

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

ROOM 1140
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

TUESDAY, DECEMBER 15, 2015
2:00 P.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
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A P P E A R A N C E S

COMMITTEE MEMBERS:

Mr. Bill Slaton, Chairperson
Mr. Richard Costigan, Vice Chairperson
Mr. Michael Bilbrey
Mr. Rob Feckner
Ms. Dana Hollinger
Mr. Henry Jones
Mr. Ron Lind

BOARD MEMBERS:

Mr. John Chiang, represented by Mr. Grant Boyken
Mr. Richard Gillihan, also represented by Ms. Katie Hagen
Mr. J.J. Jelincic
Ms. Priya Mathur
Ms. Theresa Taylor
Ms. Betty Yee, represented by Mr. Alan Lofaso

STAFF:

Ms. Anne Stausboll, Chief Executive Officer
Mr. Matt Jacobs, General Counsel
Ms. Barbara Cody, Committee Secretary

ALSO PRESENT:

Mr. Neal Johnson, Service Employees International Union,
Local 1000

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P R O C E E D I N G S

1
2 CHAIRPERSON SLATON: All right. Good afternoon.
3 Good afternoon. I feel like I'm herding cats
4 here, but hope everybody enjoyed the nice long lunch
5 break. Apparently, doing agenda notification is --
6 meeting notification is part art and part science. So we
7 are now convened as the governance committee.

8 Please call the roll.

9 COMMITTEE SECRETARY CODY: Bill Slaton?

10 CHAIRPERSON SLATON: Here.

11 COMMITTEE SECRETARY CODY: Richard Costigan?

12 VICE CHAIRPERSON COSTIGAN: Here.

13 COMMITTEE SECRETARY CODY: Michael Bilbrey?

14 COMMITTEE MEMBER BILBREY: Hello.

15 COMMITTEE SECRETARY CODY: Rob Feckner?

16 COMMITTEE MEMBER FECKNER: Good afternoon.

17 COMMITTEE SECRETARY CODY: Dana Hollinger?

18 COMMITTEE MEMBER HOLLINGER: Here.

19 COMMITTEE SECRETARY CODY: Henry Jones?

20 COMMITTEE MEMBER JONES: Here.

21 COMMITTEE SECRETARY CODY: Ron Lind?

22 COMMITTEE MEMBER LIND: Here.

23 CHAIRPERSON SLATON: Okay. Very good. I'll also
24 note that Ms. Mathur is here, Mr. Lofaso is here, Mr.
25 Boyken, and Ms. Taylor and Mr. Jelincic, oh and Ms. Hagen.

1 Thank you. Everybody is here. This is great.
2 Thank you all for coming.

3 Move to the executive report, Mr. Jacobs.

4 GENERAL COUNSEL JACOBS: Very short executive
5 report. Essentially just highlighting the agenda for
6 today. We've got a couple of -- we've got revisions to
7 some Board policies up for discussion or confirmation, the
8 travel policy and the education policy; a discussion of
9 the possibility of foregoing a meeting or two in 2016; a
10 discussion of putting off, or potentially putting off, the
11 Board self-appraisal that is in the Board Governance --
12 Board Governance policy that is required under that policy
13 every two years; and the terms of office for the President
14 and the Vice President and co-chairs; and then a
15 discussion about what's next for the Governance Committee.

16 Thank you.

17 CHAIRPERSON SLATON: Okay. Thank very much.

18 Next, we have the action consent item with
19 approval of the November 17th minutes. Do I hear
20 approval?

21 COMMITTEE MEMBER BILBREY: Move.

22 CHAIRPERSON SLATON: Motion from Bilbrey.

23 COMMITTEE MEMBER FECKNER: Second

24 CHAIRPERSON SLATON: Second from Feckner.

25 All those in favor say aye?

1 (Ayes.)

2 CHAIRPERSON SLATON: Opposed?

3 Motion carries.

4 Action consent. Let's see -- I'm sorry consent
5 items, the annual calendar review. We'll talk about that
6 at the end. The last item that we'll talk about is kind
7 of the parking lot, and where we go from here and what the
8 pleasure of the Committee is in terms of downstream
9 meetings. So we'll defer that to that point.

10 So we move to the action agenda item, Proposed
11 Revisions to Board Travel Policy. So you have in your
12 packet the changes. One was the -- changing the
13 instructions to the President regarding what would
14 normally be approved, and moving to that approval to be
15 less than a quorum of the Board. So you see that change
16 reflected in your red-lined markup. You also see the
17 change in the speaking engagement wording to -- that
18 you're to notify the President and CEO, which I think was
19 the consensus of what the group expressed.

20 And then you'll note that I passed out a piece of
21 paper that I found another change that I thought would be,
22 as long as we were making changes, hopefully it's fairly
23 non-controversial. This is in C1, page four of the --
24 it's under number 1, Approval. This is again what the
25 President or Vice President would be doing, instructions

1 to them.

2 And I just took out the words, "...only when a
3 special case is made by the requesting Board member...",
4 because it just seemed to not necessarily reflect what
5 happens on the ground, and kind of simplify the language
6 that obviously it should only be approved when the travel
7 is appropriate for preparing the Board member to perform
8 his or her fiduciary duty.

9 So with that, I'll open up to any conversation or
10 actions by the Board.

11 Mr. Lind.

12 COMMITTEE MEMBER LIND: I move that we adopt the
13 revised policy, including Mr. Slaton's latest amendment.

14 COMMITTEE MEMBER BILBREY: Second.

15 CHAIRPERSON SLATON: Okay. It's been moved and
16 seconded.

17 Comments?

18 Mr. Jelincic.

19 BOARD MEMBER JELINCIC: Yeah. Bill, I like your
20 proposed change. One of the things that those of us who
21 are electeds do, we actually spend a fair amount of time
22 meeting with constituent groups. I guess one could make a
23 case that that doesn't better prepare, but it is part of
24 the function of the Board. And so as long as it's
25 understood to include that, I think your language is an

1 improvement. Whether it would make sense to actually add
2 something about meeting with constituent groups, I'll
3 throw out for people to at least contemplate.

4 CHAIRPERSON SLATON: I would just suggest that
5 this language includes those situations. And again, it's
6 a -- you know, it's kind of a judgment call we make. And,
7 you know, we have a long history of meeting with
8 constituents, so -- to prepare to execute your fiduciary
9 duty. So, yes, Mr. Feckner.

10 COMMITTEE MEMBER FECKNER: Yeah. Thank you. You
11 know, on this issue, the only time that would come up is
12 when, for instance, Oregon or Arizona, because the rest of
13 your constituent meetings are covered within California.
14 You don't have to get a travel request.

15 BOARD MEMBER JELINCIC: Yeah, true.

16 COMMITTEE MEMBER FECKNER: So when you went to
17 Grants Pass or Medford or to Arizona for those RPEA
18 meetings, those you would get requests, but the rest of
19 them you don't.

20 CHAIRPERSON SLATON: Mr. Jones, did you have a
21 question?

22 COMMITTEE MEMBER JONES: No. Yeah, I support the
23 policy change. And I just have a question under CE. Wait
24 a minute. How is that? C1, 2, 3.

25 BOARD MEMBER MATHUR: C3.

1 COMMITTEE MEMBER JONES: Yeah, C3. It goes to
2 the next page.

3 And what it is, is I'm addressing here is about
4 the reimbursement to CalPERS, because many -- periodically
5 we are requested to speak on behalf of an organization,
6 but they're willing to pay for that travel cost. And it
7 says here that CalPERS will pay for all hotel and airline
8 expenses, and will seek reimbursement for travel expenses
9 from a third-party, if applicable.

10 And I just want to be clear on what is that, if
11 applicable? What is the intent there? Because
12 periodically, we do get requests. And they say they will
13 reimburse CalPERS for it. And as long as it's interpreted
14 generally, I don't have a problem, but if it's interpreted
15 narrow, I'd like an explanation.

16 CHAIRPERSON SLATON: Well, Mr. Feckner, do you
17 have an interpretation of that?

18 (Laughter.)

19 COMMITTEE MEMBER FECKNER: No. I'm trying to
20 load it on here.

21 CHAIRPERSON SLATON: Oh, okay.

22 COMMITTEE MEMBER FECKNER: Sorry.

23 CHAIRPERSON SLATON: Are you talking about E?

24 COMMITTEE MEMBER JONES: Yeah, it's E.

25 CHAIRPERSON SLATON: So it's the second paragraph

1 in E I think is what you're talking about, right?

2 COMMITTEE MEMBER JONES: Yeah. Something is
3 wrong --

4 CHAIRPERSON SLATON: So CalPERS shall book --

5 COMMITTEE MEMBER JONES: Page four of five.

6 CHAIRPERSON SLATON: -- all travel arrangements,
7 hotel and flight reservations, pay for all hotel, right,
8 and seek reimbursement from third parties, if applicable.

9 COMMITTEE MEMBER JONES: Right.

10 CHAIRPERSON SLATON: So the question is?

11 COMMITTEE MEMBER JONES: Yeah, I just want a
12 clarification on it of when --

13 COMMITTEE MEMBER FECKNER: I think at any time
14 that that question would have come up, it would have come
15 from General Counsel. They would have made that
16 determination, whether or not it was a speaking
17 engagement, et cetera.

18 GENERAL COUNSEL JACOBS: I think the idea is just
19 that if a third party invites you, that they'll -- that
20 either through you or through CalPERS, we will obtain
21 reimbursement for that travel.

22 COMMITTEE MEMBER JONES: Okay. All right.

23 CHAIRPERSON SLATON: So it's permissive rather
24 than --

25 COMMITTEE MEMBER FECKNER: We'll pay for it.

1 COMMITTEE MEMBER JONES: Yeah, I understand that
2 we'll pay for it, but I was talking about getting our
3 money back, is what I'm questioning.

4 CHAIRPERSON SLATON: Right. Yeah. Okay. So are
5 people comfortable with any other conversation regarding
6 this or issues?

7 Seeing -- Mr. Jelincic.

8 BOARD MEMBER JELINCIC: I don't --

9 CHAIRPERSON SLATON: Turn you mic on, please.

10 BOARD MEMBER JELINCIC: I think at some point we
11 need to address the Board gift policy again. I don't
12 think we want to do it now, but I think we ought to sit
13 back and think about it, because we've had situations
14 where we have actually paid to have people go speak at
15 conferences that, you know, we've been asked to come speak
16 at the conference. Part of the conference is lunch, and
17 so we wind up paying for the lunch, because it technically
18 constitutes a gift. And I think, at some point, we need
19 to rethink about whether that's really something we ought
20 to be paying -- should I be paying for my lunch to be the
21 guest speaker at that lunch?

22 CHAIRPERSON SLATON: Right. Well, unless there's
23 objection, I would just add it to the parking lot and we
24 can take it up at a future time. All right.

25 BOARD MEMBER JELINCIC: That's fine.

1 CHAIRPERSON SLATON: Okay. With that, seeing no
2 other indications to speak, do we have a -- we have a
3 motion. We have motion and a second.

4 All those in favor say aye?

5 (Ayes.)

6 CHAIRPERSON SLATON: Opposed?

7 Motion carries.

8 All right. We'll move to update on education
9 program attendance. Ms. Stausboll.

10 CHIEF EXECUTIVE OFFICER STAUSBOLL: Great. Thank
11 you, Mr. Chair. Anne Stausboll.

12 This is a follow up to last month's item on the
13 Board education policy. It's got three parts. There are
14 some proposed revisions to the policy that requires action
15 on your part. And then we have the draft annual report
16 that we'll be posting that's required by legislation. And
17 we're seeking input from you all on what workshops you'd
18 like to have next year. Start that discussion.

19 So first, the proposed revisions to the policy.
20 And this is what the Committee directed us to do at the
21 last meeting. And the proposed language, which is in
22 attachment A, allows for self-certification by Board
23 members or designees who attend pertinent education
24 sessions as defined by the policy.

25 That's fairly straightforward. Happy to answer

1 questions. And we're seeking approval of this, so that we
2 could move forward.

3 CHAIRPERSON SLATON: Okay. Comments from
4 Committee members or other Board members?

5 I take the silence to mean that everyone has read
6 it and is in total agreement.

7 CHIEF EXECUTIVE OFFICER STAUSBOLL: A motion
8 would be in order, Mr. Chair

9 CHAIRPERSON SLATON: But there would have to be a
10 motion.

11 COMMITTEE MEMBER JONES. I move approval.

12 VICE CHAIRPERSON COSTIGAN: Second.

13 CHAIRPERSON SLATON: A motion by Mr. Jones. A
14 second from Mr. Costigan.

15 All right. Any further discussion?

16 Mr. Jelincic.

17 BOARD MEMBER JELINCIC: Does the change in, I
18 guess, I -- on the first page of it. Does that have any
19 real substance?

