Circular Letter

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 December 18 through 20, 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.

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, December 18, 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
1:00 p.m. Board Governance Committee

Tuesday, December 19, 2017

8:00 a.m. Pension & Health Benefits Committee
11:00 a.m. Finance & Administration Committee
1:00 p.m. Performance, Compensation & Talent Management Committee

Wednesday, December 20, 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. 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.

MARCIE FROST
Chief Executive Officer
Attachment
Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 P Street  
Sacramento, CA

December 18, 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.
Investment Committee
Meeting Agenda

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

December 18, 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.
Or Upon Adjournment or Recess of Board Closed Session,
Whichever is Later
(Government Code sections 11126(a)(1) and (c)(16))
Ted Eliopoulos
1. Chief Investment Officer's Briefing on Market and
   Personnel Items

Open Session
9:00 a.m.
Or Upon Adjournment or Recess of Closed Session,
Whichever is Later
Ted Eliopoulos
1. Call to Order and Roll Call
Ted Eliopoulos
2. Executive Report – Chief Investment Officer Briefing
Ted Eliopoulos
3. Consent Items
   Action Consent Items:
   a. Approval of the November 13, 2017
      Investment Committee Meeting Minutes
   Consent Items:
   b. Draft Agenda for February 12, 2018 Investment
      Committee Meeting
   c. Monthly Update – Performance and Risk
   d. Monthly Update – Investment Compliance
   e. Legislation – Federal Investment Policy
      Representative Update
f. Report on Alternative Investments (AB 2833)
g. Report to the Legislature - California Divest from Iran Act and Sudan Act Compliance

**Action Agenda Items**

5. Asset Allocation

Eric Baggesen  
a. Selection of Strategic Asset Allocation for the Public Employees' Retirement Fund

6. Investment Manager Engagement Programs

Clinton Stevenson  
a. Annual Report to the California Legislature – CalPERS Emerging Manager Five-Year Plan

**Information Agenda Items**

7. Total Fund

Daniel Ingram, Wilshire Associates Consulting  
a. Consultant Review of CalPERS' Divestments

Carrie Douglas-Fong  
b. Responsible Contractor Policy Program Annual Report

Wylie Tollette  
c. Investment Office Roadmap and Target Operating Model Update

Ted Eliopoulos  
8. Summary of Committee Direction

9. Public Comment

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

1. Call to Order and Roll Call

Ted Eliopoulos  
2. Consent Items

**Action Consent Items:**

a. Approval of the November 13, 2017 Investment Committee Closed Session Meeting 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. Total Fund
   Ted Eliopoulos
   John Cole
   a. Private Equity: Follow up on Alternative Business Models

5. External Manager and Investment Decision Updates
   Sarah Corr
   Paul Mouchakkaa
   Dan Bienvenue
   Curtis Ishii
   Kevin Winter
   Eric Baggesen
   a. Private Equity
   b. Real Assets
   c. Global Equity
   d. Global Fixed Income Programs
   e. Opportunistic
   f. Trust Level Portfolio Management

6. Investment Strategy Session with the Board’s Independent Consultants

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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.)
4) Board Members may attend meetings of committees of which they are not members and participate in the discussions during those meetings.
Board Governance Committee
Meeting Agenda

December 18, 2017
1:00 pm
Or upon adjournment of the
Investment Committee Closed Session —
Whichever is later

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

COMMITTEE MEMBERS
Theresa Taylor, Chair
Priya Mathur, Vice Chair
Michael Bilbrey
Rob Feckner
Dana Hollinger
Henry Jones
Bill Slaton

AGENDA

Open Session
1:00 p.m.

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

1. Call to Order and Roll Call
Matthew Jacobs

2. Executive Report
Matthew Jacobs

3. Consent Items
Matthew Jacobs

Action Consent Items:

Matthew Jacobs

a. Approval of the August 15, 2017 Board Governance Committee Meeting Minutes

Matthew Jacobs

4. Consent Items

Information Consent Items:

a. Annual Calendar Review

Action Agenda Items

Matthew Jacobs

5. Schedule for 2018 Board Meetings

Information Agenda Items

Matthew Jacobs

6. Board Education Program – Attendance Reporting and 2018 Program Schedule

Theresa Taylor

7. Follow-up to Parliamentary Training at July 2017 Offsite
8. Summary of Committee Direction

9. Public Comment

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Pension and Health Benefits Committee
Meeting Agenda

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

December 19, 2017
8:00 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
8:00 am

1. Call to Order and Roll Call

Liana Bailey-Crimmins
Donna Lum

2. Executive Report(s)

Liana Bailey-Crimmins

3. Consent Items

Action Consent Items:

a. Approval of the November 14, 2017, Pension and Health Benefits Committee Meeting Minutes

Liana Bailey-Crimmins

4. Consent Items

Information Consent Items:

a. Annual Calendar Review
b. Draft Agenda for February 13, 2018, Pension and Health Benefits Committee Meeting
c. Legislation – Federal Health Care Policy Representative Report

Jan Falzarano

5. Final Proposed Amended Regulation for Normal Retirement Age
Information Agenda Items

Donna Lum
Anthony Suine
Sabrina Hutchins
Kathy Donneson
Melissa Mantong
Kathy Donneson
Liana Bailey-Crimmins

6. Enterprise Performance Reporting – Update on Customer Services & Support Strategic Measures and Key Performance Indicators
7. Prescription Drugs Utilization and Cost Trends
8. CalPERS PPO Plans: Optimizing Health Care Benefits and Outcomes
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
2. Approval of the November 14, 2017, Pension and Health Benefits Committee Closed Session Meeting Minutes
3. 2019 Health Plan Rate Negotiation Strategy – Risk Adjustment
4. 2019-23 HMO Health Plan Solicitation

