



California Public Employees' Retirement System  
P.O. Box 942701  
Sacramento, CA 94229-2701  
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[www.calpers.ca.gov](http://www.calpers.ca.gov)

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Special:

## Circular Letter

November 3, 2017

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS  
AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION AND  
ITS COMMITTEES

The Board of Administration of the California Public Employees' Retirement System (CalPERS) and its committees will meet on November 13 through 15, 2017. The meetings will be held in the CalPERS auditorium located in Lincoln Plaza North, 400 Q Street, Sacramento, California, unless otherwise noted.

Copies of the agendas for the meetings are attached. This notice and the agendas are also available on our website, [www.calpers.ca.gov](http://www.calpers.ca.gov).

The estimated start times for each meeting are set forth below. In some cases, a portion of the meeting may be held in closed session. Please refer to the attached agendas for additional information.

### **Monday, November 13, 2017**

8:30 a.m. Board of Administration (*Closed Session Only*)  
8:45 a.m. Investment Committee (*Closed Session Only*)  
9:00 a.m. Investment Committee  
3:00 p.m. Asset Liability Management (ALM) Workshop (*Room 1140*)

### **Tuesday, November 14, 2017**

9:00 a.m. Pension & Health Benefits Committee  
1:00 p.m. Finance & Administration Committee  
3:00 p.m. Risk & Audit Committee

### **Wednesday, November 15, 2017**

8:30 a.m. Board of Administration (*Closed Session Only*)  
9:00 a.m. Board of Administration

Live broadcasts of open session meetings of the Board and its committees are available for viewing at [www.calpers.ca.gov](http://www.calpers.ca.gov). Please refer to the website for information on attending meetings and presenting public comment.

The meeting facilities are accessible to persons with disabilities. Requests for disability-related modification or accommodation require a minimum of 72 hours' notice and may be requested by calling (916) 795-3065 (voice or TTY).

Questions regarding the meetings may be referred to Cheree Swedensky at (916) 795-3128 or [cheree.swedensky@calpers.ca.gov](mailto:cheree.swedensky@calpers.ca.gov).

MARCIE FROST  
Chief Executive Officer  
Attachment



# Board of Administration Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 13, 2017**  
8:30 am

## **BOARD MEMBERS**

Rob Feckner, President  
Henry Jones, Vice President  
Michael Bilbrey  
John Chiang  
Richard Costigan

Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Closed Session**  
8:30 am

1. Chief Executive Officer's Briefing on Performance, Employment, and Personnel Items  
**(Government Code sections 11126 (a)(1), (e), and (g)(1))**

### **Notes**

- 1) Items designated for Information are appropriate for Committee Action if the Committee wishes to take action. Any Agenda Item from a properly noticed Committee meeting, held immediately prior to this Board meeting, may be considered by the Board.
- 2) The hour designated as the earliest starting time for this meeting is not intended to communicate the expected duration (or ending time) of the preceding meeting.
- 3) Public comment may be taken on any agenda item. There is a three-minute limitation on each public comment, unless otherwise directed by the Committee Chair. (Cal. Code Regs. tit. 2, § 552.1.)



# Investment Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 13, 2017**  
9:00 a.m.  
Or upon adjournment of the  
Closed Session — Whichever is later

## COMMITTEE MEMBERS

Henry Jones, Chair  
Bill Slaton, Vice Chair  
Michael Bilbrey  
John Chiang  
Richard Costigan

Rob Feckner  
Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind

Priya Mathur  
Theresa Taylor  
Betty Yee

## AGENDA

### Closed Session 8:45 a.m.

Ted Eliopoulos

Or Upon Adjournment or Recess of Board Closed Session,  
Whichever is Later

#### **(Government Code sections 11126(a)(1) and (c)(16))**

1. Chief Investment Officer's Briefing on Market and Personnel Items

### Open Session 9:00 a.m.

Ted Eliopoulos

Ted Eliopoulos

Or Upon Adjournment or Recess of Closed Session,  
Whichever is Later

1. Call to Order and Roll Call
2. Executive Report – Chief Investment Officer Briefing
3. Consent Items

#### **Action Consent Items:**

- a. Approval of the September 18, 2017  
Investment Committee Meeting Minutes

4. Consent Items

#### **Information Consent Items:**

- a. Annual Calendar Review
- b. Draft Agenda for December 18, 2017 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance
- e. Federal Investment Policy Representative Update



Wylie Tollette  
Kit Crocker  
Andrew Junkin, Wilshire  
Associates

### Action Agenda Items

5. Policy & Delegation
  - a. Public Asset Class Investment Policies – Second Reading

Sarah Corr  
Mahboob Hossain  
Stephen McCourt, Steven Hartt,  
Meketa Investment Group