20 CHIEF EXECUTIVE OFFICER STAUSBOLL: The intent of
21 that -- the change was to clarify that the educational
22 activities should relate to the Board members competencies
23 that this Board has adopted as part of its Board Education
24 Policy.

25 BOARD MEMBER JELINCIC: Okay.

1 CHAIRPERSON SLATON: All right. Okay. We have a
2 motion and a second on the floor.

3 All those in favor signify by saying aye?

4 (Ayes.)

5 CHAIRPERSON SLATON: Opposed?

6 Motion carries.

7 Okay. We're just zipping right along, aren't we?

8 Okay. We may move a little slower now. We'll
9 see.

10 CHIEF EXECUTIVE OFFICER STAUSBOLL: So, Mr.
11 Chair, there's a couple more things on this item, if I
12 may?

13 CHAIRPERSON SLATON: Oh, yes. I'm sorry.
14 Please.

15 CHIEF EXECUTIVE OFFICER STAUSBOLL: So second,
16 although the legislative requirement for the Board member
17 education is on a two-year cycle, but the statute requires
18 that we annually post on the website a report on the
19 status, so -- and your Board policy says that we'll do
20 that in March. So we've prepared a draft of what that
21 report would like. It's Attachment C, and we populated it
22 with the training that's occurred so far. Of course, we
23 would update it after the end of the year before we post.
24 But we just wanted to show you what the report will look
25 like, in case you had any input on that?

1 CHAIRPERSON SLATON: That's Attachment C in
2 your --

3 CHIEF EXECUTIVE OFFICER STAUSBOLL: Attachment C.

4 CHAIRPERSON SLATON: And it's page 27 in the
5 iPad. So comments from Board members?

6 Mr. Bilbrey.

7 COMMITTEE MEMBER BILBREY: Just a quick question.
8 So the policy we just approved, if we have some
9 conferences we attend and we think could go on there, we
10 would talk to Board Services Unit to put it on or who?

11 CHIEF EXECUTIVE OFFICER STAUSBOLL: Correct. So
12 we thought after we adopted the policy today, we'll put a
13 process in place. And I see Karen Perkins over there.
14 She'll work out a process where the Board members and
15 designees can get that information to her. And on the
16 report in Attachment C, you'll see there's a column at the
17 far right that says other. And that's where those kinds
18 of conferences and sessions would be inserted.

19 CHAIRPERSON SLATON: Okay. Mr. Jelincic.

20 BOARD MEMBER JELINCIC: Would CII show up as
21 this, because a big chunk of that is educational?

22 CHIEF EXECUTIVE OFFICER STAUSBOLL: I'm not sure
23 what you mean by what it would -- would it show up?

24 BOARD MEMBER TAYLOR: They were talking about
25 there --

1 BOARD MEMBER JELINCIC: Yeah, you know, the
2 annual -- the two semiannual conferences, the Council of
3 Institutional Investors puts on.

4 CHAIRPERSON SLATON: Well, I would just make a
5 suggestion that when you go to a conference like that, and
6 you attend particular sessions, then your ability -- you
7 have an ability to document that particular session that
8 you went to as an educational opportunity. That would be
9 kind of my thought.

10 Ms. Stausboll.

11 CHIEF EXECUTIVE OFFICER STAUSBOLL: Yeah. We
12 previously provided the Board members with a form to
13 self-certify, if you had viewed the on-line -- the videos
14 of the workshops that we did in connection with CalPERS
15 Board meetings. And we'll be -- we'll update that form,
16 so that there's a way to reflect other educational
17 activities that you attend.

18 BOARD MEMBER JELINCIC: Okay.

19 CHAIRPERSON SLATON: All right. Mr. Lofaso.

20 ACTING BOARD MEMBER LOFASO: Really minor
21 question, Anne. How does the 24-hour requirement apply to
22 a Board member or designee who comes in mid-cycle of the
23 two-year cycle? Is it prorated or is it if you get in
24 there on the 22nd month of the 24-month cycle, you've got
25 to do 24 hours? How does that work?

1 CHIEF EXECUTIVE OFFICER STAUSBOLL: It's a
2 rolling cycle. So if someone started in July 2015, for
3 example, then they'd have till July 2017.

4 ACTING BOARD MEMBER LOFASO: Perfect. Thank you.

5 CHIEF EXECUTIVE OFFICER STAUSBOLL: You're
6 welcome.

7 CHAIRPERSON SLATON: Okay. And this doesn't
8 require action on our part. This is an information --
9 this part is information that you're just telling us how
10 it's going to lay out.

11 CHIEF EXECUTIVE OFFICER STAUSBOLL: Right. We
12 just wanted to show you the forms so you're comfortable
13 with it.

14 CHAIRPERSON SLATON: Okay. Any other concerns
15 about expressing it this way and posting it?

16 Okay. Very good. Thank you.

17 Is that it?

18 CHIEF EXECUTIVE OFFICER STAUSBOLL: Okay. One
19 more thing. Topics for 2016. So what we've committed to
20 do is make sure that there are at least 12 hours that we
21 present in connection with Board committee and Board
22 meetings, 12 hours a year. So right now we've got
23 fiduciary training scheduled for January at the Board
24 off-site. And we have a few other things on the tentative
25 agenda. They're listed on page 16 of 51 on the iPad. So

1 just looking for your input, if there are specific areas
2 that you'd like us to focus on for workshops or
3 educational sessions. And that can be -- we can bring
4 this discussion back as well. I thought what we'll do is
5 after this meeting is we'll work up a schedule for 2016
6 and bring that back, but ideas are very welcome.

7 CHAIRPERSON SLATON: Yes. Ms. Mathur.

8 BOARD MEMBER MATHUR: Yes, I have a couple of
9 ideas. One is that PRI has something called PRI academy,
10 which is around responsible investment education. And
11 they have, I think, a two and a half hour course that
12 might be relevant here.

13 The other thing that I've been thinking about is
14 that I think we could use -- and I brought this up before,
15 but Chair trainings around how to manage meeting
16 effectively, efficiently, and in accordance with our rules
17 and policies. I think that could be useful as well.

18 CHIEF EXECUTIVE OFFICER STAUSBOLL: Okay.
19 Thanks. Is the PRI training on-line?

20 BOARD MEMBER MATHUR: Yeah, it's on-line.

21 CHIEF EXECUTIVE OFFICER STAUSBOLL: Thank you.

22 CHAIRPERSON SLATON: Okay. Very good.

23 Other suggestions?

24 Ms. Taylor.

25 BOARD MEMBER TAYLOR: The only thing I was

1 thinking about in addition, as a new Board member, I feel
2 like the orientation sort of overwhelms you. So I'm
3 wondering if at -- a year later or something, that we
4 could do some additional education for new Board members,
5 whether that's, I don't know, sit-alongs, whatever, you
6 know, would think that would be an idea.

7 But it feels like when you first start, you get
8 all this information, you read it, and then you -- it goes
9 away.

10 (Laughter.)

11 BOARD MEMBER TAYLOR: So that was a thought for
12 me.

13 CHIEF EXECUTIVE OFFICER STAUSBOLL: Okay. Great
14 suggestion. Thank you.

15 CHAIRPERSON SLATON: Yeah. And actually we do
16 have on our parking lot discuss process of new Board
17 member orientation is an item on our parking lot. And
18 then also discuss meeting management by Committee Chairs
19 is also on there, so -- but actually incorporating
20 potentially as a training, obviously makes some sense.
21 Yeah, take those two.

22 Okay. Other comments or suggestions?

23 Okay.

24 CHIEF EXECUTIVE OFFICER STAUSBOLL: Great. Thank
25 you. That concludes my item, Mr. Chair. Thank you.

1 (Laughter.)

2 CHAIRPERSON SLATON: Thank you very much.
3 Appreciate it. We'll move to Item number 7, and I'm going
4 to change the order slightly from the way they're listed.
5 So we'll move the periodic Board self-appraisal as the
6 third item of the three items that we'll talk about.

7 So let's start with a discussion of the meeting
8 calendar. And at the last meeting, we asked staff to come
9 back to us with some options on adjusting the 2016 meeting
10 calendar from the way we've done it traditionally to
11 potentially reducing some meetings.

12 And I just want to make an editorial comment at
13 the start. This really isn't about necessarily reducing
14 the number of meetings, although that's what we're going
15 to talk about. It's really optimizing the efficiency and
16 the efficacy of our oversight as a board. Because at the
17 end of the day, that's what we're tasked with is the
18 oversight of this organization.

19 And I think it's healthy for us to talk about
20 what's the best plan for doing that in terms of how often
21 we get together and how we should do our work. So that's
22 the genesis of this particular agenda item. And what I'm
23 hoping comes out of it, whether we make a change or don't
24 make a change, that we focus on trying to have our
25 meetings be as effective and as efficient as they possibly

1 can be, and that we spend appropriate amount of effort
2 focusing on those issues that are most strategic and the
3 most important in terms of guiding and governing this
4 organization.

5 So with that, we have options. And so, Ms.
6 Stausboll, do you -- did you plan on discussing these
7 options or how should we proceed?

8 CHIEF EXECUTIVE OFFICER STAUSBOLL: Sure. I can
9 tell you what they are. There are many permutations.

10 CHAIRPERSON SLATON: Okay. All right.

11 CHIEF EXECUTIVE OFFICER STAUSBOLL: But at the
12 Committee's request, we met and talked about this quite a
13 bit. And we thought that if we were going to forgo two
14 meetings, for example, that October and March would be the
15 most -- the easiest ones -- or most straightforward to
16 forgo. And if there were only one of those, October is
17 probably simpler.

18 And then we also talked about the possibility of
19 foregoing one of the off-sites. There's no real
20 difference, I don't think. As between the two, it would
21 be too soon for us to plan to forgo the July off-site for
22 2016, so we came up with two options that the calendars
23 are in the materials. One is to forgo the October and
24 March meetings this coming year. I should say March and
25 October, I guess, because March comes first. And then the

1 other option would be to forgo the October 2016 and the
2 January 2017 off-site. But obviously, you can mix and
3 match those in different ways.

4 CHAIRPERSON SLATON: Okay. With that, let's
5 start a conversation.

6 Ms. Mathur.

7 BOARD MEMBER MATHUR: Thank you. I've been
8 thinking about this quite a bit since it came up. And I
9 definitely think eliminating the October meeting makes a
10 lot of sense. We have the employer forum that month as
11 well. It's a very burdensome month for staff, and a lot
12 of travel for Board members as well, so that makes a lot
13 of sense to me.

14 I also kind of like the idea of eliminating the
15 January off-site, since it's right after the holidays. It
16 means that our staff doesn't really get to travel over the
17 holidays or take time off or whatever people do around
18 that time of year. And so I think -- to me, those two
19 make a lot of sense.

20 The one concern I have about eliminating an
21 off-site is I feel like there's sort of a different feel
22 to off-sites in that we tend to delve deeper into
23 substantive strategic issues without make -- being in a
24 position of making a decision about something, which I
25 think has a certain amount of value, but perhaps -- you

1 know, we've already been incorporating some workshops
2 along the way, and perhaps that kind of work can be done
3 in a workshop setting instead. So, I guess, if I were to
4 pick an option, I would go with option 2.

5 CHAIRPERSON SLATON: Other comments?

6 Mr. Lind.

7 COMMITTEE MEMBER LIND: Other state and local
8 boards that I've been on, we typically would pick one
9 month out of the year not to meet, just for staff to get a
10 breather and catch up. All the other ones that I've been
11 involved with it was a summer month. But if October works
12 better or March works better for the CalPERS folks, I
13 think that makes some sense for a lot of reasons. And I
14 think the issue that Priya raised about the Employer Forum
15 I guess makes October make a lot of sense.

16 With respect to off-sites, I think they are very
17 valuable things that we do. Although, you know, maybe
18 what we could consider is just doing one off-site per year
19 and maybe extending it by a day to kind of build all the
20 kind of work that we need to do into that one session. So
21 that's just something else for folks to think about.

22 CHAIRPERSON SLATON: Okay. Other comments?

23 Mr. Boyken.

24 ACTING BOARD MEMBER BOYKEN: Thanks. I don't
25 have strong feelings about either of the options, but I do

1 see some value in taking at least one month. Is option 2
2 the one where it's just October off?

