Circular Letter

June 8, 2018

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 June 18 through 20, 2018. 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, June 18, 2018**

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

**Tuesday, June 19, 2018**

- 8:00 a.m. Pension & Health Benefits Committee *(Closed Session Only)*
- 11:00 a.m. Performance, Compensation, & Talent Management Committee
- 1:00 p.m. Pension & Health Benefits Committee

**Wednesday, June 20, 2018**

- 8:30 a.m. Risk & Audit Committee
- 10:00 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
Board of Administration
Meeting Agenda

CalPERS Auditorium                                      June 18, 2018
Lincoln Plaza North                                    8:30 am
400 P Street                                           
Sacramento, CA

BOARD MEMBERS

Priya Mathur, President                                 Richard Gillihan
Rob Feckner, Vice President                             Dana Hollinger
Margaret Brown                                         Henry Jones
John Chiang                                            David Miller
Richard Costigan                                        Ramon Rubalcava

AGENDA

Closed Session                                           1. Chief Executive Officer’s Briefing on Performance,
8:30 am                                                   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 Presiding Officer. (Cal. Code Regs. tit. 2, § 552.1.)
CalPERS Auditorium  
Lincoln Plaza North  
400 P Street  
Sacramento, CA  

June 18, 2018  
9:00 a.m.  
Or upon adjournment of the  
Closed Session — Whichever is later  

COMMITTEE MEMBERS  

Henry Jones, Chair  
Richard Costigan, Vice Chair  
Margaret Brown  
John Chiang  
Rob Feckner  

Richard Gillihan  
Dana Hollinger  
Priya Mathur  
David Miller  
Ramon Rubalcava  

Bill Slaton  
Theresa Taylor  
Betty Yee  

AGENDA  

Open Session  
9:00 a.m.  
Or Upon Adjournment or Recess of the Board Closed  
Session, Whichever is Later  

1. Call to Order and Roll Call  
   Henry Jones  
2. Approval of the June 18, 2018 Investment Committee  
   Timed Agenda  
   Ted Eliopoulos  
3. Executive Report – Chief Investment Officer Briefing  
   Ted Eliopoulos  
4. Consent Items  
   Action Consent Items:  
   a. Approval of the May 14, 2018 Investment Committee  
      Open Session Meeting Minutes  
   Ted Eliopoulos  
5. Consent Items  
   Information Consent Items:  
   a. Annual Calendar Review  
   b. Draft Agenda for the August 13, 2018 Investment  
      Committee Meeting  
   c. Monthly Update – Performance and Risk  
   d. Monthly Update – Investment Compliance
Action Agenda Items

6. Asset Allocation
   a. Affiliate Trust Asset Allocation Review: Health Care Fund Reserve and Long-Term Care Fund

7. Policy & Delegation
   a. Revision of Total Fund Policy – Second Reading

Information Agenda Items

8. Policy & Delegation
   a. Revision of the Private Equity Program Policy – First Reading

9. Total Fund
   a. CalPERS for California and California Initiative
   b. Update Private Equity Business Model Alternatives
   c. Corporate Board Diversity Update

10. Summary of Committee Direction

11. 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
2. Consent Items

   Action Consent Items:
   a. Approval of the May 14, 2018 Investment Committee Closed Session Meeting Minutes

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

**Action Agenda Items**

4. Total Fund

Paul Mouchakkaa

a. Real Estate Investment Opportunity

**Information Agenda Items**

5. Total Fund

Dan Bienvenue

Kit Crocker

Christine Reese

Ted Eliopoulos

Elisabeth Bourqui

John Cole

Eric Baggesen

Dianne Sandoval

6. External Manager and Investment Decision Updates

Sarah Corr

Paul Mouchakkaa

Dan Bienvenue

Arnie Phillips

Kevin Winter

Eric Baggesen

Ted Eliopoulos

7. Chief Investment Officer – Personnel, Employment and Performance

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

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

CalPERS Auditorium
Lincoln Plaza North
400 P Street, Sacramento, CA

June 19, 2018
8:00 am

COMMITTEE MEMBERS

Rob Feckner, Chair
Theresa Taylor, Vice Chair
John Chiang
Richard Gillihan
Henry Jones

Priya Mathur
David Miller
Bill Slaton
Betty Yee

AGENDA

Closed Session
8:00 am

1. Call to Order and Roll Call

Liana Bailey-Crimmins
Kathy Donneson
Gary McCollum
Shari Little
Gary McCollum
Kathy Donneson

2. Approval of the May 15, 2018, Pension and Health Benefits Committee Closed Session Meeting Minutes

(Government Code section 11126(c)(17))

