

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

Wednesday, September 20, 2023

The Board of Administration met on Wednesday, September 20, 2023, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 8:31 a.m. and the following members were present:

Theresa Taylor, President
David Miller, Vice President
Malia Cohen
Patrick Henning for Fiona Ma
Lisa Middleton
Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Yvonne Walker
Mullissa Willette
Dr. Gail Willis

Board of Administration Members excused: None

The public meeting recessed into closed session at approximately 8:32 a.m.

The public meeting reconvened into open session at approximately 8:45 a.m.

The meeting was called to order and the following members were present:

Theresa Taylor, President
David Miller, Vice President
Malia Cohen
Patrick Henning for Fiona Ma
Lisa Middleton
Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Yvonne Walker
Mullissa Willette
Dr. Gail Willis

Board of Administration Members excused: None

AGENDA ITEM 3 – PRESIDENT’S REPORT

President Taylor recognized Marcie Frost for being named one of Pensions and Investments Influential Women in Institutional Investing.

President Taylor also recognized Labor Day as the American Labor movement and the contributions to workers.

AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost expressed her support for Nicole Musicco and thanked her for her tenure at CalPERS.

Ms. Frost reported on the following:

- The Annual Education Forum
- PBI Berwyn Data breach
- Developments in corporate transparency

PUBLIC COMMENT:

Tim Behrens, representing CSR thanked Kim Malm for the updates on the security breach and asked the board for more time with the Experian identity threat protection.

Elnora Fretwell, representing CSR asked about registration for the Educational Forum.

AGENDA ITEM 5 – CONSENT ITEMS

Action Consent Items

- a. Approval of the June 20 & 22 and July 18 & 19, 2023, Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of the September 20, 2023, Board of Administration Timed Agenda

On **MOTION** by Jose Luis Pacheco, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board approved Action Consent Item 5a-5c.

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Patrick Henning for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		

Theresa Taylor			X
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AGENDA ITEM 6 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the November 15, 2023, Board of Administration Meeting
- c. General Counsel’s Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS

a. Investment Committee

David Miller, Chair, Investment Committee presented the Committee Summary report to the Board. The Committee met on September 18, 2023.

Additional information may be found in the September 18, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for November 13, 2023 in Sacramento, California.

b. Pension and Health Benefits Committee

Ramon Rubalcava, Chair, Pension and Health Benefits Committee presented the Committee Summary report to the Board. The Committee met on September 19, 2023.

Additional information may be found in the September 19, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for November 14, 2023 in Sacramento, California.

PUBLIC COMMENT:

Tim Behrens, representing CSR spoke about Delta Dental and vision benefits.

c. Finance and Administration Committee

Lisa Middleton, Chair, Finance and Administration Committee presented the Committee Summary report to the Board. The Committee met on September 19, 2023.

On **MOTION**, by Committee and **CARRIED**, with a roll call vote, the Board approved the Annual Discharge of Accountability for Uncollectible Debt. (FAC Item 3c)

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Patrick Henning for Fiona Ma	X		
Lisa Middleton	X		

Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor			X

Additional information may be found in the September 19, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for November 14, 2023 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Jose Luis Pacheco, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on September 19, 2023.

Additional information may be found in the September 19, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for February 2024 in Sacramento, California.

PUBLIC COMMENT:

JJ Jelincic, representing himself spoke on transparency.

e. Risk and Audit Committee

David Miller, Vice Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on September 19, 2023.

Additional information may be found in the September 19, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for November 15, 2023 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is tentatively scheduled for November 2023 in Sacramento.

AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by David Miller, **SECONDED** by Kevin Palkki, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 through 8a5 as the Board’s own decisions with the following minor modifications argued by staff to Agenda Items 8a1, 8a3 and 8a4.

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Patrick Henning for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor			X

AGENDA ITEM 8b – CHIEF EXECUTIVE OFFICER’S 2022-23 INCENTIVE AWARD AND 2023-24 BASE SALARY

On **MOTION** by David Miller, **SECONDED** by Kevin Palkki, and **CARRIED**, with a roll call vote, the Board approved the Chief Executive Officer’s 2022-23 incentive award of \$192,682.00.

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Patrick Henning for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker			X
Mullissa Willette	X		
Theresa Taylor			X

On **MOTION** by Jose Luis Pacheco, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board approved the Chief Executive Officer’s 2023-24 base salary of \$578,267.00.

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Patrick Henning for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		

Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker			X
Mullissa Willette	X		
Theresa Taylor			X

AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE

Danny Brown, Chief of Legislative Affairs, provided the State and Federal Legislation update.

AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION

No direction was given.

AGENDA ITEM 9c – PUBLIC COMMENT

Abe Bailey, representing RPEA spoke about the CIO position.

Al Darby, representing RPEA spoke about safeguarding the members money.

Debb Jachens, representing CSEA spoke about the CalPERS Educational Forum.

The Public meeting recessed into closed session at approximately 9:39 a.m.

The Public meeting reconvened into open session at approximately 10:46 a.m.

The Public meeting adjourned at approximately 10:47 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 5b

REVISED

September 20, 2023

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

Approve travel requests as required under the Board of Administration's travel policy.
Over \$500/Out of State/Country Travel Requests Approved by Board President:

Board Member	Date	Destination	Purpose	Estimated Costs
Jose Luis Pacheco	October 7-12, 2023	Washington, DC	National Association of Corporate Directors – Summit	\$7,395.00
Jose Luis Pacheco	October 26-27, 2023	Boston, MA	Trustee Leadership Forum – Pilot Coaching Project	\$1,560.00
Frank Ruffino	October 25-28, 2023	Boston, MA	Trustee Leadership Forum – Pilot Coaching Project	\$1,884.47
Mullissa Willette	November 6-9, 2023	New York, NY	Council of Intuitional Investors – Corporate Governance Bootcamp	\$4,654.00
Kevin Palkki	November 6-9, 2023	New York, NY	Council of Intuitional Investors – Corporate Governance Bootcamp	\$4,609.00
Kevin Palkki	September 25-29, 2023	Virtual Course	National Association of Corporate Directors - Certificate in Cyber-Risk Oversight	\$3,995.00
Jose Luis Pacheco	May 27-31, 2024	San Jose, CA	NACD Directorship Certification: Exam Only	\$1,500.00

There are Board Member Travel Reports attached.

Attachment 1

Attachment 2

Attachment 3

Attachment 4

Attachment 5

Theresa Taylor
President
Board of Administration



Investment Committee

Meeting Summary

September 20, 2023

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met on September 18, 2023.

The Committee received reports on the following topics:

- Revisions to the Total Fund Policy: Governance and Sustainability Principles – First Reading,
- CalPERS Trust Level Review,
- CalPERS Trust Level Review Consultant Report,
- Global Fixed Income Annual Program Review, and
- Global Public Equity Annual Program Review.

The Committee heard public comment on the following topics:

- Labor practices and issues, investment reporting, environmental issues, and climate change.

At this time, I would like to share some highlights of what to expect at the November Investment Committee meeting:

- Revisions to the CalPERS Investment Policy for Insider Trading,
- Revisions to the Total Fund Policy: Governance and Sustainability Principles – Second Reading,
- Emerging and Diverse Managing Report to the Legislature (AB 890),
- Mid-Cycle Asset Liability Management Review,
- Total Fund Portfolio Management Program Annual Review,
- Sustainable Investing Annual Program Review,
- Responsible Contractor Policy, and
- Consultants Review of CalPERS Divestments.

The next meeting of the Investment Committee is scheduled for November 13, 2023, in Sacramento, California.