3 BOARD MEMBER MATHUR: October and the January
4 off-site.

5 ACTING BOARD MEMBER BOYKEN: And the January
6 off-site.

7 I've been on other boards where they went from
8 every other month to quarterly. You know, everything
9 still worked, maybe the meetings are a little bit longer,
10 but I don't think we're talking about as drastic a change
11 here. And the other thing, selfishly, October in addition
12 to the Ed Forum some of us also have the CalSTRS off-site
13 that month. So October would make a lot of sense.

14 CHAIRPERSON SLATON: Okay. Other comments?
15 Mr. Bilbrey.

16 COMMITTEE MEMBER BILBREY: In looking at the
17 agendas that were attached, I do worry about not having a
18 meeting in March, because February and April really look
19 impacted on most of them. They suddenly look like the
20 agendas are very long. So October looked like it was
21 more, you know, reasonable to do, as well as I am with Mr.
22 Lind. I think the off-sites actually are extremely
23 valuable where we have a different type of dynamic and
24 conversation that goes on. But I am concerned about
25 having no meeting in March with so many different things

1 in play, including Pension and Health Benefits and
2 strategic work being done there that may need a meeting.
3 So I guess that would be option 2.

4 CHAIRPERSON SLATON: Okay. Mr. Lofaso and then
5 Mr. Jones.

6 ACTING BOARD MEMBER LOFASO: Thank you, Mr.
7 Chairman. Moving a little bit off of Mr. Bilbrey's
8 question, I'm wondering if you could help us a little bit,
9 Ms. Stausboll, understand sort of how you move things
10 around? And my real focus is, I think to move this issue
11 forward, our office thinks that we need to sort of think a
12 little bit more how we actually do a meeting, in terms of
13 how do we do the Board week or the two-and-a-half day
14 cycle, whatever we call it, how do we -- is there anything
15 we should do to reorganize that to make it more efficient?

16 Because I noticed in the calendar comparison, a
17 lot of things -- I mean, the obvious easy one was Finance
18 and Administration and Risk and audit meet around there,
19 so one got everything moved a month forward, and the other
20 good everything moved a month backwards. So it explains
21 how that was worked out.

22 Investment Committee, things got, you know, moved
23 over here. I think on one of them I noticed that a CERBT
24 semi-annual review seem to disappear from the annual plan.
25 I'm not sure that was intentional. I think that was -- so

1 it's not really clear how an individual meeting is going
2 to be impacted by having eight meetings year as opposed to
3 12 meetings a year. And I'm wondering if you could just
4 share with your thinking.

5 But the final comments is what we do in that
6 three-day cycle is important, if we're going to have fewer
7 of them in a given year.

8 CHIEF EXECUTIVE OFFICER STAUSBOLL: Great. Thank
9 you. I think that one of the things that the extra time,
10 if we weren't to have a meeting -- and I appreciate the
11 sentiment that people could take holidays, but that's
12 really not the driving, you know, force behind this. And
13 that the extra time would really give the staff time to
14 focus on, you know, not only spending more time on
15 overseeing the organization, but also more time on
16 thinking about how to make the Boards and Committee
17 meetings more strategic and more effective, and how to
18 streamline them.

19 So, you know, it's difficult to say right now
20 exactly how that will play out. The meetings have been a
21 certain way, I think, for decades. And I think changing
22 it will be very much -- would be very much, if we go in
23 that direction an evolutionary process.

24 CHAIRPERSON SLATON: And can -- go ahead.

25 ACTING BOARD MEMBER LOFASO: Can I just -- can I

1 just drill down a little bit. So I note -- I mean,
2 obviously, I've only been here for a year, and there's a
3 tendency to take a discrete issue and do a piece of it in
4 a month and another piece of it in a month, and another
5 piece of it in a month. And certainly some of those
6 things could be done a little bit more globally in larger
7 chunks. And I know a lot of this discussion at the last
8 meeting focused on the impact of staff, and I'm not trying
9 to look OGREISH and not acknowledging that.

10 But from a Board standpoint, I guess I'll close
11 on, if we don't know how we're improving the meeting
12 cycle, ought we yet to take that step to reduce the number
13 meetings? How do we sequence this question of changing
14 the nature of the meeting, and then reducing the number of
15 meetings, or reducing the number of meetings and hoping it
16 will then lead to changing the nature of the meeting. I'm
17 not sure how we sequence that.

18 CHIEF EXECUTIVE OFFICER STAUSBOLL: Go ahead,
19 Bill.

20 CHAIRPERSON SLATON: Well, I would just make a
21 comment that, first of all, we've been doing it a certain
22 way for a long period of time. So I think the discussion
23 today needs to be framed around the fact that we may try
24 something different maybe -- we may try something
25 different for 2016 and see how it works. So nothing

1 that's being decided is a permanent change to how we
2 operate.

3 But I think what would happen is if some
4 meetings -- one or two meetings got eliminated, it forces
5 the Committee Chairs and the executive sponsor and the
6 executive team to focus on how to make that meeting as
7 efficient as possible. So one could say let's get
8 efficient first, and then, gee, we're only taking half a
9 day, let's eliminate -- and the problem is, human nature,
10 work tends to fill all available time.

11 So if you start to constrain the time, hopefully
12 what you do is work at it at prioritizing better on where
13 we should spend our time. And I think that's the debate,
14 I'm hoping, that -- I'm hoping, if we make a change and
15 it's this group's purview to decide that, that that's the
16 result that would happen.

17 Mr. Jones, you were next up.

18 COMMITTEE MEMBER JONES: Yeah, I kind of support
19 Lofaso's concept about what comes first, you know? You
20 change the timing, then you try to become more efficient,
21 as a result, you have less time, or should you more
22 strategically address it on the front end and deal with
23 how you're going to become more efficient. And then if
24 that review or that process results in fewer meetings,
25 so be it.

1 Having said that, if -- that would be my first
2 suggestion. But if that is not approved by the Committee,
3 then I would support the October meeting, but I would
4 be -- like Mr. Lind, I would suggest we not change the
5 number of off-sites, because that's the strategic
6 environment that we, as Board members, have an opportunity
7 to deal with the long-term issues, to also get some
8 training, if you will, on certain subject matters that we
9 have to deal with from a strategic point of view. So that
10 would be my second choice is to -- and I wasn't -- I'd
11 forgotten about the educational event in October. So
12 that's why -- I said, well, you know, we've got enough to
13 do already. Staff is getting ready for the Educational
14 Forum, and also a Board meeting. So I could see the
15 rationale for that.

16 CHAIRPERSON SLATON: Okay. Other comments?

17 Ms. Taylor.

18 BOARD MEMBER TAYLOR: So I'm looking at the
19 schedules. What I noticed here -- what I would like to
20 say in response to Mr. Jones and Mr. Lofaso is I get the
21 feeling that we wouldn't pull the trigger to get rid of a
22 meeting, or a couple of meetings, if we went into this
23 analysis of whether or not we could do it, because we have
24 work to do.

25 So in that sense, I agree that maybe we should

1 get rid of the January off-site and the October meeting.
2 I think that we could -- we have the ability to do
3 strategic planning when we want to. We just have to tell
4 the staff that's when we want to do it. And if we have
5 workshops around, you know, doing that, then we can do
6 that here. We don't have to do an off-site. The only
7 thing I noticed about the scheduling though was that in
8 response to what Mr. Jones and Mr. Lofaso said, it looks
9 like we just moved everything from the one month that we
10 were going to do it into the next month.

11 And I want to make sure that we look at that a
12 little better, so that we are spreading that work out,
13 whether that's two months beforehand and we're looking at
14 the CalPERS trust level, rather all -- rather than all in
15 April, maybe we start it in February, so we're spreading
16 it out, because it used to be in March, or -- you know,
17 the off-site is easier because we don't cover as much.
18 That was -- that's my thinking.

19 CHAIRPERSON SLATON: Mr. Feckner.

20 COMMITTEE MEMBER FECKNER: Thank you, Mr. Chair.
21 You know, my opinion is, first of all, I'm not sold on the
22 idea that this is the right way to go, but I think we have
23 to have the discussion and we have to look at it, whether
24 or not it's going to work for the Board and as well as the
25 staff.

1 But given that, and we're looking at a pilot
2 project, I would almost like to recommend that we take
3 October off, and then use that January as -- keep the
4 off-site, but use that to go back and reflect upon what
5 happened after October, what worked, what didn't work,
6 what can we do to improve, is it something we should
7 continue, can we look at doing an off-site, but using the
8 off-site as a direct proponent of not having a meeting in
9 October.

10 So a different option, not one of the two
11 current.

12 CHAIRPERSON SLATON: Right.

13 Ms. Stausboll.

14 CHIEF EXECUTIVE OFFICER STAUSBOLL: Thanks. Just
15 two follow-up things. First, I should have said at the
16 outset, of course, we always have the option, if something
17 comes up in between meetings, to call a meeting on 10 days
18 notice, or one of the other notice provisions. So I just
19 wanted to remind that we always have that as back-up plan.

20 And then just in terms of the agendas, we did
21 kind of back-load and front-load those February and
22 Aprils. And clearly more work can be done on spreading
23 that work and talking about it, I mean -- but I think that
24 really has to be a deeper conversation with the Chairs.
25 Maybe we want to change something from semiannual

1 reporting to -- you know, from quarterly to semiannual or,
2 you know, really re-think how we do things. But that has
3 to be, you know, just a more reflective conversation.

4 CHAIRPERSON SLATON: So what I'd like to do now
5 is just -- Mr. Jelincic. Then I'll tell you what I'd like
6 to.

7 BOARD MEMBER JELINCIC: Yeah I'm not sure that
8 reducing the number of meetings is the way to go, but I'm
9 actually much less concerned about the number of meetings
10 than that this Board steps up and really starts to monitor
11 what is going on.

12 I got a whole list of examples here, but let me
13 give you -- well, let me give you two. When he had the
14 SEC investigation, we got four different explanations of
15 what it was about. Now, the only thing I know for sure is
16 three of those were wrong, and -- but the Board reaction
17 tended to be, well, quit asking. They've answered the
18 questions. But I don't think we really got a handle on
19 exactly what went on and why it happened.

20 CHAIRPERSON SLATON: So Mr. Jelincic, can I just
21 interrupt you for a second, please?

22 BOARD MEMBER JELINCIC: Sure.

23 CHAIRPERSON SLATON: I think the topic we're --
24 you know, I -- just with all due respect, I think we're a
25 little bit off topic, because we're getting into an

1 individual particular agenda item that might occur. So I
2 would just suggest that's not the topic of the
3 conversation right now.

4 BOARD MEMBER JELINCIC: Okay. But I'm using that
5 as an example of what we need to be doing is making sure
6 that we're monitoring what is going on, and whether --

7 CHAIRPERSON SLATON: And I would grant you that
8 there's additional things we need to do.

9 BOARD MEMBER JELINCIC: And this -- that was just
10 an example of where I think we fell down.

11 CHAIRPERSON SLATON: Okay.

12 BOARD MEMBER JELINCIC: You know, we've delegated
13 things to staff, and it's not clear that we understand
14 necessarily what we've delegated. And again, that's --

15 CHAIRPERSON SLATON: That's a different
16 conversation though.

17 BOARD MEMBER JELINCIC: Yeah, but I think the --
18 how often we meet is actually much less important than
19 what we do when we meet and how what we actually monitor,
20 so --

21 CHAIRPERSON SLATON: Well, I think we'll continue
22 to have hopefully governance conversations on topics that
23 are important and you've just raised a topic that
24 obviously is important.

25 BOARD MEMBER JELINCIC: Okay.

1 CHAIRPERSON SLATON: So what I'd like to do is,
2 just as I hear what's saying, and I got -- I covered this
3 with -- oh, I'm sorry. Mr. Jones, first.

4 COMMITTEE MEMBER JONES: Yeah. Thank you. Yeah,
5 I just -- the suggestion that we could always add a
6 meeting, I think that's a little problematic when you're
7 trying to get 13 people all of sudden putting something on
8 a calendar. I would -- if we want to go down that road, I
9 would suggest we calendar it, so we block out that time,
10 and then cancel it, if we need be just an option of
11 getting to the same point, but just approaching it from
12 having it on there and then canceling as opposed to trying
13 to schedule, because it can be very problematic.

14 CHAIRPERSON SLATON: So you're suggesting it be
15 on the calendar, but with no agenda items listed.

16 COMMITTEE MEMBER JONES: Right. And then if --
17 you know, and then we can make that decision.

18 CHAIRPERSON SLATON: Okay. Mr. Costigan.

19 VICE CHAIRPERSON COSTIGAN: Thank you, Mr. Chair.

20 I guess the observation that I have is sort of
21 two-fold. One, when we look at the number of meetings,
22 particularly as you look at the agenda -- and not picking
23 on any committee in particular, a lot of it is just report
24 here, update, report that repeats monthly. So it makes
25 the calendar look a little more crowded.