Notes

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Finance and Administration Committee
Meeting Agenda

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

December 19, 2017
11:00 a.m.
Or upon adjournment of the
Pension & Health Benefits Committee —
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
11:00 a.m.
Or Upon Adjournment of the Pension & Health Benefits
Committee, Whichever is Later
1. Call to Order and Roll Call

Charles Asubonten
2. Executive Report

Charles Asubonten
3. Consent Items

Action Consent Items:
   a. Approval of the November 14, 2017
      Finance & Administration Meeting Minutes
   b. Semi-Annual Contracting Prospective Report
   c. Contracts Administration: Affirmation of Investment
      Manager Contracts Without Defined Duration

Charles Asubonten
4. Consent Items

Information Consent Items:
   a. 2017 Annual Calendar Review
   b. 2018 Annual Calendar Review
   c. Draft Agenda for the February 13, 2018
      Finance & Administration Committee Meeting
Action Agenda Items

5. Accounting, Financial Reporting, and Budgeting
   - Charles Asubonten
   a. 2017-18 Mid-Year Budget Revisions (Second Reading)

6. Legislative Proposals
   - Brad Pacheco
   - Mary Ann Ashley
   - Donna Lum
   - Don Martinez
   - Brad Pacheco
   - Mary Ann Ashley
   - Anthony Suine
   - Jan Falzarano
   a. Service Credit Purchase, Tier Conversion, and Redeposits
   b. Proposed Modifications to the Replacement Benefit Plan: Elimination of Replacement Benefit Fund

7. Actuarial Reporting
   - Scott Terando
   - Randy Dziubek
   a. Review of Actuarial Assumptions and Discount Rate Selection

Information Agenda Items

8. Program Management
   - Charles Asubonten
   - Arnita Paige
   - Andy Nguyen
   - Liana Bailey-Crimmins
   - Rob Jarzombek
   a. Reporting on Participating Employers
   b. Health Care Administrative Expenses

9. Summary of Committee Direction
   - Charles Asubonten

10. Public Comment

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AGENDA

Open Session
1:00 p.m.

Or Upon Adjournment of the Finance & Administration Committee – Whichever is later
1. Call to Order and Roll Call

Doug Hoffner
2. Executive Report

Doug Hoffner
3. Consent Items

Action Consent Items:

a. Approval of the September 19, 2017 Performance, Compensation & Talent Management Committee Meeting Minutes

Doug Hoffner
4. Consent Items

Information Consent Items:

a. Annual Calendar Review

b. Draft Agenda for the February 13, 2018 Performance, Compensation & Talent Management Committee Meeting
Information Agenda Items

Eric Gonzaga,  
Grant Thornton LLP  
5. Executive Compensation Consultant Review: Incentive Metrics, Discretionary Modifier, and Outstanding Recommendations

Doug Hoffner  
6. Summary of Committee Direction

7. Public Comment

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Board of Administration  
Meeting Agenda

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 P Street  
Sacramento, CA  
December 20, 2017  
9:00 a.m.  
Or upon adjournment of the  
Closed Session — Whichever is later

BOARD MEMBERS
Rob Feckner, President  
Richard Gillihan  
Bill Slaton  
Henry Jones, Vice President  
Dana Hollinger  
Theresa Taylor  
Michael Bilbrey  
JJ Jelincic  
Betty Yee  
John Chiang  
Ron Lind  
Richard Costigan  
Priya Mathur

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

Action Consent Items:

a. Approval of the November 15, 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 February 14, 2018 Board of Administration Meeting

c. General Counsel’s Report

d. Communications and Stakeholder Relations

7. Committee Reports and Actions

Henry Jones
   a. Investment Committee (Oral)

Priya Mathur
   b. Pension & Health Benefits Committee (Oral)

Richard Costigan
   c. Finance & Administration Committee (Oral)

Michael Bilbrey
   d. Performance, Compensation & Talent Management Committee (Oral)

Dana Hollinger
   e. Risk & Audit Committee (Oral)

Theresa Taylor
   f. Board Governance Committee (Oral)

Action Agenda Items

Rob Feckner

   a. Laura Haupert
   b. James A. Jenkins
   c. Carla M. Sims-Cardwell
   d. Kevin Venema
   e. George Whaite
   f. Gabriel Santos
   g. Jayne Bartholme
   h. Jenetta Thompson
   i. Bruce A. Weiglein
   j. Stephen G. Blake
   k. Johnny E. Palmer
   l. Juliana D. Carvajal
   m. David A. Hall
   n. Muriel McKenzie
   o. Irene E. Ramos

Rob Feckner
9. Precedential Decision Designation

   a. Sherrie L. Benson
Meeting Agenda
Board of Administration
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Rob Feckner

10. Petitions for Reconsideration
   a. Justin Z. Hendee
   b. Dennis Martinez
   c. Joseph Buchanan
   d. Gloria Lugo
   e. Carole Allen
   f. Reymund Dheming

Information Agenda Items

Mary Anne Ashley

11. State and Federal Legislation Update

Marcie Frost

12. Summary of Board Direction

13. Public Comment

Closed Session

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

Rob Feckner

1. Call to Order and Roll Call

2. Approval of the November 15, 2017 Board of Administration Closed Session Meeting Minutes

Matthew Jacobs

3. Litigation Matters
   a. Sanchez, et al. v. CalPERS, et al. (Los Angeles County Superior Court, Case No. BC517444)

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