

VIDEOCONFERENCE MEETING  
STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
BOARD GOVERNANCE COMMITTEE

ZOOM PLATFORM

TUESDAY, MARCH 16, 2021

11:30 A.M.

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

APPEARANCES

COMMITTEE MEMBERS:

Henry Jones, Chairperson

Lisa Middleton, Vice Chairperson

Rob Feckner

Fiona Ma, represented by Frank Ruffino

Stacie Olivares

Eraina Ortega

Jason Perez

BOARD MEMBERS:

Margaret Brown

David Miller

Ramon Rubalcava

Theresa Taylor, Vice President

Shawnda Westly

Betty Yee, represented by Lynn Paquin

STAFF:

Marcie Frost, Chief Executive Officer

Matt Jacobs, General Counsel

Kelly Fox, Chief, Stakeholder Relations

Pam Hopper, Committee Secretary

Anne Simpson, Managing Investment Director

APPEARANCES CONTINUED

ALSO PRESENT:

J.J. Jelincic

INDEX

	<u>PAGE</u>
1. Call to Order and Roll Call	1
2. Election of Board Governance Committee Chair and Vice Chair	1
3. Approval of the March 16, 2021 Board Governance Committee Timed Agenda	6
4. Executive Report - Matthew Jacobs	7
5. Action Consent Items - Matthew Jacobs	8
a. Approval of the November 18, 2020 Board Governance Committee Meeting Minutes	
b. Review of Board Governance Committee Delegation	
6. Information Consent Items - Matthew Jacobs	9
a. Board Education Program - Education Activity Report	
7. Action Agenda Items	
a. Proposed Change to Board Governance Policy: Reporting Investigations to Board - Anne Simpson	9
8. Information Agenda Items	
a. Discussion of Board's Shared Responsibility for CIO Personnel Decisions - Anne Simpson	35
b. Discussion of Future Board Governance Committee Agendas	54
c. Summary of Committee Direction - Matthew Jacobs	57
d. Public Comment	59
Adjournment	59
Reporter's Certificate	
60	

PROCEEDINGS

1  
2 CHAIRPERSON JONES: It's 11:30 and I would like  
3 to call the Board Governance Committee meeting to order.  
4 And the first order of business is roll call.

5 Ms. Hopper, please.

6 COMMITTEE SECRETARY HOPPER: Henry Jones?

7 CHAIRPERSON JONES: Here

8 COMMITTEE SECRETARY HOPPER: Rob Feckner?

9 Frank Ruffino for Fiona Ma?

10 ACTING COMMITTEE MEMBER RUFFINO: Present.

11 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

12 VICE CHAIRPERSON MIDDLETON: Present.

13 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

14 COMMITTEE MEMBER OLIVARES: Here.

15 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

16 COMMITTEE MEMBER ORTEGA: Here.

17 COMMITTEE SECRETARY HOPPER: Jason Perez?

18 COMMITTEE MEMBER PEREZ: Here.

19 COMMITTEE SECRETARY HOPPER: Rob Feckner?

20 COMMITTEE MEMBER FECKNER: Present.

21 COMMITTEE SECRETARY HOPPER: Mr. President, I  
22 have all in attendance for Board Governance Committee.

23 CHAIRPERSON JONES: Thank you, Ms. Hopper.

24 The next item on the agenda is the election of  
25 the Board Governance Committee Chair and Vice Chair. And

1 for the Chair, I will turn the gavel over to the Vice  
2 Chair, Ms. Middleton.

3 Ms. Middleton, please.

4 VICE CHAIRPERSON MIDDLETON: All right. Thank  
5 you, Mr. President. Appreciate that.

6 I see Mr. Feckner has his hand raised.

7 COMMITTEE MEMBER FECKNER: Thank you, Madam Vice  
8 Chair. I would like to place a nomination in the name of  
9 Henry Jones for the Office of Chair of the Board  
10 Governance Committee.

11 VICE CHAIRPERSON MIDDLETON: Thank you, Mr.  
12 Feckner. We've received a nomination for Henry Jones for  
13 Chair of Governance.

14 Are there any other nominations for Chair?

15 Again, are there any other nominations for Chair?

16 And third and last time, are there any other  
17 nominations for Chair?

18 Hearing none.

19 The nominations for Chair is closed and I would  
20 ask Ms. Hopper to call the vote.

21 COMMITTEE SECRETARY HOPPER: Rob Feckner?

22 COMMITTEE MEMBER FECKNER: Aye.

23 COMMITTEE SECRETARY HOPPER: Frank Ruffino for  
24 Fiona Ma?

25 ACTING COMMITTEE MEMBER RUFFINO: Aye.

1 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

2 VICE CHAIRPERSON MIDDLETON: Aye.

3 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

4 COMMITTEE MEMBER OLIVARES: Aye.

5 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

6 COMMITTEE MEMBER ORTEGA: Aye.

7 COMMITTEE SECRETARY HOPPER: Jason Perez?

8 COMMITTEE MEMBER PEREZ: Aye.

9 COMMITTEE SECRETARY HOPPER: Mr. President, I  
10 have the motion being made by Rob Feckner for the election  
11 of the Board Governance Committee Chair, Henry Jones.

12 VICE CHAIRPERSON MIDDLETON: Mr. Jones,  
13 congratulations, unanimous vote. And it's a pleasure to  
14 turn the gavel back over to you.

15 CHAIRPERSON JONES: Thank you, Ms. Middleton.  
16 And thank you, Committee members, for your continued  
17 support as electing me as Chair. So now we will go to the  
18 nominations for Vice Chair. Do we have a nomination for  
19 Vice Chair?

20 Mr. Feckner.

21 COMMITTEE MEMBER FECKNER: Thank you, Mr. Chair.  
22 I'd like to place the nomination Lisa Middleton for the  
23 Office of Vice Chair of the Board Governance Committee.  
24 And after the vote, I would like to speak to it, please.

25 CHAIRPERSON JONES: Okay. Nomination for Ms.

1 Middleton as Vice Chair of the Governance Committee.

2 Are there any additional nominations?

3 Are there any additional nominations?

4 Are there any additional nominations?

5 Hearing no additional Nominations, we have a  
6 nomination for Ms. Middleton to be Vice Chair. Do we have  
7 a second for that motion?

8 ACTING COMMITTEE MEMBER RUFFINO: (Hand raise.)

9 CHAIRPERSON JONES: Second by Mr. Ruffino.

10 And so it's moved by Mr. Feckner, second by Mr.  
11 Ruffino.

12 Comments now, Mr. Feckner, or after the vote?

13 COMMITTEE MEMBER FECKNER: After the vote,  
14 please.

15 CHAIRPERSON JONES: Okay. So, Ms. Hopper,  
16 please.

17 COMMITTEE SECRETARY HOPPER: Rob Feckner?

18 COMMITTEE MEMBER FECKNER: Aye.

19 COMMITTEE SECRETARY HOPPER: Frank Ruffino For  
20 Fiona Ma?

21 ACTING COMMITTEE MEMBER RUFFINO: Aye.

22 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

23 VICE CHAIRPERSON MIDDLETON: Aye.

24 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

25 COMMITTEE MEMBER OLIVARES: Aye.



1 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

2 COMMITTEE MEMBER ORTEGA: Aye.

3 COMMITTEE SECRETARY HOPPER: Jason Perez?

4 COMMITTEE MEMBER PEREZ: Aye.

5 COMMITTEE SECRETARY HOPPER: Mr. President, I  
6 have the motion being made by Rob Feckner, seconded by  
7 Frank Ruffino for Fiona Ma for the election of the Board  
8 Governance Committee Vice Chair, Lisa Middleton.

9 CHAIRPERSON JONES: Thank you. And  
10 congratulation, Ms. Middleton, on your election as Vice  
11 Chair of the Governance Committee.

12 Mr. Feckner.

13 COMMITTEE MEMBER FECKNER: Thank you, Mr. Chair.

14 I just want to ask, Mr. Chair, for a future  
15 agenda item to have a robust discussion -- and this again  
16 has nothing to do with the people in play. It has to do  
17 with optics. I want to have a overarching discussion on  
18 the optics of having the Board President be the same as  
19 the Board Governance Chair and is also the Committee --  
20 the Chair of the Risk and Audit Committee being the Chair  
21 of Board Governance. To me, it seems like there could be  
22 an optics of conflict and I would just like to have a  
23 discussion about it.

24 CHAIRPERSON JONES: Okay. Well, Mr. Feckner, we  
25 have item on the agenda today for future items. And so if

1 you could hold that till that and then we'll take that as  
2 one of the items for future discussion.

3 COMMITTEE MEMBER FECKNER: Thank you.

4 CHAIRPERSON JONES: Okay. Okay. So that moves  
5 us then to item number three, approval of the March 16  
6 Board Governance Committee time agenda. Do I have a  
7 motion?

