

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

ROBERT F. CARLSON AUDITORIUM  
LINCOLN PLAZA NORTH  
400 P STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 18, 2019  
9:55 A.M.

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

A P P E A R A N C E S

BOARD MEMBERS:

Mr. Henry Jones, President

Ms. Theresa Taylor, Vice President

Ms. Margaret Brown

Mr. Rob Feckner

Ms. Fiona Ma, represented by Mr. Frank Ruffino

Ms. Lisa Middleton

Mr. David Miller

Ms. Stacie Olivares

Ms. Eraina Ortega

Ms. Mona Pasquil Rogers

Mr. Jason Perez

Mr. Ramon Rubalcava

Ms. Betty Yee, represented by Ms. Lynn Paquin

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Michael Cohen, Chief Financial Officer

Mr. Christian Farland, Chief Information Officer

Mr. Douglas Hoffner, Deputy Executive Officer

Mr. Matthew Jacobs, General Counsel

Ms. Donna Lum, Deputy Executive Officer

Dr. Yu (Ben) Meng, Chief Investment Officer

A P P E A R A N C E S   C O N T I N U E D

STAFF:

Dr. Donald Moulds, Chief Health Director

Mr. Brad Pacheco, Deputy Executive Officer

Mr. Scott Terando, Chief Actuary

Ms. Marlene Timberlake D'Adamo, Chief Compliance Officer

Mr. Danny Brown, Chief, Legislative Affairs Division

Ms. Cara Buchanan, Board Secretary

Mr. Rob Jarzombek, Chief, Health Account Management  
Division

ALSO PRESENT:

Mr. Samantha Corbin, We Said Enough

Mr. Dan Crowley, K&L Gates

Mr. Al Darby, Retired Public Employees Association

Ms. Dianne Sandoval

Mr. Chirag Shah, Chirag Shah & Associates  
(via teleconference)

Ms. Gabriel Urdaneta

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## P R O C E E D I N G S

PRESIDENT JONES: I'd like to call the Board of Administration meeting to order. And the first order of business is roll call, please.

BOARD SECRETARY BUCHANAN: Good morning.

Henry Jones?

PRESIDENT JONES: Here.

BOARD SECRETARY BUCHANAN: Theresa Taylor?

VICE PRESIDENT TAYLOR: Here.

BOARD SECRETARY BUCHANAN: Margaret Brown?

BOARD MEMBER BROWN: Good morning.

BOARD SECRETARY BUCHANAN: Rob Feckner?

BOARD MEMBER FECKNER: Good morning.

BOARD SECRETARY BUCHANAN: Frank Ruffino for Treasurer Ma?

ACTING BOARD MEMBER RUFFINO: Present.

BOARD SECRETARY BUCHANAN: Lisa Middleton?

BOARD MEMBER MIDDLETON: Present.

BOARD SECRETARY BUCHANAN: David Miller?

BOARD MEMBER MILLER: Here.

BOARD SECRETARY BUCHANAN: Stacie Olivares?

BOARD MEMBER OLIVARES: Here.

BOARD SECRETARY BUCHANAN: Eraina Ortega?

BOARD MEMBER ORTEGA: Here.

BOARD SECRETARY BUCHANAN: Jason Perez?

1 BOARD MEMBER PEREZ: Here.

2 BOARD SECRETARY BUCHANAN: Mona Pasquil Rogers?

3 BOARD MEMBER PASQUIL ROGERS: Here.

4 BOARD SECRETARY BUCHANAN: Ramon Rubalcava?

5 BOARD MEMBER RUBALCAVA: Here.

6 BOARD SECRETARY BUCHANAN: And Lynn Paquin for  
7 Betty Yee?

8 ACTING BOARD MEMBER PAQUIN: Here.

9 PRESIDENT JONES: Okay. Thank you.

10 The next item is the timed agenda approval for  
11 the September 18 meeting. So do I have a motion?

12 BOARD MEMBER BROWN: Move.

13 PRESIDENT JONES: Moved by Ms. Brown.

14 VICE PRESIDENT TAYLOR: Second.

15 PRESIDENT JONES: Second by Mrs. Taylor.

16 All those in favor say aye?

17 (Ayes.)

18 PRESIDENT JONES: Opposed?

19 Hearing none. The item passes.

20 The next item is Pledge of Allegiance. And I've  
21 asked Ms. Pasquil Rogers to lead us in the Pledge.

22 (Thereupon the Pledge of Allegiance was  
23 recited in unison.)

24 PRESIDENT JONES: Next item is the President's  
25 report. So good morning again.

1           And I'd like to take this opportunity to update  
2 the Board and our stakeholders on the workstreams we have  
3 undertaken to improve the governance of the Board.  
4 Yesterday, we memorialized some of the decisions we made  
5 last month in our policies. This includes replacing  
6 Robert Rules of Order with the Rosenberg Rule of Order,  
7 and also making our Investment Committee a true working  
8 committee instead of a committee of the whole.

9           It's important to remember that any Board member  
10 not on the new Investment Committee will be able to  
11 participate in the discussions and ask questions as we do  
12 today with any other committee.

13           We also continue to build our Insight Tool that  
14 will enable the Board and eventually stakeholders to keep  
15 abreast of the fund's health and regular reports during  
16 those months that we don't meet.

17           In November, we will be bringing back a calendar  
18 of our meetings for 2020. This will include our regular  
19 Board meeting -- excuse me -- and the Committee meetings  
20 that will meet a minimum of four times a year. I know  
21 there have been concerns from our stakeholders about  
22 receiving sufficient notification if the Chair of a  
23 Committee calls and ad hoc meeting. Please be assured  
24 that we will take every step possible to make sure our  
25 stakeholders receive notice of meetings well in advance,



1 so you can prepare to travel to Sacramento as needed.

2 As a reminder, we will not meet in October to  
3 give our management team the time needed to plan and  
4 execute our Educational Forum and take -- that take  
5 place -- takes place this year October 28 through the 30th  
6 in Oakland, California.

7 With that, I'll turn it over to our CEO, Marcie  
8 Frost.

9 CHIEF EXECUTIVE OFFICER FROST: Good morning,  
10 President Jones and members of the Board.

11 I'd like to start this morning's report by  
12 sharing some good news. We've signed our first contract  
13 in our new California Employers' Pension Prefunding Trust  
14 Fund. So a congratulations to Dillon Gibbons as it was a  
15 special district as the first employer to sign up.

16 That also leads me to talk a little bit about the  
17 pension navigator tool that you all had a chance to see  
18 yesterday. That was an effort that was done in-house  
19 between the Actuarial team and our Information Technology  
20 teams. And it was piloted with a small group of employers  
21 we organized through the League of Cities. And through  
22 their feedback and working directly with the team was able  
23 to get a product that we'll have ready for release at the  
24 Education Forum.

25 So that is the plan that we would share it with

1 the employers during that venue and we would also have  
2 your Actuarial team on hand to give any hands-on training  
3 that might be necessary or any guidance for the employers  
4 as they're looking through their own data.

5 And then based on the feedback from that event,  
6 we would continue to refine the tool. And we meet  
7 quarterly with our employer association leaders and would  
8 take time on those agendas to get continuing feedback on  
9 how that tool can be improved.

10 Switching gears to health, we are in the midst of  
11 open enrollment, which runs until October 4th. And  
12 members have an opportunity to change their health plan  
13 coverage for 2020 and select the best options for their  
14 families. Health plan statements and open enrollment  
15 information are available in the members' my|CalPERS  
16 accounts, which can be accessed via the new open  
17 enrollment app that was launched last year.

18 And just as a reminder, there are seven HMO  
19 options to choose from as well as the three PPO plans.  
20 And three additional association plans for police and fire  
21 professionals.

22 And then also for this year, we expanded on the  
23 online app. And to enhance the open enrollment  
24 experience, we did add a new search function. We did  
25 receive quite a bit of member feedback about being able to

1 search through the number of options. And this would  
2 allow members to determine which plans offer their current  
3 doctors, which seems to be the highest priority for  
4 members. And then also to search for plans in their own  
5 areas and via the zip code.

6 Looking ahead to the rest of 2019. Following  
7 open enrollment, our focus will shift to other key  
8 priorities, leading us through the end of the calendar  
9 year.

10 Next month, we will not be holding a Board  
11 meeting, as President Jones indicated. Instead, we'll be  
12 hosting the 20th Annual Employer Education Forum. And that  
13 again is in Oakland. We have over 800 participants  
14 already scheduled for that event. And it will be held at  
15 the Oakland Marriott City Center again October 28th  
16 through the 30th.

17 And in addition, to the educational sessions, we  
18 do have exhibits, we have the consultations. And  
19 attendees will be able to hear from our guest speaker.  
20 And this year, the guest speaker is Jon Gordon. He's a  
21 well-known leadership expert who is passionate about  
22 helping, not just private sector employers, but really  
23 California's government sector to build high-performing  
24 teams. I've had the pleasure of working with Jon a few  
25 times now, and most recently through his podcast offered

1 through Positive U. If you haven't had an opportunity to  
2 go out and listen to Jon, you could do that in advance of  
3 the October forum.

4 We'll also hold the Spotlight on Excellence award  
5 ceremony. And that is a big favorite for people. This is  
6 an individual that is chosen from their peers. And we  
7 talk a little bit about their job, their work, their  
8 contributions, and why they engage in public service. So  
9 looking forward to that event.