Paul Mouchakkaa  
Mike Inglett  
Jane Delfendahl  
Beth Richtman  
Ed Yrure

Allan Emkin,  
David Glickman,  
Christy Fields,  
Pension Consulting Alliance

Lisa Bacon,  
Stephen McCourt,  
Meketa Investment Group

Andrew Junkin,  
Wilshire Associates Consulting

Ted Eliopoulos

### Information Agenda Items

6. Program Reviews
  - a. Private Equity Annual Program Review
  - b. Consultant Review of the Private Equity Program
  - c. Real Assets Annual Program Review
  - d. Consultant Review of the Real Assets Program

### Closed Session

Ted Eliopoulos

Upon Adjournment or Recess of Open Session  
**(Government Code sections 11126(a)(1), (c)(16) and (e))**

1. Call to Order and Roll Call
2. Consent Items

#### Action Consent Items:

- a. Approval of the September 18, 2017 Investment Committee Closed Session Minutes

Ted Eliopoulos

3. Consent Items

**Information Consent Items:**

a. Closed Session Activity Reports

- 1) Status of Action Items Not Yet Reported
- 2) Items Completed Under Delegated Authority
- 3) Disclosure of Placement Agent Fees: Proposed Investments
- 4) Investment Proposal Status Reports

**Information Agenda Items**

4. Asset Allocation

a. Impact of Asset Segments

5. Total Fund

a. Private Equity: Follow up on Alternative Business Models

Eric Baggesen

Ted Eliopoulos

John Cole

Larry Sonsini, Wilson Sonsini

Goodrich & Rosati

6. External Manager and Investment Decision Updates

a. Private Equity

b. Real Assets

c. Global Equity

d. Global Fixed Income Programs

e. Opportunistic

f. Trust Level Portfolio Management

Sarah Corr

Paul Mouchakkaa

Dan Bienvenue

Curtis Ishii

Kevin Winter

Eric Baggesen

Ted Eliopoulos

7. Chief Investment Officer – Personnel, Employment and Performance

8. Investment Strategy Session with Board's Independent Consultants

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# Board of Administration Meeting Agenda

**Lincoln Plaza North**  
400 P. Street, Room 1140  
Sacramento, CA

**November 13, 2017**  
3:00 p.m.  
Or upon adjournment of the Investment  
Committee Closed Session — Whichever is later

## **BOARD MEMBERS**

Rob Feckner, President  
Henry Jones, Vice President  
Michael Bilbrey  
John Chiang  
Richard Costigan

Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Open Session**  
3:00 p.m.

Or Upon Adjournment of the Investment Committee Closed Session,  
Whichever is Later

Marcie Frost  
Charles Asubonten  
Ted Eliopoulos  
Scott Terando  
Marlene Timberlake  
D'Adamo  
Wylie Tollette

1. Asset Liability Management (ALM) Workshop

## **Notes**

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# Pension and Health Benefits Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street, Sacramento, CA

**November 14, 2017**  
9:00 am

## **COMMITTEE MEMBERS**

Priya Mathur, Chair  
Michael Bilbrey, Vice Chair  
John Chiang  
Rob Feckner  
Richard Gillihan

Dana Hollinger  
Henry Jones  
Theresa Taylor  
Betty Yee

## **AGENDA**

**Open Session**  
9:00 am

Liana Bailey-Crimmins  
Donna Lum

Liana Bailey-Crimmins

Liana Bailey-Crimmins

Mary Anne Ashley  
Jan Falzarano  
Anthony Suine  
Renee Ostrander

1. Call to Order and Roll Call

2. Executive Report(s)

3. Consent Items

### **Action Consent Items:**

a. Approval of the September 19, 2017, Pension and Health Benefits Committee Meeting Minutes

4. Consent Items

### **Information Consent Items:**

a. Annual Calendar Review

b. Draft Agenda for December 19, 2017, Pension and Health Benefits Committee Meeting

c. Federal Health Care Policy Representative Update

d. Federal Retirement Policy Representative Update

e. CalPERS Health Benefits Program Annual Report for Plan Year 2016

f. Health Plan Trend Report

### **Action Agenda Items**

5. State Legislative Proposal: Technical Amendments to the Public Employees' Retirement Law (PERL)



## Information Agenda Items

Liana Bailey-Crimmins  
Donna Lum

6. Review of Pension and Health Benefits Committee Risk Profiles

Dr. Richard Sun  
Dr. Kelly Pfeifer  
California Health Care  
Foundation

7. Curbing the Opioid Epidemic in California

Liana Bailey-Crimmins  
John Prince  
Chief Executive Officer  
OptumRx

8. OptumRx Customer Service

Liana Bailey-Crimmins

9. Summary of Committee Direction

10. Public Comment

## Closed Session

Upon Adjournment or Recess of Open Session  
**(Government Code Section 11126(c)(17))**