8 VICE CHAIRPERSON MIDDLETON: So move.

9 COMMITTEE MEMBER PEREZ: (Hand raised.)

10 CHAIRPERSON JONES: Moved by Ms. Middleton second  
11 by --

12 COMMITTEE MEMBER OLIVARES: Second.

13 CHAIRPERSON JONES: -- Mr. Perez.

14 COMMITTEE MEMBER OLIVARES: Oh, sorry.

15 CHAIRPERSON JONES: Okay. So all those in favor,  
16 Ms. Hopper, please.

17 COMMITTEE SECRETARY HOPPER: Rob Feckner?

18 COMMITTEE MEMBER FECKNER: Aye.

19 COMMITTEE SECRETARY HOPPER: Frank Ruffino for  
20 Fiona Ma?

21 ACTING COMMITTEE MEMBER RUFFINO: Aye.

22 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

23 VICE CHAIRPERSON MIDDLETON: Aye.

24 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

25 COMMITTEE MEMBER OLIVARES: Aye.

1 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

2 COMMITTEE MEMBER ORTEGA: Aye.

3 COMMITTEE SECRETARY HOPPER: Jason Perez?

4 COMMITTEE MEMBER PEREZ: Aye.

5 COMMITTEE SECRETARY HOPPER: Mr. President, I  
6 have a motion being made by Lisa Middleton, seconded by  
7 Jason Perez on agenda item 3.

8 CHAIRPERSON JONES: Okay. Thank you very much.

9 We now will move to Executive Report, Mr. Jacobs.

10 GENERAL COUNSEL JACOBS: Yes. Good morning, all.  
11 Good morning Committee members. We have three substantive  
12 matters on the agenda today. The first is an action item.  
13 We're bringing back a mechanism for reporting  
14 investigations of certain CalPERS executives to the Board.  
15 And then we move into the information items. We've got An  
16 item regarding the -- how we are going to effectuate the  
17 Board's shared responsibility for CIO personnel decisions.  
18 And then as Mr. Jones just mentioned, we've got what could  
19 be called a virtual white board with respect to future  
20 Board Governance Committee agenda items.

21 And that concludes my executive report. Thank  
22 you.

23 CHAIRPERSON JONES: Okay. Thank you, Mr. Jacobs.  
24 Okay. Now, we will move to action consent items.  
25 We have two items under the action consent. The approval

1 of the November 18 Board Committee -- Governance Committee  
2 meeting minutes and review of Board Governance Committee  
3 delegation.

4 Do we have a motion?

5 COMMITTEE MEMBER FECKNER: Move approval.

6 CHAIRPERSON JONES: Moved by Mr. Feckner.

7 We need a second.

8 COMMITTEE MEMBER PEREZ: (Hand raised.)

9 CHAIRPERSON JONES: Second by Mr. Perez.

10 Mrs. Hopper, please.

11 COMMITTEE SECRETARY HOPPER: Rob Feckner?

12 COMMITTEE MEMBER FECKNER: Aye.

13 COMMITTEE SECRETARY HOPPER: Frank Ruffino for  
14 Fiona Ma?

15 ACTING COMMITTEE MEMBER RUFFINO: Aye.

16 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

17 VICE CHAIRPERSON MIDDLETON: Aye.

18 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

19 COMMITTEE MEMBER OLIVARES: Aye.

20 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

21 COMMITTEE MEMBER ORTEGA: Aye.

22 COMMITTEE SECRETARY HOPPER: Jason Perez?

23 COMMITTEE MEMBER PEREZ: Aye.

24 COMMITTEE SECRETARY HOPPER: Mr. President, I  
25 have a motion being made by Rob Feckner, seconded by Jason

1 Perez for Agenda Items 5a and 5b, and all has indicated  
2 ayes.

3 CHAIRPERSON JONES: Thank you, Ms. Hopper.

4 Information consent items, Item 6a, I have not  
5 received a request to move anything from that agenda item.

6 So we will move on to Agenda Item 7, which is an  
7 action item, and the proposed changes to Board Governance  
8 Policy, reporting investigations to the Board. Ms.  
9 Simpson or Mr. Jacobs?

10 GENERAL COUNSEL JACOBS: I think Ms. Simpson is  
11 going to handle the heavy lifting on this one.

12 CHAIRPERSON JONES: Okay. Is she on?

13 MANAGING INVESTMENT DIRECTOR SIMPSON: Good  
14 morning, Chair.

15 CHAIRPERSON JONES: Good morning.

16 MANAGING INVESTMENT DIRECTOR SIMPSON: And good  
17 morning, Committee members. Congratulations to Chair and  
18 Vice Chair for being confirmed again.

19 I'm not sure if you can see me, but I can see all  
20 of you. Maybe that's -- maybe that's good enough. This  
21 item 7a, as Matt Jacobs has just said, proposes a change  
22 for the Committee to consider on the Board Governance  
23 policy. And this is on the question of reporting  
24 investigations. And this follows the Board President's  
25 direction to come back with some proposed language

1 regarding the Board's oversight of allegations of  
2 misconduct by senior executives.

3           So you'll see that you have the language there in  
4 front of you, and as follows, "Through the Board  
5 President, monitor investigations into allegations of  
6 misconduct by the CEO, Chief Actuary, Chief Compliance  
7 Officer, Chief Financial Officer, Chief Health Director,  
8 Chief Investment Officer, Chief Operating Officer, or the  
9 General Counsel. Upon receipt of plausible non-frivolous  
10 allegation of misconduct, by any of the aforementioned  
11 personnel and a preliminary determination that the  
12 allegations are substantiated, and if substantiated, would  
13 constitute misconduct, management...", and in parentheses,  
14 "... (CEO, unless the allegation concerns the CEO), will  
15 notify the Board President and the Chair of the Risk and  
16 Audit Committee. Management will inform the full Board  
17 upon the commencement of a formal investigation into the  
18 alleged misconduct".

19           And with that, this item is for the Committee's  
20 discussion. Thank you, Chair.

21           CHAIRPERSON JONES: Okay. Thank you, Ms. Simpson  
22           And, Committee members, do you have any comments  
23 or questions?

24           I see Ms. Brown.

25           BOARD MEMBER BROWN: Are there any Committee

1 members who want to go in front?

2 CHAIRPERSON JONES: I don't see -- I don't see  
3 any Committee members yet.

4 BOARD MEMBER BROWN: Okay. All right. I'm happy  
5 to go first.

6 CHAIRPERSON JONES: Okay.

7 BOARD MEMBER BROWN: So in looking at attachment  
8 1, page nine of 26, the revisions, line 18, it talks about  
9 only certain positions where the Board President would  
10 inform -- or the Board President would know, the Chair of  
11 Risk and Audit would be advised. But, you know, there are  
12 many other positions that where if there's some sort of  
13 misconduct or other issue that arises, that we should  
14 know. I'm not going to mention the one that specifically  
15 we've been told about, but under this policy, we wouldn't  
16 know about the current issue that's going on. And so I  
17 have concerns that this is way too limiting and it needs  
18 to be much broader.

19 More importantly and generally, I'd like to know  
20 going back over the last, I don't know, three to five  
21 years, what other investigations have occurred that the  
22 Board -- the full Board was not made aware of, and not  
23 just of these positions, but for things that -- where  
24 fraud, mismanagement, very serious concerns have been  
25 brought to bear, and there have been some sort of, you

1 know, penalty, or some sort of, you know, performance  
2 review, or something happened to that employee of CalPERS.  
3 I think this is way too limiting for the Board.

4 And those are my comments.

5 CHAIRPERSON JONES: Okay. Well, we'll come back  
6 to that, after we hear from other members.

7 Ms. Middleton.

8 VICE CHAIRPERSON MIDDLETON: Thank you, Mr.  
9 President. And I'm going to direct these as questions to  
10 Matt and to Anne. And what I'm trying to make sure is  
11 that I have the correct understanding of what it is that  
12 we're doing here.

13 So the first notification involving these named  
14 positions is that the Board President and the Risk and  
15 Audit Committee Chair would be notified. And what I  
16 understand that to require is that we have received a  
17 plausible non-frivolous allegation of misconduct. And the  
18 next question is, if it's true, it would constitute  
19 misconduct. So, at that point, we don't have any  
20 information as to whether or not it's true, not true, or  
21 anything else, other than we've received an allegation.  
22 And that creates an affirmative obligation to notify two  
23 members of the Board. That's correct?

24 MANAGING INVESTMENT DIRECTOR SIMPSON: That's  
25 correct.



1           VICE CHAIRPERSON MIDDLETON: Okay. And the  
2 implication here is that that would be immediate  
3 notification or as timely as is possible. Is that  
4 something that we need to spell out or is the implication  
5 adequate?

6           MANAGING INVESTMENT DIRECTOR SIMPSON: That's an  
7 interesting comment, Ms. Middleton. I note that the  
8 language that's drafted here says, "upon receipt", which I  
9 think is probably about as prompt as is practical. But  
10 Matt, would you like to add anything to that?

11           GENERAL COUNSEL JACOBS: Yes. Yes. I mean you  
12 have to give a reasonable time for this preliminary  
13 determination that the allegation, if substantiated, would  
14 constitute misconduct. So I think the idea is you're  
15 going to get a notification upon -- well, you've gotten  
16 receipt, but the -- but the phrase goes on to say that  
17 it's a preliminary -- after the preliminary determination.  
18 In other words, we get a receipt that -- we receive an  
19 allegation that the General Counsel has done something  
20 that the complainer thinks was improper. It may be  
21 plausible. It may be non-frivolous, but it doesn't  
22 constitute misconduct, so there's a preliminary  
23 determination that, you know, somebody is complaining  
24 that -- anyway, there's -- that would not be -- that would  
25 not go to the two individuals on the Board. But there has

1 to be at least a moment in time, a reasonable time for  
2 that determination to be made. And I would think that,  
3 you know, that would be a very short time, you know, a  
4 couple days maybe.

5 VICE CHAIRPERSON MIDDLETON: All right. And that  
6 would be the CEO/General Counsel or just the General  
7 Counsel? Who's responsible for making that determination  
8 that this allegation rises, if true, to the level of  
9 misconduct?