10 And then in November, we will convene back  
11 here -- convene back here in Sacramento. The Investment  
12 Committee has planned to have another workshop and this  
13 time it will on the private asset classes. And then  
14 Finance and Audit Committee will go through the annual  
15 financial reports.

16 And then we'll also follow up in Pension and  
17 Health Benefits Committee the health discussions and hear  
18 both from Kaiser, as well as Department of Managed Health  
19 Care. And I know that was Committee direction from last  
20 month. And I believe both of those organizations have  
21 already committed to being here.

22 Then in December, we'll actually release the  
23 CalPERS Annual Financial Report, and then we'll also  
24 continue working on the Board Governance actions, again  
25 that President Jones mentioned in his report.

1           As for my outreach activities, that's something I  
2 try to keep you fully aware of. There are several  
3 upcoming engagements that I can tell you about. I am  
4 leaving today to travel to Orange County. The Association  
5 of California Cities, the Orange County side has invited  
6 me to come in and talk about CalPERS and the work that  
7 we're doing.

8           I was also invited to attend the strategic  
9 planning session for the Orange County Employees'  
10 Retirement System. And so Steve Delaney, who's the CEO  
11 there is someone I've known for quite some time. He used  
12 to work out of the Oregon system. But they've asked me to  
13 come in and talk about my views and share the work that  
14 we've been doing together over the last three years. So I  
15 will be doing that tomorrow morning.

16           And then a couple of weeks later, I will be  
17 participating on a panel discussion at the Top 1000  
18 Fiduciary Investors Symposium to discuss our perspective  
19 as an investor in health care technology. And so that one  
20 would be interesting. Amanda White is organizing that  
21 panel.

22           And then that will be followed by my  
23 participation in the United Nations Global Investors for  
24 Sustainable Development Alliance. And that will be in  
25 mid-October. And currently, we are the only U.S. asset

1 owner on that group.

2 And then in November, I will serve on the Council  
3 for Inclusive Capitalism at the Vatican. This group is  
4 charged with helping businesses create inclusive and  
5 sustainable capital over the long run. And I think you  
6 heard directly from Hiro Mizuno when he was here, the CIO  
7 of GPIF out of Japan. He happens to be another member on  
8 that group as well.

9 And then Our Promise campaign. So back home in  
10 Sacramento a little about the work that we're doing  
11 internally. The fall is really the time of year in which  
12 we start more charitable giving.

13 And the Our Promise, California State Employees  
14 Giving at Work campaign is underway. And we have two  
15 events already scheduled. The first one is on October  
16 10th. And that's really the kick-off fundraising event.  
17 And that's where we bring in some of the charitable -- or  
18 the nonprofit groups who come in and talk about their  
19 mission, their purpose, and really talk to our employees  
20 about why they should be giving to that particular  
21 nonprofit.

22 And then October 31st is another fundraising  
23 event. And that one is quite fun. That's on Halloween.  
24 And we do our very popular chili cook-off and Halloween  
25 costume contest. And then last year, our fundraising

1 efforts did include a number of employee pledge forms that  
2 equaled over 118,000 in donations.

3 And then in closing, the performance year-to-date  
4 is as of July 31st of 2019, the rolling 1-year return of  
5 the fund is 5.5, the 3-year return is 8.0, the 5-year  
6 return is 6.1, and the 10-year return is 8.6.

7 And that does conclude my remarks, President  
8 Jones. And I'm happy to take questions or comments.

9 PRESIDENT JONES: Okay. We do have a question.

10 Mrs. Brown.

11 BOARD MEMBER BROWN: Thank you, Mr. President.

12 My first question was though for you, Mr. Jones,  
13 on your opening remarks. You had talked about that we  
14 were going to start using the Insight Tool in order to  
15 keep the Board informed during the months we don't meet as  
16 we move forward. And I want to make sure that we're also  
17 keeping stakeholders and the public informed on the  
18 Insight Tool, so we don't end up having Bagley-Keene  
19 violations, like serial meetings and things like that. I  
20 just want to be very clear to the public that transparency  
21 is one of my primary concerns, and that we don't end up  
22 having, even on accident, serial meetings through the use  
23 of the Insight Tool. So hopefully, our stakeholders and  
24 public will have access to that.

25 I have other comments for our CEO, Ms. Frost.

1 You talked about open enrollment.

2 CHIEF EXECUTIVE OFFICER FROST: Yeah.

3 BOARD MEMBER BROWN: Can you tell me how the  
4 mobile app is working?

5 CHIEF EXECUTIVE OFFICER FROST: I haven't  
6 actually personally used the open enrollment app. I know  
7 we have people in the audience who have. It seems to be  
8 very popular. Last year, when we launched it, we had a  
9 number of our retiree groups who were quite interested in  
10 using it and maybe we could have Rob give you a little  
11 more detail on the actual experience with the membership.

12 BOARD MEMBER BROWN: Show of hands, anybody use  
13 it?

14 (Hands raised.)

15 BOARD MEMBER BROWN: Excellent. Okay. I got a  
16 couple. There you go.

17 (Laughter.)

18 HEALTH ACCOUNT MANAGEMENT DIVISION CHIEF  
19 JARZOMBK: Good morning. I'm Rob Jarzombek, CalPERS team  
20 member. So far, the information that we have is that  
21 we've had about 171 percent increase of the people who  
22 used the app compared to last year at this same time. So  
23 we are definitely seeing that the people are using it and  
24 they really are enjoying their experience so far.

25 We've also added the search for your doctor



1 feature that Marcie mentioned. And members are giving it  
2 about an 83 percent satisfaction rating based on the  
3 surveys that we've conducted so far.

4 BOARD MEMBER BROWN: About 83 percent, so like  
5 83.2, or --

6 HEALTH ACCOUNT MANAGEMENT DIVISION CHIEF  
7 JARZOMBK: It's about 83.

8 (Laughter.)

9 BOARD MEMBER BROWN: I love statistics. Thank  
10 you.

11 And then, Ms. Frost, you used to tell us every  
12 month when you gave your CEO report our funded status.  
13 And so I haven't heard that from you for awhile. I sent  
14 you an email about that.

15 And then the other one was I know that for fiscal  
16 year 18-19 we issued a preliminary earnings of 6.7. Do  
17 you have the final earnings for as of June 30th, 2019?

18 CHIEF EXECUTIVE OFFICER FROST: So as you know,  
19 the funded status is reported through the CAFR. And so I  
20 report that out on an annual basis. And it's also in our  
21 Enterprise Performance Management Dashboard. And so I  
22 don't really report it out monthly, because it's only  
23 updated annually. But I could certainly do that, if the  
24 Board desires me to do so.

25 18-19 earnings, those are, I believe, fully

1 audited. I'm looking for Ben or Dan Bienvenue. But the  
2 6.7 preliminary number has not changed, is that correct?

3 CHIEF INVESTMENT OFFICER MENG: That's correct.

4 BOARD MEMBER BROWN: Thank you.

5 CHIEF EXECUTIVE OFFICER FROST: You're welcome.

6 PRESIDENT JONES: Okay. Thank you.

7 Thank you, Ms. Frost.

8 The next item action consent items.

9 VICE PRESIDENT TAYLOR: Move approval.

10 PRESIDENT JONES: It's been moved by Ms. Taylor.

11 BOARD MEMBER MILLER: Second.

12 PRESIDENT JONES: Second by Mr. Miller.

13 All in favor say aye?

14 (Ayes.)

15 PRESIDENT JONES: Opposed?

16 Hearing none. The item passes.

17 The next item is information consent items. I  
18 have received no requests to remove anything from the  
19 consent items. So we now will go to committee reports.  
20 For the Investment Committee, I call on the Chair, Mr.  
21 Feckner.

22 BOARD MEMBER FECKNER: Thank you, Mr. President.

23 THE COURT REPORTER: Microphone.

24 PRESIDENT JONES: Just a minute, Rob.

25 BOARD MEMBER FECKNER: Thank you, Mr. President.

1           The Investment Committee met on September 16th,  
2 2019. The committee approved the following:

3           Agenda Item 7a, Revisions to the Total Fund  
4 Investment Policy.

5           The Committee received reports on the following  
6 topics:

7           The annual program reviews and proposed policy  
8 changes for Global Equity and Global Fixed Income, the  
9 annual Wilshire Public Fund Universe Comparison Report,  
10 and the role of information as an asset in the investment  
11 industry.

12           The Committee heard public comment on the  
13 following topics: Information as an asset, and the risk  
14 of private detention centers.

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

18           The annual reviews and first policy readings for  
19 the Real Assets and Private Equity Programs, and the  
20 second reading of the Public Asset Class Program Policies.

21           The next meeting of the Investment Committee is  
22 scheduled for November 18th, 2019 in Sacramento,  
23 California. That ends my report, Mr. President.

24           PRESIDENT JONES: Thank you, Mr. Feckner.

25           There was no Pension and Health Benefits

1 Committee meeting, so we will move to Finance and  
2 Administration. I call on the Chair, Ms. Taylor.

3 VICE PRESIDENT TAYLOR: Hold on. Thank you.

4 Thank you, Mr. President.

5 The Finance and Administration Committee met on  
6 September 17th, 2019.

7 The Committee recommends and I move the Board  
8 approve the following:

9 Agenda Item 6a, approve the proposed regulations  
10 for Social Security Administration fees.

11 PRESIDENT JONES: On the motion of the Committee.

12 All those in favor say aye?

13 (Ayes.)

