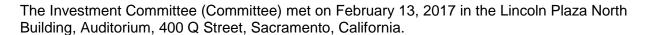


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION INVESTMENT COMMITTEE

MINUTES OF MEETING OPEN SESSION

February 13, 2017



The meeting was called to order at approximately 9:54 a.m. and the following members were present:

Henry Jones, Chair
Bill Slaton, Vice Chair
Michael Bilbrey
John Chiang represented by Steve Juarez
Richard Costigan
Rob Feckner
Richard Gillihan
Dana Hollinger
JJ Jelincic
Ron Lind
Priya Mathur
Theresa Taylor
Betty Yee represented by Lynn Paquin

AGENDA ITEM 2 – ELECTION OF THE INVESTMENT COMMITTEE CHAIR AND VICE CHAIR

Mr. Slaton opened the floor for nominations for the Chair of the Committee. Mr. Juarez nominated Mr. Jones to serve as Chair. No further nominations were made. On **MOTION** by Mr. Slaton, **SECONDED** and **CARRIED**, to reelect Mr. Jones as Chair. The motion passed.

Mr. Jones opened the floor for nominations for the Vice Chair of the Committee. Ms. Hollinger nominated Mr. Slaton to serve as Vice Chair. No further nominations were made. On **MOTION** by Ms. Hollinger, **SECONDED** and **CARRIED**, to elect Mr. Slaton as Vice Chair. The motion passed.

AGENDA ITEM 3 - EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO), provided the CIO Briefing, including an overview of the upcoming Asset Liability Management (ALM) process.

AGENDA ITEM 4a - ACTION CONSENT ITEMS

On **MOTION** by Ms. Taylor, **SECONDED** and **CARRIED**, to approve the following action consent items with changes. The motion passed.

- a. Approval of the December 19, 2016 Investment Committee Meeting Minutes, with changes noting a motion by Mr. Jelincic at the December meeting that was not seconded.
- b. Report to the California Legislature Holocaust Era and Northern Ireland

AGENDA ITEM 5 - INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the March 13, 2017 Investment Committee Meeting
- c. Monthly Update Performance and Risk
- Monthly Update Investment Compliance, with changes noting that Mr. Jelincic and Ms.
 Taylor were not present for the September Closed-Session roll-call vote on the Interim
 Asset Allocation.
- e. Legislation Federal Investment Policy Representative Update

AGENDA ITEM 6a – LEGISLATION, Annual Review of the Legislative and Policy Engagement Guidelines – Second Reading

Mary Anne Ashley, Chief of Legislative Affairs, presented the item and responded to comments from the Committee with Matthew Jacobs, General Counsel.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to divide the question, an electronic roll-call vote was taken. The motion failed.

<u>YES</u>	<u>NO</u>		<u>ABSTAIN</u>
Michael Bilbrey	Rob Feckner	Bill Slaton	
Richard Costigan	Richard Gillihan	Theresa Taylor	
JJ Jelincic	Dana Hollinger		
Steve Juarez	Priya Mathur		
Ron Lind	Lynn Paquin		

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve staff's recommendation to dispense with the guidelines on investment matters and delegate the primary responsibility for determining CalPERS's positions on federal bills to the Chief Executive Officer. The motion passed.

AGENDA ITEM 6b – LEGISLATION, Assembly Bill 20 (Kalra) Dakota Access Pipeline: Divestment

Mary Anne Ashley, Chief of Legislative Affairs, presented the item, recommended that the Committee defer the item to a later date to allow the author to engage further with stakeholders and responded to comments from the Committee. The Committee agreed to defer the item.