10 GENERAL COUNSEL JACOBS: The CEO with the  
11 assistance of the General Counsel, but that's a CEO call  
12 ultimately. Yeah.

13 VICE CHAIRPERSON MIDDLETON: All right. Good.  
14 And then we have a -- last sentence that says,  
15 "Management will inform the full Board upon the  
16 commencement of an investigation. So in the notification  
17 to the Board President and to the Chair of the Audit  
18 Committee, are they being invited to give their counsel as  
19 to whether or not an investigation is necessary, or  
20 appropriate, or just simply they are the first individuals  
21 to be notified on the Board?

22 GENERAL COUNSEL JACOBS: The latter, Ms.  
23 Middleton.

24 VICE CHAIRPERSON MIDDLETON: The latter. Okay.  
25 I think maybe we need to spell that out, that they play no

1 role in making that determination. And I would agree with  
2 you, they should not.

3 But it's certain -- that last notification to the  
4 full Board, do we need to spell out what process will be  
5 used to notify the full Board? Is that something that's  
6 depending on circumstances? And it might be a telephone  
7 tree, it might be a series of conversations, or is it a  
8 special meeting. But how do we go about the logistics of  
9 making sure that we promptly notify the full Board?

10 GENERAL COUNSEL JACOBS: Yeah. Ms. Middleton, I  
11 think that you raise the scenario -- a number of  
12 scenarios, any of which could apply in a particular case.  
13 And so that's the reluctance to be more specific about  
14 what the process would be for a general policy like this.  
15 It could be done, but that is the kind of countervailing  
16 consideration there.

17 VICE CHAIRPERSON MIDDLETON: And I'm getting this  
18 on the record, but the implication here is that this will  
19 happen very quickly and very promptly?

20 GENERAL COUNSEL JACOBS: Yes.

21 VICE CHAIRPERSON MIDDLETON: Okay. I want to go  
22 to the good question that Ms. Brown raised regarding the  
23 naming of these individual positions. And as I understand  
24 the meaning of what we're doing here is these are  
25 positions that mandate almost immediate notification to

1 the full Board of the possibility of a misconduct.  
2 There's -- is there -- there is nothing in here, as I  
3 understand it, but please correct me, that says the Board  
4 should not be made aware of other investigations involving  
5 misconduct of any other employee during the course of  
6 that, as we have commonly been made aware in closed  
7 sessions previously, is that correct?

8 GENERAL COUNSEL JACOBS: Exactly right, Ms.  
9 Middleton.

10 VICE CHAIRPERSON MIDDLETON: Okay. So my last --  
11 it's not a question. It's a comment. I applaud what  
12 we're doing here. I do think one thing is missing. In  
13 our conversations, we were very clear that no Board member  
14 can or should interfere with the conduct of the  
15 investigation and that Board members have a absolute  
16 responsibility of complete confidentiality as the  
17 investigation moves forward. And I think that needs to be  
18 spelled out that Board members cannot interfere, and  
19 cannot disclose -- and personally, I would argue that a  
20 disclosure is an act of interference in the conduct of the  
21 investigation.

22 Thank you.

23 COMMITTEE MEMBER PEREZ: You're muted, Henry.

24 CHAIRPERSON JONES: Ms. Taylor. Thank you.

25 VICE PRESIDENT TAYLOR: Thank you. I will --

1 there's a couple of things that I want to ask about, but I  
2 will comment on Ms. Middleton's last statement. So I  
3 agree and I'm -- I would like to see that language added  
4 to this, because, yes, that would -- that could very well  
5 turn a case, depending on what the disclosure was on the  
6 individual, if there was disclosure from a Board member  
7 and it -- and it made it out into the public. So I would  
8 second basically Ms. Middleton's thoughts there.

9 I want to go on. Upon receipt, Mr. Jacobs, I --  
10 you explained it and I got a little confused. So, "Upon  
11 receipt of a plausible non-frivolous allegation of  
12 misconduct by any of the aforementioned personnel and a  
13 preliminary determination that the allegation is  
14 substantiated would constitute misconduct".

15 So who's doing that? Who does that part of the  
16 investigation? Because the accusation can be out there  
17 and it may -- you know, Matt Jacobs stole my lunch, you  
18 know, but it might not be true. So who makes the  
19 determination?

20 GENERAL COUNSEL JACOBS: The CEO with my help, if  
21 the allegation is not directed at me.

22 VICE CHAIRPERSON MIDDLETON: Well, you stole my  
23 lunch, Matt. No, I'm just kidding.

24 (Laughter.)

25 GENERAL COUNSEL JACOBS: I thought I gave it back

1 to you.

2 (Laughter.)

3 GENERAL COUNSEL JACOBS: And she'd either do it  
4 alone or with the help of somebody else, if the allegation  
5 were with respect to me. Similarly, if it happened to be  
6 as to -- as to Ms. Frost, I would make that determination  
7 with -- either by myself or with the help of somebody  
8 who's not Ms. Frost, not to generalize it.

9 VICE PRESIDENT TAYLOR: Okay. Do we need to --  
10 and I don't know that this to be the case, but do we need  
11 to delineate that in this or no?

12 GENERAL COUNSEL JACOBS: I don't think so.

13 VICE PRESIDENT TAYLOR: Okay.

14 GENERAL COUNSEL JACOBS: Yeah.

15 VICE PRESIDENT TAYLOR: Okay. I'm not an  
16 attorney, so I just wanted to ask.

17 GENERAL COUNSEL JACOBS: Yeah, well, that's  
18 CalPERS management. And, you know, the thing about  
19 these -- this is kind of a general policy that we have  
20 here, Ms. Taylor. And so it tries to capture the crux of  
21 the issue. It provides guidance for how to do it in the  
22 future. And Ms. Middleton has explicated that through  
23 here questioning, which you aptly point out -- aptly  
24 pointed out was on the record, so that somebody could go  
25 back and figure -- and replay that and hold us to it.

1 VICE PRESIDENT TAYLOR: Okay.

2 GENERAL COUNSEL JACOBS: But if you get into kind  
3 of the more detail, this becomes -- this can become --  
4 expand to a, you know, six or eight page code that I think  
5 we -- I think the goal here is to try to avoid.

6 VICE PRESIDENT TAYLOR: Okay. That makes sense.  
7 And I -- and then once that initial investigation to  
8 determine it's not frivolous, then it goes to the Board  
9 President and the Chair of the Risk and Audit Committee to  
10 let them know that you're investigating it? Is that what  
11 I'm understanding?

12 GENERAL COUNSEL JACOBS: To let them know that  
13 this allegation has been received and that it is -- it  
14 is -- I'm sorry, I'm looked at the -- I was looking at  
15 November's. That it's plausible, non-frivolous, and that  
16 if substantiated, it would constitute misconduct.

17 VICE PRESIDENT TAYLOR: Right. And then we'll  
18 notify the Board President and Chair of the Risk and Audit  
19 Committee. Because it seems to me, at that point, it's  
20 after that, that management will inform the full Board  
21 upon commencement of a formal investigation.

22 GENERAL COUNSEL JACOBS: Right.

23 VICE PRESIDENT TAYLOR: So you're basically  
24 saying, okay, first, we're going to notify the Board  
25 President and the Chair of Risk and Audit. And then we're

1 going to commence a forma investigation and let the Board  
2 know, because I mean it sounds to me that this goes hand  
3 in hand.

4           GENERAL COUNSEL JACOBS: Well, it doesn't go  
5 hand-in-hand, because there's some leeway, there's some  
6 time in between a determination that, hey, we received  
7 this allegation. It's not frivolous, but we need to do  
8 kind of a preliminary investigation.

9           So, for example, we've received this allegation.  
10 It's non-frivolous. If it were true, it could be -- it  
11 could constitute misconduct. Now, let's go out and talk  
12 to the three people who are purported to be the witnesses  
13 to this event of misconduct. They all said it never  
14 happened. It never happened. They swear up and down it  
15 never happened.

16           So now we have a preliminary investigation that's  
17 concluded that the allegation is frivolous or is  
18 non-substantiated and it never goes to -- never gets  
19 reported to the full Board. It's only if that kind of  
20 preliminary investigation leads to a conclusion that, hey,  
21 we need to open up a full investigation here that it would  
22 get reported to the full Board.

23           VICE PRESIDENT TAYLOR: I don't know. It kind of  
24 sounds like what you're saying there would be before you  
25 would give it to Risk and Audit and the President though,



1 because that's what your trying to -- how do you -- how do  
2 you know it's not frivolous? I mean, if it's a serious  
3 allegation like sexual misconduct, right, but it never  
4 happened, you've got to kind of -- before it even goes to  
5 the Board President or Risk and Audit -- here's my  
6 concern. If you don't make sure that it's not frivolous,  
7 that somebody is just going after somebody, right, it goes  
8 to the Board President and Chair of Risk and Audit, it  
9 could still leak, so -- and then you institute this  
10 investigation that you're talking about, the  
11 pre-investigation and you find out it was frivolous  
12 ultimately, that it was, you know, based on spite or  
13 whatever, then you're not going to inform the Board.

14 But it would seem to me that it shouldn't go to  
15 the Risk and Audit and President first. So I think that  
16 we're kind of getting -- I don't know. It seems to me  
17 like if it goes to a full investigation, that's when you  
18 advise everybody. I don't know that you would advise the  
19 president first, unless you're saying that you just want  
20 to let them know this has been brought up and we're going  
21 to do a preliminary investigation. And then if a full  
22 investigation is warranted, then you tell the Board.  
23 I'm -- I guess that's where I'm confused.