14 PRESIDENT JONES: Opposed?

15 BOARD MEMBER FECKNER: Comment.

16 PRESIDENT JONES: Okay. Ms. Brown.

17 BOARD MEMBER BROWN: Thank you.

18 For those of you who didn't pay -- didn't attend  
19 or watch the Committee meeting, the Social Security  
20 Administration fee is required to keep our process  
21 opening -- going. It's for employers and it's fairly  
22 small. It ranges from a low amount of 200 to I think caps  
23 out at 2,500. So I'm really opposed to raising fees, but  
24 I want you to know that it's required and it's a small  
25 amount.

1 Thank you.

2 PRESIDENT JONES: Okay. Thank you.

3 So all these in favor of the motion by the  
4 Committee say aye?

5 (Ayes.)

6 PRESIDENT JONES: Opposed?

7 Hearing none. The item passes.

8 VICE PRESIDENT TAYLOR: Thank you. The Chair  
9 directed staff to provide fee structure analysis for the  
10 proposed regulations for Social Security Administration  
11 fees and improve the disclaimer to the pension modeling  
12 tool Pension Navigator.

13 At this time, I'd like to share some highlights  
14 of what to expect at the November Finance and  
15 Administration Committee meeting:

16 The 2018-19 basic financial statements, the  
17 2019-20 mid-year budget revisions, first reading; the  
18 annual review of funding levels and the risk report; and  
19 semiannual health plan reports, and the 2019 CalPERS Board  
20 of Administration retired member election results.

21 The next member -- member. The next meeting of  
22 the Finance and Administration Committee is scheduled for  
23 November 19th, 2019 in Sacramento.

24 Thank you.

25 PRESIDENT JONES: Thank you, Ms. Taylor.

1           The next report is the Performance, Compensation  
2 and Talent Management Committee. For that, I call on the  
3 Chair, Ms. Taylor.

4           VICE PRESIDENT TAYLOR: Thank you. Okay

5           THE COURT REPORTER: Microphone.

6           VICE PRESIDENT TAYLOR: I thought it -- it's on.

7           Okay. The Performance, Compensation and Talent  
8 Management Committee met on September 17th, 2019. It's  
9 the Board's responsibility to evaluate the CEO's  
10 performance and take the appropriate action relative to  
11 her compensation. This process provides the Board with  
12 the discretion to make adjustments to provide compensation  
13 that is consistent with extraordinary performance that our  
14 CEO, Marcie Frost, has delivered over the past fiscal  
15 year.

16           The Board met this morning to receive the  
17 Committee recommendation on the evaluation of CEO's  
18 performance. So Agenda Item 6a, review the 2018-19  
19 performance of the Chief Executive Officer.

20           Based on further discussion, I move that we  
21 approve the fiscal year 18-19 performance award of \$99,920  
22 and the fiscal year 2019-20 base salary of \$343,949.

23           PRESIDENT JONES: On motion of the Committee.

24           All those in favor say aye?

25           (Ayes.)

1 PRESIDENT JONES: Opposed?

2 (No.)

3 PRESIDENT JONES: Please note Ms. Brown as a no.  
4 The item passes.

5 Before you move on, Ms. Taylor, I just also want  
6 to thank and acknowledge Ms. Frost's extraordinary  
7 performance. When we interviewed you, we knew right then  
8 that you were the perfect leader for CalPERS. And you  
9 haven't told us what we wanted to hear many times, but you  
10 told us what we need to hear. And we appreciate your  
11 candor and straightforwardness in providing that kind of  
12 leadership.

13 You've also earned the confidence of the Governor  
14 and the Legislature by Governor Brown providing \$6 billion  
15 to pay down their liabilities. And then Governor Newsom  
16 providing an additional \$3 billion to pay down their  
17 liabilities. So that is certainly a recognition of your  
18 leadership and confidence in this institution.

19 So you've done everything that we have asked and  
20 expect of you and we really appreciate you for doing the  
21 right thing going forward.

22 So thank you again for your service.

23 Mr. Feckner.

24 BOARD MEMBER FECKNER: Thank you, Mr. Chair.

25 Having been the longest serving Board member -- I

1 think Mr. Carlson used to say that -- after being here 21  
2 years, I can unequivocally say that Ms. Frost is the best  
3 hire that we have ever made in those 21 years. And I just  
4 want to put that on the record.

5 PRESIDENT JONES: Okay. Thank you.

6 Mr. Miller.

7 BOARD MEMBER MILLER: Yeah. I would echo  
8 Rob's -- I've been following CalPERS and now have had the  
9 pleasure and privilege of serving on the CalPERS Board for  
10 many years. And Marcie is extraordinary. And frankly, if  
11 it were up to me, I would, you know, do everything we  
12 could possibly do to provide her the maximum compensation  
13 possible, and hope that we will continue to move toward  
14 that.

15 PRESIDENT JONES: Ms. Pasquil Rogers.

16 BOARD MEMBER PASQUIL ROGERS: Marcie, I also just  
17 want to thank you. I'm a newbie, not as new as some, but  
18 I still feel pretty new.

19 In the short time, I've watched you handle a lot  
20 of controversy. I've watched you build a team and allow  
21 your team to grow. And it's extraordinary. It's not --  
22 doesn't happen all the time. So I hope you know how --  
23 the confidence that we have in you and the stakeholder  
24 confidence, because not everyone is brave enough to walk  
25 into a room of people who are not going to like what you



1 have to say, but you, my friend, do it with class, and I  
2 appreciate it.

3 Thank you.

4 PRESIDENT JONES: Mrs. Middleton.

5 BOARD MEMBER MIDDLETON: I want to second all of  
6 the comments that have been made by my colleagues. In the  
7 short time that I've been here, I've become convinced that  
8 being the CEO of CalPERS is one of the toughest jobs in  
9 the State of California. And I think we have one of the  
10 toughest women that we could find to handle that job.

11 PRESIDENT JONES: Okay. Thank you very much,  
12 colleagues, for those comments.

13 VICE PRESIDENT TAYLOR: May I finish my report?

14 PRESIDENT JONES: Yeah. Now, we move to -- back  
15 to Ms. Taylor.

16 VICE PRESIDENT TAYLOR: So thank you very much.  
17 And, Ms. Frost, I also want to echo everybody's comments.  
18 You know how I feel. I think you were the smartest hire  
19 CalPERS has ever made, one of the smartest women I know.  
20 I don't think anybody could have handled what we've been  
21 going through except you. And I thank you for what you've  
22 done for us.

23 So the Committee recommends and I move the Board  
24 approve the following:

25 Agenda Item 6b, request for proposal for the

1 Board's primary compensation consultant.

2 PRESIDENT JONES: On the motion of the Committee.

3 All those in favor say aye?

4 (Ayes.)

5 PRESIDENT JONES: Opposed?

6 The item passes.

7 VICE PRESIDENT TAYLOR: Agenda Item 6c, salary  
8 and incentive ranges for Deputy Chief Investment Officer  
9 and General Counsel, which is to approve the base salary  
10 range for the Deputy Chief Investment Officer position of  
11 \$339,900 up to \$566,500, and an incentive award range of  
12 between 0 and 120 percent; and, approve a revised base  
13 salary range for the General Counsel position of \$225,000  
14 to \$375,000.

15 PRESIDENT JONES: On motion of the Committee.

16 BOARD MEMBER BROWN: Can I make a comment?

17 PRESIDENT JONES: Okay. Ms. Brown.

18 BOARD MEMBER BROWN: I have a request that you  
19 divide the item.

20 PRESIDENT JONES: Okay. The -- which --

21 VICE PRESIDENT TAYLOR: Which one?

22 BOARD MEMBER BROWN: Do them separate, both  
23 separate, please.

24 VICE PRESIDENT TAYLOR: Oh, I get it. Okay. So  
25 let's --

1           PRESIDENT JONES: Take the first one.

2           VICE PRESIDENT TAYLOR: Let's take the first one,  
3 approve base salary range for Deputy Chief Investment  
4 Officer position of \$339,900 up to \$566,500 and an  
5 incentive award range of 0 to 120 percent.

6           PRESIDENT JONES: So on the motion of the  
7 Committee.

8           All those in favor?

9           (Ayes.)

10          PRESIDENT JONES: Opposed?

11          Hearing none. The item passes.

12          The second part, Ms. Taylor.

13          VICE PRESIDENT TAYLOR: Approve a revised  
14 salary -- base salary range for the General Counsel  
15 position of \$225,000 to \$375,000.

16          PRESIDENT JONES: On the motion of the Committee.

17          All those in favor say aye?

18          (Ayes.)

19          PRESIDENT JONES: Opposed?

20          (No.)

21          PRESIDENT JONES: Note Mrs. Brown as a no.

22          The item passes.

23          VICE PRESIDENT TAYLOR: Agenda Item 6d, Long-Term  
24 Incentive Program design and implementation of revised  
25 salary incentive ranges for investment management

1 positions, second reading, which is to approve, A, the --  
2 option A, the Long-Term Incentive Program design for  
3 covered investment management positions in the Investment  
4 Office.

5 PRESIDENT JONES: On the motion of the Committee.

6 All those in favor say aye?

7 (Ayes.)

