



## Finance and Administration Committee Meeting Summary

---

November 15, 2017

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Finance and Administration Committee met on November 14, 2017.

**THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:**

- AGENDA ITEM 5a

Approve the Draft CalPERS 2016-17 Basic Financial Statements.

- AGENDA ITEM 5b

Approve the first reading of the CalPERS FY 2017-18 Mid-Year budget totaling \$1,675,851,000 and 2,875 positions.

- AGENDA ITEM 6a

Approve the proposed regulation establishing criteria to define an increase in actuarial liability due to increased compensation paid to a nonrepresented employee, as specified in Government Code (GC) Section 20791.

- AGENDA ITEM 7a

Approve the sponsored legislation to make policy and technical changes to sections of the Government Code affecting the benefit programs administered by CalPERS that would:

- Shorten the timeframe in which a contracting agency can voluntarily terminate its participation in CalPERS and require a terminating agency to notify past and present employees of its intention to terminate.
- Add a Chief Operating Officer (COO) and a Chief Health Director (CHD) to the list of employees for which the Board has authority to set compensation, conditions of employment, and performance standards.
- Allow CalPERS to collect any overpayment made to or on the behalf of any member, former member, or beneficiary from any future CalPERS benefit payment that may be payable.
- Limit the categories of direct authorizations that retirees and beneficiaries may request CalPERS to deduct from their allowances and pay on their behalf.

**The Committee received reports on the following topics:**

- Actuarial Assumptions based on the draft experience study,
- First Reading of the Amortization Policy,
- Annual update on the financial reporting for the HMO and PPO plans, as well as
- The review of the Finance & Administration risk profiles.

**The Chair directed staff to bring back:**

- Total benefit reductions for Niland Sanitary District and Trinity County Waterworks District #1 in December.
- Updated Mid-Year Budget (Second Reading), work with Department of Finance regarding their concerns on Contingency Reserve Fund (CRF) and Health Care Finance (HCF) expenditures. In addition, work with the State Controller's Office on the check writing costs.
- Analysis on the removal of the Replacement Benefit Fund.
- In February, present the second reading with options on the Amortization Policy (with real numbers), after conducting a workshop and surveying stakeholders.
- Refine language and options for the proposed legislative changes on cancellation of installment payments upon retirement.

**In addition, the Chair directed staff:**

- Share with retiree organizations the current direct authorization vendor population and types of deductions that currently exist.

**The Committee heard public comment on the following topics:**

- State Legislative Proposal for policy and technical amendments to the Public Employees' Retirement Law (PERL),
- The First Reading of the Amortization Policy, and
- The Local Government Services Authority (LGS) pension contract with CalPERS.

**At this time, I would like to share some highlights of what to expect at the December Finance and Administration Committee meeting:**

- Second Reading of the 2017-18 Mid-Year Budget Revisions,
- Experience Study, and
- Quarterly Reporting on Participating Employers

The next meeting of the Finance and Administration Committee is scheduled for December 19, 2017, in Sacramento, California.