24 GENERAL COUNSEL JACOBS: Well, that is the idea.  
25 Now, what you said a moment ago is a legitimate position

1 to hold. But what we're trying to do in this document is  
2 reflect what we believe to be a consensus position or  
3 close to a consensus position of the Committee the last  
4 time it was discussed.

5 So I'm not saying -- I'm not disagreeing with  
6 you. I'm just saying that the sense of the Committee  
7 seemed to be, hey, if you open up, if you get one of these  
8 allegations, it's non-frivolous, at least two Board  
9 members should know about it, you know, you move on from  
10 there. And then if it's a real thing essentially, then  
11 you tell everybody.

12 VICE PRESIDENT TAYLOR: Okay. I guess it's going  
13 to really be tenuous on how you determine non-frivolous to  
14 advise the President. To me, it would be more like the  
15 CEO says Matt stole Theresa's lunch, and I'm just letting  
16 you guys know, because I'm going to go question everybody  
17 that was in the kitchen.

18 (Laughter.)

19 VICE PRESIDENT TAYLOR: And then, oh, yeah, she  
20 didn't -- or he didn't steel Theresa's lunch, so I'm going  
21 to tell the rest of the Board. So I guess that's -- I  
22 guess I see where that --

23 GENERAL COUNSEL JACOBS: That's not a bad way of  
24 thinking about it.

25 VICE PRESIDENT TAYLOR: Okay.

1           GENERAL COUNSEL JACOBS: I mean, that essentially  
2 captures it, I think.

3           VICE PRESIDENT TAYLOR: Okay. That makes sense.  
4 That kind of makes sense.

5           And then finally, I kind of want to address the  
6 issue, I think on terms of other notification of all  
7 employees that Ms. Brown was talking about, I think our  
8 CEO let's us know when those occasions arise, when they're  
9 rare -- excuse me, very serious. But something like that  
10 fraud incident that we, I think, we're referring to, that  
11 makes sense to come forward to the Board. But I will --  
12 as a union steward for SEIU, I think it's understanding  
13 that there are a lot of actions that take place against  
14 employees. I'm not sure that we need to know every single  
15 thing. So I think it would be too expansive to include  
16 everybody else. And I think we should leave it to the CEO  
17 to determine what's serious enough to bring to the Board's  
18 attention.

19           CHAIRPERSON JONES: Okay. We heard from Ms.  
20 Taylor. We will now hear from Ms. Olivares.

21           COMMITTEE MEMBER OLIVARES: Thank you, Mr. Jones.  
22           These are excellent points. And I think before I  
23 get into some of my questions, I want to acknowledge that  
24 we have very strongly leadership with our CEO and I have  
25 no reservations about her leadership. I do understand

1 that there have been some historical issues with a  
2 previous CEO of CalPERS and there have also been issues  
3 with prior Board members. And so I have that in the back  
4 of my mind as I think through some of the potential  
5 complications here.

6 So my first question is have we received an  
7 opinion on this from fiduciary counsel?

8 GENERAL COUNSEL JACOBS: We have not. I don't  
9 know that it really -- that she would have insight in it.  
10 But we do have a consultant. Marcie, help me with this.

11 CHIEF EXECUTIVE OFFICER FROST: Yes, Rick  
12 Funston.

13 CHAIRPERSON JONES: Funston.

14 GENERAL COUNSEL JACOBS: Sorry, Rick. But Mr.  
15 Funston who is an expert in governance of public  
16 employee -- public pension systems throughout the land,  
17 has consulted on this and is available to comment on this  
18 or anything else on this agenda.

19 COMMITTEE MEMBER OLIVARES: That's great. So I  
20 would love to hear from Mr. Funston. And I have another  
21 question that maybe he could help answer too. So I'm  
22 wanting to understand what the best practice is for checks  
23 and balances on the Board. Director Feckner made a  
24 comment earlier about the concentration of leadership  
25 within the Board and the Board committees. Over time, we

1 have seen with -- whether it's corporate or public pension  
2 leadership, that sometimes there are bad actors, whether  
3 it's leaders on the board, whether it's executives. And I  
4 don't know what checks and balances we would have in place  
5 in the very, very rare circumstance. And I don't think  
6 anybody on this Board would do this or in our executive  
7 team. But if there were ever any type of actions between,  
8 for example, the Board President and the Chair of Risk and  
9 Audit, and a member of the executive team.

10 And so if they, for example, colluded in some  
11 ways, so the rest of the Board was not aware of risks that  
12 the pension was facing.

13 CHAIRPERSON JONES: Okay. Those are questions to  
14 Mr. Funston. So Mr. Funston, I see you are on, so if you  
15 could respond to Ms. Olivares's question.

16 MR. FUNSTON: Yes. Thank you, Mr. Chair, members  
17 of the Committee. A very thoughtful discussion on the --  
18 on this point. And obviously, I -- just to reflect back,  
19 when I first became involved with CalPERS, oh, almost ten  
20 years ago, it was as a follow-up to an initiative by Mr.  
21 Feckner and the members of the Board to look at governance  
22 reforms to prevent a reoccurrence of the kinds of issues  
23 that led to the scandal at the time.

24 I would have to say also that the organization is  
25 probably still experiencing the ramifications from that

1 scandal. So I think you're wise to be concerned about a  
2 repetition of those events.

3           As I listened to the conversation and the points  
4 made by Ms. Middleton and others, I would say that the --  
5 first of all, the policy seems well construed. The issues  
6 of -- how do I put it -- of conspiracy or collusion are  
7 ones that are extraordinarily difficult to identify and  
8 to -- and to prevent, which is why you would have things,  
9 as you already do in terms of whistleblowers, and  
10 hotlines, and so on, and other mechanisms in place.

11           And I understand that this particular policy was  
12 to address a specific concern to make sure that the Board  
13 was made timely aware of any allegations involving the  
14 senior executives. I understand that you have a similar  
15 policy in place for allegations of concern about  
16 misconduct by the Board, and that, to a large extent, this  
17 policy kind of mirrors that one.

18           So I think -- and again, for formal investigation  
19 and so on. I think the concerns about the timeliness seem  
20 to be addressed, in that it should happen quickly. The  
21 matter of discretion is primarily that of the CEO, unless,  
22 of course, it involves the CEO. I think there are --  
23 there probably are some points to Ms. Taylor's comments  
24 about clarification of a preliminary investigation, when  
25 does it become a formal investigation, and at which time

1 should the Board Chair and the Chair of the Audit  
2 Committee be involved?

3 But I think again, the intention is that this  
4 be -- to occur as quickly as possible. I'm not a lawyer,  
5 so I would defer to Mr. Jacobs' comments that probably  
6 less is more to allow for more latitude, given difference  
7 circumstances, but I don't know if that answers your  
8 question, Ms. Olivares.

9 COMMITTEE MEMBER OLIVARES: I think that's  
10 helpful context. I don't think it answers my question  
11 though.

12 (Laughter.)

13 MR. FUNSTON: Could you repeat your question  
14 then, please?

15 COMMITTEE MEMBER OLIVARES: No, it's just more on  
16 the mechanics of how this would work, and appropriate  
17 checks and balances, and if we have those in place. And I  
18 don't know if I'm hearing that we would have checks and  
19 balances in place in a hypothetical situation, that there  
20 was collusion between an executive and the Board President  
21 and the Chair of Risk and Audit.

22 MR. FUNSTON: No. And I doubt there would be any  
23 policy that would sufficiently anticipate collusion, other  
24 than the no blind eye responsibility of other board  
25 members, who may become aware of situations. But again,

1 you have a whistleblower policy in place already,  
2 administered, I believe, by a third party that would again  
3 brings those things to the attention of General Counsel.  
4 I think that's the appropriate mechanism right now, Mr.  
5 Jacobs.

6 COMMITTEE MEMBER OLIVARES: So that whistleblower  
7 policy assumes that others would have knowledge of  
8 whatever incident. Would we -- if the full Board, for  
9 example, were to have knowledge, rather than just the  
10 Board President and the Chair of Risk and Audit, would  
11 that then reduce the risk of potential collusion?

12 MR. FUNSTON: Well, the Board has a  
13 responsibility to not turn a blind eye to any -- to  
14 anything that it's aware of, in terms of misconduct by  
15 another Board member. So to that extent, yes. But I  
16 think the concern here is that it's verification of the  
17 incident. In other words, is it substantiated and it  
18 is -- is it non-frivolous misconduct, which is, I think,  
19 what this is designed to address. And so the question  
20 then would be at what point in time is it determined not  
21 to be frivolous and to be potentially substantial  
22 misconduct, at which point in time, the investigation  
23 would trigger.

24 The concern is, is that you don't inadvertently  
25 destroy someone's reputation by letting an allegation get



1 out before it has been reasonably investigated. So  
2 there -- again, there has to be some kind of a framework  
3 for that to happen. And it seems that this recommendation  
4 tries to anticipate it and accommodate that.

5 COMMITTEE MEMBER OLIVARES: Well, Mr. Funston,  
6 what is your opinion on this resolution? Do you feel like  
7 it is robust and it will protect CalPERS and its members?

8 MR. FUNSTON: I think it's reasonable. It's not  
9 absolute to your point. There is always a way potentially  
10 to find your way around it. But I think under the  
11 circumstances, it seems to be a reasonable policy.

