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

MINUTES OF MEETING

April 17, 2018

The Finance & Administration Committee met on April 17, 2018, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:00 am and the following members were present:

Theresa Taylor, Chair
Richard Costigan, Vice Chair
Rob Feckner
Richard Gillihan
Henry Jones
David Miller
Lynn Paquin for Betty Yee

Other Board Member(s):

Dana Hollinger
Margaret Brown
Ramon Rubalcava
Steve Juarez
Bill Slaton
Matthew Saha
Priya Mathur

**AGENDA ITEM 6C – PROPOSED BOARD OF ADMINISTRATION ELECTION
REGULATION AND PUBLIC HEARING (9:00 A.M. TIME CERTAIN)**

Theresa Taylor, Chair of the CalPERS Finance and Administration Committee, opened the floor for public testimony and comments. The meeting was called to order at 9:00 AM and the Public Hearing closed at 9:09 AM.

On **MOTION** by Rob Feckner, **SECONDED** by Richard Gillihan, and **CARRIED**, the Committee recommended the Board approve the proposed amendment to section § 554.7 of the California Code of Regulations and approval to submit the final rulemaking package to the Office of Administrative Law (OAL).

Public Comment was heard from J.J. Jelinic.

AGENDA ITEM 2 – EXECUTIVE REPORT

Charles Asubonten, Chief Financial Officer, presented the oral report to the Committee.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

Mr. Asubonten presented the Action Consent Items to the Committee for approval.

On **MOTION** by Henry Jones, **SECONDED** by Lynn Paquin, and **CARRIED**, the Committee approved Action Consent items 3a, 3b, and 3c.

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 5A – 2018-19 ANNUAL BUDGET PROPOSAL (FIRST READING)

Charles Asubonten, Chief Financial Officer, presented the 2018-19 Annual Budget Proposal (First Reading), as an Action Item.

On **MOTION** by Richard Gillihan, **SECONDED** by Henry Jones, and **CARRIED**, the Committee recommended the Board approve the Fiscal Year (FY) 2018-19 Annual Budget Proposal (First Reading) in the amount of \$1,680,636,000, consisting of 2,875 positions and transmittal of this agenda item.

AGENDA ITEM 6A – ANNUAL REVIEW OF BOARD MEMBER EMPLOYER REIMBURSEMENTS

Mr. Asubonten, presented the Annual Review of Board Member Employer Reimbursements, as an Action Item.

On **MOTION** by Henry Jones, **SECONDED** by Rob Feckner, and **CARRIED**, the Committee recommended the Board approve the proposed elected Board Member percentages of time to be spent on Board related duties based on Board and committee selections with a modification to David Miller to state an increase of up to 82%.

Public comment was heard from J.J. Jelinic.

AGENDA ITEM 6B – DELL/EMC IT CONTRACT EXTENSION-DISASTER RECOVERY

Christian Farland, Chief Information Officer and Dirk Benson, Chief Technology Officer, presented the Dell/EMC IT Contract Extension-Disaster Recovery, as an Action Item.

On **MOTION** by Richard Gillihan, **SECONDED** by Richard Costigan, and **CARRIED**, the Committee recommended the Board approve the extension of the current Backup/Restoration & Disaster Recovery (BR/DR) services contract through September 30, 2018, if necessary, at a total cost of approximately \$450,000.00.

AGENDA ITEM 7A – STATE VALUATION AND EMPLOYER/EMPLOYEE CONTRIBUTION RATES

Scott Terando, Chief Actuary and Kelly Sturm, Senior Pension Actuary, presented the State Valuation and Employer/Employee Contribution Rates, as an Action Item.

On **MOTION** by Henry Jones, **SECONDED** by Richard Gillihan, and **CARRIED**, the Committee recommended the Board approve the Adoption of the State employer and member contribution rates for the period of July 1, 2018 to June 30, 2019.

AGENDA ITEM 7B – SCHOOLS VALUATION AND EMPLOYER/EMPLOYEE CONTRIBUTION RATES

Mr. Terando, and Randy Dziubek, Deputy Chief Actuary, presented the Schools Valuation and Employer/Employee Contribution Rates, as an Action Item.

On **MOTION** by Henry Jones, **SECONDED** by Richard Gillihan, and **CARRIED**, the Committee recommended the Board approve the Adoption of an employer contribution rate of 18.062 percent for the Schools Pool and a member contribution rate of 7.00 percent for school's employees subject to the Public Employees' Pension Reform Act of 2013 (PEPRA) for the period of July 1, 2018 to June 30, 2019.

Public Comment was heard from Carlos Machado, California School Board Association.

AGENDA ITEM 8A – SEMI-ANNUAL HEALTH PLAN FINANCIAL REPORT

Gary McCollum, Senior Life Actuary, presented the Semi-Annual Health Plan Financial Report, as an Information Item.

Public Comment was heard from Larry Woodson, California State Retirees.

AGENDA ITEM 8B – REPORTING ON PARTICIPATING EMPLOYERS

Arnita Paige, Chief and Andy Nguyen Assistant Division Chief, Pension Contract & Prefunding Programs, presented the Reporting on Participating Employers, as an Information Item.

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

At 11:20 a.m. a break was taken.

The committee reconvened at 11:30 a.m.

AGENDA ITEM 9A – LONG-TERM CARE VALUATION REPORT

Fritzie Archuleta, Deputy Chief Actuary and Flora Hu, Senior Life Actuary, presented the Long-Term Care Valuation Report, as an Information Item.

AGENDA ITEM 11 – PUBLIC COMMENT

No public comment was taken.

The meeting of the Finance & Administration Committee was adjourned at 11:39 a.m.

The next Finance & Administration Committee meeting is scheduled for May 15, 2018, in Sacramento, California.

Prepared by: La Riesha Simmons
Committee Secretary

Date: _____

CHARLES ASUBONTEN
CHIEF FINANCIAL OFFICER