1 The question sort of I have is -- and it's a
2 little bit outside the box as you're talking about
3 governance. We've never really looked at the calendar, as
4 I'm getting ready to go into my 6th year here, from almost
5 a thematic view, is we don't look at the calendar that in
6 January and February as you're getting ready to deal with
7 rate negotiations, our focus is on health care. And then
8 in June, we're dealing with investments and ALM and
9 strategy, and then in the fall we're dealing with the
10 budget, because the calendar could almost be built around
11 themes, not so much meetings, working backwards.

12 Because I do think, you know, we -- as much time
13 as we schedule it will fill itself. And I think the
14 struggle, particularly as one who staff's himself, as half
15 the Board does, it's hard to pace. If I were looking at a
16 calendar and saying in these three or four months I was
17 going to focus on health care, and then these three -- we
18 could do a much deeper diver.

19 Here, we walk around with iPads and hundreds of
20 pages of documents trying to stay current going from issue
21 to issue, what -- this is our fourth committee meeting
22 today. So -- and I've been to three, and I know Priya has
23 been at four. And so when you look at -- and we add in
24 yesterday is, from a holistic approach -- and I'm not
25 talking about today, because one is trying to become more

1 efficient.

2 Again, I will say, when SPB went through this and
3 we were able to reduce from two meetings to one, yes it
4 made our one Board meeting longer, but we've gotten much
5 more efficient from a staffing standpoint. There's less
6 stress, particularly on our ALJs and others in trying to
7 churn out just getting documents to us that additional
8 time.

9 But I don't know is if long term, it's almost --
10 because again, when I look at even at Finance and Admin --
11 I'll just pick on my Committee -- there are some things
12 that still go back to, what can we just delegate to
13 Cheryl? This just goes back to the question I've asked is
14 what is it we must do that we cannot delegate?

15 In our discussion earlier at Finance and Admin,
16 for example, we delegated to our Executive Officer the
17 contracting out issues. Now, they still come to the Board
18 when we need to rule on it, but it was something that that
19 was the first level. So as we continue to build the
20 calendar, it still is what is it we must do and when must
21 we do it and is there a thematic approach to it?

22 Because I know like with Priya's Committee, there
23 are specific dates when an action must be taken. How do
24 you build backwards?

25 But just as opposed to saying we're going to

1 cancel October or put something on the calendar or on
2 Performance and Comp, we know we're going to have some
3 issues coming up after the budget, how do you thematically
4 look at it. Anyway, thank you, Mr. Chair.

5 CHAIRPERSON SLATON: Okay. Let me just suggest
6 that -- and I covered this with Matt about doing just a
7 little straw vote so we kind of see, as opposed to trying
8 to make notes on where people are. So let's just first
9 talk about narrow the conversation to October. And could
10 I have a show of hands of those who would be comfortable
11 with for 2016? And we might have it -- I think as Mr.
12 Jones said it might be, you know, where it's Calendared,
13 but we have no agenda in it. And so the expectation is
14 there would not be an October meeting, but we'd kind of be
15 standby if something came up.

16 So how do people feel about that? Could I have a
17 show of hands of those who would be comfortable with
18 eliminating the October meeting?

19 (Hands raised.)

20 CHAIRPERSON SLATON: One, two, three, four, five,
21 six, seven --

22 COMMITTEE MEMBER FECKNER: On a pilot basis.

23 CHAIRPERSON SLATON: On a pilot basis -- eight,
24 nine, ten. So we have -- I think we have pretty much
25 consensus regarding October.

1 A question for staff, and maybe it's -- maybe
2 it's for Matt, from staff, is there a difference between
3 having it on the calendar with blank, no agenda items,
4 versus not having it on the calendar?

5 Ms. Stausboll.

6 CHIEF EXECUTIVE OFFICER STAUSBOLL: Matt can
7 answer if he wants to. But what we would do is just
8 hold -- have you hold the dates. CalSTRS -- I believe
9 CalSTRS does it this way. I think they have eight
10 meetings a year. They hold the dates for the other
11 months. And then, you know, we'd let you know as soon as
12 possible if something came up where we had to have a
13 meeting and we'd notice the meeting in the regular way.
14 But it certainly doesn't commit us to having a meeting by
15 placing a hold on your calendars.

16 CHAIRPERSON SLATON: Right. With -- I'm sorry,
17 Mr. Jelincic.

18 BOARD MEMBER JELINCIC: Yeah, this actually is
19 for Matt. Given the timelines that we have under the ALJ
20 and, you know, having to review them and approve them,
21 does cutting out October create a problem?

22 GENERAL COUNSEL JACOBS: No.

23 BOARD MEMBER JELINCIC: Okay.

24 CHAIRPERSON SLATON: So unless there's objection,
25 maybe we could entertain a motion on this one. And then

1 we can see if there's anymore enhancement to this calendar
2 that people would like to do? Does that make sense to
3 people so we can actually move forward, since we do seem
4 to have a consensus on this one?

5 VICE CHAIRPERSON COSTIGAN: So there's no other
6 option you want to look at?

7 CHAIRPERSON SLATON: Well, I'm just suggesting --
8 I'm trying to parse them down, because it seems like
9 there's consensus about October. There may not be a
10 consensus regarding any other changes. But there does
11 seem to be one around October. So would there be --

12 VICE CHAIRPERSON COSTIGAN: Do you want me to
13 move --

14 CHAIRPERSON SLATON: Mr. Lind, you raised your
15 hand.

16 COMMITTEE MEMBER LIND: I will move that we
17 cancel, while keeping on the calendar, but we'd cancel the
18 October 2016 meeting.

19 VICE CHAIRPERSON COSTIGAN: I'll second.

20 CHAIRPERSON SLATON: Okay. It's been moved and
21 seconded.

22 Further discussion?

23 Okay. With that, all those in favor say aye?

24 (Ayes.)

25 CHAIRPERSON SLATON: Opposed?

1 Motion carries. Okay. So we've got that about
2 October.

3 Now, let's talk about March. I guess we have the
4 issue of possibly March and we have the issue of possibly
5 the January 2017 off-site. Those are kind of the two
6 other pieces to this puzzle. Are there -- how should I
7 phrase -- how should -- looking for some advice from my
8 committee members on how to do this.

9 Let's do the off-site. Let's do -- so let's have
10 a show of hands of those on the -- who would be
11 comfortable -- given that we've already taken this action
12 on October, who would be comfortable with deleting the
13 off-site? And I guess I would add one little comment to
14 it. Who was it who made the suggestion about adding more
15 time to the other off-site? That was Mr. Lind. Is that
16 practical, Ms. Stausboll, is that -- adding a day or a
17 half a day to the off-site or is that already too long to
18 an existing off-site?

19 (Laughter.)

20 CHAIRPERSON SLATON: I'm asking her opinion.

21 GENERAL COUNSEL JACOBS: I'll answer. It's too
22 long.

23 (Laughter.)

24 CHAIRPERSON SLATON: It's too long. Okay. Well,
25 that answers that question. Okay.

1 (Laughter.)

2 CHAIRPERSON SLATON: So why don't we just talk
3 about -- let's have a show of hands of those who would be
4 interested in -- who would be comfortable with the
5 deletion of the January 2017 off-site? Let's have a show
6 of hands of those who would be in favor of that?

7 (Hands raised.)

8 CHAIRPERSON SLATON: One, two, three, -- looking
9 around the table -- four, five --

10 VICE CHAIRPERSON COSTIGAN: I have a comment.

11 CHAIRPERSON SLATON: Oh, you have a comment.

12 VICE CHAIRPERSON COSTIGAN: I'm sorry.

13 CHAIRPERSON SLATON: We're in the middle of a
14 straw vote.

15 (Laughter.)

16 VICE CHAIRPERSON COSTIGAN: Well, it's not -- I
17 just -- are you going to ask about whether we would
18 propose eliminating the July, because the question you're
19 proposing is are you getting of January or are we going
20 from two to one? Because the question --

21 CHAIRPERSON SLATON: It's real -- the question is
22 two to one is really the question. So we could talk about
23 July of 2017.

24 VICE CHAIRPERSON COSTIGAN: Well, because one of
25 the reasons I would actually just raise that as a

1 substitute straw is --

2 (Laughter.)

3 VICE CHAIRPERSON COSTIGAN: -- I actually think
4 January is a more important meeting, because it sets the
5 tone for the year. I think in July, we're just kind a
6 churning along, but everything from health care to
7 legislation to budget -- unless you see it differently, as
8 to if you were looking at eliminating one, I think January
9 helps sets the tone for the year for us.

10 CHIEF EXECUTIVE OFFICER STAUSBOLL: Well, we do
11 operate on a fiscal year. So, you know, our budget and
12 our business plan is on the fiscal year. So I kind of
13 think of it that way, but I don't think it really matters
14 which one. If the Board wanted to forgo one, I think
15 either would be fine.

16 VICE CHAIRPERSON COSTIGAN: So then is you -- I
17 guess back to your straw question is not so much
18 elimination of January, but would be from two to one.

19 CHAIRPERSON SLATON: Well, let's start with that.
20 Let's just start with -- oh, I'm sorry. Mr. Feckner.

21 COMMITTEE MEMBER FECKNER: Yeah. I just want to
22 recommend since we're in a committee meeting, when you
23 take a straw poll, you should take the straw poll of the
24 Committee members. All but one of your straws on the last
25 vote weren't on the Committee.

1 CHAIRPERSON SLATON: That's a good point. Good
2 point.

3 (Laughter.)

4 CHAIRPERSON SLATON: Okay.

5 (Laughter.)

6 CHAIRPERSON SLATON: Well -- okay. The Chair
7 recognizes the correction.

8 (Laughter.)

9 CHAIRPERSON SLATON: So let's take a -- on going
10 from two retreats, off-sites, to one off-site, rather than
11 deal with the calendar itself. So for Committee members,
12 who would be in favor of that. Raise your hand, if you'd
13 be in favor of going from two to one.

14 (Hands raised.)

15 CHAIRPERSON SLATON: Okay. I'm looking around
16 the room here and I got 1. I got the Chair would be, but
17 we're in the minority. So it doesn't look like there's
18 Committee interest in going to a single off-site.

19 So the next one is March, the March meeting. So
20 in Committee Chairs Committee members raise your hand if
21 you'd be interested in going -- limiting the March
22 meeting.

23 (Hand raised.)

24 CHAIRPERSON SLATON: Dana. Yes, Ms. Hollinger.

25 COMMITTEE MEMBER HOLLINGER: It's hard for me on

1 that one to -- I really have to abstain from voting
2 because I don't understand yet what we're -- when I say
3 giving up, it's the wrong word, but there seems like a lot
4 going on. I just want to make -- I don't know if it
5 would -- what would be compromised by doing that. So I
6 really can't vote.

7 CHAIRPERSON SLATON: Well, I don't see a ground
8 swell of Committee support for going to a single off-site.
9 So I think that -- I can read the tea leaves there, and I
10 think that's where we are today.

11 So any other comments about this particular item,
12 because I don't think we have anything else on this
13 particular item, right?

14 Well, I said March, and I didn't get a ground
15 swell of hands going up, but -- Mr. Lofaso.

16 ACTING BOARD MEMBER LOFASO: Two questions.
17 First question one, did the vote on October, is that going
18 to be for adoption by the full Board tomorrow as part of
19 the Governance Committee's report?

20 CHAIRPERSON SLATON: It would be, yes.

21 ACTING BOARD MEMBER LOFASO: Thank you.

22 Second question, just circling back on the
23 off-site question and somebody said something -- I'm
24 flipping my self over onto be nice to staff now. With
25 regard to preparation for the off-site. Is there more

1 staff workload on sort of organizing the seminars and the
2 speakers and such, or more on the logistics of hotel and
3 all that kind of stuff? Not trying to drive another
4 point, but if more of that activity were done say here
5 on-site at CalPERS, what would -- what beneficial impact
6 on streamlining staff functions would that result in?

7 CHIEF EXECUTIVE OFFICER STAUSBOLL: Well, you
8 articulated well that there are the two aspects, the
9 content and the logistics. So the logistics -- and the
10 logistics goes with an expense. And I don't have the
11 numbers offhand, but there is an expense to all those
12 folks traveling and carting equipment, et cetera. So it
13 would be of benefit to our events management and logistics
14 planning staff.