12 COMMITTEE MEMBER OLIVARES: Thank you.

13 MR. FUNSTON: You're welcome.

14 CHAIRPERSON JONES: Okay. Mrs. Ortega.

15 COMMITTEE MEMBER ORTEGA: Thank you, Mr. Chair.  
16 I just had a -- kind of a question and a comment combined  
17 perhaps back to Ms. Brown's remarks earlier. I certainly  
18 had understood this provision to narrowly apply related to  
19 the use of the term "monitor". So to me monitor suggests  
20 a level of involvement in the investigation, having more  
21 regular updated information, knowing what's happening.  
22 And I had seen it as a heightened level of attention of  
23 the Board for this -- for the specified individuals, which  
24 I'm comfortable with.

25 I did not see it as, in any way, diminishing the

1 expectation that the Board be hearing reports about any  
2 sort of important employee conduct, or anything that might  
3 occur as part of the day-to-day management of the Fund and  
4 the staff, that we would still continue to hear about, but  
5 would not have that same level of monitoring.

6           So in the examples I've seen, where the CEO  
7 brings reports of anything that's happened that's  
8 significant, and we would hear a regular update about any  
9 sort of progressive discipline, or how that may be  
10 proceeding, but we're not in the same level of detail as  
11 what this is proposing.

12           I'm comfortable with that division of  
13 responsibility. I don't think that the Board should be  
14 managing more -- I don't want to say routine, because  
15 they're not routine. They're still anomalies, right?  
16 They're still unusual actions with the employees.

17           But I don't think it makes sense to have the full  
18 Board involved, in what I would see as more of a  
19 day-to-day management of the staff. So I am comfortable  
20 with that division. And I think I'll leave it at that.

21           And perhaps, if Mr. Jacobs or Mr. Frost see the  
22 reporting changing in any way, as a result of this, as it  
23 relates to other employees, I think it would be important  
24 to tell us that.

25           GENERAL COUNSEL JACOBS: I do not see it as

1 changing at all with respect to that, Ms. Ortega.

2 CHAIRPERSON JONES: Ms. Frost.

3 CHIEF EXECUTIVE OFFICER FROST: Yeah, I agree. I  
4 concur with that. The same process that's used on my  
5 briefing, the personnel matters would not change.

6 CHAIRPERSON JONES: Thank you. Okay. Mr.  
7 Miller.

8 BOARD MEMBER MILLER: No, I had nothing to add.

9 CHAIRPERSON JONES: Okay. So I see no additional  
10 questions from Board members. And I think that just  
11 listening to the comments, I think that there was some --  
12 I think I saw some shall heads nod, but we need to resolve  
13 it, is that Ms. Middleton's comments and -- about the  
14 confidentiality and the notification that I think  
15 something may -- needs to be added to hold the Board  
16 members accountable for becoming aware of this information  
17 and then it becomes leaked. So I think that's something  
18 that maybe -- you know, maybe Committee members would  
19 support adding something in it to address that issue.

20 Ms. Brown, of course, you could make a motion  
21 for, you know, changing this, but I think Matt, based on  
22 what you've heard, it seems like you maybe need some time  
23 to come back to us with clearer definitions on a couple of  
24 items. One, particularly as Ms. Middleton mentioned about  
25 adding something regarding the Board member's, you know,

1 being accountable for any leaks or anything around that  
2 area.

3 CHIEF EXECUTIVE OFFICER FROST: Mr. Jones, if Ms.  
4 Middleton, she could make a motion with that modification  
5 to the current language as well.

6 CHAIRPERSON JONES: Okay. Okay. So I did reach  
7 out to Ms. Brown to see if she wanted to change it,  
8 because this is an action item and so, Ms. Brown, if  
9 not -- Ms. Brown?

10 BOARD MEMBER BROWN: No, I appreciate that Mr.  
11 Jones. I don't -- I don't have an alternative motion. I  
12 was thinking that this might actually come back, based on  
13 the discussion, but if we're going to vote on it now, then  
14 my vote is no. Thank you.

15 CHAIRPERSON JONES: Okay. Ms. Middleton.

16 VICE CHAIRPERSON MIDDLETON: Yes. I would move  
17 to approve this recommendation of staff as is with the  
18 provision that staff will come back to us at our next  
19 meeting with a clause that will cover the responsibility  
20 of the Board to not interfere -- to monitor, but to not  
21 interfere with the conduct of an investigation and the  
22 explicit responsibility of confidentiality and  
23 non-disclosure of the Board.

24 CHAIRPERSON JONES: Okay. So that's a motion by  
25 Ms. Middleton. Do we have a second?

1           ACTING COMMITTEE MEMBER RUFFINO: (Hands raised.)

2           CHAIRPERSON JONES: Second by Mr. Ruffino.

3           So we will have a roll call on that item.

4           Well, before we vote on this, I see we do have  
5 some requests from the public to speak. So let's hear  
6 that before we vote.

7           Mr. Fox.

8           STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.  
9 President. You have one caller for public comment. Mr.  
10 J.J. Jelincic.

11           MR. JELINCIC: Hi. This is J.J. Jelincic,  
12 speaking as a beneficiary to my trustees. I think your  
13 focus is the wrong focus. You should focus on what gets  
14 reported to the Board not who gets reported. I once  
15 represented an employee who took a suspension for theft  
16 and what they had taken was a surge protector. But, you  
17 know, what's important is what's going on. If we have the  
18 Chief Investment Officer, the Chief Information Officer, a  
19 Deputy Executive Director, a Managing ID, a Chief of OSSD,  
20 Chief of Benefit Services, or even an office assistant who  
21 has been involved in a serious violation, theft, taking a  
22 bribe, taking kickbacks from a vendor, embezzlement, those  
23 are the things that should get reported to the trustees,  
24 so they can watch it.

25           If Matt Jacobs steals a surge protector, I don't

1 think that ought to go to the Board. Although, it is  
2 misconduct and it is theft, but it's not the level that  
3 should come to the Board. So I really think the focus  
4 ought to be on what gets reported to the Board and not on  
5 who gets reported to the Board.

6 Thank you.

7 CHAIRPERSON JONES: Thank you. Okay.

8 Okay. So we do have a motion on the floor by Ms.  
9 Middleton, second by Mr. Ruffino.

10 So, Ms. Hopper, you want to call the roll,  
11 please, on that motion.

12 COMMITTEE SECRETARY HOPPER: Rob Feckner?

13 COMMITTEE MEMBER FECKNER: Aye.

14 COMMITTEE SECRETARY HOPPER: Frank Ruffino for  
15 Fiona Ma?

16 ACTING COMMITTEE MEMBER RUFFINO: Aye.

17 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

18 VICE CHAIRPERSON MIDDLETON: Aye.

19 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

20 COMMITTEE MEMBER OLIVARES: Aye.

21 COMMITTEE SECRETARY HOPPER: Eraina Ortega?

22 COMMITTEE MEMBER ORTEGA: Aye.

23 COMMITTEE SECRETARY HOPPER: Jason Perez?

24 COMMITTEE MEMBER PEREZ: No.

25 COMMITTEE SECRETARY HOPPER: Mr. President, I

1 have a motion being made by Lisa Middleton, seconded by  
2 Frank Ruffino for Fiona Ma, five ayes, one no made by  
3 Jason Perez.

4 CHAIRPERSON JONES: Okay. Thank you, Ms. Hopper.  
5 So the item passed with that modification. So that  
6 concludes the discussion on that item.

7 We now will go to information agenda item, item  
8 8a, which is a discussion of the Board's shared  
9 responsibility of the CIO personnel -- CIO personnel  
10 decisions.

11 Ms. Simpson.

12 MANAGING INVESTMENT DIRECTOR SIMPSON: Thank you  
13 very much, Chair.

14 So as you rightly say, this item is an  
15 information item. And the purpose is to provide an  
16 opportunity for the Board -- for the Committee - I  
17 apologize - to discuss how the Board's shared  
18 responsibilities for the Chief Investment Officer  
19 personnel revision should be implemented.

20 You'll recall, and the item sets out, that in  
21 September of 2020, there were discussions to amend the  
22 Governance Policy to reflect that the responsibility and  
23 practice for hiring, evaluating, and terminating the Chief  
24 Investment Officer is shared between the Chief Executive  
25 and the Board members.

1           As a matter of expediency, the Board President  
2 has appointed two subcommittees to help the Chief  
3 Executive Officer with interviewing candidates. The  
4 recruitment is in process and the final candidate will  
5 come before the full Board.

6           At the February 2021 meeting of the Performance,  
7 Compensation and Talent Management Committee, in reviewing  
8 its annual delegation as part of its annual responsibility  
9 to do that, put forward the notion that that particular  
10 committee should be the place where the shared  
11 responsibility would reside.

12           Since that time, a number of Board members have  
13 raised a question as to whether this is actually the best  
14 place for that particular delegation from the Board to  
15 live. So the discussion today is to allow the Committee  
16 to discuss options ahead of the April Board meeting, which  
17 will, as a matter of routine, approve all the Committee  
18 delegations, which happens annually, apart from the  
19 Investment Committee, which is a Committee of the whole.

20           So the options before you, of course, are to  
21 agree to assign this responsibility to Performance,  
22 Compensation and Talent Management, as is contemplated by  
23 that committee. Another option, as set out in the item,  
24 is that the full Board would assume this responsibility  
25 formally in the policy, or there may be a third option.