8 PRESIDENT JONES: Opposed?

9 (Noes.)

10 PRESIDENT JONES: Note Ms. Brown and Ms. Ortega  
11 as a no.

12 The item passes.

13 VICE PRESIDENT TAYLOR: Finally, the Committee  
14 heard public comment on the following topic: Collective  
15 bargaining process and impacts to Investment Officer  
16 classifications, Neal Johnson, SEIU Local 1000.

17 The Chair directed staff to:

18 Provide a proposed organizational chart, funding  
19 plan, and roles and responsibilities for the addition of  
20 the Deputy Chief Investment Officer position; and, provide  
21 compensation data for the Chief Executive Officer  
22 position, to which I want to add gender equality, if we  
23 can.

24 Okay. And at this time, I would like to share  
25 some highlights of what to expect as the next Performance,

1 Compensation and Talent Management Committee meeting. The  
2 Committee will receive semiannual status report on the  
3 Chief Executive Officer's incentive plan, and review the  
4 Committee delegation.

5 The next meeting of the Performance, Compensation  
6 and Talent Management Committee will be scheduled for a  
7 date to be determined in 2020 in Sacramento, California.

8 PRESIDENT JONES: Thank you, Ms. Taylor.

9 The next report is Risk and Audit. I call on the  
10 Chair, Mr. Miller.

11 BOARD MEMBER MILLER: The Risk and Audit  
12 Committee --

13 PRESIDENT JONES: Just a minute. Just a minute.  
14 Push your button.

15 VICE PRESIDENT TAYLOR: Push your button. There  
16 it's on.

17 BOARD MEMBER MILLER: There it is. Okay. Hello.  
18 The Risk and Audit Committee met on September  
19 17th, 2019.

20 The Committee received reports on the following  
21 topics:

22 The 2018-2019 Annual Compliance Report and  
23 Strategic Risk Measures. The Chair directed staff to  
24 bring to the November meeting an overview of policies  
25 around the confidentiality of audit reports, including

1 best practices, current law, proposed changes, and  
2 policies and procedures.

3 At this time, I would like to share some  
4 highlights of what to expect at the November Risk and  
5 Audit Committee meeting:

6 The independent auditor's report for fiscal years  
7 2018 through 2019; the review of the independent auditor's  
8 management letter; and the enterprise risk management  
9 framework review.

10 The next meeting of the Risk and Audit Committee  
11 is scheduled for November 19th, 2019 in Sacramento,  
12 California.

13 That's the end of my report.

14 PRESIDENT JONES: Okay. Thank you, Mr. Miller.  
15 Ms. Brown.

16 BOARD MEMBER BROWN: Yes. Thank you.

17 With respect to the Risk and Audit Committee that  
18 I sit on, I really wanted to take this opportunity to  
19 thank both the Chair and Vice Chair for putting on the  
20 agenda for November a review of our transparency policies.  
21 I really appreciate it and am -- thank you for that.

22 PRESIDENT JONES: Okay. Thank you.

23 The next report is Board Governance Committee.  
24 For that, I call on the Vice Chair, Ms. Pasquil Rogers.

25 It's in the folder

1 VICE PRESIDENT TAYLOR: You're not on.

2 PRESIDENT JONES: Okay. Now, you are.

3 BOARD MEMBER PASQUIL ROGERS: Sorry, Mr.  
4 President.

5 PRESIDENT JONES: That's okay.

6 BOARD MEMBER PASQUIL ROGERS: The -- let's see,  
7 the Board Governance Committee met on September 17th. And  
8 the Committee recommends and I move that the Board approve  
9 the following:

10 Agenda Item 5a, approve the proposed changes to  
11 replace Robert Rules of Order with Rosenberg's Rules of  
12 Order in the rules and guidelines for the conduct of  
13 meetings and the governance policy.

14 PRESIDENT JONES: On motion of the Committee.

15 All those in favor say aye?

16 (Ayes.)

17 PRESIDENT JONES: Opposed?

18 The item passes.

19 BOARD MEMBER PASQUIL ROGERS: Agenda Item 5b,  
20 approve the proposed changes to the Board's delegation to  
21 the Investment Committee, so that the Committee is  
22 comprised the same way as the Board's other committees.

23 PRESIDENT JONES: On motion of the Committee.

24 All those in favor say aye?

25 (Ayes.)

1           PRESIDENT JONES: Opposed?

2           (Noes.)

3           PRESIDENT JONES: Note Ms. Brown, Ms. Paquin, and  
4 Mr. Perez a no.

5           The item passes.

6           BOARD MEMBER PASQUIL ROGERS: The Committee also  
7 discussed Agenda Item 6a whether to modify the Board's  
8 current policy on Board education reporting and ask the  
9 team to review comments and suggestions made by the Board  
10 members and bring back a process for reporting out Board  
11 travel.

12           The next meeting of the Board Governance  
13 Committee is tentatively scheduled for November 19th, 2019  
14 in Sacramento.

15           PRESIDENT JONES: Okay. Thank you.

16           The next item -- before we get to call on Ms.  
17 Taylor, the Board's independent counsel Chirag Shah is on  
18 the line and would like to make a couple of opening  
19 remarks before we get started

20           Mr. Shah, are you there?

21           MR. SHAH: Yes. Good morning, Mr. Perez, members  
22 of the Board. Now, this is on Agenda Item 9a -- 9a1  
23 through 14. And they're very brief comments. And that is  
24 to note that the Board has received the member's argument  
25 Agenda Item 9a2, and the late submitted argument from the



1 member at Agenda Item 9a8. I reviewed both arguments  
2 carefully, Mr. President, but they do not change my  
3 recommendations to the Board on either item. And that,  
4 Mr. President, is all I have by way of comment.

5 Thank you.

6 PRESIDENT JONES: Okay. Thank you.

7 Ms. Taylor.

8 VICE PRESIDENT TAYLOR: Thank you.

9 PRESIDENT JONES: Just a minute.

10 VICE PRESIDENT TAYLOR: Thank you, Mr. President.

11 So I move to adopt the proposed decisions at  
12 Agenda Items 9a1 through 14, with the minor modifications  
13 argued by staff to Agenda Items 9a1 and 3.

14 BOARD MEMBER MILLER: Second.

15 PRESIDENT JONES: It's been moved by Ms. Taylor  
16 second by Mr. Miller.

17 All those in favor say aye?

18 (Ayes.)

19 PRESIDENT JONES: Opposed?

20 The item passes.

21 Ms. Taylor.

22 VICE PRESIDENT TAYLOR: All right. I move to  
23 deny the petitions for reconsideration at Agenda Items 9b1  
24 through 9b5.

25 PRESIDENT JONES: Do we have a second?

1 BOARD MEMBER MILLER: Second.

2 PRESIDENT JONES: Moved by Ms. Taylor, second by  
3 Mr. Miller.

4 All those in favor say aye?

5 (Ayes.)

6 PRESIDENT JONES: Opposed?

7 The item passes.

8 VICE PRESIDENT TAYLOR: Finally, I move to  
9 designate the decision at Agenda Item 9c1 as a  
10 precedential Board decision effective immediately.

11 BOARD MEMBER FECKNER: Second.

12 PRESIDENT JONES: Moved by Ms. Taylor, second by  
13 Mr. Feckner.

14 All those in favor say aye?

15 (Ayes.)

16 PRESIDENT JONES: Opposed?

17 The item passes.

18 So thank you, Ms. Taylor.

19 The next item on the agenda is information agenda  
20 items. And we call on Mr. Danny Brown for State and  
21 federal legislation update.

22 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good  
23 morning, Mr. President and Board members. Danny Brown,  
24 CalPERS team member.

25 As you can see, I have Mr. Dan Crowley with me

1 who will assist with the federal update. On the State  
2 side, the Legislature finished their business for 2019  
3 early Saturday morning about 3:00 a.m. And now the  
4 Governor has until October 13th to sign or veto all the  
5 bills that made it to its desk.

6 I would like to just touch on a few of the bills  
7 that the CalPERS took a position on, starting with our  
8 housekeeping bill SB 782. This bill has passed out of the  
9 Legislature unanimously and is now on the Governor's desk.

10 Looking at the three health care bills that we  
11 are supporting. First, SB 343, a bill that requires  
12 Kaiser to provide additional financial disclosure has been  
13 signed by the Governor. And that -- I believe he signed  
14 it a couple weeks ago. The other two bills, AB 731 -- AB  
15 731 requires increased health plan reporting and health  
16 plan rate review. And then AB 824 is the bill that limits  
17 so-called pay-for-delay agreements between brand name  
18 pharmaceuticals and generic drug companies. Both of these  
19 bills have passed out of the Legislature and are now on  
20 the Governor's desk.

21 I want to point out that on AB 731, the author  
22 did address your concerns that you raised last month and  
23 the bill was amended to explicitly clarify that the bill  
24 does not impact the Board's authority under PEMHCA, and  
25 specifically your ability to set and negotiate health

1 rates.

2 Moving to investment related bills. AB 1320, the  
3 bill regarding divestment from Turkish investment  
4 vehicles, which you have opposed, also has made it to the  
5 Governor's desk and we do anticipate that he will sign the  
6 bill based on comments that he has made publicly over  
7 several months ago.