15 The other thing is for -- I think for staff in
16 general having it on -- you know, on-site makes it easier,
17 because you don't have to travel at the same time you're
18 planning your presentations, and such. We did try that --
19 Rob might remember when. I think it was four or five
20 years ago, we had an off-site. We did it in Folsom, is
21 that right? In Folsom. People went home at night, so it
22 didn't have the -- as much of a team building aspect to
23 it, so that's the tradeoff.

24 ACTING BOARD MEMBER LOFASO: Appreciate that.

25 CHAIRPERSON SLATON: Okay. Mr. Jelincic.

1 BOARD MEMBER JELINCIC: Yeah. One of the
2 advantages to off-site is, one, the team building, but
3 two, it also gives staff a chance to participate. Quite
4 frankly, if you do the off-site in Sacramento or Folsom,
5 there's a big, big push, maybe moral rather than legal, to
6 go back to the office and get some work -- normal work
7 done. And so they don't get, quite frankly, the
8 opportunity to kind of get away from what they do on a
9 daily basis and think about some of the bigger issues. So
10 there is some drawback.

11 Now, it's cheaper and we don't have to pay for a
12 lot of transportation, but I'm not sure that -- the
13 monetary savings is such that it would actually help with
14 the organization really thinking about bigger issues than
15 we tend to do at the off-site.

16 CHAIRPERSON SLATON: Okay. Ms. Hagen.

17 ACTING BOARD MEMBER HAGEN: I was just wondering
18 if it might -- the next straw vote might be if there's any
19 interest in eliminating any additional meetings at this
20 point, because it's sounding to me like perhaps the will
21 is not -- at least with the Committee.

22 But I wanted to just throw out an idea that
23 summer months, it would be great not to have a meeting, so
24 that staff, and I imagine Board members that don't have
25 backups like some of us do, would also appreciate perhaps

1 the summer month off. So I just wanted to throw that out
2 there too.

3 CHAIRPERSON SLATON: Any other commentary?

4 You know, I did -- I think I did take a straw
5 vote from the Committee members regarding March, and that
6 was -- did not seem to -- there weren't cheers coming up
7 from the Committee members nor hands.

8 And so the only -- you've raised the issue of
9 summer, which is, you know, basically July, August,
10 September. We've already eliminated October. So, you
11 know, that would focus on the July off-site, and already I
12 think the Committee has indicated not having an interest
13 in -- yes. Mr. Costigan.

14 VICE CHAIRPERSON COSTIGAN: So sort of building
15 on Ms. Hagen's, because I had expressed when I was being
16 polled about which months I'd like off, mine was the
17 summer as well. I don't know is if we look at the
18 calendar -- I mean, the difficulty is as you plan your
19 summer vacation, for those of us with children, you really
20 have till the third week in June to the second week of
21 August for your summer, and then right in the middle sits
22 an off-site. And nobody wants to meet -- miss a meeting.
23 I don't if even as part of our planning, if we're not
24 going to reduce the number of times we meet on a weekly
25 basis, instead of saying well let's eliminate March or

1 July or June, is seeing if we could even whittle the days
2 down in the summer to one or two days.

3 Back to the sort of thematic view, when you're
4 having to worry about from Sunday through Wednesday, and
5 for those that actually travel and fly, it gets much
6 harder, you're talking a Sunday through a Thursday travel
7 day, the whole week is lost in summer, and it's difficult
8 to plan.

9 So I don't know -- as we continue to look -- and
10 the same thing for staff, everybody has got the exact same
11 travel plans, and there's a -- and then you throw in July
12 4th and really your July is shot from the standpoint. So
13 anyway, Ms. Hagen, I agree with you from the difficulty of
14 just planning. And I know everybody tries to make as many
15 meetings as possible. But if we're looking at the
16 calendar, if not eliminating a full set of meetings, maybe
17 we could look at the summer as an opportunity to reduce a
18 day or so off of a meeting.

19 CHAIRPERSON SLATON: Other comments regarding
20 summer or off-sites?

21 Mr. Jelincic.

22 BOARD MEMBER JELINCIC: I want to share a comment
23 that I was told at lunch by some of the retirees who are
24 normally here. And they thought that reducing any
25 meetings reduced transparency. I'm not going to

1 editorialize or judge on that. I just want to share that
2 observation.

3 CHAIRPERSON SLATON: Okay.

4 Yes, Mr. Bilbrey.

5 COMMITTEE MEMBER BILBREY: So I'm going to
6 suggest something Mr. Feckner mentioned, let's try the
7 October. And in January, we review how that worked as
8 well as think -- by that time people have sort of thought
9 maybe a little more on this subject, and we can have a
10 fuller discussion about future dates just to see how it
11 goes the first round.

12 CHAIRPERSON SLATON: Yeah. I mean, I think
13 that's -- that's the sense I get right now. We've made a
14 decision to trim it back by one meeting a year in October,
15 and that's progress. And I think it's a -- we've had a
16 good discussion about it. And I think that's -- I think
17 the interest is let's see how that goes and let's move
18 forward from there.

19 Okay. So with that, we'll move on to the next
20 item, which is the -- it's listed as terms of office for
21 President and Committee Chairs And I want to preface this
22 discussion as well. Several Board members over the
23 months, we've been building this parking lot list, and
24 several Board members have mentioned this particular item
25 as an item that should come to governance.

1 It's really about -- I guess a better way to
2 phrase it is rotation of President and Committee Chairs
3 rather than using the term, "term limits", because we're
4 not really talking about term limits, more so the ability
5 to rotate and have other people have the chance to
6 experience this. And this should not be taken as any
7 reflection on the great work being done by our current
8 President or our current Committee Chairs, but it's a
9 governance issue that I think is important for us to have
10 a conversation about. I think this is the kind of
11 conversation we would expect the companies that we own in
12 our investment portfolio to have similar type
13 conversations. And we would expect that of them, so we
14 should be doing that ourselves. It's up to us as a group
15 whether we make any changes or not.

16 I do want to point out that there is no language
17 in our current governance regarding rotation of the
18 President or Vice President. There is language in the
19 current policy regarding Committee Chairs. "Committee and
20 Subcommittee Chairs..." -- and I'm quoting from Item C.
21 It's 6C, page 11 of 31 of the policy, "Committee and
22 Subcommittee Chairs and Vice Chairs will be selected by
23 the members of each committee and subcommittee
24 respectively with consideration given by members to the
25 periodic rotation of committee and Subcommittee Chairs".

1 And then it goes on to say other things as well, but
2 that's the operative words.

3 So we have that in there, but I'm not sure that
4 we actually do a lot of consideration of that when we're
5 actually picking Committee Chairs. So the question is
6 should we have some governance rules regarding creating an
7 environment where there could be some rotation of
8 President, Vice President, and Committee Chairs?

9 So with that, I'll open it up for conversation.
10 Lets's see what the interest is on the part of Committee
11 members and other Board members who are here.

12 Mr. Jones.

13 COMMITTEE MEMBER JONES: Yeah, I support the --
14 some kind of rotation, because I think it does give each
15 Board member an opportunity to grow, because I've been
16 Chair of two committees. And in each one I have learned
17 so much more than just as a committee member as opposed to
18 the Chair. And even the one year as Vice Chair, I've
19 learned so much more, because you're dealing with some of
20 the issues you normally don't deal with as a Board member.
21 So I would support some kind of rotation. I don't know
22 what that is. Maybe that's the discussion we need to
23 have, but I think it would be worthy to have that
24 discussion.

25 CHAIRPERSON SLATON: Ms. Hollinger.

1 COMMITTEE MEMBER HOLLINGER: Yeah, I agree with
2 Mr. Jones. I would support some kind of rotation. I'm
3 not sure what that is, but I know even in getting involved
4 in creating diversity on boards outside of CalPERS, I mean
5 one of the obstacles just in public companies is that
6 there's no turnover. So I think that we have to mirror
7 the behavior we want to see in the companies that we
8 invest in.

9 CHAIRPERSON SLATON: Other comments?

10 Mr. Costigan.

11 VICE CHAIRPERSON COSTIGAN: Mr. Slaton, I think
12 we have to approach it from succession planning. In
13 addition, as Jones said about growth and understanding,
14 one is you look at the organization, and we've asked Ms.
15 Stausboll, Mr. Jacobs, and Ms. Hoffner -- Mr. Hoffner to
16 talk about succession planning. I mean, we plan for it
17 from the standpoint of staff. We groom staff. We talk
18 with staff. You put them in more positions.

19 The Board should be approached the same way. I
20 think as Ms. Hollinger said, we ask for our boards to
21 change up their make-up. We also ask them what their
22 succession planning is. And I think there are
23 opportunities.

24 One is each our own personal growth. I mean, if
25 you want to be vested into the Board or you want to be

1 vested into the organization, there's got to be a clear
2 path towards more responsibility. And I think as Ms.
3 Taylor said, one, is you come on the Board you learn new,
4 then you're in a couple years, and then it's time to move
5 up through it.

6 Again, I'm not quite sure, when you look at the
7 term limits, but whether you look at Mr. Lofaso and term
8 limits for Constitutional officers, members of the
9 legislature, periods of times of people in leadership,
10 Californians have already made that decision. And so you
11 get those two going together. Mr. Boyken, I forgot as
12 well as your office is subject to term limits as well.

13 CHAIRPERSON SLATON: Apparently, Mr. Boyken is
14 not.

15 (Laughter.)

16 CHAIRPERSON SLATON: Mr. Jelincic.

17 BOARD MEMBER JELINCIC: The -- yeah, I don't like
18 term limits. I mean we have elections and that really
19 ought to be term limits. But looking at this Board, I
20 mean, in going back for 20 years, it doesn't change a
21 whole bunch.

22 But one of the things I think maybe we should
23 consider is agendizing a discussion each time on why we
24 should not rotate the Chair and the President, because
25 there may be reasons that people have particular skill

1 sets that at that point is really critical, but at least
2 that forces us to have a discussion about can we change
3 the leadership, should we change the leadership? And it
4 can be more about the function and less about the person.

5 CHAIRPERSON SLATON: Yeah. My reaction is that
6 would be very difficult to do, I think, in a public
7 session without it reflecting on the person who currently
8 holds the office. And by the way, I do want to remind you
9 that this is -- we're not -- I think the conversation is
10 about rotation and not term limits, so we're not saying
11 that either a committee Chair or a President once having
12 served cannot serve again. So that's the way I think we
13 framed the conversation rather than term limits.

14 BOARD MEMBER JELINCIC: Okay. But, you know, we
15 have -- as you pointed out, we have language on the
16 committees. And you don't see a lot of Committee
17 turnover.

18 CHAIRPERSON SLATON: Right.

19 BOARD MEMBER JELINCIC: I'm just thinking of
20 someway of trying to institutionalize a discussion about,
21 you know, is it time to bring new leadership into this
22 function, rather than simply, you know, put it up to a
23 vote, because, you know, quite frankly votes are kind of
24 about the incumbent anyhow.

25 CHAIRPERSON SLATON: Mr. Jones.

1 COMMITTEE MEMBER JONES: Yeah, I think to J.J.'s
2 point about while we have language but nothing is
3 happening, I think we need to strengthen the language, and
4 put in there every four years, three years or whatever you
5 want that rotation to be, and then you're obligated to
6 comply.

7 CHAIRPERSON SLATON: Because it's part of your
8 policy.

9 COMMITTEE MEMBER JONES: Exactly.

10 CHAIRPERSON SLATON: Yeah. Other comments from
11 Board members, Committee members?

12 Ms. Mathur.

13 BOARD MEMBER MATHUR: Thank you.

14 Yes, I also think that having some Board -- some
15 rotation of leadership positions is sensible. It probably
16 also is sensible, along Mr. Costigan's succession planning
17 lines, to think about having the Vice Chair sort of be the
18 next -- you know, sort of have it be after some period of
19 time, you expect the Vice Chair to be -- to move up into
20 spot, so that there's, you know, some training or, you
21 know, integration that goes on along the way.

22 It's not exactly the same as succession planning
23 at the executive level, because we're not actually --
24 well, anyway, but I do think -- but I do think that
25 that -- it would be sensible. I don't have a good sense

1 of what the right periodicity is. I think one year, even
2 two years, might be too short, because you do want someone
3 to really become a master of the subject and be able to
4 actually lead some, in a visionary way, over some period
5 of time. So there's some balancing act there sort of
6 what's the appropriate level of rotation, but I do think
7 it's a good idea.

8 CHAIRPERSON SLATON: Well, you've raised an
9 interesting issue. So here's one that we could do kind of
10 as we edge ourselves into this topic that we could do
11 among the Committee members a straw vote. Let's assume
12 there's going to be a change in leadership, whether it's
13 natural or through our policy -- through a policy that we
14 write. And I think the point you've raised is that Vice
15 Chairs should naturally become chairs.