3. 2019-2023 Health Maintenance Organization Contract Negotiation and Fees

4. Health Plan Rate Renewal Negotiation Strategy
   a. Negotiation Strategy
   b. Health Care Fund Reserve Strategy

Open Session
1:00 pm

Or upon adjournment of Performance, Compensation & Talent Management Committee – Whichever is later

1. Call to Order and Roll Call

Rob Feckner
Liana Bailey-Crimmins
Donna Lum
Liana Bailey-Crimmins

2. Approval of the June 19, 2018, Pension and Health Benefits Committee Timed Agenda

3. Executive Report(s)

4. Consent Items

   Action Consent Items:
   a. Approval of the May 15, 2018, Pension and Health Benefits Committee Meeting Minutes

5. Consent Items

   Information Consent Items:
a. Annual Calendar Review  
b. Draft Agenda for September 25, 2018, Pension and Health Benefits Committee Meeting  
c. 2019 Association Plan Rates  

**Action Agenda Items**  

**Renee Ostrander**  
6. Proposed Regulation for the Definition of Full-Time Employment  

**Kathy Donneson**  
7. Reference Pricing Pharmaceuticals by Therapeutic Class  

**Dr. Richard Sun**  

**Shari Little**  
8. 2019 Health Benefits Rates  
   a. Approval of the 2019 Health Maintenance Organization Plan Rates  
   b. Approval of the 2019 Preferred Provider Organization Plan Rates  

**Gary McCollum**  

**Information Agenda Items**  

**Shari Little**  
9. State Annuitant Contribution Formulas  

**Liana Bailey-Crimmins**  
10. Summary of Committee Direction  
11. Public Comment  

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CalPERS Auditorium  
Lincoln Plaza North  
400 P Street  
Sacramento, CA  

June 19, 2018  
11:00 am  
Or upon adjournment of the  
Pension & Health Benefits Committee Closed Session —  
Whichever is later

COMMITTEE MEMBERS  

<table>
<thead>
<tr>
<th>Chair</th>
<th>Vice Chair</th>
<th>Member</th>
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<tbody>
<tr>
<td>Bill Slaton</td>
<td>Henry Jones</td>
<td>Richard Costigan</td>
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<tr>
<td>Doug Hoffner</td>
<td>Priya Mathur</td>
<td>Ramon Rubalcava</td>
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<td>Dana Hollinger</td>
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AGENDA  

**Open Session**  
11:00 a.m.  
Or upon adjournment of the Pension & Health Benefits Committee Closed Session— Whichever is later

1. Call to Order and Roll Call  
   
2. Approval of the June 19, 2018 Performance, Compensation & Talent Management Committee Timed Agenda  
   
3. Executive Report  
   
4. Consent Items  
   
   **Action Consent Items:**  
   
   a. Approval of the May 15, 2018 Performance, Compensation & Talent Management Committee Meeting Minutes  
   
   b. Executive Compensation Policy Updates  
   
5. Consent Items  
   
   **Information Consent Items:**  
   
   a. Annual Calendar Review
b. Draft Agenda for the September 25, 2018
Performance, Compensation & Talent Management
Committee Meeting

Action Agenda Items

Tina Campbell, Eric Gonzaga, Grant Thornton LLP
6. Revised Salary Ranges for Chief Investment Officer and Chief Financial Officer; and 2018-19 Incentive Design for the Chief Executive Officer

Tina Campbell, Eric Gonzaga, Grant Thornton LLP
7. 2018-19 Incentive Metric Recommendations

Information Agenda Items

Doug Hoffner
8. Summary of Committee Direction

9. Public Comment

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June 20, 2018
8:30 am

Risk and Audit Committee Meeting Agenda

CalPERS Auditorium
Lincoln Plaza North
400 P Street
Sacramento, CA

COMMITTEE MEMBERS
Dana Hollinger, Chair
Bill Slaton, Vice Chair
Margaret Brown
John Chiang
Richard Costigan
Priya Mathur
Betty Yee

Open Session
8:30 am

1. Call to Order and Roll Call
Dana Hollinger

2. Approval of the June 20, 2018 Risk & Audit Committee Timed Agenda
Marlene Timberlake D'Adamo

3. Executive Report
Marlene Timberlake D'Adamo

4. Consent Items

Action Consent Agenda Items:
   a. Approval of the February 12, 2018 Risk & Audit Committee Meeting Minutes
Marlene Timberlake D'Adamo

5. Consent Items

Information Consent Agenda Items:
   a. 2018 Annual Calendar Review
   b. 2019 Annual Calendar Review
   c. Draft Agenda for the September 25, 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 Agenda Items**

Marlene Timberlake D’Adamo 6. Enterprise Compliance
   a. 2018-19 Enterprise Compliance Plan
   b. Proposed Amendments to the Personal Trading Regulation (First Reading)