8 Finally, AB 181, which was a bill related to  
9 reporting on our Emerging Manager Program, that actually  
10 had made -- was made a 2-year bill back in June. But  
11 recently, it was gutted and amended to now deal with  
12 hazardous waste fees. So obvious it no longer applies to  
13 us. And we have not heard anything whether the author  
14 intends to reintroduce a similar bill next year.

15 Before I turn it over to Dan Crowley though, I  
16 did want to provide you a high level update on the federal  
17 health care landscape. As I have mentioned before,  
18 Congress has been focusing on a couple of issues on a  
19 bipartisan basis. Those issues are lowering prescription  
20 drug costs and eliminating balance billing. In fact,  
21 prior to the recess, three separate Senate committees, the  
22 Finance Committee, Judiciary Committee, and the Health,  
23 Education, Labor, and Pension Committee, as well as the  
24 House Committee on Energy and Commerce have passed  
25 packages that include prescription -- you know, reducing

1 prescription drugs.

2           The House Energy and Commerce Committee and the  
3 Senate Health Committee have also both passed bipartisan  
4 legislation to eliminate balanced billing.

5           So now where are we now that they're back from  
6 recess? Well, first off, you've probably -- you may have  
7 seen Senator[SIC] Pelosi has decided to jump in the fray  
8 around prescription drug costs. And she'll be introducing  
9 a proposal this week where Health and Human Services can  
10 negotiate directly on drug prices. And so this will apply  
11 Medicare, but it's also -- the plan is allow the private  
12 markets to also access these price savings. And so the  
13 House I'm sure will be focusing on that legislation over  
14 the next few weeks. And she'll be looking for the House  
15 Democrats to get behind that as well. She's hoping that  
16 The White House will also get behind that proposal.

17           On the Senate side, this has kind of given  
18 Senator Grassley some urgency to see if he can get his  
19 Senate Republicans around -- to back his proposal or at  
20 least to get the three committees to reach some kind of  
21 consensus on their separate packages.

22           Based on our contacts in D.C., they're saying  
23 it's about 50/50 chance that something will actually get  
24 done this year. Circling back to balanced billing, these  
25 proposals were heavily hit during the recess with some

1 negative ads, which has kind of slowed the momentum of  
2 them and have put some doubt into whether or not they can  
3 really push them across. But we will continue to work  
4 with -- internally with Don and his team here, as well as  
5 our associations in D.C. to monitor these proposals and  
6 weigh in as necessary.

7 And with that, I'll stop and turn it over to Dan.

8 PRESIDENT JONES: Mr. Feckner.

9 Mr. Feckner.

10 BOARD MEMBER FECKNER: Thank you, Mr. President.

11 I just wanted to thank you, Danny, for getting  
12 working to get those amendments done for the health piece.  
13 Thank you.

14 PRESIDENT JONES: Okay. Mr. Crowley.

15 MR. CROWLEY: Thank you. Mr. President, members  
16 of the Board, my name is Dan Crowley. I'm a partner with  
17 the law firm of K&L Gates. And we have the privilege of  
18 being your federal investment policy counsel in Washington  
19 D.C. for the past several years. Some of you who were on  
20 the Board at the time will remember that when Marcie  
21 joined, we were given a mandate to help position CalPERS  
22 as an opinion leader on public policy issues that impact  
23 return to the funds. And I'm happy to say we continue to  
24 make progress in that regard. We work very closely with  
25 Danny probably on a daily -- close to a daily basis and

1 certainly with other members of the Investment Office.

2 And I think, you know, it's important to remember  
3 that particularly with the House of Representatives, where  
4 both of the leaders are from California, we have continued  
5 to engage with both sides on a bipartisan basis.

6 And what I'd like to do is just give a very quick  
7 sort of 30,000 foot overview of what we've been doing and  
8 then I'll spend a little bit of time on some of the  
9 current issues and then I'd be happy to take any questions  
10 anyone might have.

11 We continue to focus on CalPERS as a shareholder  
12 in the sense that you are owners of the companies in which  
13 you invest. And therefore, you have an obligation,  
14 consistent with your fiduciary duty, to provide input on  
15 matters of significant policy to boards, typically through  
16 the proxy process.

17 And as you know, as we've discussed in past Board  
18 meetings, there continues to be sort of an unfortunate  
19 vilification, if you will, of institutional investors in  
20 that process. There's been blame placed on institutional  
21 investors for the decline in IPOs, for example, and for  
22 tying up corporate Board meetings with social agenda  
23 items.

24 And I think it's very important to keep these  
25 issues in perspective. When we engage on policy issues

1 having to do with ESG and climate change, it is with the  
2 understanding that corporate boards typically have a  
3 fairly short time frame, right? There's a 5-year plan  
4 that they're working on, because, as John Maynard Keynes  
5 said in the long run we're all dead. But as you know as  
6 long-term investors, things that may not seem material in  
7 the short room -- short term, become very material in the  
8 long term.

9           And so we have continued to engage on that basis.  
10 An I think we're making significant progress in changing  
11 the debate in Washington. And a number of examples of  
12 that, probably the most prominent is that the Business  
13 Roundtable, which, of course, has been antagonistic on the  
14 proxy process for the last couple of years, last month  
15 came out with a change of heart, if you will, redefining  
16 the role of the corporation to focus on the customers, the  
17 employees, suppliers, and shareholders. They mention  
18 shareholders last, but not as owners. And this is a  
19 significant departure from where corporate America has  
20 been before, which has always been a focus on shareholder  
21 return.

22           Now, you know, Council of Institutional Investors  
23 and some others have pointed out that this is sort of a  
24 cynical move by the BRT here late in the business cycle.  
25 We've had a long run. Clearly things are going to turn at



1 some point, and so they have chosen to redefine the  
2 metrics for success here at the end of the business cycle.

3 And so I think it's important that CalPERS, as  
4 the largest single investor in the country, is there to  
5 lead the effort on behalf of the institutional investors  
6 to sort of push back on some of those issues and to  
7 reassert the legitimate responsibility again that you have  
8 as fiduciaries to provide policy input to boards.

9 And so we have been continuing to do that. As  
10 we've discussed in past meetings, there's no substitute  
11 for direct engagement in D.C. and for coming both at the  
12 Board level and at the senior staff level, which has --  
13 continues to happen.

14 Most recently, Don Pontes participated in the SEC  
15 roundtable, specifically on long-term investing. Also  
16 recently, James Andrus testified before the House  
17 Financial Services Committee at a hearing on ESG issues,  
18 which was remarkable, because it can be a very partisan  
19 issue, but I think James did a very good job of educating  
20 the Committee to such an extent, that when the bill under  
21 consideration went to the House floor, House Financial  
22 Services Committee Chairwoman Maxine Waters quoted his  
23 testimony on the House floor. And if you're looking for  
24 examples of being relevant and driving the discussion in  
25 D.C., I can't come up with a better one than that.

1           So turning to some of the issues that are on the  
2 table, in addition to continuing discussion of ESG and  
3 oversight hearings, stock buy-backs, are -- continue to be  
4 a topic of discussion, both on the Hill and at the SEC,  
5 data privacy, of course, artificial intelligence and how  
6 that is all going to factor into investment decisions.

7           One of the things that's come up -- it doesn't  
8 directly impact CalPERS yet, but it could as an investor,  
9 has to do with cannabis businesses. As you know, there  
10 are a number of very fast growing businesses in California  
11 that don't currently have access to the federal banking  
12 system, because cannabis remains a crime at the federal  
13 level.

14           There is a bill that will be considered in the  
15 House probably next week called the SAFE Act that would  
16 allow access to the banking system. And we expect the  
17 Senate to take that up. I think that's likely to pass in  
18 the current Congress, so I just want to put that on your  
19 radar, because once cannabis is removed from the schedule  
20 of controlled substances, then those businesses will all  
21 be viable investment opportunities.

22           At the SEC, we are planning to comment on  
23 proposed changes to Reg S-K, which is the whole disclosure  
24 regime. And the big question there is one of materiality.  
25 What is material to investors? And again, CalPERS has a

1 unique long-term view of investment issues and what is  
2 material changes based on the time frame. So we look  
3 forward to helping provide input there.

4           The whole question of the proxy mechanics, the  
5 SEC recently reiterated that investment advisors are  
6 fiduciaries and can't outsource that responsibility to  
7 proxy advisory firms. But there have been a number of  
8 changes that are somewhat troubling, again seeking to  
9 diminish the role of institutional investors in that  
10 engagement process.

11           The staff has recently announced that they will  
12 no longer issue necessarily written opinions on 14a-8  
13 requests and will issue oral decisions that could lead to  
14 more litigation and could make it harder for shareholders  
15 to get their issues before corporate boards.

16           On derivatives, Heath Tarbert, the new Chairman  
17 of the CFTC has come on board and has indicated a desire  
18 to harmonize cross-border trading, particularly with the  
19 EU, which is good news, and one that -- an issue the  
20 CalPERS has been engaged on for a better part of a decade.

21           They also have recently set up a Climate Related  
22 Market Risk Subcommittee. And CalPERS has nominated a  
23 participant and we're hopeful that that will happen.

24           One other issue and we've talked about it in past  
25 Board meetings, the DOL guidance on ESG issues, you'll

1 remember that President Obama opened the door for ERISA  
2 fiduciaries to consider these issues consistent with  
3 returns to the fund. The Trump administration revisited  
4 that with an -- with the idea of rolling it back, and, in  
5 fact, ended up ratifying 90 percent of it.

