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

**MINUTES OF MEETING**

**September 19, 2017**

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The Finance & Administration Committee met on September 19, 2017, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:09 a.m. and the following members were present:

Richard Costigan, Chair  
Theresa Taylor, Vice Chair  
Matthew Saha for John Chiang  
JJ Jelincic  
Henry Jones  
Bill Slaton  
Lynn Pacquin for Betty Yee

Other Board Member(s):

Michael Bilbrey  
Jeree Glasser-Hedrick for John Chiang  
Rob Feckner  
Richard Gillihan  
Dana Hollinger  
Ron Lind  
Priya Mathur

**AGENDA ITEM 2 - EXECUTIVE REPORT**

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

**AGENDA ITEM 3 – ACTION CONSENT ITEMS**

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

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

#### **AGENDA ITEM 4 – INFORMATION CONSENT ITEMS**

JJ Jelincic pulled Agenda Item 4d, Annual Contract and Procurement Activity Report, for discussion.

JJ Jelincic pulled Agenda Item 4i, Quarterly Chief Information Officer IT Report, for discussion.

Richard Gillihan pulled Agenda Item 4k, Supplemental Income Plans Program Report, for discussion.

The Chair pulled Agenda Item 4f, Annual Discharge of Accountability for Uncollectible Debt, for discussion.

Public comment was heard from Michael Flaherman, Board Candidate.

The Committee accepted the Information Consent Items as presented.

#### **AGENDA ITEM 5a – TRINITY COUNTY WATERWORKS DISTRICT #1 RECOMMENDED DECLARATION OF DEFAULT**

Marlene Timberlake D'Adamo, Interim Chief Financial Officer and Andy Nguyen, Assistant Division Chief, Pension Contract Management Services, presented the Trinity County Waterworks District #1 Recommended Declaration of Default, as an Action Item.

On **MOTION** by Henry Jones, **SECONDED** by Bill Slaton, the Committee recommended the Board approve and declare Trinity County Waterworks District #1 in default of its obligations to the CalPERS system and to come back in November with the confirmed benefit reduction amounts.

#### **AGENDA ITEM 5b – NILAND SANITARY DISTRICT RECOMMENDED DECLARATION OF DEFAULT**

Ms. Timberlake D'Adamo and Mr. Nguyen, presented the Niland Sanitary District Recommended Declaration of Default, as an Action Item.

On **MOTION** by Bill Slaton, **SECONDED** by Henry Jones, the Committee recommended the Board approve and declare Niland Sanitary District in default of its obligations to the CalPERS system and to come back in November with the confirmed benefit reduction amounts.

## **AGENDA ITEM 6a – REPORTING ON PARTICIPATING EMPLOYERS**

Marlene Timberlake D'Adamo, Interim Chief Financial Officer and Andy Nguyen, Assistant Division Chief, Pension Contract Management Services, presented Reporting on Participating Agencies, as an Information Item.

Public comment was heard from the following:

Dillon Gibbons, California Special Districts  
Dane Hutchings, League of California Cities

## **AGENDA ITEM 6b – ANNUAL CUSTOMER SERVICE AND COST EFFECTIVENESS MEASUREMENT (CEM) UPDATE**

Donna Lum, Deputy Executive Officer, Customer Service and Support, Rose McAuliffe, Financial Planning, Policy & Budgeting Division, and Michael Younger, Staff Services Manager, Business and Project Solutions, presented the Annual Customer Service and Cost Effectiveness Measurement (CEM) Update, as an Information Item.

At 12:25 p.m. a break was taken.

The committee reconvened at 1:07 p.m.

## **AGENDA ITEM 6c – LEGISLATIVE PENSION COSTING REQUEST**

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholder Relations, presented Legislative Pension Costing Request, as an Information Item.

Public comment was heard from the following:

Lance Christensen, Senator John Moorlach's Office  
Dane Hutchings, League of California Cities  
Sara Lamnin, City of Hayward  
Bruce Channing, City of Laguna Hills  
Steve Schwabauer, City of Lodi  
Phil Wright, City of West Sacramento  
Robin Bertagna, City of Yuba city  
Sean McGlynn, Santa Rosa  
Daniel Keen, City of Vallejo  
Scott Dowell, City of Chico  
Karen Reid, City of Concord  
Ruth Wright, City of Oroville  
Ann Willmann, Chico Area Rec/Park District  
Jai Sookprasert, California School Employees Association  
Dillon Gibbons, California Special District Association

Al Darby, Retired Public Employees Association  
Neal A. Johnson, SEIU 1000  
Claude Alber, Peace Officers Research Association of California (PORAC)  
Tim Behrens, California State Retirees (CSR)

**AGENDA ITEM 7a – ANNUAL ACTUARIAL VALUATION FOR THE TERMINATED AGENCY POOL**

Scott Terando, Chief Actuary and Julian Robinson, Senior Pension Actuary, presented Annual Actuarial Valuation for the Terminated Agency Pool, as an Information Item.

**AGENDA ITEM 7b – LONGEVITY AND INFLATION RISK**

Mr. Terando and Kurt Schneider, Senior Pension Actuary, presented Longevity and Inflation Risk, as an Information Item.

Public comment was heard from Dillon Gibbons, California Special Districts Association.

**AGENDA ITEM 7c – AMORTIZATION POLICY DISCUSSION**

Mr. Terando, Mr. Robinson and Mr. Schneider, presented Amortization Policy Discussion, as an Information Item.

**AGENDA ITEM 6 – SUMMARY OF COMMITTEE DIRECTION**

The Chair directed staff to: conduct preliminary discussions with CalHR on consolidation of the Supplemental Income Plans program and fees.

Have Marcie Frost, Chief Executive Officer, speak with Senator Moorlach and give him options on where to find the data requested of CalPERS.

Update the headers on the inactive agencies slide, related to “Reporting” in the Report on Participating Employers PowerPoint.

Provide information on the number of individual’s life expectancy for 60-year-old individuals.

Conduct stakeholder engagement regarding the costs for the Amortization Policy.

**AGENDA ITEM 10 – PUBLIC COMMENT**

Public Comment was heard from:

Michael Flaherman, Board Candidate and  
Judith Painter, Free Speech for People & Courage Company.

The meeting of the Finance & Administration Committee was adjourned at 3:14 p.m.

The next Finance & Administration Committee meeting is scheduled for November 14, 2017, in Sacramento, California.

Prepared by: Tanya Black  
Committee Secretary

Date: \_\_\_\_\_

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MARLENE TIMBERLAKE D'ADAMO  
INTERIM CHIEF FINANCIAL OFFICER