



333 Bush Street  
 San Francisco, CA 94104  
 (415) 263-5400  
 www.statefundca.com

Date: January 6, 2014

**TO: MEMBERS, BOARD OF DIRECTORS**

<b>I. AGENDA ITEM # AND TITLE:</b>	Open Agenda Item 3g – Consent Calendar: Approval of 2014 Board and Committee Meeting Schedule and Location
<b>II. NAME AND PROGRAM:</b>	Hilda Padua, Executive Office
<b>III. ACTIVITY:</b>	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

Part of the Board process is to set-up the annual calendar and locations for Board and Committee meetings, to be presented and approved at every November meeting. (This item was deferred from the November 2013 agenda.)

**VI. ANALYSIS:**

There are four regular meetings on calendar with a fifth meeting for Board Continuing Education. At the August 16, 2012 Governance and Board meetings, it was recommended to expand the length of meetings from 2 days to 3 days to allow more time for the Governance and Audit Committee meetings and discussion. The Audit Committee will meet on Wednesday and the Governance Committee will meet Thursday morning, followed by the Investment Committee and Board meetings.

At the October 5, 2012 Strategic meeting, it was recommended to add an additional day to the August 2013 meeting for Strategic Planning. The April meeting is reserved for Board Continuing Education. However, if the Board determines at the prior meeting that there is time sensitive business to discuss, the April meeting will proceed as a regular Board meeting in lieu of Board Continuing Education.

**VII. RECOMMENDATION:**

**Schedules:** The proposed dates are as follows, including additional meeting options as necessary:

- January 17, 2014 – Board of Directors only

- February 19-21, 2014
- April 3-4, 2014 – Board Continuing Education and/or Board meeting
- May 14-16, 2014
- September 2-5, 2014 – Board, Committee and Strategic Planning
- November 19-21, 2014

The standing meeting days and times for open and closed sessions are:

Audit:	Wednesdays	2:00 p.m. - 5:00 p.m. (or longer if necessary)
Governance:	Thursdays	8:30 a.m. - 11:30 a.m. (or longer if necessary)
Investment:	Thursdays	12:00 noon - 1:45 p.m. (or longer if necessary)
Board:	Thursdays	2:00 p.m. - 6:00 p.m. (or longer if necessary) and
	Fridays	8:30 a.m. - 2:00 p.m. (or sooner as appropriate)

Based on Board member feedback, there will be a 15 minute scheduled break between meetings.

**Location:** 333 Bush Street, 7<sup>th</sup> Floor, San Francisco, CA

The San Francisco State Fund office location will be able to accommodate open and closed Board meetings. This will allow for more efficiency and effectiveness in conducting the Committee and Board meetings.

The August meeting may be held at an offsite location.



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<b>II. NAME AND PROGRAM:</b>	Hilda Padua, Executive Office
<b>III. ACTIVITY:</b>	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

It is a useful practice to construct a board agenda for the year ahead (annual calendar) indicating the substantive items to be addressed for each meeting, yet providing flexibility to consider other issues as they arise.

Part of the Board process is to set-up the annual calendar of agenda items for Board and Committee meetings, to be presented and approved at every November meeting. (This item was deferred from the November 2013 agenda.)

**VI. ANALYSIS:**

The annual agenda provides a useful starting point to ensure that all the standing items and key issues will be covered throughout the year, and leaves room for ongoing changes and flexibility. Moreover, it indicates when each key topic is coming up for discussion, which can be used in the preparation of Board information.

As the year progresses, and the annual agenda is translated into a series of meeting agendas, the annual agenda should be reviewed and appropriate modifications should be made to ensure that the individual agendas are as useful as possible.

**VII. RECOMMENDATION:**

To approve the attached Board and Committee annual agendas as presented.

## 2014 Audit Committee Substantive Agenda Items

<u>Standing Items</u>	Feb	May	Aug	Nov
Report of External Auditor	X	X	X	X
Report on Completed Audits	X	X	X	X
Quarterly Internal Audit Report	X	X	X	X
Update on Personnel Investigations	X	X	X	X
Update on Pension and Other Post Employment Benefits (OPEB) - if needed	X	X	X	X
Pending and Potential Fraud Criminal and Civil Litigation	X	X	X	X
Audit Considerations Related to the Strategic Plan	X	X	X	X
Report to the Board	X	X	X	X
<u>Audit Topics</u>	Feb	May	Aug	Nov
Model Audit Rule (MAR)	X	X		X
Review of Internal Audit Charter and Compliance with International Internal Audit Standards		X		
Review of Audit Committee Charter		X		
Review and Approval of 2015-2017 Audit Plan				X
Ratification of Engagement of External Auditor for 2014 Audit			X	
Report of External Auditor: 2014 Audit Plan				X
Enterprise Risk Management		X		X
Review and Approval of 2015 Audit Committee Agenda and Schedule				X
Cyber Risk presentation	X			
<b>Total Substantive Items</b>	<b>10</b>	<b>12</b>	<b>9</b>	<b>13</b>