1 But the item is for discussion and we look forward to your  
2 thoughts on all the above.

3 Thank you.

4 CHAIRPERSON JONES: Okay. Thank you, Ms.  
5 Simpson. So, Ms. Taylor.

6 VICE PRESIDENT TAYLOR: You don't have any  
7 Committee members?

8 CHAIRPERSON JONES: No, not yet.

9 VICE PRESIDENT TAYLOR: Okay. So I agree, and I  
10 think I voiced this during the Performance, Compensation  
11 and Talent Management Committee meeting, I think if we're  
12 going to have shared responsibility as a Board with the  
13 hiring of the CIO with the CEO, that it's a shared  
14 responsibility, but it's the whole Board. I think if  
15 we -- we'll just create -- we're creating a middleman that  
16 we don't need to have. So I want -- I just think it's  
17 important that the whole Board has a say on that, rather  
18 than a committee and then getting acquisition -- or  
19 acquisition -- acquiescence by the Board at a later date.  
20 I think having the middleman isn't necessary is my  
21 particular comment on that.

22 And then I guess I would ask Ms. Simpson if -- in  
23 terms of governance, doesn't -- is there any preclusion to  
24 having it outside of the PCTManagement Committee and just  
25 straight to the Board?

1           MANAGING INVESTMENT DIRECTOR SIMPSON: Thank you.  
2 Thank you, Ms. Taylor. Mr. Funston may have a comment on  
3 this, but I'm not aware that there's a view in the  
4 governance world as to a preference for how this is  
5 organized. I think some of it is practical. In other  
6 words, if you have a board of 13, to involve 13 people  
7 in -- and into an interview process can be quite  
8 complicated. And I'm sure that's why the President saw  
9 fit to establish two subcommittees, in other words, so  
10 that the people with the time, the interest, the attention  
11 can play that role.

12           If it's formalized to be a responsibility of a  
13 particular committee, and obviously this is the Committee  
14 with the job of talent management, and obviously  
15 recruiting the Chief Investment Officer is probably one of  
16 the most important talent management decisions to be made.

17           I can see Rick is back on camera.

18           CHAIRPERSON JONES: Thank you. Mr. Funston,  
19 comment.

20           MANAGING INVESTMENT DIRECTOR SIMPSON: Sorry,  
21 Chair. That's -- my apologies.

22           MR. FUNSTON: Thank you, Mr. Chair, Anne.

23           I think the question is what is being delegated  
24 by the -- by the Board. It's entirely consistent for the  
25 Board to create committees to assign it some

1 responsibilities, some work to be done. But I would say  
2 in the vast majority of cases that they are being asked to  
3 make a recommendation -- to be involved in a process and  
4 to make a recommendation, not to actually make the  
5 decision. They would come back to the Board, make a  
6 recommendation, and the full Board then would have an  
7 opportunity to discuss and consider the recommendation  
8 that's being made.

9           So again, they typically would delegate  
10 responsibility for doing the work to develop a  
11 recommendation, but the Board, as the whole, would then  
12 have to weigh in on the -- on the final decision and make  
13 the decision, based on the recommendation of the CEO and  
14 committee. Does that -- does that answer your question,  
15 Ms. Taylor?

16           VICE PRESIDENT TAYLOR: I'm not sure. So if we  
17 delegated it to PCTM, then when, for example, the hiring  
18 of a CIO were to come up, then it would be those members  
19 that would be the subcommittee. And I don't know -- I  
20 would think it would be important to pull, especially if  
21 there's two, because the subcommittee -- the PCTM  
22 Committee is not real big, I think it would be important  
23 to have the ability to pull more people to help with the  
24 interview process, rather than just from the PCTM  
25 Committee. So I just think it's important that we involve

1 the whole Board and then let the Board President determine  
2 the subcommittees of the hiring, rather than delegate it  
3 to PCTM, and then thereby to the Board, at some point. I  
4 don't know. I'm just -- I --

5 CHAIRPERSON JONES: Yeah, well, you know,  
6 another -- you know, similar to what you're saying, Ms.  
7 Taylor, would be if we delegate to the Performance and  
8 Comp Committee, their job could be to screen the  
9 applicants, just as we're doing, you know, with a  
10 subcommittee. And then this screening could identify the  
11 top three or the top two, whatever the determination may  
12 be. And then the full Board could interview the  
13 candidate. I mean, that's an approach that could be used.

14 And so you're delegating to the Committee to go  
15 through the process of identifying the likely candidates  
16 before it comes to the full Board.

17 So that's one though, you know.

18 VICE PRESIDENT TAYLOR: That's not a -- you mean,  
19 like we do for when we're hiring an auditor or something  
20 like that?

21 CHAIRPERSON JONES: Yeah. Yeah, the same thing.  
22 Yeah.

23 VICE PRESIDENT TAYLOR: Okay.

24 CHAIRPERSON JONES: Fiduciary counsel is another  
25 one. Okay.

1 MR. FUNSTON: The only -- if I may, Mr. Chair,  
2 sorry. Just with one caveat though, I would express, is  
3 that in the case of the -- of the external auditor and in  
4 the case of fiduciary counsel, those are direct reports to  
5 the Board. And I believe that the relationship today is  
6 that the CEO has the primary responsibility for making a  
7 recommendation with respect to the CIO as the CIO reports  
8 to the CEO.

9 So I think the point, if I understand it  
10 correctly, that Ms. Taylor was making, it really depends  
11 on what charge you give to the committee and how broadly  
12 that committee then is represented. I think obviously  
13 it's a good idea to have the Board more fully involved,  
14 but then in that case why have committees, because, again,  
15 what you're trying to do through committee is delegate  
16 getting some of the work done to bring back a  
17 recommendation, as Mr. Jones said, with a short list that  
18 has been vetted, and approved, and agreed upon by all  
19 parties.

20 So the question then is the Board would still  
21 have the final approval. It's just that it would not  
22 be -- that's just a way that boards get the job done,  
23 right? It's just how committees work. We understand that  
24 many of you also attend most of the committee members --  
25 committee meetings. So essentially, every committee is

1 close to a committee of the whole, if not the whole, which  
2 is something we see more of these days.

3 CHAIRPERSON JONES: Right. Yeah. Okay.

4 Mr. Feckner.

5 You're muted.

6 COMMITTEE MEMBER FECKNER: Thank you, Mr -- yes,  
7 thank you, Mr. Chair. I appreciate the conversation.  
8 Thank you, Mr. Funston, for weighing in. You and I have  
9 certainly been down this road a number of times. So it's  
10 refreshing to go through the topic again. You know, this  
11 process is -- if we're going to continue on the way we  
12 are, it was a number of years ago that the Board decided  
13 the C -- we're going to have one direct report to the  
14 Board and that's the CEO. If we're not going to change  
15 that, then we need to recognize the fact that the CEO is  
16 going to make the determination of who the next CIO is. I  
17 agree with shared responsibility, as far as the PCTM maybe  
18 being the -- you know, the first blush, shall we say, as  
19 Mr. Jones mentioned to do the paperwork, to screen, et  
20 cetera, but the shared responsibility (inaudible)  
21 recommendation to the full Board, in my opinion. This is  
22 important. And I think it needs to be a recommendation of  
23 the full Board to the CEO, and then the CEO allowed to  
24 make that final decision.

25 VICE PRESIDENT TAYLOR: You're muted, Henry.

1 CHAIRPERSON JONES: Mr. Feckner, you kind of  
2 broke up towards the end of your comments. Could you  
3 repeat, because I didn't hear it. I don't know if other  
4 members heard you.

5 COMMITTEE MEMBER FECKNER: Let's try it again.  
6 My comments were that as far as the screening process goes  
7 and the first blush of interviews, I certainly understand  
8 the PCTM may be the right vehicle for that. But beyond  
9 that, since we only have one direct report to the Board  
10 that's the CEO, then that person needs to be responsible for  
11 hiring the CIO. And I think the decision of a  
12 recommendation should come from the full Board to the CEO,  
13 not from any committee. This is a very important  
14 position. It needs to be a committee of the whole that  
15 makes that decision recommending to the CEO for their  
16 ultimate decision.

17 CHAIRPERSON JONES: Okay. Thank you.

18 Ms. Middleton. And I'll come back to the other  
19 members of the Board. I want to catch the Committee  
20 members first.

21 Ms. Middleton.

22 VICE CHAIRPERSON MIDDLETON: All right. Thank  
23 you, Mr. President. And I'll go ahead and give my  
24 comments, but I believe Ms. Brown asked to make a comment  
25 and was missed in the rotation

1           CHAIRPERSON JONES: Yeah. No, I said I was going  
2 to go into the Committee members. I'll come back to her.  
3 I've got a couple other and then committee members who  
4 wish to speak.

5           VICE CHAIRPERSON MIDDLETON: Thank you for  
6 correcting me --

7           CHAIRPERSON JONES: Okay.

8           VICE CHAIRPERSON MIDDLETON: -- on that.

9           Yeah, I want to thank Mr. Funston for his  
10 comments, because I thought they were spot on. And the  
11 issue really does become to what is it that we are  
12 delegating? And no committee should be a final determiner  
13 of anything. That needs to come back to the full body.  
14 The work of a committee is most effective when it can  
15 narrow the choices for the full body and can take and do  
16 much of the screening work, particularly in a process like  
17 this.

18           As to whether or not it's the Performance,  
19 Compensation and Talent Management Committee or a special  
20 committee that's been formed, either one of them could  
21 carry out the role. We have a special committee that was  
22 appointed this time to go through and do the review.

