

MEETING  
STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
OPEN SESSION

ROBERT F. CARLSON AUDITORIUM  
LINCOLN PLAZA NORTH  
400 P STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 17, 2014  
9:26 A.M.

JAMES F. PETERS, CSR, RPR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Mr. Rob Feckner, President  
Ms. Priya Mathur, Vice President  
Mr. Michael Bilbrey  
Mr. John Chiang, represented by Mr. Terrence McGuire  
Mr. Richard Costigan  
Dr. George Diehr  
Mr. Richard Gillihan  
Ms. Dana Hollinger  
Mr. J.J. Jelincic  
Mr. Henry Jones  
Mr. Ron Lind  
Mr. Bill Lockyer, also represented by Mr. Steve Coony  
Mr. Bill Slaton

STAFF:

Ms. Anne Stausboll, Chief Executive Officer  
Ms. Ann Boynton, Deputy Executive Officer  
Mr. Robert Glazier, Deputy Executive Officer  
Mr. Douglas Hoffner, Deputy Executive Officer  
Ms. Donna Lum, Deputy Executive Officer  
Ms. Liana Bailey-Crimmins, Chief Information Officer  
Ms. Cheryl Eason, Chief Financial Officer  
Mr. Ted Eliopoulos, Interim Chief Investment Officer

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Matthew Jacobs, General Counsel

Mr. Alan Milligan, Chief Actuary

Mr. Wylie Tollette, Chief Operating Investment Officer

Ms. Kathleen Webb, Chief Risk and Compliance Officer

Ms. Kara Buchanan, Board Secretary

ALSO PRESENT:

Mr. Chirag Shah, Shah & Associates (via teleconference)

Mr. Tom Lussier, Lussier, Gregor, Vienna & Associates  
(via teleconference)

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l.	Mario R. Velasquez	

1 California.

2 Mr. President, that concludes my report on behalf  
3 of the Committee.

4 PRESIDENT FECKNER: Thank you.

5 Item 7f is the Board Governance Committee. The  
6 Committee did not meet, so there's no report.

7 That brings us to Agenda Item 8, the Proposed  
8 Decisions of Administrative Law Judges. First of all, let  
9 me say there's been a request to pull off 8a, as in apple,  
10 and H, as in Henry. Those will be pulled off and  
11 addressed separately. I do want to note for the audience  
12 and for the Board that Chirag Shah, the Board's  
13 independent counsel for administrative law decisions, is  
14 on the phone line. If there are any questions and/or  
15 comments, Chirag is there at your disposal.

16 What's the pleasure of the Board on items b, c,  
17 d, e, f, g, i, j, and k?

18 BOARD MEMBER COSTIGAN: Move the items.

19 PRESIDENT FECKNER: Ms. Mathur

20 VICE PRESIDENT MATHUR: I'll second. Mr.

21 Costigan moved it, so I'll second.

22 PRESIDENT FECKNER: It's been moved by Costigan,  
23 seconded by Mathur.

24 Mr. Diehr.

25 BOARD MEMBER DIEHR: Yes, I'd like to pull out

1 Item 8f for some consideration.

2 PRESIDENT FECKNER: F as in frank. Okay. So we  
3 have a, f, and h that are off the docket at the moment.

4 Any other requests?

5 Seeing none.

6 Motion before you. All in favor say aye?

7 (Ayes.)

8 PRESIDENT FECKNER: Opposed, no?

9 Motion carries.

10 We'll take the others on there own on one at a  
11 time. We have 8a. Ms. Mathur.

12 VICE PRESIDENT MATHUR: I move to accept the  
13 recommendation of our independent Board counsel and set  
14 Agenda Item 8a for a full Board hearing on the issue of  
15 whether the member is entitled to have deferred  
16 compensation, included in the calculation of her final  
17 compensation.

18 PRESIDENT FECKNER: Thank you.

19 Mr. Jelincic.

20 We need a second.

21 BOARD MEMBER JONES: Second.

22 PRESIDENT FECKNER: It's been seconded by Jones.

23 Mr. Jelincic.

24 BOARD MEMBER JELINCIC: I have a question of our  
25 counsel.

1           PRESIDENT FECKNER: Chirag, this one is for you.

2           MR. SHAH: Yes. Good morning, Mr. President.

3           PRESIDENT FECKNER: Good morning.

4           BOARD MEMBER JELINCIC: What is our role here?  
5 Are we the finders of facts or is our role to make sure  
6 that the rules have been applied properly?

7           MR. SHAH: Well, you are not the finders of fact  
8 at this stage of the proceeding. What happens now if the  
9 matter is set for a full Board hearing, is that there will  
10 with be --there'd be oral arguments. So you have a  
11 proposed decision before you, where the evidence and the  
12 factual findings have been completed. And your decision,  
13 at this point, is to determine whether to adopt the  
14 decision, or to remand it for taking additional evidence,  
15 or to set it for a full Board hearing and take oral  
16 arguments on it.

17           BOARD MEMBER JELINCIC: Okay. In which case, I  
18 would argue against setting a full Board hearing. The ALJ  
19 as the finder of fact has found that the pay was publicly  
20 available. He found that -- or she. I don't know  
21 remember which it was -- found that the proposal did not  
22 include deferred comp. So if those are the facts as found  
23 by the ALJ, and our job is to say, if the -- you know,  
24 were the -- was it applied properly? I think the fact --  
25 the facts being what they are, the decision was proper,

1 and so I would oppose a full Board hearing. And if that  
2 is successful, I will move to adopt.

3 PRESIDENT FECKNER: Were you making a substitute  
4 motion or are you just stating fact?

5 BOARD MEMBER JELINCIC: I think it goes much  
6 quicker if I don't make a substitute motion.

7 PRESIDENT FECKNER: Thank you.

8 BOARD MEMBER JELINCIC: If it does fail, then I  
9 will be back making a motion.

10 PRESIDENT FECKNER: Any other comments on Item  
11 8a?

12 Seeing none.

13 You have a motion before you. All in favor say  
14 aye?

15 (Ayes.)

16 PRESIDENT FECKNER: Opposed, no?

17 (No.)

18 PRESIDENT FECKNER: Motion carries. Thank you.  
19 8f, Ms. Mathur.

20 VICE PRESIDENT MATHUR: I move --

21 BOARD MEMBER DIEHR: F?

22 VICE PRESIDENT MATHUR: Sorry, on 8f?

23 PRESIDENT FECKNER: F, as in Frank.

24 VICE PRESIDENT MATHUR: I move to accept the  
25 recommendations of our independent Board counsel and adopt



C E R T I F I C A T E O F R E P O R T E R

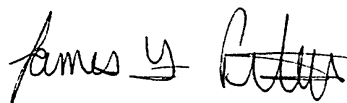
I, JAMES F. PETERS, a Certified Shorthand  
Reporter of the State of California, and Registered  
Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the  
foregoing California Public Employees' Retirement System,  
Board of Administration open session meeting was reported  
in shorthand by me, James F. Peters, a Certified Shorthand  
Reporter of the State of California.

That the said proceedings was taken before me, in  
shorthand writing, and was thereafter transcribed, under  
my direction, by computer-assisted transcription.

I further certify that I am not of counsel or  
attorney for any of the parties to said meeting nor in any  
way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 22nd day of September, 2014.

A handwritten signature in cursive script, appearing to read "James F. Peters", with a horizontal line drawn through the middle of the signature.

JAMES F. PETERS, CSR, RPR  
Certified Shorthand Reporter  
License No. 10063