1. Call to Order and Roll Call

Liana Bailey-Crimmins

2. Approval of the September 19, 2017, Pension and Health Benefits Committee Closed Session Meeting Minutes

Liana Bailey-Crimmins  
Gary McCollum

3. 2019 Health Plan Rate Negotiation Strategy – Risk Adjustment

## Notes

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# Finance and Administration Committee Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P. Street  
Sacramento, CA

**November 14, 2017**

1:00 p.m.

Or upon adjournment of the  
Pension & Health Benefits Committee  
Closed Session— Whichever is later

## COMMITTEE MEMBERS

Richard Costigan, Chair  
Theresa Taylor, Vice Chair  
John Chiang  
JJ Jelincic

Henry Jones  
Bill Slaton  
Betty Yee

## AGENDA

**Open Session**  
1:00 p.m.

Or Upon Adjournment of the Pension & Health Benefits  
Committee Closed Session, Whichever is Later

Charles Asubonten

Charles Asubonten

Charles Asubonten

Charles Asubonten  
Kristin Montgomery

Charles Asubonten

1. Call to Order and Roll Call

2. Executive Report

3. Consent Items

### Action Consent Items:

a. Approval of the September 19, 2017  
Finance & Administration Meeting Minutes

4. Consent Items

### Information Consent Items:

a. 2017 Annual Calendar Review

b. 2018 Annual Calendar Review

c. Draft Agenda for the December 19, 2017 Finance &  
Administration Committee Meeting

d. 2016-17 Year-End Budget and Expenditure Report

### Action Agenda Items

5. Accounting, Financial Reporting, and Budgeting

a. 2016-17 Basic Financial Statements

b. 2017-18 Mid-Year Budget (First Reading)

Scott Terando  
Randy Dziubek

6. Actuarial Reporting
  - a. Proposed Regulation for Employer Actuarial Liability Significant Increase

Mary Ann Ashley  
Marcie Frost  
Arnita Paige  
Anthony Suine  
Jan Falzarano

7. Program Management
  - a. State Legislative Proposal: Technical Amendments to the Public Employees' Retirement Law (PERL)

### Information Agenda Items

Scott Terando  
Randy Dziubek

8. Actuarial Reporting
  - a. Review of Actuarial Assumptions
  - b. Amortization Policy (First Reading)
  - c. Semi-Annual Health Plan Financial Report

Scott Terando  
Kelly Sturm

Gary McCollum

9. Risk Management
  - a. Review of Finance and Administration Committee Risk Profiles

Forrest Grimes

Charles Asubonten

10. Summary of Committee Direction
11. Public Comment

### Notes

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# Risk and Audit Committee Meeting Agenda

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**Location**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 14, 2017**

3:00 pm

Or upon adjournment of the  
Finance & Administration Committee —  
Whichever is later

**COMMITTEE MEMBERS**

Dana Hollinger, Chair  
Ron Lind, Vice Chair  
Rob Feckner  
Richard Gillihan

Priya Mathur  
Bill Slaton  
Betty Yee

**AGENDA****Open Session**

3:00 p.m.

Or Upon Adjournment of the Finance & Administration  
Committee, Whichever is Later

1. Call to Order and Roll Call
2. Executive Report  
Marlene Timberlake D'Adamo
3. Consent Items  
Marlene Timberlake D'Adamo
  - Action Consent Items:**
    - a. Approval of the September 19, 2017 Risk & Audit Committee Meeting Minutes
4. Consent Items  
Marlene Timberlake D'Adamo
  - Information Consent Items:**
    - a. 2017 Annual Calendar Review
    - b. 2018 Annual Calendar Review
    - c. Draft Agenda for the February 13, 2018 Risk & Audit Committee Meeting
    - d. Quarterly Status Report – Office of Audit Services
    - e. Quarterly Status Report – Enterprise Risk Management
    - f. Quarterly Status Report – Enterprise Compliance Activity

### Action Items

Beliz Chappuie  
Caroline Walsh, David  
Bullock, Debbie Chan,  
Macias Gini & O'Connell

5. Audit
  - a. Independent Auditor's Report – Fiscal Year 2016-17
  - b. Review of Independent Auditor's Management Letter

