chief Financial Officer, presented the oral report to the Committee.

AGENDA ITEM 4 – ACTION CONSENT ITEMS

The Chair pulled Agenda Item 5d, Quarterly Chief Information Officer IT Report for discussion.

Ms. Timberlake D'Adamo presented the Action Consent Items to the Committee for approval.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee approved the Action Consent Items.

AGENDA ITEM 5 – INFORMATION CONSENT ITEMS

JJ Jelincic pulled Agenda Item 5f, CalPERS 2016-17 Business Plan Mid-Year Update, for discussion.

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 6a – CALPERS 2017-2022 STRATEGIC PLAN AND CALPERS 2017-18 BUSINESS PLAN

Doug Hoffner, Deputy Executive Officer, Operations and Technology and Sabrina Hutchins, Chief Officer, Enterprise Strategy and Performance Division, presented the CalPERS 2017-2022 Strategic Plan and CalPERS 2017-18 Business Plan.

On **MOTION** by Bill Slaton, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the CalPERS 2017-2022 Strategic Plan and 2017-18 Business Plan Initiatives that will commence on July 1, 2017.

AGENDA ITEM 7a – 2017 CALPERS BOARD OF ADMINISTRATION MEMBER-AT-LARGE ELECTION – NOTICE OF ELECTION

Doug Hoffner, Deputy Executive Officer and Kim Malm, Chief Officer, Operations Support Services Division, presented the 2017 CalPERS Board of Administration Member-at-Large Election – Notice of Election.

The Chair directed that staff bring back information to be heard at the end of committee.

Public Comment was received from Al Darby with Retire Public Employees' Association.

On **MOTION** by Theresa Taylor, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the Notice of Election for the 2017 CalPERS Board of Administration Member-at-Large Election as modified to change the word "retiree" to "candidate" in the eligibility section.

JJ Jelincic voted NO.

AGENDA ITEM 7b – REVIEW OF THE FINANCE & ADMINISTRATION COMMITTEE DELEGATION, BOARD GOVERNANCE POLICY, AND POLICY FOR APPROVAL OF REIMBURSEMENT TO STATE, SCHOOL AND PUBLIC AGENCY EMPLOYERS OF ELECTED BOARD MEMBERS

Marlene Timberlake D'Adamo, Interim Chief Financial Officer, presented the Review of the Finance and Administration Committee Delegation, Board Governance Policy, and Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members.

The Chair moved, with no objections, that Agenda Item 7b, Review of the Finance & Administration Committee Delegation, Board Governance Policy, and Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members would be heard at the Finance and Administration Committee then the Board Governance Committee in April.

AGENDA ITEM 8a – ACTUARIAL CONTRIBUTION ALLOCATION POLICY (SECOND READING)

Scott Terando, Chief Actuary presented the second reading of the Actuarial Contribution Allocation Policy.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the adoption of the consolidated Actuarial Contribution Allocation Policy and rescind policies previously approved by the Board.

AGENDA ITEM 9a – FUNDING RISK MITIGATION POLICY

Marlene Timberlake D'Adamo, Interim Chief Financial Officer and Forrest Grimes, Chief Risk Officer, presented the Funding Risk Mitigation Policy, as an Action Item.

On **MOTION** by Bill Slaton, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the revised Funding Risk Mitigation Policy.

AGENDA ITEM 10a – QUARTERLY COLLECTIONS & TERMINATION REPORT

Ms. Timberlake D'Adamo, Interim Chief Financial Officer and Arnita Paige, Chief Officer, Pension Contract Management and Prefunding Program presented Quarterly Collections & Termination Report, as an Information Item.

At 1:10 p.m. a break was taken.

The Committee reconvened at 1:44 p.m.

AGENDA ITEM 10b – CALPERS BOARD OF ADMINISTRATION ELECTION – VOTING OPTIONS UPDATE

Kim Malm, Chief Officer, Operations Support Services Division presented CalPERS Board of Administration Election – Voting Options Update, as an Information Item.

AGENDA ITEM 10c – APPLICATION OF RESPONSIBLE CONTRACTOR POLICY TO ALL CALPERS CONTRACTS

Ms. Malm presented Application of Responsible Contractor Policy to all CalPERS Contracts, as an Information Item.

Public Comment was received from Pat Whalen with United Nurses Associations of California/Union of Health Care Professionals.

AGENDA ITEM 11a – ASSET LIABILITY MANAGEMENT POLICY (FIRST READING)

Ms. Timberlake D'Adamo and Mr. Grimes presented the first reading of the Asset Liability Management Policy, as an Information Item.

AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION

Bring back to the Committee additional information on the nature of all IT projects.

Have the Finance & Administration Committee review the Committee's delegation and the Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members in April.

Have the Board Governance Committee review the proposed changes to the Governance Policy following the Finance and Administration Committee in April.

Provide the Committee a process for escalating delinquent employers after 90 days and consider including elected officials on delinquencies notices.

Bring back to the Committee, further discussion on the responsible contractor policy.

AGENDA ITEM 12 – PUBLIC COMMENT

There was no public comment.

The meeting of the Finance & Administration Committee was adjourned at 2:23 p.m.

The next Finance & Administration Committee meeting is scheduled for April 18, 2017, in Sacramento, California.

Date: _____

MARLENE TIMERBERLAKE D'ADAMO
INTERIM CHIEF FINANCIAL OFFICER