23           One advantage of it being the Performance,  
24 Compensation and Talent Management Committee is we know in  
25 advance who the Committee members are going to be. And



1 it's -- so there's no special work that needs to go on.  
2 If we're going to do an evaluation, PCTM will have an  
3 obligation to step in.

4 Another advantage of PCTM is there are three  
5 responsibilities here, hiring, evaluating, and  
6 terminating. Those are three very different  
7 responsibilities and actions. I think it would be  
8 difficult to have a special committee that would be  
9 responsible for the evaluation portion of this. And PCTM  
10 is already in a position, because of the responsibilities  
11 that committee has in making salary recommendations to be  
12 involved in the evaluation.

13 So I tend to come down in favor of the  
14 recommendation of vesting the recommendations to PCTM.  
15 But I could -- I could be easily persuaded that there is  
16 another effective vehicle. What I think is important is  
17 that we move forward with some consensus and some  
18 promptness on our actions here.

19 Thank you.

20 CHAIRPERSON JONES: Thank you, Ms. -- okay. Ms.  
21 Paquin.

22 ACTING BOARD MEMBER PAQUIN: Thank you, Mr.  
23 Chair. And appreciate the discussion here this morning as  
24 well too. We really strongly support keeping the  
25 responsibilities with the full Board as Ms. Taylor and Mr.

1 Feckner outlined. I think it's an important decision and  
2 it aligns with what we have done with past practices. As  
3 far as if we had to conduct a CIO search, I think that  
4 allowing the Chair the authority to create that  
5 subcommittee has worked well in the past. It's working  
6 well in this process. And I would be a little bit  
7 concerned that sometimes these search processes take quite  
8 a bit of time, and it might be difficult for everybody who  
9 currently serves on the Compensation Committee to be able  
10 to commit that kind of time. So allowing the President to  
11 name the Search Committee gives people the opportunity to  
12 think about the commitments involved and whether or not  
13 they would like to participate.

14 Thank you.

15 CHAIRPERSON JONES: Thank you.

16 Mr. Miller.

17 BOARD MEMBER MILLER: Yeah. Thank you for  
18 recognizing me, although I'm not on the Committee. I  
19 would tend to agree with Ms. Paquin, and -- in that  
20 there's no certainty of the guarantee of Performance,  
21 Compensation and Talent Committee, and who's on it. And I  
22 think, for example, for the CIO position, I think it's  
23 important for the Chair or Vice Chair of the Investment  
24 Committee to be involved in that process of screening and  
25 making a recommendation. And certainly, I feel that the

1 CEO is the one who's ultimately going to be kind of on the  
2 hook for that decision. And so I think that's an  
3 important consideration.

4 It may just coincidentally be that the makeup of  
5 that committee includes the Chair or Vice Chair of the  
6 Investment Committee, but that's not necessarily given. I  
7 feel it's important that, you know, if the President, with  
8 the Board's concurrence, has the opportunity to create a  
9 special committee to make those recommendations to the  
10 full Board ultimately to advise the CEO that that would be  
11 helpful.

12 CHAIRPERSON JONES: Thank you.

13 Ms. Brown.

14 BOARD MEMBER BROWN: Thank you, Chair Jones. I  
15 know you're just saving the best for last.

16 (Laughter.)

17 BOARD MEMBER BROWN: So when I raised this issue  
18 last month about the delegation to PCTM, I had concerns  
19 that in order to keep what the PCTM Committee doing  
20 under -- away from Bagley-Keene, was you would have to  
21 appoint only three members. Otherwise, you would have to  
22 have it being a public meeting.

23 And currently, in our CIO search, we have six  
24 members. And so you would be taking the work of six down  
25 to three in order to keep it out of the public purview

1 spotlight. And that was a -- that was a concern of mine.  
2 But the other concern was that we were really relegating  
3 this to PCTM as opposed to the full Board. And I think  
4 it's such a critical pick and position, that it should not  
5 be delegated to Performance Comp. I think it should with  
6 the -- rest with the full Board and that way the Board  
7 President can do what he's doing now, which is pick a  
8 subcommittee to do the interviews or however he wants  
9 to -- he or she, excuse me, wants to do that.

10 But I'm concerned that if it goes to PCTM, and  
11 then it would have to be a sub -- it would have to be a  
12 small group of less than four, right, because then you  
13 have a quorum, and then that has to be public. So it's --  
14 I just think it should rest and there should be no  
15 delegation. Thank you.

16 CHAIRPERSON JONES: Okay. Ms. Olivares.

17 COMMITTEE MEMBER OLIVARES: I'm sorry. I didn't  
18 have anything.

19 CHAIRPERSON JONES: Oh, okay. Five minutes --  
20 oh, be back in five minutes. Okay. Sorry about that.

21 Okay. So we've heard from both Committee members  
22 and Board members and it seems like it's -- you know, I'm  
23 just taking notes here. It seems like half wants the full  
24 Board and then there's two or three that says go through  
25 the Committee. So the item that's before us now, we need

1 to make a decision, because it has to be -- we need to  
2 include it in our delegated authority going forward.

3 And so if, you know --

4 VICE PRESIDENT TAYLOR: Mr. Chair. This is --  
5 isn't this an information item?

6 CHAIRPERSON JONES: Yeah. Yeah. Right. Yeah,  
7 but we need to, you know, plan for the future to bring it  
8 to a -- to a decision through delegated authority. So  
9 what I would suggest, since it seems like I didn't get --  
10 you know, I want to make sure that since we do talk about  
11 the full Board being involved is maybe those are the two  
12 options that we consider with the full Board, Ms. Simpson  
13 and Mr. Jacobs, since that one -- the way it is now or go  
14 through the PCM and let the full Board have an opportunity  
15 to make that decision. So do you have any comments on  
16 that approach?

17 GENERAL COUNSEL JACOBS: We could do it that way.  
18 I mean, the PCTM delegation, as it now stands, as it was  
19 voted on by PCTM last month, has it delegated to the PCTM.  
20 That's coming before the Board in April. And if it is  
21 voted down, I think the default then would be that the  
22 shared responsibility, which is now in the -- well, I  
23 guess that's the question. I think the shared  
24 responsibility is in the Governance Policy now. And so we  
25 would just -- assuming that's true, and I'd want to check

1 it, it would just revert to the Board. So that would be a  
2 mechanism for an up/down on -- up/down vote or decision by  
3 the full Board on those two alternatives --

4 CHAIRPERSON JONES: Okay.

5 GENERAL COUNSEL JACOBS: -- PCTM or full Board.

6 CHAIRPERSON JONES: Okay.

7 GENERAL COUNSEL JACOBS: I will check that, Mr.  
8 Jones. But in the event that it's not the case, we could  
9 also bring that to the full Board in April, so that the --  
10 that choice would be provided to the Board at that time.

11 CHAIRPERSON JONES: Okay. Yeah, and Matt, it is  
12 in the Board Governance Policy to chair it.

13 GENERAL COUNSEL JACOBS: Okay. Thank you.

14 CHAIRPERSON JONES: Yeah, I remember that.

15 GENERAL COUNSEL JACOBS: Okay. Well, then  
16 that -- then that would effectuate -- I mean in April, it  
17 will come forward as an up/down on PCTM delegation, and we  
18 can effectuate whatever the Board's will is at -- through  
19 that mechanism.

20 CHAIRPERSON JONES: Okay. That sounds like --  
21 okay. So Committee members, is that okay with you to use  
22 that as the process? We see one -- Ms. Brown, and then  
23 Mr. Perez.

24 BOARD MEMBER BROWN: Thank you. I still do have  
25 a question. And I guess this is for Matt Jacobs. And

1 that is do the -- can the CIO interviews be done in closed  
2 session? Is there not a legal carve-out that we can use  
3 so that way this delegation -- this can stay with the full  
4 Board?

5 GENERAL COUNSEL JACOBS: Yes. I didn't quite  
6 track your discussion about the three members versus six  
7 members thing. There is a delegation. In fact, the  
8 numbers are not really relevant to this question. There  
9 can be -- this can be in closed session. And that's why  
10 this CIO Subcommittee sessions have been in closed  
11 session. It doesn't pertain to whether it's three, or  
12 six, or any particular number.

13 BOARD MEMBER BROWN: So you're saying that all 13  
14 Board members could go to these subcommittee meetings and  
15 be in closed session, and have --

16 GENERAL COUNSEL JACOBS: Well, it wouldn't be a  
17 subcommittee, but yeah, I mean, you could have -- you  
18 could have a closed session of the Board with all 13  
19 members there and do these interviews. I think the idea  
20 here was that that's going to scare all potential  
21 candidates off and they really need to have a much smaller  
22 group of Board members participating.

23 BOARD MEMBER BROWN: Oh.

24 GENERAL COUNSEL JACOBS: But to your pure  
25 Bagley-Keene question, yes, that is correct.

1 BOARD MEMBER BROWN: Okay. Thank you. I thought  
2 the reason why we only had six members of the Board was so  
3 we could keep it in closed session, and that way --  
4 because once you get to seven and over of the full Board.  
5 Okay. So we just do it, because we're scary.