### Information Agenda Items

Forrest Grimes

6. Enterprise Risk Management
  - a. Enterprise Risk Management Framework Review

Marlene Timberlake D'Adamo

7. Summary of Committee Direction
8. Public Comment

### Closed Session

Upon Adjournment or Recess of Open Session  
**(Government Code sections 11126(a)(1) and (g)(1))**

1. Call to Order and Roll Call

### Action Consent Agenda Items

2. Approval of the September 19, 2017 Risk & Audit Committee Closed Session Meeting Minutes

### Information Agenda Items

Beliz Chappuie

3. Personnel, Employment and Performance – Chief Auditor

Marlene Timberlake D'Adamo

4. Personnel, Employment and Performance – Chief Compliance Officer

Kit Crocker

5. Personnel, Employment and Performance – Investment Director

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# Board of Administration Meeting Agenda

**Robert F. Carlson Auditorium**  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

**November 15, 2017**  
9:00 a.m.  
Or upon adjournment of the  
Closed Session — Whichever is later

## BOARD MEMBERS

Rob Feckner, President  
Henry Jones, Vice President  
Michael Bilbrey  
John Chiang  
Richard Costigan

Richard Gillihan  
Dana Hollinger  
JJ Jelincic  
Ron Lind  
Priya Mathur

Bill Slaton  
Theresa Taylor  
Betty Yee

## AGENDA

**Closed Session**  
8:30 a.m.

Chief Executive Officer's Briefing on Performance,  
Employment, and Personnel Issues  
**(Government Code sections 11126 (a)(1), (e), and (g)(1))**

**Open Session**  
9:00 a.m.

Or Upon Adjournment of the Closed Session,  
Whichever is Later

- |              |    |                                                                            |
|--------------|----|----------------------------------------------------------------------------|
| Rob Feckner  | 1. | Call to Order and Roll Call                                                |
| Rob Feckner  | 2. | Pledge of Allegiance                                                       |
| Rob Feckner  | 3. | Board President's Report                                                   |
|              | 4. | Executive Reports                                                          |
| Marcie Frost | a. | Chief Executive Officer's Report (Oral)                                    |
| Rob Feckner  | 5. | Consent Items                                                              |
|              |    | <b>Action Consent Items:</b>                                               |
|              | a. | Approval of the September 20, 2017 Board of Administration Meeting Minutes |
|              | b. | Board Travel Approvals                                                     |
|              | 6. | Consent Items                                                              |

**Information Consent Items:**

- a. Board Meeting Calendar
- b. Draft Agenda for the December 20, 2017 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations
- 7. Committee Reports and Actions
  - a. Investment Committee (Oral)
  - b. Pension & Health Benefits Committee (Oral)
  - c. Finance & Administration Committee (Oral)
  - d. Performance, Compensation & Talent Management Committee (Oral)
  - e. Risk & Audit Committee (Oral)
  - f. Board Governance Committee (Oral)

Henry Jones

Priya Mathur

Richard Costigan

Michael Bilbrey

Dana Hollinger

Theresa Taylor

**Action Agenda Items**

- 8. Proposed Decisions of Administrative Law Judges
  - a. William Grizzell
  - b. Dennis Martinez
  - c. Reymund Dheming
  - d. Nam Luu
  - e. Jojo Marin
  - f. William Gore
  - g. Susan L. Carson
  - h. Joseph Cirilo
  - i. Carole M. Allen
  - j. Gloria A. Lugo
  - k. Kemyatta Harris
  - l. Justin Z. Hendee
  - m. Armando M. Rocha
  - n. Joseph Buchanan

Rob Feckner

- 9. Petitions for Reconsideration
  - a. Hossein Sotoodeh-Tehrani

- Rob Feckner 10. Designation of Precedential Decision – Kareemah Bradford
- 11. Superior Court Remand
  - a. Edith Davenport
  - b. Gordon Sonne

**Information Agenda Items**

- Marcie Frost 12. Enterprise Performance Reporting – First Quarter Update
- Mary Anne Ashley 13. State and Federal Legislation Update
- Marcie Frost 14. Summary of Board Direction
- 15. Public Comment

Upon Adjournment or Recess of Open Session  
**(Government Code sections 11126(a)(1), (e), and (g)(1))**

**Closed Session**

- Rob Feckner 1. Call to Order and Roll Call
- 2. Approval of the September 20, 2017 Board of Administration Closed Session Meeting Minutes
- Matthew Jacobs 3. Litigation Matters
  - a. Cal Fire Local 2881 v. CalPERS, Case No. S239958 (Cal. Supreme Court)
  - b. Sanchez, et al. v. CalPERS, et al. (Los Angeles County Superior Court, Case No. BC517444)

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