Forrest Grimes 7. Enterprise Risk Management
   a. 2018-19 Enterprise Risk Management Plan

Beliz Chappuie 8. Audit
   a. 2018-19 Office of Audit Services Plan
   b. Independent Auditor’s 2018 Annual Plan

Beliz Chappuie Matt Jacobs Marlene Timberlake D’Adamo

**Information Agenda Items**

Forrest Grimes 9. Enterprise Risk Management
   a. Enterprise Risk Management Framework Review

Marlene Timberlake D’Adamo 10. Summary of Committee Direction

11. Public Comment

**Closed 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 February 12, 2018 Risk & Audit Committee Closed Session Meeting Minutes

**Information Agenda Items**

Marlene Timberlake D’Adamo 3. Personnel, Employment and Performance – Chief Compliance Officer

Beliz Chappuie 4. Personnel, Employment and Performance – Chief Auditor
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Board of Administration
Meeting Agenda

CalPERS Auditorium
Lincoln Plaza North
400 P Street
Sacramento, CA

June 20, 2018
10:00 a.m.
Or upon adjournment of the
Closed Session —
Whichever is later

BOARD MEMBERS

Priya Mathur, President
Rob Feckner, Vice President
Margaret Brown
John Chiang
Richard Costigan

Richard Gillihan
Dana Hollinger
Henry Jones
David Miller
Ramon Rubalcava

Bill Slaton
Theresa Taylor
Betty Yee

Closed Session
9:45 a.m.

(Government Code sections 11126 (a)(1), (c)(17), (e), and (g)(1))

1. Chief Executive Officer’s Briefing on Performance,
   Employment, and Personnel Issues
2. Committee Reports and Actions
   a. Pension & Health Benefits Committee

Open Session
10:00 a.m.

Or Upon Adjournment of the Closed Session, Whichever is Later

Priya Mathur

1. Call to Order and Roll Call

Priya Mathur

2. Approval of the June 20, 2018 Board of Administration Timed
   Agenda

Priya Mathur

3. Pledge of Allegiance

Priya Mathur

4. Board President’s Report

Marcie Frost

5. Chief Executive Officer’s Report (Oral)

Priya Mathur

6. Consent Items

Action Consent Items:

   a. Approval of the May 16, 2018 Board of Administration
      Meeting Minutes

   b. Board Travel Approvals
7. Consent Items

**Information Consent Items:**

a. Board Meeting Calendar

b. Draft Agenda for the August 15, 2018 Board of Administration Meeting

c. General Counsel’s Report

d. Communications and Stakeholder Relations

8. Committee Reports and Actions

<table>
<thead>
<tr>
<th>Henry Jones</th>
<th>a. Investment Committee (Oral)</th>
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<tbody>
<tr>
<td>Rob Feckner</td>
<td>b. Pension &amp; Health Benefits Committee (Oral)</td>
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<td>Theresa Taylor</td>
<td>c. Finance &amp; Administration Committee (Oral)</td>
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<td>Bill Slaton</td>
<td>d. Performance, Compensation &amp; Talent Management Committee (Oral)</td>
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<td>Dana Hollinger</td>
<td>e. Risk &amp; Audit Committee (Oral)</td>
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<td>Priya Mathur</td>
<td>f. Board Governance Committee (Oral)</td>
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**Action Agenda Items**

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<thead>
<tr>
<th>Brad Pacheco</th>
<th>9. Legislation</th>
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<tbody>
<tr>
<td>a. Senate Bill 1124 Administration of Reportable Compensation</td>
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<td>b. Assembly Bill 1912 Public Employees’ Retirement: Joint Powers Agreements Liability</td>
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<td>c. State Regulation of Kidney Dialysis Clinics: Limits Charges for Patient Care. Initiative Statute Eligible for the November 2018 General Election</td>
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<td>a. Paul Wong</td>
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<td>b. Kimberly R. Irving</td>
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<td>c. Rosa R. Rosas</td>
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<td>d. Betty Lamoreaux and Gloria Ackley (consolidated)</td>
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<td>e. Patricia Gurrola</td>
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<td>f. Corey Medema</td>
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<td>g. James Towns</td>
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<td>h. J.V (initials only, per court order)</td>
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<td>i. Jon R. Bruns</td>
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<td>Scott Paulsen</td>
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<td>Priya Mathur</td>
<td>11. Petitions for Reconsideration</td>
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<td>a. Donald R. Coontz, Jr.</td>
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<td>b. Alice Estrada</td>
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**Information Agenda Items**

| Brad Pacheco | 12. State and Federal Legislation Update |
| Dan Crowley |   |
| Marcie Frost | 13. Summary of Board Direction |
|             | 14. Public Comment |

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