

CalPERS Governance Committee

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Today's Agenda

- Share consultant findings
- Discuss proposed work plan
- Dig deeper into 1-2 governance policies
- Determine next steps

Ground Rules

- Stay focused
- Minimize distractions
- Tangential issues go on “parking lot”
- Bring issues to the table
- Seek to understand – balance inquiry and advocacy
- Assure broad input and engagement
- Speak up. Silence means consent
- Tackle issues not people
- Facilitator will recognize speakers

Parking Lot Issues

(from last meeting)

- Assure a culture of trust/no hidden issues
- Clarify process of selecting consultants and to whom they report
- Streamline meetings

Consultant Findings

- In July and August 2015, all 13 CalPERS Board members were interviewed about their views of how to improve governance at CalPERS.
- Executive Team members also provided feedback.

Questions:

1. From a governance perspective, what's working well, what needs to be improved?
2. What specific “products” would you like to focus on?

Consultant Findings

Key themes:

1. Discuss how the Board acts as a collective body in directing the organization.
2. Review our travel policy.
3. Define the job of the Board and the jobs of Board members.
4. Review the role and duties of the Board president and committee chairs.
5. Clarify acceptable Board member behavior and our enforcement process.
6. Evaluate the frequency and duration of our meetings.
7. Evaluate the advantages and disadvantages of having committees of the whole.
8. Review all of the Board's governance policies and update them as needed.

Consultant Findings

Other topics mentioned:

- Review the process for deciding how Board members represent CalPERS on outside boards.
- Review and discuss the process of new Board member orientation.

Consultant Findings

Proposed Work Plan

1. Tackle each of these issues in succession (see handout).
2. Dive into one new issue each meeting, while also carrying forward the work from prior meetings.
3. Facilitate agreement on specific policies.
4. Forward agreed-upon policies to the Board to approve as a block.

Questions

- Are these the governance topics the Board needs to work on?
- If not, what's missing?
- Are you supportive of the proposed work plan?

Topic: Unity of Control Policy

- What important principles are embedded in the sample Unity of Control policy?
- Which of those principles need to be included in the Board's policy?
- Looking at the Board's current policy language, what issues do you see? E.g. are there missing pieces? Internal inconsistencies? What would you add or take out?
- Please write down your responses on a piece of paper and be prepared to share with your colleagues.

Topic: Travel Policy

- What important principles need to be embedded in the Travel Policy?
E.g. How should decisions about travel be made? What should be the budget process for travel?
- Write down your responses on a piece of paper

Next Steps

- Evaluate meeting
- Discuss next steps