16 So all things being equal, that's the default.
17 So we could write into our policy, both in terms of
18 President, Vice President and committee Chair committee
19 Vice Chair, that it's the expectation that the Vice Chair
20 would be in line to take the position, once the person in
21 the top position has moved out of that position.

22 Is that some -- maybe we could take a straw vote
23 and see are people comfortable with that concept? We're
24 not talking about what rotation -- any rotation yet, just
25 succession -- from a succession planning standpoint.

1 So who's going to --

2 ACTING BOARD MEMBER BOYKEN: I have a comment.
3 I'm not on the committee.

4 CHAIRPERSON SLATON: Is comments or a straw vote?

5 ACTING BOARD MEMBER LOFASO: Comment.

6 COMMITTEE MEMBER HOLLINGER: What are you asking?

7 CHAIRPERSON SLATON: I'm asking for a straw vote
8 on that issue.

9 (Hands raised.)

10 CHAIRPERSON SLATON: I've got one, two -- okay.
11 This is a straw vote on if writing into the policy that
12 it's our normal -- and we'll have to come up with the
13 words, right? It will come back to us. But the normal
14 default is that the Vice Chair becomes the Chair, whether
15 it's at the full Board or whether it's at the Committee
16 level, that that's -- that's the expectation that we would
17 follow from a policy standpoint, unless the Vice Chair
18 chooses not to serve, in which case, we'd have to have
19 somebody else.

20 So that's the straw vote on that, just that
21 issue. So how many would be in favor of that?

22 (Hands raised.)

23 CHAIRPERSON SLATON: One, two, three, four, five.
24 Okay. So I think we have a consensus on that. In fact,
25 again, trying to move things along, I would entertain a

1 motion on that item. And we'll come up -- I think
2 everybody has the sense of what the words are, so -- or do
3 we need to have the specific words?

4 BOARD MEMBER MATHUR: Draft some language.

5 CHAIRPERSON SLATON: Draft some language and have
6 it come back. Okay. That's fair. That's fair

7 So now, let's continue the conversation. So it
8 looks like we have some language that we could come back
9 to the Committee with on that.

10 Mr. Boyken.

11 ACTING BOARD MEMBER BOYKEN: So on that
12 particular issue, I just think about the way that we
13 choose. Every year the election comes up, and yes,
14 experience is important, but then once the person gets
15 experience, we tend to have a comfort level with them, and
16 so we often do choose, for consistency sake, the person
17 who was the leader before.

18 On that last point about -- and I'm generally in
19 favor of some sort of rotation. I just think it's hard to
20 get rotation that way that we have things now. We need a
21 little discipline.

22 But on the last point about the expectation that
23 the Vice President or Vice Chair becomes Chair, I guess
24 I'd have to see the language, because I don't want to lock
25 ourselves in and be too prescriptive with the policy.

1 Maybe if it's a soft expectation or -- I don't -- I'd have
2 to see how that works.

3 CHAIRPERSON SLATON: All right. Well, maybe
4 we'll come back with one or two alternatives in language,
5 and see what -- how people feel about it.

6 Mr. Lofaso.

7 ACTING BOARD MEMBER LOFASO: On soft
8 expectations, the -- I really like the framing you've
9 done, Bill, about keeping things from being personal. And
10 the odd thing about the Vice Chair issue is if, in
11 essence, you're saying that once chosen as an apprentice,
12 you're automatically slated for master carpenter or master
13 whatever the -- sorry my guild lingo is failing me --

14 (Laughter.)

15 ACTING BOARD MEMBER LOFASO: -- without having
16 performed as a journeyman, seems a little strange. But, I
17 mean, given that that's a hard expectation not the soft
18 expectation along the lines of Grant's language, then
19 don't you put yourself in a position of having to then
20 explain why the Vice Chair should not be Chair, which then
21 starts to get personal? I think keeping things not
22 personal has a lot of value.

23 CHAIRPERSON SLATON: Yeah, and I agree with you.
24 And I -- my experience in 14 years on the SMUD Board, we
25 do -- the vice president is expected -- I'm now the new

1 vice president for this next calendar year. And the
2 expectation is I will be the president of the Board the
3 following year. So that's how that agency works. There's
4 different ones that do it different ways.

5 ACTING BOARD MEMBER LOFASO: But is that
6 hard-wired in a policy or is that, in essence, you're
7 still on -- this is crass, but on probation with your
8 colleagues, so if for some reason somebody decides to run
9 against you for a good reason, there's no -- you know --

10 CHAIRPERSON SLATON: Yeah, it is soft, but it's
11 the culture. So it's the expectation, unless I were to do
12 something, you know, that displeased the group, then I
13 wouldn't be.

14 Ms. Mathur and then Mr. Jones.

15 BOARD MEMBER MATHUR: I see this at lots of
16 public agencies that this is the way it goes. And
17 occasionally, there is a board member who, for some
18 reason, the rest of the board chooses not to put up to the
19 next level and that happens. But as a general rule,
20 decorum wins out. You know, unless something really
21 significant happens, generally I've seen it operate just
22 fine with the vice moving up to the Chair spot.

23 CHAIRPERSON SLATON: Well, you know, we could
24 write language that is kind of soft like the one the
25 expectation on rotation of Committee Chairs which is a

1 soft expectation that's in there.

2 But if we start doing it as a practice, then it
3 starts to become the culture that we operate in, rather
4 than a hard this person must be the next Chair.

5 So, you know, there's lots of ways to do it,
6 but -- so Mr. Jelincic.

7 BOARD MEMBER JELINCIC: Yeah, I really like the
8 idea of rotation, but we shouldn't forget the fact that
9 there is cost so that. I mean one of the things that we
10 lost when we adopted term limits in the legislature was
11 people really spending enough time to become real experts
12 in their field. And often they became the expert on a
13 committee that wasn't their natural choice. You know,
14 Latterman going into the legislature was not the
15 expectation he would become the expert on mental health.

16 The -- you know, so there is a cost to it, and I
17 think we should not ignore the cost. I think it's a cost
18 worth paying, but it's there and we need to acknowledge
19 it.

20 CHAIRPERSON SLATON: Other comments regarding --
21 and I'd like to -- let's see who had their -- Mr. Jones.

22 COMMITTEE MEMBER JONES: Go ahead.

23 CHAIRPERSON SLATON: Well, let me just finish
24 this thought, that I think I hear interest in rotation.
25 So as you continue to make comments, I would suggest that

1 maybe if we're ready to talk about options or, you know,
2 actual what some guidelines might be. So, you know, we
3 talk all day generally about whether we like rotation or
4 don't like rotation. But at the end of the day, the devil
5 is usually in the details, if we were to choose to do
6 that. So, Mr. Jones, Ms. Mathur, and then Mr. Lofaso.

7 COMMITTEE MEMBER JONES: Yeah. No, I was just
8 going to say echoing what Priya said about other boards
9 that I'm aware of have that policy, where it's in their
10 bylaws that the Vice Chair or the vice of a particular
11 committee or the organization goes on to the next step to
12 be the Chair.

13 And I think that this Board always have the
14 discretion to change that. I mean, if -- you know, as to
15 Grant's concern, if someone was not performing, I think
16 this Board have the ability to say, you know, we're going
17 to modify that policy on this particular case, so that it
18 can't be automatic, if a person is not --

19 CHAIRPERSON SLATON: Maybe that's why we have one
20 year elections.

21 COMMITTEE MEMBER JONES: Yeah, I don't know. I
22 don't know the background and history on that.

23 And then to your second point, you know, I was
24 thinking, you know, just as we were talking, maybe a
25 four-year term. Because as J.J. said, or someone said,

1 one or two years, you're just getting your hands around
2 it. And even after three years you're saying what in the
3 hell is this. You know, so it -- I think it does take
4 time. And you should -- in order to be successful, you
5 should allow enough time in any kind of position, because
6 otherwise you never get to the full capacity in a very
7 short period of time.

8 CHAIRPERSON SLATON: Are you suggesting that's a
9 four-year term or four one-year terms?

10 COMMITTEE MEMBER JONES: No, I was saying a
11 four-year term.

12 CHAIRPERSON SLATON: A four-year term.

13 COMMITTEE MEMBER JONES: Or it could be a three.
14 I don't -- I'm not locked into a number, but I think we
15 should have a number, whether it's three or two, but I
16 think maybe three or four, because I think one and two is
17 too short.

18 CHAIRPERSON SLATON: Yeah. I'm just adding a
19 little editorial piece to this that in light of -- who
20 made the comment? Anyway. That the ability to have it be
21 annual election gives the Board the ability, if they feel
22 that a change needs to happen, then you're not doing a
23 recall. You're not doing extraordinary things. But a
24 maximum number of consecutive --

25 COMMITTEE MEMBER JONES: I see what you're

1 saying.

2 CHAIRPERSON SLATON: -- one-year terms, you could
3 pick three, you could pick four, you could pick whatever,
4 would be kind of the cap of in sequence or, you know,
5 consecutive is the word.

6 So who did I -- who going to speak next?

7 BOARD MEMBER MATHUR: Was it me or was it some --
8 I'm sorry.

9 CHAIRPERSON SLATON: Well, go ahead, Ms. Mathur
10 and then --

11 BOARD MEMBER MATHUR: I'm sorry. I don't mean to
12 jump the queue.

13 CHAIRPERSON SLATON: -- Mr. Lofaso.

14 BOARD MEMBER MATHUR: I think that's a sensible
15 suggestion. I think we could also perhaps just look at
16 what models are out there and what -- I mean, I don't mean
17 to make a big project out of it. It's -- we're trying to
18 pick a number -- a certain number of years, but maybe we
19 could just see what has worked at other agencies. Maybe
20 get a little bit of a sense of the pros and cons. I think
21 we've talked about what we think some of them are, but a
22 little bit of real world experience with different
23 structures might be instructive.

24 CHAIRPERSON SLATON: Okay. Ms. Hagen.

25 ACTING BOARD MEMBER HAGEN: Yeah, I am going to

1 take you off the discussion point, sorry. But a thought
2 occurred that -- and I -- and this is me being a new Board
3 member. I don't know the answer to this question. It's
4 been an observation that not all Board members serve in --
5 as Vice Chairs or chairs of committees. And I think it's
6 the Constitutional officers and the Director of CalHR.

7 And we were talking about that in our office last
8 week. And I don't know if that's in a policy somewhere or
9 if that's just a matter of practice, but I'd like to
10 suggest that I think it's all really good what we're
11 talking about, and I think it should be an opportunity
12 that's open to all Board members. So I just wanted to
13 offer that for discussion.

14 CHAIRPERSON SLATON: Yeah, I don't think we have
15 anything in our policy today that would restrict it to --
16 that would eliminate Constitutional officers.

17 ACTING BOARD MEMBER HAGEN: I couldn't find
18 everything.

19 CHAIRPERSON SLATON: It's just as a practice,
20 yeah.

21 Mr. Jelincic -- well, wait a minute. First, Mr.
22 Lofaso, and then Mr. Jelincic.

23 ACTING BOARD MEMBER LOFASO: Just a quick
24 rejoinder to that last comment. I know at the Board of
25 Equalization it's also an unwritten rule that the

1 Controller is not supposed to be a member of a committee.
2 Although, I understand it was diverted from some 20 years
3 ago.

4 But what I really wanted -- just two quick
5 questions I wanted to throw in the mix. One, just cause
6 we haven't really alluded to it specifically is, are there
7 any guideposts from what we know about how this discussion
8 has occurred on private boards in their governance
9 discussions that we might want to think about? I know
10 we've alluded to that, but not specifically.

11 But the first one I wanted -- I raised my hand for
12 was just on this question of how long a rotation cycle
13 should be? I was wondering, do we have any data on sort
14 of range or median lengths of terms of Board members?
15 Does the typical Board member, you know, stay here for 12
16 years or eight years or 20 years? It seems to me that
17 would have some bearing on thinking about rotations,
18 especially from the sort of succession planning concept
19 that Mr. Costigan threw out.

20 COMMITTEE MEMBER JONES: Well, I can say I've
21 been on the Board eight years, and the only two people
22 here longer than me is Rob and Priya. That will give you
23 some sense.

24 CHAIRPERSON SLATON: Yeah, I think it varies by
25 time of -- in particular, where the Board member comes

1 from, how they got on the Board.

2 Ms. Mathur.

3 BOARD MEMBER MATHUR: Yes, I think this whole
4 thing about whether the ex-officio members and CalHR serve
5 as chairs, I think what -- as I recall just discussion, I
6 don't think it was anywhere in policy, it was really a
7 question of whether designees could sit in place of the
8 actual member. And so because you could not guarantee
9 that the actual member would always be in attendance,
10 there was a reluctance to have that member sit as a Chair.