6 As a result, there's been another Executive Order  
7 that was issued in April asking DOL to take a fresh look  
8 at institutional investor investments in energy  
9 businesses. And we expect there could be some  
10 clarification of the guidance on ESG coming out of DOL.

11 On just a couple other issues that we've been  
12 working with Danny, and Brad, and the Investment Office  
13 on. Housing finance reform has come back to the fore.  
14 Probably not going to be legislation in the current  
15 Congress, but there clearly will be administrative action  
16 trying to move the GSCs out of conservatorship,  
17 recapitalize them, shrink their footprint. And that will  
18 have an impact on residential mortgage-backed securities  
19 with -- in which CalPERS is pretty heavily invested.

20 And then finally on the policy side, there's  
21 increasing discussion about a carbon tax to address  
22 climate change. It has been, up to this point, primarily  
23 led by Democrats. But most recently, Congressman Rooney,  
24 a Republican from Florida, has also proposed a carbon tax.  
25 And I believe we are on the front end of that kind of an

1 effort to try to bring a market-based solution to climate  
2 change.

3 But let me pause there and see if there are any  
4 questions.

5 PRESIDENT JONES: Okay. Thank you, Mr. Crowley.

6 Mr. Crowley, a couple -- I guess 2 or 3 years ago  
7 when you were embarking upon meeting with various members  
8 of Congress to carry our priorities and policies on gender  
9 and diversity on corporate boards, and I remember walking  
10 the halls with you visiting all of these Congress people  
11 trying to make sure that they include that in their  
12 efforts. And we met with the lady that was carrying the  
13 bill, she only had gender in it. And you may recall, I  
14 said, well, where is the ethnicity? And she said, well, I  
15 don't believe I could, at this time, get it passed, if we  
16 include ethnicity, but I'll come back to it. So where are  
17 we with that?

18 MR. CROWLEY: Yeah, very good question, Mr.  
19 President. The Congresswoman in question there, Carolyn  
20 Marloney is the Chair of the Capital Markets Subcommittee.  
21 And that's another example of success. We did get her to  
22 change the bill to include ethnicity as well as diversity,  
23 but -- I'm sorry, gender diversity.

24 But since then, the full committee chair has also  
25 gone about setting up an entire subcommittee on diversity

1 and inclusion. So it has become thematic. And it really  
2 is an example of the need to engage in the policy  
3 discussion over a period of time. Because, you know,  
4 Washington moves very slowly and there aren't quick  
5 victories. But this is an example of how through  
6 engagement, you can change the discussion as CalPERS  
7 clearly did in that case.

8 PRESIDENT JONES: Okay. Thank you.

9 Ms. Taylor.

10 VICE PRESIDENT TAYLOR: Thank you. Thank you,  
11 Mr. Brown, Mr. Crowley for the report. I am so happy to  
12 see that we are working diligently to effect policy  
13 federally. I think it's very important. I thought so  
14 when I first got on this Board. I -- I'm just amazed at  
15 what we're working on federally. I know that we're doing  
16 a lot of stuff with the State. I just encourage you to  
17 continue.

18 I know we're in a situation where our voice is  
19 being picked on right now, because of being institutional  
20 investor and having an activist voice, but it's so  
21 important that we carry these policies through and our --  
22 and effectuate these policies. And so I'm just very happy  
23 that we're doing this, that we're working on this, but I  
24 also encourage you to -- I know what kind of  
25 administration we're dealing with in this, but keep going.

1 And I appreciate it. And I'm really surprised at the  
2 carbon tax. We're getting bipartisan support on that?

3 MR. CROWLEY: I think we are on the front edge of  
4 that. And I suspect you'll -- as the -- as the Democratic  
5 Presidential Primary plays out, I suspect you'll hear more  
6 about it. Congressman John Delaney has been championing  
7 that for quite a while. It has not been -- you know, the  
8 debate so far has been focused on gun control and some of  
9 the other more salient issues. But I expect that we will  
10 get into a more rational and bipartisan discussion about a  
11 carbon tax.

12 VICE PRESIDENT TAYLOR: And is there anything  
13 that we can do to stave off these SEC decisions in any way  
14 that impact our ability to do the proxy voting and that  
15 kind of stuff?

16 MR. CROWLEY: Well, that's an excellent question.  
17 You know, it's a work-in-progress. And, in fact, Marcie  
18 sent a letter to the SEC on August 20th, in advance of the  
19 last SEC meeting on proxy issues, urging them not to take  
20 dramatic action at the staff level and announce the  
21 results and instead to rely on a rulemaking process.  
22 And I don't know if it was a direct cause and effect, but  
23 they didn't issue any significant pronouncements.

24 VICE PRESIDENT TAYLOR: I think I remember that.

25 MR. CROWLEY: And we will be doing a rulemaking

1 in the spring. And so we will be providing input on that,  
2 the whole proxy plumbing process. But there have been  
3 some troubling staff level changes. First, they repealed  
4 a couple of no-action letters that were given to the proxy  
5 advisory firms. And again, it's part of this idea that  
6 somehow institutional investors are responsible for  
7 companies no longer wanting to go public. If you have to  
8 deal with investors, we'd rather stay private. And I  
9 think that misses the point entirely.

10 Companies are no longer going public because they  
11 don't need to do so to access capital --

12 VICE PRESIDENT TAYLOR: Exactly.

13 MR. CROWLEY: -- so long as they can raise as  
14 much as they want in private equity. And as we've  
15 discussed in the past, that raises a question of whether  
16 given that more and more public money, pension money is  
17 going into private equity, whether there should be some  
18 rethinking of the regulation of the private equity  
19 industry. And we're starting to see that both in the  
20 context of the Presidential debates with Elizabeth  
21 Warren's proposals, but more recently the House Financial  
22 Services Committee had a hearing specifically on the  
23 exemptions, the carve-outs for private equity from  
24 regulation, and I think, again, we're on the front edge of  
25 that process.



1           VICE PRESIDENT TAYLOR: And again, I thank you.  
2 I think it's -- I think we -- pensions have always been  
3 thought of as an issue when it comes to our proxy voting.  
4 Institutional investors are the only ones that have a  
5 voice in terms of what we want our pension money spent on.

6           So I think it's really important we continue to  
7 effectuate this kind of policy and I do appreciate it. I  
8 know it's tough right now. There -- there will be one  
9 excuse after another of why institutional investors are to  
10 blame for something, so keep going.

11          MR. CROWLEY: Well, thank you very much. And if  
12 I could just say, Danny does an absolutely magnificent  
13 job. I think he's in touch with Senate Banking and House  
14 Financial Services Committee staff on a weekly basis being  
15 asked to review legislation before it's even introduced.  
16 And, you know, I should have mentioned that, but that's  
17 exactly where you want your Government Affairs team to be.

18          But again, there really is no substitute for  
19 direct engagement at the Board level and at the senior  
20 staff level. Mr. Perez has come to Washington and had a  
21 great round of meetings. Mr. Jones has done that in the  
22 past. But I would encourage you that if you're going to  
23 be in D.C., let Danny know, so that we could coordinate  
24 and make optimum use of your time.

25          VICE PRESIDENT TAYLOR: Thank you.

1           PRESIDENT JONES: Ms. Paquin.

2           ACTING BOARD MEMBER PAQUIN: Thank you, Mr.  
3 President. Thank you for the report, Mr. Crowley. It was  
4 very interesting what's going on, especially at the SEC.  
5 Do you find that the discussions about limiting proxy  
6 access is informing what they're looking at doing with  
7 possibly expanding the disclosure requirements for  
8 climate?

9           MR. CROWLEY: Yes, I think they're -- I think  
10 they're all related. The -- from the perspective of the  
11 investors, they want to both engage with management, so  
12 that they're benefiting from your input on policy issues,  
13 but also getting the disclosure you need to make informed  
14 investment decisions. And so they're sort of opposite  
15 sides of the same coin. We're going to continue to engage  
16 with the SEC on the disclosures, but also make sure that  
17 shareholders, as the owners in the companies, are given  
18 the ability to engage.

19           I'm sometimes reminded that it's like those of  
20 you that are elected officials, imagine if you'd say we  
21 want to serve in office, but we don't want to have to deal  
22 with pesky voters. I mean, at the end of the day, those  
23 are the people to whom you're responsible. And the same  
24 is true in the corporate structure with respect to owners.

25           ACTING BOARD MEMBER PAQUIN: And what about the

1 bill on climate and risk disclosure that was just  
2 introduced recently, I think it's 3623?

3 MR. CROWLEY: That was the -- that was the bill  
4 that Chairwoman Waters quoted James Andrus on on the House  
5 floor. It passed the House. It's got no chance in the  
6 Senate, at this point. But again, these policy issues  
7 tend to play out over multiple Congresses. And, you know,  
8 being there -- it's remarkable to me having watched  
9 CalPERS for the last decade, to see how you'll start  
10 talking about something and it might, you know, not be  
11 salient at the time, but then 3 or 4 years later, all of a  
12 sudden people are singing from the CalPERS hymnal. And I  
13 think It's really important that you continue to engage  
14 there as the counterweight.