Public comment was heard in support of divesting from the Dakota Access Pipeline from the following:

Lynn Davidson, 350 Bay Area
Sandy Emerson, Fossil Free California
RL Miller, Climate Hawks Vote
Brady Torres, State of California Retiree
Susan Wilke, Retired California State
Worker
Karen Taberski
Renee Michel, SCUSD
Karen Jacques, CalPERS Member, Retiree

Wayne K. Miyao Peter Dragovich, Contra Costa Progressives Lina Braunstein, State Retiree, CalPERS

Martha Dragovich, Contra Costa Progressives

Marian Simmons, CalPERS Member Anna Luna. Sacramento State. CalPERS

Member

Dvane Osorio. Mother Lode Sierra Club

Deborah Silvey, Fossil Free California Frances Aubrey, Alameda Interfaith Climate Action Network

Jennifer Gray, Private Citizen, CalPERS Retirement System Rick Sullivan, Retired Government Pensioner from Maryland Sueann Gawel, CalPERS Retiree Jose Estrada, Beneficiary Tarnel Abbott, Richmond Progressive Alliance

Jean Jackman, Retired Teacher Salina Martinez

Lynne Nittler, Retired Teacher Leslie Johnson, Indivisible Sacramento Genelle Wood (Moose: maiden name), Fossil Free

Cheryl E. Keith, CalPERS Retiree Ilonka Zlatar, State Employee/350 Sacramento

Holly Rice, CalPERS Retiree Member Rhonda Rivard Neeta Lind, Daily Kos Arthur Williamson, CSUS

Dianna Suarez, Citizen of California Victor Botello,

Rebecca Kaplan, Oakland City Council Pennie Opal Plout, Indigenous Environmental Network

AGENDA ITEM 7a – TOTAL FUND, CalPERS Trust Level Review – Consultant Report

Andrew Junkin, Tom Toth, Wilshire Associates Consulting, David Altshuler, StepStone, and Michael Moy, David Glickman, and Christy Fields, Pension Consulting Alliance, presented the item and responded to comments and questions from the Committee. The Committee also directed comments and questions to Ted Eliopoulos, CIO.

The Committee recessed from 12:07 p.m. to 1:03 p.m.

AGENDA ITEM 7b - TOTAL FUND, CalPERS Trust Level Review

John Rothfield, Investment Director (ID), presented the item and responded to comments and questions from the Committee with Ted Eliopoulos, CIO, and Wylie Tollette, Chief Operating Investment Officer (COIO).

AGENDA ITEM 7c - TOTAL FUND, Consultant Review of CalPERS Divestments

Andrew Junkin, Steve Foresti, Wilshire Associates presented the item and responded to questions from the Committee with Ted Eliopoulos, CIO.

AGENDA ITEM 8a – POLICY & DELEGATION, Revision of the Total Fund Investment Policy – First Reading

Kit Crocker, ID, presented the item and responded to questions from the Committee with Wylie Tollette, COIO.

Public Comment was received from Scarlette Bustos, member of Indivisible Sacramento, Janet Cox, and Tarnel Abbott.

AGENDA ITEM 8b – POLICY & DELEGATION, Repeal of the Legacy Real Assets Policies – First Reading

Wylie Tollette, COIO, presented the item and received comments from the Committee. The Committee discussed proposed repeal of the legacy real estate appraisal and valuation policies. The Committee determined that a second reading was unnecessary and elected to take action to repeal the legacy policies.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to approve the Repeal of the Legacy Real Assets Policies.

AGENDA ITEM 9a – PROGRAM REVIEWS, Corporate Governance Update

Dan Bienvenue, Managing Investment Director, and Simiso Nzima, ID, presented the implementation of the corporate governance work plan within the item and responded to questions from the Committee with Anne Simpson, ID, and Ted Eliopoulos, CIO.

Public comment was heard in support of corporate governance from Michael Ring, SEIU.

AGENDA ITEM 10 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, and Wylie Tollette, COIO, presented and summarized the Chair-directed items. The Chair directed Investment staff to review the engagement options for the Dakota Access Pipeline and return with a report to the March 2017 Investment Committee.

AGENDA ITEM 11 – PUBLIC COMMENT

Public comment was heard from Scarlette Bustos, Indivisible Sacramento, on sustainable jobs.

The meeting recessed at approximately 3:47 p.m.

The next Committee meeting is scheduled for March 13, 2017 in Sacramento, California.

MARCIE FROST
Chief Executive Officer