11 We could -- I think it's certainly validate to
12 have a conversation about it, but I think that was --
13 that's what's behind that sort of practice, as I
14 understand it.

15 CHAIRPERSON SLATON: Mr. Feckner and then Ms.
16 Taylor.

17 COMMITTEE MEMBER FECKNER: Yeah, just to share a
18 little bit of history. There was a point in time where a
19 Constitutional officer was elected a committee Chair. It
20 was -- they were elected the Chair of the Health Committee
21 at the time. I was elected Vice Chair. And two months in
22 I got a phone call from the Constitutional officer who
23 says you have to take it. I can't do both these jobs.
24 You can't be a Constitutional officer and do justice in
25 being a Chair of a committee.

1 So that was his personal choice, but he stepped
2 out, and I became the Chair of the committee, so -- and it
3 stayed that way ever since.

4 CHAIRPERSON SLATON: Ms. Taylor.

5 BOARD MEMBER TAYLOR: And on my own executive
6 board, we have an issue with designees sitting in, so that
7 would be something I think Matt should look into, because
8 there's corporate code that disallows that.

9 CHAIRPERSON SLATON: Okay.

10 Mr. Boyken.

11 ACTING BOARD MEMBER BOYKEN: Just chime in. So
12 currently, Controller Yee does serve as Chair of the board
13 governance committee at CalSTRS. And, you know -- but in
14 general, yeah, being a committee Chair for a statewide
15 elected official, depending on the Committee, it could be
16 a big lift, and it might be something -- it might be that
17 the culture is that way because in the past, ex-officios
18 have said no thanks, but I don't know.

19 CHAIRPERSON SLATON: Mr. Jelincic.

20 BOARD MEMBER JELINCIC: An observation about the
21 average term. I think if you calculated that, it would be
22 somewhat distorted by Carlson and Valdes.

23 (Laughter.)

24 BOARD MEMBER JELINCIC: The -- but I want to -- I
25 actually had originally raised my hand to reiterate your

1 point, Bill, about it being an annual election, because
2 this Board, year after year, is not necessarily the same,
3 because the Board has elections. I think this next year
4 we do not have any, but normally there's at least the
5 possibility of the Board changing, somebody starting a new
6 term every single year.

7 And so I would be inclined to say, yeah, they
8 really ought to be annual elections, whether we say, you
9 know, the expectation is going to be three or four years.
10 And I'm wide open on that, but I do think it's important
11 that it be an annual election.

12 CHAIRPERSON SLATON: Other comments?

13 Mr. Jones suggested a -- and with my comment
14 about it being annual, and I saw you nodding your head, so
15 it looked like you were not opposed to that, but that --
16 so maybe by the Committee members, could we have a show of
17 hands of those -- and let's deal with both -- you know,
18 the same for both, so Committee Chairs and President of
19 the Board to be a maximum consecutive four-year terms.
20 Who would be comfortable with that, so we start to see
21 some ability to draft some language, if there's consensus?

22 (Hands raised.)

23 CHAIRPERSON SLATON: I have one, two, three,
24 four, and I would be five, if I were voting, but so there
25 does seem to be comfort with that. What about three

1 one-year consecutive terms, who would be comfortable with
2 that?

3 (No hands raised.)

4 CHAIRPERSON SLATON: Okay. I see no showing of
5 hands coming up on that. So it looks like there's some
6 consensus around -- or level of comfort with a four
7 year -- four -- four one-year consecutive terms being the
8 maximum. And then let's have some conversation
9 regarding -- because we obviously have, you know, people
10 who are already in these positions. We have both the
11 President and we have Committee Chairs have been in these
12 positions for a number of years. So let's have some
13 conversation, how would you -- how would you treat that?
14 How would you deal with that, given that we have both
15 Committee Chairs and President who have been in the office
16 for a period of time.

17 What would be our methodology for dealing -- for
18 transitioning, so I can -- I can get some guidance on
19 ability to come up with some actual language. Comments?

20 Yes, Mr. Bilbrey.

21 COMMITTEE MEMBER BILBREY: Well, actually no
22 specific on this, but what does CalSTRS do?

23 ACTING BOARD MEMBER BOYKEN: We kind of --
24 CalSTRS board, committee Chair elections kind of happen on
25 a yearly cycle just like they do here. It's very similar.

1 There's nothing written about how many consecutive terms
2 somebody -- I mean, somebody could theoretically be, you
3 know, serve their whole, you know, 10, however many years,
4 as a committee Chair or in a leadership role. So there's
5 nothing instructive in terms of transitioning to this
6 policy.

7 The one other thing that I thought that we need
8 to think about, but maybe this is for later, is if we do
9 have a cap on consecutive terms, then what's the -- is it
10 a one-year waiting period or a two-year before you can go
11 back and have a similar leadership role?

12 Yeah. Mr. Jelincic.

13 BOARD MEMBER JELINCIC: At STRS, you said there
14 is no limit on how long you can serve as a Chair. Is
15 there a practice? Do they rotate chairs or do they tend
16 to follow our -- you're a Chair as long as you want it?

17 ACTING BOARD MEMBER BOYKEN: It's just a mix of
18 are people comfortable with the person in the leadership
19 role or does somebody else raise their hand and really
20 wants to serve and the Board is willing to allow that. So
21 it's just -- it's case by case. There's really no set,
22 you know --

23 BOARD MEMBER JELINCIC: There's no real practice.

24 ACTING BOARD MEMBER BOYKEN: Right.

25 BOARD MEMBER JELINCIC: Okay. Thank you.

1 CHAIRPERSON SLATON: Yeah. No help there in
2 terms of guidance.

3 BOARD MEMBER JELINCIC: Once again STRS is no
4 help.

5 (Laughter.)

6 CHAIRPERSON SLATON: So other comments
7 regarding -- any other comments regarding how would
8 CalPERS go from where we are today to this in a way
9 that's -- that accomplishes the objective but is also fair
10 to those who are currently in those positions? I guess
11 that's really the issue. You know, how do you strike that
12 balance?

13 Come on, Mr. Jones, you've come up with great
14 ideas.

15 (Laughter.)

16 COMMITTEE MEMBER JONES: I've been talking all
17 day. Well, you know, one suggestion could be the --
18 one -- the four one-year terms could be effective in 2017.
19 And for those chairs and Vice Chairs and President and
20 Vice President, you're turn -- you count the years you've
21 already served. So that means that you will roll off,
22 based on those four years, in 2017. And then to Grant's
23 point, I think it was, that within two years, you could
24 come back and serve again. That's one suggestion --

25 CHAIRPERSON SLATON: Okay. Well, how --

1 COMMITTEE MEMBER JONES: -- to get the discussion
2 going.

3 CHAIRPERSON SLATON: To get the discussion going.
4 Ms. Hollinger.

5 COMMITTEE MEMBER HOLLINGER: I mean, that sounds
6 fair to me. You know, it was -- I've been quiet, because
7 I just -- you know, I was thinking about it myself or what
8 I would suggest to you, but I think what Mr. Jones
9 proposed sounds like a reasonable start. And -- yeah, I
10 mean, that's --

11 CHAIRPERSON SLATON: Okay. Other comments about
12 this concept?

13 Mr. Bilbrey.

14 COMMITTEE MEMBER BILBREY: I mean, I think it's a
15 reasonable, you know, give you a little buffer there. I
16 mean, you don't want to immediately just move -- terminate
17 somebody from -- you know, remove them from what they're
18 doing. It's good for a transition to have that two years
19 till they come off, even though they've had maybe a period
20 of time on.

21 And then the two years, I think, is reasonable
22 also to wait to come back onto -- it does mean that they
23 can't go on to another --

24 COMMITTEE MEMBER JONES: Yes, right.

25 CHAIRPERSON SLATON: Or some other -- right.

1 COMMITTEE MEMBER BILBREY: Another Chair or
2 another position, just the same position.

3 CHAIRPERSON SLATON: The same one, right.

4 So why don't we do this, if the Committee is
5 amenable, why don't we come back with some language that
6 would -- that could do this, and we bring that back in
7 February, because that's the next time we could meet, and
8 this Committee gets a look at it. And if this Committee
9 decides that that's what they want to recommend to the
10 Board, then we would then take it to the Board and the
11 Board would decide whether, in fact, they'd be comfortable
12 with it. Is that -- I don't see any objection, so why
13 don't we do that. And I think that gives us, as a -- Mr.
14 Jacobs and I some marching orders to work on that and come
15 back.

16 Yes.

17 COMMITTEE MEMBER JONES: Bill, as you said, the
18 Committee is comfortable with that. What about the other
19 members of the Board that are here, do they have any
20 feelings on that proposal, one way or another?

21 CHAIRPERSON SLATON: Yeah, exactly. It's been an
22 open forum. So I haven't seen -- I don't see any body
23 language that indicates objection -- serious objection to
24 taking another look with more specificity. Okay. So
25 that's what we'll do.

1 The next item on the agenda is the periodic board
2 self-assessment. And what I want to do is refer you to
3 page 23 of our Board Governance policy, which is Item 11,
4 which is Board self-assessment process. And the last item
5 in there is Item D, which is on page 23. And it says,
6 "The Board has adopted a self-assessment process", And D
7 is, "An independent third party will assess Board
8 performance every two years".

9 And we are scheduled to do that -- to meet that,
10 we would have to do it by when?

11 Mr. Jacobs.

12 GENERAL COUNSEL JACOBS: That would be by July.

13 CHAIRPERSON SLATON: By July of this next year.
14 And I'm suggesting that we've been doing this work, and I
15 think this work has been useful and productive, and that
16 maybe we want to defer this. It's our own policy to do it,
17 but this would require the engagement of a consultant.

18 And so what's the pleasure of the Committee.
19 That's what I'm serving up as a possibility of deferring
20 this particular task of an independent third-party review.
21 What is the pleasure of the Committee?

22 Ms. Hollinger.

23 COMMITTEE MEMBER HOLLINGER: I agree. I'd want
24 to defer it.

25 CHAIRPERSON SLATON: Mr. Jelincic.

1 COMMITTEE MEMBER HOLLINGER: I want to make a
2 motion to defer it. I apologize.

3 COMMITTEE MEMBER FECKNER: Second.

4 CHAIRPERSON SLATON: It's been moved. Is there a
5 second.

6 COMMITTEE MEMBER BILBREY: Second.

7 CHAIRPERSON SLATON: Okay. Moved by Hollinger,
8 second by Bilbrey. We have a motion on the floor.

9 Mr. Jelincic.

10 BOARD MEMBER JELINCIC: This is just a question.
11 Do we can currently have a consultant engaged that would
12 be doing this?

13 GENERAL COUNSEL JACOBS: We have one of those
14 so-called spring-fed pools, a term I'm not all that
15 comfortable with, but --

16 BOARD MEMBER JELINCIC: Welcome to the club.

17 GENERAL COUNSEL JACOBS: But we don't have
18 anybody specifically engaged to do this.

19 BOARD MEMBER JELINCIC: Thank you.

20 CHAIRPERSON SLATON: Ms. Mathur.

21 BOARD MEMBER MATHUR: Yeah, I just -- I think it
22 is good practice to regularly do a self-assessment of the
23 Board, both individually as Boar members and as -- of our
24 operation -- operating -- how we operate as a whole. And
25 I don't think over the past several years we've been very

1 regular about it, so I'm a little bit uncomfortable with
2 deferring for a year just because -- even though you've
3 raised -- articulated a good reason for doing so, I just
4 think it's a good practice and habit for us to be in. And
5 I would hate for us to not establish that practice. And
6 when you look at good boards, they do do a regular
7 self-assessment.

8 CHAIRPERSON SLATON: So from a calendaring
9 standpoint, since we have -- we're trying to move to
10 eliminate October potentially, if the Board agrees, we've
11 got our calendar work between now and the rest of 2016.
12 Can -- I guess the question is can we accomplish this, at
13 least in the calendar year 2016? Right now, you're saying
14 it's on a fiscal year basis. We'd have to do it by --
15 complete it by July -- by June 30.

16 GENERAL COUNSEL JACOBS: Well, no, I'm actually
17 just computing it from the time -- from the last time you
18 did it, which was July of 2014.

