

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
PERFORMANCE, COMPENSATION &
TALENT MANAGEMENT COMMITTEE
OPEN SESSION

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FECKNER AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

TUESDAY, FEBRUARY 20, 2024

10:00 A.M.

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

APPEARANCES

COMMITTEE MEMBERS:

Mullissa Willette, Chairperson

Kevin Palkki, Vice Chairperson

Lisa Middleton

Eraina Ortega

Jose Luis Pacheco

Theresa Taylor

Yvonne Walker (Remote)

BOARD MEMBERS:

David Miller, Vice President

Fiona Ma, represented by Patrick Henning

Ramón Rubalcava

Gail Willis, PhD (Remote)

STAFF:

Marcie Frost, Chief Executive Officer

Michelle Tucker, Chief, Human Resources Division

Robert Carlin, Senior Counsel

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1 For this, I will hand over the gavel to Eraina.

2 CHAIRPERSON PACHECO: Sorry. Mic.

3 COMMITTEE MEMBER ORTEGA: I will now take
4 nominations for Chair of the Performance, Compensation and
5 Talent Management Committee.

6 CHAIRPERSON PACHECO: And I -- I'll nominate -- I
7 will nominate Mullissa Willette for Chair.

8 COMMITTEE MEMBER ORTEGA: Mr. Pacheco nominates
9 Mullissa Willette.

10 Are there any other nominations?

11 Any other nominations?

12 Seeing no other nominations, I have a motion to
13 approve Mullissa Willette as Chair of the Performance,
14 Compensation and Talent Management Committee.

15 Please call the roll

16 BOARD CLERK ANDERSON: Mullissa Willette?

17 VICE CHAIRPERSON WILLETTE: Yes.

18 BOARD CLERK ANDERSON: Lisa Middleton?

19 COMMITTEE MEMBER MIDDLETON: Aye.

20 BOARD CLERK ANDERSON: Eraina Ortega?

21 COMMITTEE MEMBER ORTEGA: Aye.

22 BOARD CLERK ANDERSON: Kevin Palkki?

23 COMMITTEE MEMBER PALKKI: Aye.

24 BOARD CLERK ANDERSON: Theresa Taylor?

25 COMMITTEE MEMBER TAYLOR: Aye.

1 BOARD CLERK ANDERSON: Yvonne Walker?

2 COMMITTEE MEMBER ORTEGA: Okay. The motion
3 passes. Congratulations and I will pass the gavel over to
4 Ms. Willette.

5 CHAIRPERSON WILLETTE: Thank you so much. So at
6 this time, I will now take nominations for Vice Chair of
7 the Performance, Compensation and Talent Management
8 Committee.

9 COMMITTEE MEMBER TAYLOR: I'd like to make a
10 nomination for Kevin Palkki for Vice Chair.

11 CHAIRPERSON WILLETTE: Thank you so much.
12 Nomination for Kevin Palkki for Vice Chair.

13 Are there any other nominations?

14 Are there any other nominations?

15 And are there any other nominations?

16 So I have a motion to approve Kevin Palkki as
17 Vice Chair. Can we please do a roll call vote.

18 BOARD CLERK ANDERSON: Jose Luis Pacheco?

19 COMMITTEE MEMBER PACHECO: Aye.

20 BOARD CLERK ANDERSON: Mullissa Willette?

21 CHAIRPERSON WILLETTE: Yes.

22 BOARD CLERK ANDERSON: Lisa Middleton?

23 COMMITTEE MEMBER MIDDLETON: Aye.

24 BOARD CLERK ANDERSON: Eraina Ortega?

25 COMMITTEE MEMBER ORTEGA: Aye.

1 BOARD CLERK ANDERSON: Kevin Palkki?

2 COMMITTEE MEMBER PALKKI: Aye.

3 BOARD CLERK ANDERSON: Theresa Taylor?

4 COMMITTEE MEMBER TAYLOR: Aye.

5 BOARD CLERK ANDERSON: Yvonne Walker.

6 CHAIRPERSON WILLETTE: The motion passes.

7 Congratulations.

8 Sorry.

9 COMMITTEE MEMBER TAYLOR: We'll have to take some
10 time to move around.

11 CHAIRPERSON WILLETTE: Yeah. So we will take
12 just a five minute recess to move our chairs. Thank you.

13 (Off record: 10:03 a.m.)

14 (Thereupon a recess was taken.)

15 (On record: 10:05 a.m.)

16 CHAIRPERSON WILLETTE: Okay. We will now recess
17 into closed session for items 1 through 3 from the closed
18 session agenda and we will immediately reconvene in open
19 session after the closed session.

20 Thank you.

21 (Off record: 10:05 a.m.)

22 (Thereupon the meeting recessed
23 into closed session.)

24 (Thereupon the meeting reconvened
25 open session.)

1 (On record: 10:40 a.m.)