## 2014 Governance Committee Substantive Agenda Items

<u>Standing Items</u>	Feb	May	Aug	Nov
Governance and Compliance Update (preread)	X	X	X	X
Update on Key Corporate Policies (preread)	X	X	X	X
Board Continuing Education	X	X	X	X
Board Member Upcoming Speeches or Articles (preread)	X	X	X	X
Governance Considerations Related to the Strategic Plan	X	X	X	X
Report to the Board	X	X	X	X
<u>Governance Topics</u>	Feb	May	Aug	Nov
Performance Award Program	X		X	
Performance Based Retention Program	X			
Review and Approval of Board Committee Assignments for 2014 (pre-read)	X			
Enterprise Risk Management	X		X	
Review of the Internal Audit Plan and Report from the CRO as it relates to Enterprise Risk Management	X			
Review of Corporate Governance documents (pre-read unless action required): Code of Conduct/Conflict of Interest (mandated annual review); State Fund By-Laws (as needed); Charter of Audit and Investment Committees (as requested); Annual Review of Committee Charter; Review of Board Delegated Authority and Approval Levels		X		
Compliance Training/Integrity in Action Hotline		X		
Compliance Report (annual) (pre-read)		X		
Planning for Board Strategic Meeting		X		
Review of Senior Management Succession Plans	X		X	
Specialized Governance Continuing Education			X	
Approval of 2015 Board and Committee Meeting Schedule and Location (preread)				X
Review and Approval of 2015 Agenda Board and Committee Agendas (pre-read)				X
Preliminary Review of President 2015 Performance Objectives				X
<b>Total Substantive Items</b>	12	10	10	9

\* Item will be added to the November agenda if not included in the Strategic Meeting

## 2014 Investment Committee Substantive Agenda Items

<u>Standing Items</u>	Feb	May	Aug	Nov
Approval of Investment Transactions	X	X	X	X
Market Outlook/Economic Update	X	X	X	X
Portfolio Performance Results	X	X	X	X
Investment Manager's Investment Strategy	X	X	X	X
Financial and Investment Considerations related to the Strategic Plan	X	X	X	X
Report on Investment Audits <i>(if applies)</i>	X	X	X	X
Pending and Potential Litigation <i>(if applies)</i>	X	X	X	X
Legislation Affecting the Portfolio <i>(if applies)</i>	X	X	X	X
Report to the Board	X	X	X	X
<u>Investment Topics</u>	Feb	May	Aug	Nov
Annual Review of Charter		X		
Report on Bank Accounts and Cash Management Holdings - (Preread)		X		
Report on Long-term Investment Holdings Held by the State Treasurer's Office - (Preread)		X		
Annual Review of Investment Manager's Performance, Services and Results		X		
Investment Benchmarks		X		
Peer Analysis on 2013 Investment Results - (Preread)			X	
Review of Investment Policy Statement and Guidelines (includes Benchmark)				X
Review and Approval of 2015 Investment Agenda and Schedule				X
<b>Total Substantive Items</b>	9	14	10	11

### 2014 Board of Directors Substantive Agenda Items

Standing Items (OPEN)	Jan	Feb	April	May	Aug	Nov
Consent Calendar: Approve Minutes, Pre-Approved Board Continuing Education, Travel Expense Reimbursement, Retirement Resolutions, Renewal of Expiring Insurance		X		X	X	X
Personnel Matters		X		X	X	X
Financial Update (2013 Financial Statement, 2014 Quarterly reports) (pre-read)		X		X	X	X
Legislation Report (read only)		X		X	X	X
President's Report		X		X	X	X
Committee Reports		X		X	X	X
Chairman's Report		X		X	X	X
Board Member Reports		X		X	X	X
Standing Items (CLOSED)	Jan	Feb	April	May	Aug	Nov
Pending and Potential Litigation		X		X	X	X
Significant Open Audits Report and Fraud Litigation Report		X		X	X	X
Board Considerations Related to the Strategic Plan		X		X	X	X
Governance Considerations Related to the Strategic Plan		X				
Financial and Investment Considerations Related to the Strategic Plan		X				
General Topics	Jan	Feb	April	May	Aug	Nov
Financials, Investments, Underwriting & Pricing						
Investments Portfolio Benchmark and Mgmt of Investment		X				
Loss and Loss Adjustment Expense Reserves		X				
Independent Auditors Report (KPMG)				X		
Independent Actuarial Reserves Report and Statement of Actuarial Opinion				X		
Review and Approval of Rate Filing					X	X
Annual Dividend Evaluation						X
Operational Effectiveness						
Strategic Planning 2015				X	X	
Strategic Plan Update		X		X	X	X
• Update on Claims		X		X	X	X
• Update on Information Technology Initiatives		X		X	X	X
• Update on Legislation		X		X	X	X
• Update on Other Corporate Programs						
Personnel Matters						
Review of 2013 Performance Awards	X					
Review of 2013 President and Executive Leadership Performance Against Plans	X					
Preliminary review of President's 2014 Performance Objectives	X					
Approval of President and Executive Leadership 2013 Performance against Plan		X				
Approval of President and Executive Leadership 2014 Performance Objectives		X				
Approval of 2014 Exempt Executives Compensation		X				
Staffing Leadership & Succession Planning		X				X
Preliminary Review of President 2015 Performance Objectives						X
Governance						
Board Strategic Planning Agenda				X		
Approval of Amended Committee Charters (if needed)						
Review of Committee Assignments		X				
Insurance & Reinsurance Strategy					X	X
Approval of Amendments to Key Corporate Policies				X		
Enterprise Risk Management				X		X
Review and Approval of 2015 Agenda and Schedule						X
Continuing Education						
Board Continuing Education 2014			X			
CA Economy & WC Market		X			X	X
Current or Emerging WC Issues*						X
<b>Total Substantive Items</b>	<b>3</b>	<b>25</b>	<b>1</b>	<b>21</b>	<b>19</b>	<b>24</b>

\* Item will be added to the November agenda if not included in the Strategic Meeting