19 CHAIRPERSON SLATON: Okay.

20 GENERAL COUNSEL JACOBS: So, you know, one
21 possibility would be to just put it off six months and try
22 to do it in January of 2017 at the off-site. That would
23 only --

24 CHAIRPERSON SLATON: Do we have a full schedule
25 for the July off-site?

1 Ms. Stausboll.

2 CHIEF EXECUTIVE OFFICER STAUSBOLL: Yes, July.

3 CHAIRPERSON SLATON: July of 2016.

4 CHIEF EXECUTIVE OFFICER STAUSBOLL: We have a
5 full schedule, sorry, for January. We don't yet for July.
6 We need about six months notice to get this done, because
7 we need to select who -- the party -- that third party
8 that's going to do the assessment, and then do the prep
9 work, whatever kind of interviews and assessment takes
10 place. So just six months notice.

11 CHAIRPERSON SLATON: So what if we did this in --
12 because it's tight for six months notice like right now.
13 So how would people feel about having a completion date of
14 this to do this by the January 2017 off-site? That's six
15 months beyond the --

16 BOARD MEMBER JELINCIC: October for the
17 interviews.

18 (Laughter.)

19 CHAIRPERSON SLATON: No.

20 (Laughter.)

21 CHAIRPERSON SLATON: Yes, Mr. Feckner.

22 COMMITTEE MEMBER FECKNER: Ask -- when you say we
23 need six months to do this, that's only if we decide we
24 have to have a outside consultant, correct? Because we
25 never used to use one to do our Board self-evaluation. We

1 only started doing that about five, six years ago.

2 CHIEF EXECUTIVE OFFICER STAUSBOLL: Yeah, that's
3 right. I was assuming that that was part of the process.
4 That's right.

5 CHAIRPERSON SLATON: Yeah, that's -- I mean, our
6 current policy says an independent third party.

7 COMMITTEE MEMBER FECKNER: Right.

8 CHAIRPERSON SLATON: So unless we were to change
9 that.

10 COMMITTEE MEMBER FECKNER: That's the question.

11 CHAIRPERSON SLATON: Right.

12 COMMITTEE MEMBER FECKNER: Because we used to do
13 our own every year, which --

14 CHAIRPERSON SLATON: Well, you know, I tend to
15 agree with Ms. Mathur that these are important
16 considerations to do. It's rare that you take the time
17 and the discipline to go look in the mirror of how you're
18 doing as a group. And so I think there's value in doing
19 it, but I am sensitive to the calendar challenges that we
20 have.

21 So I would suggest to the Committee that we
22 calendar this to be done in the January 2017 off-site,
23 which would give us enough time -- plenty of time to do
24 the work to have an independent.

25 Ms. Mathur.

1 BOARD MEMBER MATHUR: If I might, I'm not sure
2 that it has to be done in conjunction with an off-site.
3 So even if we think it's going to take about six months --
4 I don't know. I'm just thinking it through, but, you
5 know, we could have a target of the July off-site, but
6 I'm -- if it goes to -- slips to August, I don't know --
7 see why that's a real problem.

8 CHAIRPERSON SLATON: So you're saying to complete
9 it within the 2016 calendar year maybe would be a better
10 way to look at it from what you're saying.

11 BOARD MEMBER MATHUR: Yeah, I guess I'm not -- I
12 guess I'm not quite appreciating the problem -- the timing
13 problem.

14 CHAIRPERSON SLATON: Well, if you're not going to
15 do it at the July off-site because of the schedule of --
16 did you say it's full or not?

17 BOARD MEMBER MATHUR: No, she said it's not.

18 CHIEF EXECUTIVE OFFICER STAUSBOLL: It's not
19 full, and there's -- I don't believe there's any magic to
20 the off-site concept, other than it's more of an informal
21 setting.

22 CHAIRPERSON SLATON: Informal setting. Okay.
23 All right. What's the pleasure of the Committee?

24 BOARD MEMBER MATHUR: You do have a motion on the
25 table.

1 COMMITTEE MEMBER FECKNER: We have a motion.

2 CHAIRPERSON SLATON: Oh, we have a motion to --
3 oh January. To the January off-site. So there is a
4 motion to 2017.

5 Would the maker of the motion accept a friendly
6 amendment that it's no later than, so that we could do it
7 earlier --

8 COMMITTEE MEMBER HOLLINGER: Yes.

9 CHAIRPERSON SLATON: -- if it calendared out
10 okay. All right.

11 (Laughter.)

12 CHAIRPERSON SLATON: Okay. Ms. Stausboll, would
13 that -- from a staffing standpoint, do you see challenges
14 in no later than the January 2017 off-site?

15 CHAIRPERSON SLATON: No, I just want to clarify,
16 I don't think any of this was a staffing issues, so I hope
17 I didn't represent that.

18 CHAIRPERSON SLATON: Okay. It's just a
19 calendaring issue or --

20 CHIEF EXECUTIVE OFFICER STAUSBOLL: Or
21 calendaring. I was just making the point we need a few
22 months lead time to have some kind of process in order to
23 get the consultant on board.

24 CHAIRPERSON SLATON: Right, and to have the
25 consultant briefed and know -- kind of have a game plan

1 for how we're going to proceed, so that it's productive
2 time. So we have a motion.

3 COMMITTEE MEMBER HOLLINGER: I even said yes to
4 your amendment, but I don't know what else to do.

5 (Laughter.)

6 CHAIRPERSON SLATON: You said yes to the
7 amendment, right?

8 COMMITTEE MEMBER HOLLINGER: Yes.

9 CHAIRPERSON SLATON: Okay. Good.
10 So we have a motion on the floor.
11 All those in favor say aye?

12 (Ayes.)

13 CHAIRPERSON SLATON: Oh, we got a second.

14 COMMITTEE MEMBER BILBREY: Yeah. No, we all
15 say --

16 CHAIRPERSON SLATON: Okay. The motion carries.
17 Mr. Jelincic.

18 BOARD MEMBER JELINCIC: Okay. I just want to
19 point out that it doesn't have to be tied to the off-site.
20 I mean, that's --

21 CHAIRPERSON SLATON: That's why we said no later
22 than.

23 BOARD MEMBER JELINCIC: Yeah, we could do it any
24 month other than October when it gets done.

25 CHAIRPERSON SLATON: That's correct.

1 BOARD MEMBER JELINCIC: So it could be November.

2 CHAIRPERSON SLATON: Okay. So let's talk for a
3 moment about the calendar. And we have a parking lot.
4 You have a copy of it. There's a couple of items that
5 have been added. One was at the direction of the Global
6 Governance Ad Hoc Committee. And we're adding CalPERS
7 representation on third-party organizations. So that is
8 now moved to our parking lot from global governance.

9 Also, someone suggested gift policy. Was that
10 you, Mr. Jelincic?

11 BOARD MEMBER JELINCIC: Yeah.

12 CHAIRPERSON SLATON: Yeah, okay. So I've added
13 that to the parking lot. So -- and then, of course, we
14 have the work product of today to come back. And so that
15 would come back as well.

16 Ms. Mathur.

17 BOARD MEMBER MATHUR: I have one other thing I'd
18 like to add to the parking lot.

19 CHAIRPERSON SLATON: Sure. This is a very large
20 parking lot. There's plenty of room.

21 BOARD MEMBER MATHUR: So we now have an item
22 called summary of committee direction. And that is a
23 summary of direction that happens in the middle of a
24 meeting. I actually think we should be slowing down the
25 direction -- sort of slowing it down a little bit to give

1 the staff and the Chair a little time to assess what
2 implications are of directing additional work that was not
3 recommended by staff or not already anticipated.

4 So I guess I would -- what I would suggest --
5 what I would like us to consider is deferring giving
6 direction in the meeting to the following meeting, to give
7 a little bit of opportunity for staff to consider the
8 implications and to discuss it with the Chair before
9 actually directing additional work.

10 CHAIRPERSON SLATON: So this would be additional
11 work suggested by a Board member, not the --

12 BOARD MEMBER MATHUR: During the meeting.

13 CHAIRPERSON SLATON: -- not the work product that
14 comes out of that action --

15 BOARD MEMBER MATHUR: Correct, not if staff is
16 asking for direction. This is --

17 CHAIRPERSON SLATON: Right, so this is beyond the
18 Chair's direction. This would be coming from a Committee
19 member or another Board member.

20 BOARD MEMBER MATHUR: Correct, that then
21 generally ends up with the Chair giving direction in the
22 middle of a meeting.

23 CHAIRPERSON SLATON: And you'd like to slow down
24 that direction process.

25 BOARD MEMBER MATHUR: I just -- I think it would

1 be advisable to do so. Now, there might be small things
2 like, you know, would you distribute a document to
3 everybody. Okay. That's not such a big deal, but if it's
4 significant additional work product.

5 CHAIRPERSON SLATON: Okay. So I'll add that to
6 the item. It's really that item 2 under resolved issues
7 we're going to pull it back off and do a little more
8 resolution work on it.

9 Okay. Other items on this --

10 COMMITTEE MEMBER JONES: On that issue?

11 CHAIRPERSON SLATON: Well, let's not -- well, on
12 the parking lot.

13 COMMITTEE MEMBER JONES: Oh, okay.

14 CHAIRPERSON SLATON: You have a comment about
15 that?

16 COMMITTEE MEMBER JONES: Yes. No, that's okay.

17 CHAIRPERSON SLATON: Okay. Other parking lot --

18 COMMITTEE MEMBER JONES: It's getting late.

19 CHAIRPERSON SLATON: Other parking lot items that
20 people -- that Committee members or other Board members
21 have to add to the list?

22 So I'm going to suggest, given the workload that
23 we have, that at least we calendar a February and March
24 for Governance Committee meetings. If that's okay with
25 the rest of the Committee, that we'll come back with --

1 and again, I think probably just a couple of items a
2 meeting is good, so we have time to talk about it, and not
3 try to fill the agenda too much, so we really can have a
4 robust conversation.

5 Mr. Jones.

6 COMMITTEE MEMBER JONES: Mr. President -- Mr.
7 Chair, we need to cut down on those meetings.

8 (Laughter.)

9 CHAIRPERSON SLATON: Okay. Well, I'm not
10 suggesting October, so -- okay. So the summary of
11 committee direction, we have some language to work on to
12 come back to the Committee. So, Mr. Jacobs, what did
13 you -- what did you see?

14 GENERAL COUNSEL JACOBS: Well, I saw that you and
15 I are going to spend some time trying to hammer out
16 exactly what the direction is. But I've got essentially
17 looking at the policy with respect to the rotation or the
18 terms of office for the President and Committee Chairs
19 We're looking at a policy involving four -- up to four
20 one-year terms.

21 CHAIRPERSON SLATON: Consecutive.

22 GENERAL COUNSEL JACOBS: Consecutive. Two years
23 off before returning to one of those positions. We've got
24 the desire, whether it's a hard rule or a soft rule, about
25 the Vice Chair presumed to be -- to become the Chair the

1 following, upon the Chair's departure from that position.
2 That's what I've got.

3 CHAIRPERSON SLATON: And an effective date of
4 2017 for existing leaders.

5 Okay. I think that completes that.

6 So we'll move to Item number 9, Public Comment.
7 Neal Johnson.

8 Do we have a microphone.

9 Oh, it's right there. Good. We're just about
10 ready for you. There you go.

11 MR. JOHNSON: Thank you. Neal Johnson, SEIU
12 1000.

13 The -- I spent some time thinking about the
14 Committee meetings and our Committee Board meetings and
15 how often that happened. And I had come to the conclusion
16 that when I started looking at the schedule, probably the
17 fall -- you know, I was thinking of September taking off,
18 not thinking about some of the other things that -- but I
19 think October does work.

20 I'm particularly really concerned though about
21 dropping the number of off-sites, because I personally
22 have found them very informative for sort of future work
23 or future direction of the -- where the Board goes. I
24 think -- I don't think you really want to eliminate those.
25 You may want to restructure somewhat how those work,

1 because clearly I think we all see some of them more
2 productive than others. There's undoubtedly a lot of
3 staff work necessary to schedule -- make the -- or
4 establish the program. But I think those are very
5 valuable.

6 And then, you know, the other is you may want to
7 really think about some of the Committees of how often
8 some of those need to meet. But I think overall, you need
9 to meet at least 10 times a year, if not 11, that includes
10 the off-sites. So I think the decision to drop the
11 October 2016 was probably a good decision, but retain the
12 off-sites.

13 Thank you.

14 CHAIRPERSON SLATON: Okay. Thank you. I think
15 it was a good conversation. Thank you all for
16 participating in it. And this Committee -- this Committee
17 will meet again in February.

18 And with that, we are adjourned.

19 (Thereupon California Public Employees'
20 Retirement System, Board Governance Committee
21 meeting adjourned at 3:41 PM)

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C E R T I F I C A T E O F R E P O R T E R

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 20th day of December, 2015.

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