15 Because the issuers are organized. They have the  
16 Business Roundtable, the Chamber of Commerce, the National  
17 Association of Manufacturers. And they've taken the  
18 position that management should be free to manage the  
19 companies for their own purposes. And now they've  
20 redefined the -- by the way, I don't think the Business  
21 Roundtable can unilaterally redefine the role of the  
22 corporation. I think that's a matter of State law, and in  
23 most cases Delaware, where it is clear that the obligation  
24 is to the owners. And so as owners and as fiduciaries, I  
25 think that you have an obligation to engage on both sides

1 of that coin.

2 ACTING BOARD MEMBER PAQUIN: Okay. Thank you.

3 And, Mr. Brown, we also wanted to thank you for  
4 your work on getting the amendment into AB 731. So thank  
5 you.

6 PRESIDENT JONES: Okay. Ms. Middleton.

7 BOARD MEMBER MIDDLETON: Okay. I want to thank  
8 you both for your work. I want to come back to the  
9 question of diversity on corporate boards. And to what  
10 extent does that also consider inclusion of individuals  
11 based on sexual orientation and gender identity?

12 MR. CROWLEY: That's an area where the House  
13 Democrats in particular are leading the discussion with  
14 The Subcommittee on Diversity and Inclusion. Chairwoman  
15 Waters has repeatedly said that corporate boards need to  
16 provide more disclosure. But again, disclosure will only  
17 go so far. It's also a matter of -- as a global law firm,  
18 we advise a lot of corporations that are desperately  
19 seeking diversity. And, in many cases, it's an applicant  
20 pool issue. And so we need to address the challenge from  
21 both ends.

22 BOARD MEMBER MIDDLETON: Are there steps or  
23 efforts that we can take, as a Board here, to help further  
24 that effort?

25 MR. CROWLEY: Yes. And I think -- I think Mr.

1 Jones just highlighted a good example of that, where we  
2 found a bill that was moving that we wanted to amend and  
3 we did. It took about 18, 24 months. It takes time. But  
4 yes, absolutely, that kind of engagement is critical.

5 BOARD MEMBER MIDDLETON: All right. Mr.  
6 President, I don't know if there's anything that we need  
7 to do as a Board to affirm our support of sexual  
8 orientation, and gender identity inclusion in these  
9 efforts. But if there is, I would like for that to be  
10 placed on the agenda, so that we can do that.

11 PRESIDENT JONES: Okay. So directed.

12 And, Mr. Crowley, you mentioned applicant pools.  
13 Do they know about our 3D applicant pool with 400  
14 eligible, qualified potential people to serve on corporate  
15 boards?

16 MR. CROWLEY: If they don't, we should tell them.

17 PRESIDENT JONES: Please do. Okay. Thank you.

18 Okay. That concludes the requests to speak and  
19 thank you very much for your presentation.

20 MR. CROWLEY: Thank you.

21 PRESIDENT JONES: The next item on the agenda is  
22 summary of board direction. Ms. Frost.

23 CHIEF EXECUTIVE OFFICER FROST: I recorded one  
24 recently from Ms. Middleton that in our engagement and  
25 advocacy work that we include emphasis on sexual

1 orientation and gender identification.

2 PRESIDENT JONES: Okay. Thank you very much.

3 The next item on the agenda is public comment. I  
4 have a request to speak. Three persons requested, Ms.  
5 Urdaneta, Ms. Sandoval and Ms. Corbin. If you'd come down  
6 and take your seats here and you will have 3 minutes to  
7 speak. And please identify yourself.

8 MS. URDANETA: Gabriela Urdaneta, CalPERS team  
9 member. In response to Mr. Perez's request during last  
10 month's Board meeting for the facts surrounding the ruling  
11 of an administrative law judge against J.J. Jelincic, we  
12 have brought the documented case filings for each Board  
13 member and we have those available here. We've also  
14 provided extra copies by the entrance for any audience  
15 member who should also like to take one.

16 I come before you as an advocate for those that  
17 have been bullied and shamed into silence. It is  
18 imperative that members of this Board and governing  
19 leaders of this state address the ideologies, the  
20 narratives, and cultures that have served to protect men  
21 like Jelincic. We must take a stand against the apathy  
22 and complacency that would have us accept misogynistic  
23 predatory behavior. In efforts to discredit the victims  
24 he targeted and downplay his own guilt, Jelincic stated at  
25 the September 10th Board candidate forum it was not

1 alleged that he touched anyone, propositioned anyone,  
2 smelled anyone's hair, or even asked them to coffee. All  
3 he did was compliment somebody's shoes.

4 I ask you now, in what alternate reality is, "I  
5 didn't even smell their hair", an acceptable defense for  
6 sexual harassment. Because in this reality and in the  
7 reality of the State of California, every single State  
8 worker, police officer, teacher, nurse is expected to  
9 abide by an enforceable code of conduct that categorically  
10 and strictly prohibits sexual harassment. Should members  
11 of this Board not also be held to the same standard as  
12 everyone else in this room here today?

13 I thank you for your time. I thank you  
14 personally. And I also express gratitude from the victims  
15 that we represent to every single Board member that has  
16 come forward in support and expressed their sincerity in  
17 acknowledging the speaking of their truth.

18 Thank you.

19 PRESIDENT JONES: Thank you.

20 INVESTMENT MANAGER SANDOVAL: Good morning. My  
21 name is Dianne Sandoval. And I am Investment Manager  
22 working in the Asset Allocation and Risk Management team  
23 to ensure that we deliver the highest risk-adjusted  
24 returns to our members.

25 But today, I've taken the day off and I'm acting

1 in own individual capacity. And I'm here to bring voice  
2 to the women who were sexually harassed by a candidate  
3 running for the Board. More importantly, I'm here to seek  
4 your support in ensuring that the voting public has access  
5 to the truth through impartial documents of the testimony  
6 and facts surrounding this case.

7 Megan's Law requires law enforcement agencies to  
8 make information available to the public regarding  
9 registered sex offenders. Similarly, we ask the Board to  
10 work with legislators to make public and easily accessible  
11 to the voting members the transcripts of trials for any  
12 offenders of sexual harassment running for public office.

13 The voting public has a right to know the facts  
14 of this case and make an informed decision based on  
15 impartial facts. How many times have we seen victims of  
16 sexual harassment become belittled or demonized while the  
17 harassers claim to be victims of politics.

18 This candidate excused his behavior to a simple  
19 misunderstanding of complimenting a woman's shoes. The  
20 reality is that he preyed on three of the most vulnerable  
21 women in the Investment Office. The nice shoes comment  
22 was on page 6 of a 16-page court document, which has 11  
23 specific examples of sexual misconduct, including leering  
24 at these women, making juvenile noises as they walked by,  
25 objectifying them with comments about their appearances,



1 and even making arrangements so that they could come to  
2 his desk and play with his stuffed animal or fix his  
3 computer, all the while making them feel shocked,  
4 belittled, demeaned, disrespected, and humiliated.

5 The behavior began in 2007. And despite multiple  
6 requests by the women themselves for this Board candidate  
7 to stop, and even by senior management, the behavior  
8 persisted through 2010.

9 For the record, I am motivated by my deep  
10 commitment to fostering a high-performing engaging and  
11 inclusive workplace in the Investment Office. But I'm  
12 also here because this has been so painful for so many men  
13 and women. And quite frankly, I'm tired of seeing women  
14 crying in the bathrooms.

15 So I also want to thank those of you that have  
16 public supported our cause and supported these women. And  
17 I ask that you continue to work with us so that we  
18 systematically reveal the truth and not put the onus on  
19 the victims to bring light to facts.

20 Thank you.

21 PRESIDENT JONES: Thank you.

22 MR. CORBIN: My name is Samantha Corbin and I'm  
23 here today in my capacity as the founder and executive  
24 director of We Said Enough, the nonprofit founded out of a  
25 me-too politics letter published in the LA Times 2 years

1 ago following the allegations of abuse and assault by  
2 Harvey Weinstein.

3 Over 150 women with experiences from every level  
4 of government and legislative service signed our inaugural  
5 letter, all of them far too familiar with the pervasive  
6 culture of sexual harassment and abuse that exists in  
7 politics and government.

8 Since that time, I personally have traveled  
9 across the country to legislatures and government agencies  
10 to speak on this subject. Since that time, there have  
11 been over 1,000 pieces of legislation introduced  
12 nationally on this subject and over 120 legislators who  
13 have resigned as a direct result.

14 Some might ask is that enough? Some have asked  
15 is me-too done yet? And the answer to both questions is a  
16 resounding no. We have learned three lessons from this  
17 journey that are germane to this conversation today. One,  
18 we know that there continues to be a deeply embedded  
19 culture of harassment layered throughout government,  
20 particularly when it comes to elected and appointed  
21 officials, but certainly it is not limited to them.

22 We know that despite significant and ongoing  
23 coverage of the me-too movement, it remains a significant  
24 risk for victims and survivors to speak out. The victims  
25 who do come forward do so at great personal and

1 professional risk with the only hope that their efforts  
2 will be rewarded with a safe place to work. And it is  
3 your responsibility and burden to ensure that they have  
4 that.

5 Three, we know that when victims and survivors  
6 are concerned for their jobs and well-being due to their  
7 experiences reporting or those that they have witnessed,  
8 there is a vote of no confidence in the enforcement  
9 system. Victims do not simply want to be heard, they want  
10 change. They want action. They want inappropriate  
11 behavior to stop.

12 Members of the Board, based on conversations with  
13 current and former employees, it appears that you have a  
14 serious flaw in your process. Your employees have been  
15 victimized and continue to be victimized. And frankly,  
16 they don't believe that you will do anything about it.

