

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**FINANCE & ADMINISTRATION COMMITTEE**

**MINUTES OF MEETING  
May 15, 2018**

The Finance & Administration Committee met on May 15, 2018, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:40 PM 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  
Bill Slaton  
Matthew Saha  
Priya Mathur

**AGENDA ITEM 2 – EXECUTIVE REPORT**

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

**AGENDA ITEM 3 – ACTION CONSENT ITEMS**

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

On **MOTION** by Henry Jones, **SECONDED** by David Miller, 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 (SECOND READING-FINAL)**

Marlene Timberlake D'Adamo, Officer in Charge for the Chief Financial Officer, presented the 2018-19 Annual Budget Proposal (Second Reading-Final), as an Action Item.

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

#### **AGENDA ITEM 6A – ASSET AND LIABILITY TRANSFER TO THE SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SBCERA)**

Arnita Paige, Chief, Pension Contract & Prefunding Programs, and Kerry Worgan Supervising Pension Actuary, presented the Asset and Liability Transfer to the San Bernardino County Employees' Retirement Association (SBCERA), as an Action Item.

On **MOTION** by Richard Costigan, **SECONDED** by Henry Jones, and **CARRIED**, the Committee recommended the Board approve the adoption of the Transfer Agreement of Membership Benefits to transfer approximately \$4,276,500 of assets to SBCERA.

#### **AGENDA ITEM 6B – EXTENSION OF THE THRID-PARTY ADMINISTRATOR (TPA) CONTRACT FOR THE SUPPLEMENTAL INCOME PLAN (SIP) PROGRAMS**

Ms. Paige, and Ms. Timberlake D'Adamo, presented the Extension of the Third-Party Administrator (TPA) Contract for the Supplemental Income Plan (SIP) Programs, as an Action Item.

On **MOTION** by Richard Costigan, **SECONDED** by Henry Jones, and **CARRIED**, the Committee recommended the Board approve an 18-month contract term extension through December 31, 2019 with Voya Financial, LLC (Voya) to allow for sufficient time to conduct a formal request for Proposal (RFP).

**AGENDA ITEM 6C – ASSEMBLY BILL 1912 PUBLIC EMPLOYEES’ RETIREMENT: JOINT POWERS AGREEMENT LIABILITY**

Brad Pacheco, Deputy Executive Officer, presented the Assembly Bill 1912 Public Employees’ Retirement: Joint Powers Agreement Liability, as an Action Item.

No Action was taken on the recommendation by the Committee to approve the Adoption of the Support, if Amended on the position of Assembly Bill (AB) 1912 which provides protection to current and future members employed by Joint Powers Authorities (JPAs) who are members of CalPERS. The Committee directed staff to continue working with Stakeholders on Assembly Bill 1912 and bring back an action in June with an update and recommended position.

Public comment was heard from the following:

George Linn, Retired Public Employees Association of California  
Dane Hutchings, League of California Cities  
Dorothy Johnson, California State Association of Counties  
Dillon Gibbons, California Special Districts Association  
Donna Colson, City of Burlingame  
Ann Ritzma, City of Foster City  
John Healy, San Mateo, Foster City, Belmont Fire  
Lori Sassoon, City of Rancho Cucamonga  
Isaac Moreno, City of Selma  
Jill Abel, Yuba County  
Austin Webster, City of Hayward  
Gregg Cook, North California Power Agency  
Faith Borges, California Association of Joint Powers Authorities  
Terry Brennan, Service Employees International Union  
Dan Schwartz, City of Larkspur  
Todd Cusimano, Town of Corte Madera  
Al Darby, Retired Public Employees Association of California

**AGENDA ITEM 6D – SENATE BILL 1413 EMPLOYEES’ RETIREMENT: PENSION PREFUNDING**

Mr. Pacheco, presented the Senate Bill 1413 Public Employees’ Retirement: Pension Prefunding, as an Action Item.

On **MOTION** by Richard Costigan, **SECONDED** by David Miller, and **CARRIED**, the Committee recommended the Board support, if Amended the position on Senate Bill (SB) 1413 which would authorize CalPERS to implement and administer the California Employers’ Pension Prefunding Trust (CEPPT) program in order to encourage public employers to prefund their future pension contribution in an irrevocable Internal Revenue Code (IRC) Section 115 trust.

Public Comment was heard from the following:

Dane Hutchings, League of California Cities  
Dorothy Johnson, California State Association of Counties  
Dillon Gibbons, California Special Districts Association

Terry Brennan, Service Employees International Union

**AGENDA ITEM 6E – AMENDED NOTICE OF ELECTION FOR THE 2018 CALPERS BOARD OF ADMINISTRATION STATE, SCHOOL, AND PUBLIC AGENCY ELECTIONS**

Kim Malm, Chief, Operations Support Services Division, presented the Amended Notice of Election for the 2018 CalPERS Board of Administration State, School, and Public Agency Elections, as an Action Item.

On **MOTION** by Richard Costigan, **SECONDED** by Richard Gillihan, and **CARRIED**, the Committee recommended the Board approve the amended Notice of Election for the 2018 CalPERS Board of Administration State, School, and Public Agency Member elections.

**AGENDA ITEM 7A – ANNUAL STAKEHOLDER PERCEPTION SURVEY REPORT**

Brad Pacheco, Deputy Executive Officer and David Teykaerts, Manager, External Stakeholder Outreach, presented the Annual Stakeholder Perception Survey Report, as an Information Item.

Public Comment was heard from Al Darby, Retired Public Employees Association of California

**AGENDA ITEM 11 – PUBLIC COMMENT**

No public comment was taken.

The meeting of the Finance & Administration Committee was adjourned at 3:41 p.m.

The next Finance & Administration Committee meeting is scheduled for September 25, 2018, in Sacramento, California.

Prepared by: La Riesha Simmons  
Committee Secretary

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

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MARLENE TIMBERLAKE D'ADAMO  
INTERIM CHIEF FINANCIAL OFFICER