2 CHAIRPERSON WILLETTE: All right. Thank you so
3 much. We are back in open session and we will continue
4 with the remainder of the open session agenda. If we
5 could please call the roll

6 BOARD CLERK ANDERSON: Mullissa Willette?

7 CHAIRPERSON WILLETTE: Here.

8 BOARD CLERK ANDERSON: Kevin Palkki?

9 VICE CHAIRPERSON PALKKI: Good morning.

10 BOARD CLERK ANDERSON: Lisa Middleton?

11 COMMITTEE MEMBER MIDDLETON: Present.

12 BOARD CLERK ANDERSON: Eraina Ortega?

13 COMMITTEE MEMBER ORTEGA: Here.

14 BOARD CLERK ANDERSON: Jose Luis Pacheco?

15 COMMITTEE MEMBER PACHECO: Present.

16 BOARD CLERK ANDERSON: Theresa Taylor?

17 COMMITTEE MEMBER TAYLOR: Here.

18 BOARD CLERK ANDERSON: Yvonne Walker?

19 CHAIRPERSON WILLETTE: Apologies.

20 Let's give one moment.

21 CHAIRPERSON WILLETTE: Okay. I just want to make
22 sure everyone is allowed back in the room and situated.

23 Our next item is our Executive Report.

24 BOARD CLERK ANDERSON: Chair Willette, we will
25 need to do the open attestation.

1 CHAIRPERSON WILLETTE: The open attestation?

2 BOARD CLERK ANDERSON: Yeah, the open.

3 CHAIRPERSON WILLETTE: All right. Thank you.

4 So good morning, because we are not all present
5 in the same room and Board members are participating from
6 remote locations that not accessible to the public,
7 Bagley-Keene requires the remote Board members to make
8 certain disclosures about any other persons present with
9 them during open session. Accordingly, the Board members
10 participating remotely must each attest either that, one,
11 they are alone, or two, if there are one or more persons
12 present with them who are at least 18 years old, the
13 nature of the Board member's relationship to each person.
14 So at this time, I will ask each Board member to
15 verbally -- each remote Board member to verbally attest
16 accordingly. Please conduct the roll call attestation.

17 BOARD CLERK ANDERSON: Dr. Gail Willis?

18 BOARD MEMBER WILLIS: I attest to it. Thank you.

19 BOARD CLERK ANDERSON: And Yvonne Walker?

20 COMMITTEE MEMBER WALKER: Yes, I attest.

21 BOARD CLERK ANDERSON: Thank you.

22 CHAIRPERSON WILLETTE: Excellent. Thank you so
23 and. At this time, we'll now move to our Item 4,
24 Executive Report.

25 HUMAN RESOURCES DIVISION CHIEF TUCKER: Good

1 morning, Committee. Michelle Tucker here for Doug Hoffner
2 today, CalPERS team member. Congratulations to Chair
3 Willette and Vice Chair Palkki. The Board just heard in
4 closed session the CEO's semiannual status report on her
5 incentive plan covering July 1st through December 31st,
6 2023.

7 I'd also like to highlight what to expect in the
8 April meeting regarding the annual incentive metrics
9 review. The Board's primary executive and investment
10 compensation consultant, Global Governance Advisors, will
11 present their annual review of incentive metrics and any
12 recommended adjustments for fiscal year 2024-25.

13 Thank you, Ms. Chair. That concludes my report
14 and I'm happy to answer any questions.

15 CHAIRPERSON WILLETTE: Okay. Are there any
16 questions from the Board or other members?

17 All right. Thank you so much. We'll move to our
18 action consent items.

19 COMMITTEE MEMBER TAYLOR: Move approval.

20 COMMITTEE MEMBER PACHECO: I'll second.

21 CHAIRPERSON WILLETTE: Thank you so much. That
22 has been moved Theresa Taylor and seconded by Jose Luis
23 Pacheco.

24 And we'll do a roll call vote.

25 BOARD CLERK ANDERSON: Kevin Palkki?

1 VICE CHAIRPERSON PALKKI: Aye.

2 BOARD CLERK ANDERSON: Lisa Middleton?

3 COMMITTEE MEMBER MIDDLETON: Aye.

4 BOARD CLERK ANDERSON: Eraina Ortega?

5 COMMITTEE MEMBER ORTEGA: Aye.

6 BOARD CLERK ANDERSON: Jose Luis Pacheco?

7 COMMITTEE MEMBER PACHECO: Aye.

8 BOARD CLERK ANDERSON: Theresa Taylor?

9 COMMITTEE MEMBER TAYLOR: Aye.

10 BOARD CLERK ANDERSON: Yvonne Walker?

11 COMMITTEE MEMBER WALKER: Aye.

12 CHAIRPERSON WILLETTE: Okay. Thank you so much.

13 That passes.

14 Next, we have our information consent items.

15 HUMAN RESOURCES DIVISION CHIEF TUCKER: Thank
16 you, Ms. Chair. So that was part of the executive update
17 that I read earlier, which was in the April meeting,
18 you'll hear the annual incentive metrics review. And then
19 you'll have a chance to discuss with Global Governance
20 Advisors. The presentation of metrics and any recommended
21 adjustments for 24-25.

22 CHAIRPERSON WILLETTE: All right. Thank you so
23 much and summary of Committee direction.

24 HUMAN RESOURCES DIVISION CHIEF TUCKER: I did not
25 record any direction, but I'm happy to take any now.

1 CHAIRPERSON WILLETTE: I don't believe there was
2 any.

3 And so next, we'll move to public comment.

4 I don't see any public comment, so we will
5 adjourn the meeting.

6 Thank you, everyone.

7 (Thereupon the California Public Employees'
8 Retirement System, Board of Administration,
9 Performance, Compensation, & Talent Management
10 Committee open session meeting adjourned
11 at 10:44 a.m.)

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