17 I recognize that the Board has limited authority  
18 in certain circumstances. Some determinations, for  
19 example, must be up to voters. However, that does not  
20 mean your work here is done. It is in your purview to  
21 ensure workers are protected by the HR -- not only by the  
22 HR rules on paper, but are protected by a broader shift in  
23 workplace culture that makes it clear everyone is to be  
24 provided a safe place free of harassment, and bullying,  
25 and retaliation.

1           You can start, as one example, by calling for an  
2 end to the punitive and oppressive practice that requires  
3 your own staff get management approval and take paid time  
4 off to speak to their own Board about issues directly  
5 related to safety in their own workplace. Even today,  
6 that has limited significantly the number of employees who  
7 wish to speak before you.

8           CalPERS is already widely recognized --

9           PRESIDENT JONES: Ma'am, your time is up.

10          MR. CORBIN: Thank you.

11          PRESIDENT JONES: Okay. Thank you.

12          Okay. Thank you very much for your comments.

13          That concludes the -- is -- Mr. Darby, did you --  
14 Before you start --

15          MR. DARBY: Al Darby, President --

16          PRESIDENT JONES: Before you start, Mr. Darby, is  
17 there anyone else who would like to speak at this time  
18 during this public comment period, just so that I know,  
19 because after Mr. Darby I'm going to adjourn the meeting.  
20 So go ahead, Mr. Darby.

21          MR. DARBY: Al Darby, President, Retired Public  
22 Employees Association.

23          Does anyone on this Board find it odd that there  
24 is no call for recall of Mr. Jelincic in 2011 when these  
25 events took place? I mean, the case was adjudicated. He

1 was given a reprimand. The behavior stopped. In 2011 he  
2 ran for reelection. Nobody complained then. All of a  
3 sudden, we have this huge concern about something he did  
4 back in 2010 or '11. And there's no -- there was no  
5 recall or any serious concerns expressed since then until  
6 now.

7 Now, let's talk about his qualifications. Back  
8 in 2016, this Board heard a presentation by Wilshire  
9 indicating that you needed to -- because -- you needed to  
10 de-risk because of all the volatility. Mr. Jelincic sat  
11 here on this Board continually saying don't cut the equity  
12 investment allocation. They did. You cut it from 52  
13 percent to 46 percent.

14 Three months later, Mr. Trump got elected, the  
15 market went up 10 percent. It went up -- it continued to  
16 go up and it's gone up ever since for almost 30 percent.  
17 Had you taken Mr. Jelincic's advice, you would have been  
18 much better off in terms of where the PERF is today.

19 Mr. Jelincic has always said stay your -- we're a  
20 long-term investor. Stay the course. You didn't do it.  
21 And as a result, the PERF has suffered because of it.

22 Mr. Jelincic's advice, he was the only person on  
23 the Board that had any investing experience. And is his  
24 experience and advice worthless in the face of what we've  
25 been hearing here?

1 I think this is a very one-sided and rather  
2 unfair kind of presentation of Mr. Jelincic's  
3 qualifications.

4 Thank you.

5 PRESIDENT JONES: Okay. We have Ms. Taylor.

6 VICE PRESIDENT TAYLOR: Thank you so much. I  
7 want to thank our CalPERS women for their comments and  
8 our -- the one young lady from We've Said Enough. I just  
9 want to comment that since these allegations have come up,  
10 I -- I think it's important to understand that the -- the  
11 defense of J.J., at this point, doesn't stand, considering  
12 the amount of pain this has caused. I know several women  
13 personally who have come to me after this hit the news to  
14 tell me of their own experiences with Mr. Jelincic.

15 These people are too afraid to come forward. I  
16 am sick and tired of men telling us what we should and  
17 shouldn't take into consideration and it's too old to take  
18 into consideration. Women don't report these things  
19 because of this very thing, men in power who determine  
20 that we aren't worth hearing. And I'm sick of it.

21 PRESIDENT JONES: Mr. Miller.

22 BOARD MEMBER MILLER: Yeah. I just -- I want to  
23 thank everyone who has spoken here. I applaud the courage  
24 to speak knowing that your views may not be popular with  
25 some of the audience or some of us.

1           And an observation I have had being in government  
2 and being around business is while we should hold people  
3 to a higher standard, the higher they are, in terms of the  
4 organization, in terms of power, relationships with other  
5 people, it tends to be just the opposite.

6           And when it comes to the CalPERS Board and what  
7 we can do, you're right, we're very limited. Now, the  
8 Judge Perksy in the Brock Turner case was recalled. We  
9 have mechanisms in the State of California to recall a  
10 Governor, a sitting Governor. We have no mechanism for  
11 you, the voters, the CalPERS members to recall me as an  
12 elected CalPERS Board member. And I have taken heat for  
13 this, but I've said publicly, if I was to pull out a knife  
14 and stab one of my colleagues, you could not remove from  
15 this position. I may be serving my term in prison and as  
16 a constituent, you would have no voice if you had elected  
17 me. But you have no recourse.

18           The Governor can't remove me. The Legislature  
19 can't remove me. And so I think this is a situation where  
20 we really have to rely on the CalPERS members and the  
21 voters of the State of California to come up with a way to  
22 get mechanisms in place, so we have appropriate mechanisms  
23 to address failures of good behavior, especially if  
24 they're egregious beyond, you know, a censure.

25           And so not to speak to any specific case, but in

1 general, that's where I find myself. And it's very  
2 frustrating, because the pain is real, the damage is real,  
3 and we really don't have an effective mechanism to prevent  
4 that, whether in terms of forcing or disqualifying a  
5 candidate or a sitting CalPERS Board member. And it  
6 extends to a lot of other areas of people in power in  
7 government and outside of government. And I'm just glad  
8 to see in this country we seem to becoming much more aware  
9 and much more action oriented on these issues that have  
10 pretty much been ignored or shoved under the carpet  
11 resulting in people being afraid to come forward. And I  
12 applaud those who are finally feeling like they can come  
13 forward. And I hope we don't fail them by not continuing  
14 to take action and make it so that we can get some sort of  
15 acknowledgement and justice for people.

16 PRESIDENT JONES: Ms. Olivares.

17 BOARD MEMBER OLIVARES: To the women who have so  
18 courageously came up here, I want to thank you. Your  
19 voices are incredibly powerful, and know that they are  
20 heard, not just within this room, but way beyond. There  
21 may be a handful that I know in investments who have not  
22 experienced sexual harassment of some form. So as an  
23 industry, it needs to change. Please know that we take  
24 your concerns seriously. And from me, they are very  
25 personal. Thank you.



1           PRESIDENT JONES: Ms. Middleton.

2           BOARD MEMBER MIDDLETON: Again, I want to thank  
3 the women who came forward for your passion, for how well  
4 you presented the -- your comments today. If there is  
5 anything that we have learned, it is that it frequently is  
6 years, sometimes decades, before individuals can come  
7 forward. And unfortunately, it is sometimes decades  
8 before justice is ultimately served, but we will keep  
9 moving forward towards that justice.

10           Thank you.

11           PRESIDENT JONES: Ms. Pasquil Rogers.

12           BOARD MEMBER PASQUIL ROGERS: Thank you. I'd  
13 like to echo the comments of my colleagues to the women  
14 who courageously stood up and have made your voices heard.  
15 I know that there are many women behind you who are not  
16 seen, whose voices are not heard, because they're afraid.  
17 So keep up the good work. Speak up. And I hope that we  
18 are able to change whatever process needs to be changed,  
19 so that if there are future instances, we can deal with  
20 it.

21           Thank you.

22           PRESIDENT JONES: Okay. Mr. Feckner.

23           BOARD MEMBER FECKNER: Thank you, Mr. Chair.

24           I, too, want to make comment. But I would set it  
25 in the tone that I'm pleased to think, in my own mind

1 anyway, that the folks that came forward to speak today  
2 felt comfortable enough to do so, given the environment  
3 that this Board and our executive team have put in place.  
4 That wouldn't have taken place many years ago. So I'm  
5 happy to see that people feel more comfortable about that  
6 now.

7           And as an aside, as an associate member of RPEA,  
8 I certainly hope those comments were made personally not  
9 on behalf of the organization, because I don't think you  
10 should speak that way on behalf of everyone in that  
11 organization.

12           Thank you.

13           PRESIDENT JONES: Well, thank you. And I support  
14 the comments of my colleagues also. And, you know, just  
15 as we were talking about with Mr. Crowley says that  
16 sometimes it takes time to implement change. And I think  
17 we've crossed the Rubicon as to we can't do anything.  
18 We've got to start trying to do something to make change.  
19 And that starting with outreach to the Legislature to look  
20 at possible ways that -- we can't maybe go all the way to  
21 remove someone from office, but there must be some kind of  
22 other mechanism that can be used to deal with these kinds  
23 of events. So that's another takeaway, Ms. Frost, is that  
24 we need to start that discussion to see what we can  
25 accomplish within the Constitution. So please take that

1 at heart.

2 Thank you very much.

3 This meeting is adjourned.

4 (Thereupon the California Public Employees'  
5 Retirement System, Board of Administration  
6 open session meeting adjourned at 11:10 a.m.)  
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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 open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California.

That the said proceedings was taken before me, in shorthand writing, 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 23rd day of September, 2019.



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