6 PRESIDENT JONES: Process.

7 BOARD MEMBER BROWN: We're scary or something.  
8 Okay.

9 CHAIRPERSON JONES: It's (inaudible) the process.

10 BOARD MEMBER BROWN: You know -- okay. Well, you  
11 know --

12 GENERAL COUNSEL JACOBS: Well, I'm sure there's  
13 many more reasons than that, but...

14 BOARD MEMBER BROWN: All right. Thank you.

15 GENERAL COUNSEL JACOBS: Yeah.

16 CHAIRPERSON JONES: Okay. Mr. Perez.

17 COMMITTEE MEMBER PEREZ: What I was going to  
18 brought up -- bring up Matt just touched on. I think it's  
19 counterproductive if all 13 of us are in an interview  
20 panel. I wouldn't want to interview with you guys and  
21 girls. So I think we need to leave it the way it is. I  
22 don't know what vehicle, or what committee, or  
23 subcommittee, or whatever you guys want to call it, but I  
24 don't think it should be all 13 of us.

25 CHAIRPERSON JONES: Okay. Well, so when we come



1 back, as Matt suggested, you'll get an opportunity to  
2 voice that desire, Mr. Perez, so -- okay. Mr. Feckner.

3 COMMITTEE MEMBER FECKNER: Yes. Thank you, Mr.  
4 Chair. And I just want to comment on Matt's last comment  
5 and certainly do not disagree with Jason on what he just  
6 said. However, I do want to point out that whoever this  
7 individual is is going to work for the 13-member Board.  
8 They don't get to pick and choose a subcommittee of who to  
9 work for. So they need to know they're coming in. They  
10 need to put on their adult clothes. And whether we  
11 interview them with two people, five people, or 13,  
12 they've got to be responsible to all 13.

13 CHAIRPERSON JONES: Okay. Thank you, Mr.  
14 Feckner.

15 Mr. Perez is that a question or a comment?

16 COMMITTEE MEMBER PEREZ: Yeah. I mean, they work  
17 for us in the sense that as a police officer, I guess I  
18 work for the City Council. But no, I report to a chain of  
19 command that stops at a chief. And the CIO will actually  
20 report to Marcie -- or sorry, to the CEO.

21 CHAIRPERSON JONES: Okay. Well -- okay. Well,  
22 that's the last request I think that we -- what we're  
23 trying to achieve here is a process to comply with the  
24 Board's decision that there shall be shared responsibility  
25 in hiring, evaluating, and firing the CEO. So that's

1 the ultimate outcome what we're trying to achieve here.  
2 So we will get another shot at this when we come back.

3 Ms. Taylor.

4 VICE PRESIDENT TAYLOR: I think I -- I think I  
5 forgot to say, we all need to remember -- I think Mr.  
6 Perez just said it. I don't think Mr. Feckner meant it  
7 that way, but the CIO reports to the CEO. This hiring  
8 process that we're trying to set up and stating that we  
9 want a shared responsibility in, ultimately, the CEO has  
10 to manage that person. So their buy-off is just as  
11 important as our recommendation. So I just think it's  
12 important that what -- when we're making the  
13 recommendation, the CEO also gets a say in that. I  
14 don't -- I don't want to lose sight of that, because the  
15 CIO does report to the CEO and they do have to work  
16 together, so...

17 CHAIRPERSON JONES: Okay. So I see no additional  
18 requests to speak on this. I think Matt, are you okay  
19 on -- Anne, you okay on the direction on that one.

20 MANAGING INVESTMENT DIRECTOR SIMPSON: (Nods  
21 head.)

22 CHAIRPERSON JONES: Okay.

23 GENERAL COUNSEL JACOBS: Very good, yeah.

24 CHAIRPERSON JONES: Okay. Good. Okay. So now  
25 we go to the next item, 8b, is future Board Governance

1 Committee agendas. And I had asked that this be placed on  
2 the agenda for the very reason as Rob has already  
3 requested something that we need to talk about and  
4 consider going forward as a Governance Committee.

5 And Rob had mentioned one. And I wanted -- and  
6 this is for all Board members, whether or not there are  
7 some issues that you want us to put on a white board to  
8 consider bringing back to the Governance Committee going  
9 forward.

10 So with that background, Mr. Feckner, you could  
11 re -- go ahead and complete your comments as you were  
12 making earlier in the agenda.

13 COMMITTEE MEMBER FECKNER: Yes. Thank you, Mr.  
14 Chair. And again, I want to preface that this is -- casts  
15 no aspersions on the current leadership. I just think as  
16 far as positions are concerned, that the President of the  
17 Board and the Chair of Board Governance, as well as the  
18 Chair of Risk and Audit, and the Chair of Board Governance  
19 should not be one in the same person. I think that it has  
20 the appearance, the optics of being a conflict, whether  
21 there is or there is not. I just think that we should  
22 have a discussion about that and see what everybody's  
23 feelings are about that, that -- again, nothing to do with  
24 the current situation, just as we evolve over time --  
25 because we never used to have this. You know, we started

1 this about 2009, 2010, as Mr. Funston discussed earlier,  
2 so we're always evolving. And I just want to put it on  
3 the agenda and have people talk about this and see what  
4 people's comfort zones are, whether or not these should be  
5 one in the same or if they should be separate positions  
6 for optic purposes.

7 Thank you.

8 CHAIRPERSON JONES: Okay. Okay. That's one  
9 item. We'll add that one, Mr. Jacobs and Ms. Simpson, to  
10 go forward.

11 Any other Board members or Committee members?  
12 Anything else you would like to -- Ms. Middleton.

13 VICE CHAIRPERSON MIDDLETON: And I want to pick  
14 up on Rob's theme and be very clear this is not meant as  
15 an aspersion on anyone whatsoever, but I think it would be  
16 appropriate for us to have a conversation around whether  
17 there should be term limits for our most important roles,  
18 the President, Vice President, and the Committee chairs.

19 And I'm not sure which way I even end up falling  
20 on that question. But to the best of my knowledge, we've  
21 not had that discussion. And certainly, the diversity of  
22 leadership and talent on our 13-member Board is something  
23 that is really important and important that we have  
24 leaders from throughout the Board.

25 CHAIRPERSON JONES: Okay. And, Ms. Middleton, if

1 you don't mind, I'd just like to -- instead of using the  
2 word "term limits", "rotation", because that means members  
3 can come back. Okay.

4 VICE CHAIRPERSON MIDDLETON: Absolutely.

5 COMMITTEE MEMBER JONES: I don't want all of a  
6 sudden the headlines of term limits. So if you don't  
7 mind. Okay.

8 (Laughter.)

9 CHAIRPERSON JONES: Because had the same --

10 VICE CHAIRPERSON MIDDLETON: I not only don't  
11 mind, I thank you for making that distinction.

12 CHAIRPERSON JONES: Okay. Thank you. So Matt,  
13 that's the second one. Any others -- items that you'd  
14 like to have the Governance Committee deal with coming  
15 forward?

16 Okay. So seeing no others, at least there's two  
17 items that we will agendize going forward, Mr. Jacobs, Ms.  
18 Simpson, and -- okay.

19 So the next item on the agenda is summary of  
20 direction. And I think -- Matt, I think you've been kind  
21 of taking them as we went.

22 GENERAL COUNSEL JACOBS: Yes, I have. Okay. So  
23 on 7a, we're going to bring the language that we discussed  
24 a sort while ago, and that is in attachment 1 to agenda  
25 item 7a. That's going to go to the Board tomorrow for

1 approval.

2 But we are also going to bring back at the next  
3 Board Governance Committee hearing additional language  
4 that makes clear the points that Ms. Middleton raised and  
5 that are in the record. I don't want to repeat them,  
6 because I'll just probably get them a little  
7 (inaudible) --

8 CHAIRPERSON JONES: Right. Okay.

9 GENERAL COUNSEL JACOBS: And then on  
10 attachment -- excuse me, agenda item 8a with respect to  
11 the shared responsibility, that is going to come back to  
12 the Board in April in the form of an up/down vote on the  
13 PCTM delegation as it is currently stated.

14 And then on 8b, the future agenda items, we have  
15 the item that was raised by Mr. Feckner with respect to  
16 the leadership of the Governance Committee and the item  
17 raised by Ms. Middleton with respect to leadership  
18 rotation. Those will be -- I will work with the current  
19 Chair and Vice Chair to agendize those for upcoming Board  
20 Governance Committee meetings.

21 CHAIRPERSON JONES: Thank you.

22 Okay. Ms. Taylor, did you have an additional  
23 question or that's old?

24 VICE PRESIDENT TAYLOR: No.

25 CHAIRPERSON JONES: Okay. I just want to be sure

1 I'm not skipping anyone. Okay. Okay. So that takes care  
2 of that. So we go onto the last item, public comment.  
3 Ms. Fox, do we have any members of the public that wish to  
4 address the Committee?

5 STAKEHOLDER RELATIONS CHIEF FOX: Mr. President,  
6 there are no callers for public comment.

7 CHAIRPERSON JONES: Okay. Thank you, Mr. Fox.

8 And so this meeting of the Governance Committee  
9 is adjourned. And we will see you all at nine o'clock  
10 tomorrow morning. Thank you and have a good evening.

11 (Thereupon California Public Employees'  
12 Retirement System, Board Governance Committee  
13 meeting adjourned at 12:54 p.m.)

14

15

16

17

18

19

20

21

22

23

24

25

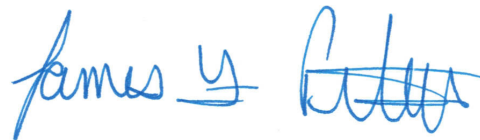
CERTIFICATE OF REPORTER

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

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Board Governance Committee meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, 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 21st day of March, 2021.



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