

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
PERFORMANCE, COMPENSATION &
TALENT MANAGEMENT COMMITTEE

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

TUESDAY, FEBRUARY 18, 2020

11:45 A.M.

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

A P P E A R A N C E S

COMMITTEE MEMBERS:

Mr. Rob Feckner, Chairperson
Ms. Eraina Ortega, Vice Chairperson
Ms. Margaret Brown
Ms. Lisa Middleton
Ms. Stacie Olivares
Mr. Theresa Taylor
Ms. Shawnda Westly

BOARD MEMBERS:

Mr. Henry Jones, President
Ms. Fiona Ma, represented by Matthew Saha
Mr. David Miller
Mr. Jason Perez
Mr. Ramon Rubalcava
Ms. Betty Yee

STAFF:

Ms. Marcie Frost, Chief Executive Officer
Mr. Doug Hoffner, Chief Operating Officer
Mr. Matthew Jacobs, General Counsel
Ms. Renee Salazar, Acting Chief, Human Resources Division
Ms. Jerrolyn Queral, Committee Secretary

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P R O C E E D I N G S

1
2 CHAIRPERSON TAYLOR: Calling the Performance,
3 Compensation and Talent Management Committee to order.
4 And first order of business is roll call, please.

5 COMMITTEE SECRETARY QUERAL: Theresa Taylor?

6 CHAIRPERSON TAYLOR: Here.

7 COMMITTEE SECRETARY QUERAL: Eraina Ortega?

8 VICE CHAIRPERSON ORTEGA: Here.

9 COMMITTEE SECRETARY QUERAL: Margaret Brown?

10 COMMITTEE MEMBER BROWN: Here.

11 COMMITTEE SECRETARY QUERAL: Rob Feckner?

12 COMMITTEE MEMBER FECKNER: Good morning.

13 COMMITTEE SECRETARY QUERAL: Lisa Middleton?

14 COMMITTEE MEMBER MIDDLETON: Present.

15 COMMITTEE SECRETARY QUERAL: Stacie Olivares?

16 COMMITTEE MEMBER OLIVARES: Here.

17 COMMITTEE SECRETARY QUERAL: Shawnda Westly?

18 COMMITTEE MEMBER WESTLY: Here.

19 CHAIRPERSON TAYLOR: All right. We have a
20 quorum. Ms. Middleton, did you -- thank you.

21 So we are now going to -- I don't think this is
22 working, guys.

23 COMMITTEE MEMBER BROWN: Yeah, you're doing fine.

24 CHAIRPERSON TAYLOR: Oh, there it is.

25 I was watching Lisa.

1 It's on to the elections. And for that, I'm
2 calling on Ms. Middleton.

3 COMMITTEE MEMBER MIDDLETON: Thank you, Madam
4 Chair. I'd like to nominate Rob Feckner for chair of the
5 Committee.

6 CHAIRPERSON TAYLOR: Okay. So I'm hearing a
7 nomination for Rob Feckner for Chair of Perf and Comp.

8 Are there any more nominations?

9 Any more nominations?

10 Any more nations?

11 Hearing none, I'd like a motion to nominate Rob
12 Feckner as Chair of the Performance, Compensation and
13 Talent Management Committee.

14 VICE CHAIRPERSON ORTEGA: So moved.

15 COMMITTEE MEMBER MIDDLETON: So move.

16 CHAIRPERSON TAYLOR: I've got it moved by Ms.
17 Ortega.

18 And who did I hear over here?

19 COMMITTEE MEMBER MIDDLETON: Second.

20 CHAIRPERSON TAYLOR: Second by Ms. Middleton.

21 COMMITTEE MEMBER MIDDLETON: All those in favor
22 of Rob being Chair of Performance, Compensation and Talent
23 Management Committee say aye?

24 (Ayes.)

25 CHAIRPERSON TAYLOR: All those opposed?

1 Abstentions?

2 Motion carries.

3 Congratulations, Mr. Feckner. So you're it. You
4 get to manage the next one. And here we go.

5 CHAIRPERSON FECKNER: Thank you, Madam Retired
6 Chair.

7 (Laughter.)

8 CHAIRPERSON FECKNER: We're now going to have the
9 election for Vice Chair of Performance and Talent
10 Management Committee.

11 For that I call on, Ms. Middleton.

12 COMMITTEE MEMBER MIDDLETON: I would like to
13 nominate Eraina Ortega as Vice Chair of the Performance,
14 Compensation and Talent Management Committee.

15 CHAIRPERSON FECKNER: Very good. Ms. Ortega has
16 been nominated Vice Chair.

17 Are there any other nominations for Vice Chair?

18 Are there any other nominations for Vice Chair?

19 Any other nominations for Vice Chair?

20 Seeing none. I will entertain a motion to elect
21 Ms. Ortega as Vice Chair of the Committee.

22 COMMITTEE MEMBER OLIVARES: I move.

23 COMMITTEE MEMBER TAYLOR: Second.

24 CHAIRPERSON FECKNER: Moved by Olivares, seconded
25 by Taylor.

1 Any discussion on the motion?

2 Seeing none.

3 All in favor say aye?

4 (Ayes.)

5 CHAIRPERSON FECKNER: Opposed, no?

6 Motion carries. Congratulations.

7 (Applause.)

8 CHAIRPERSON FECKNER: We now will -- going to
9 recess the open session, go into closed session for closed
10 items 1 through 3 on the closed session agenda.

11 So at this time, if we could please clear the
12 auditorium.

13 (Off record: 11:48 a.m.)

14 (Thereupon the meeting recessed

15 into closed session.)

16 (Thereupon the meeting reconvened

17 open session.)

18 (On record: 1:03 p.m.)

19 CHAIRPERSON FECKNER: All right. We're going to
20 call the Committee meeting to order, please.

21 We don't have a quorum, but they'll find their
22 way in.

23 Ms. Taylor is excused for this afternoon also.

24 So it brings us -- we're back in the open
25 session. So could we please have a roll call again,

1 please.

2 COMMITTEE SECRETARY QUERAL: Rob Feckner?

3 CHAIRPERSON FECKNER: Good afternoon.

4 COMMITTEE SECRETARY QUERAL: Eraina Ortega?

5 VICE CHAIRPERSON ORTEGA: Here.

6 COMMITTEE SECRETARY QUERAL: Margaret Brown?

7 COMMITTEE MEMBER BROWN: Here.

8 COMMITTEE SECRETARY QUERAL: Lisa Middleton?

9 COMMITTEE MEMBER MIDDLETON: Present.

10 COMMITTEE SECRETARY QUERAL: Stacie Olivares?

11 And Shawnda Westly?

12 CHAIRPERSON FECKNER: Say present.

13 Say present.

14 COMMITTEE MEMBER OLIVARES: Present.

15 COMMITTEE SECRETARY QUERAL: And Shawnda Westly?

16 COMMITTEE MEMBER WESTLY: Present.

17 CHAIRPERSON FECKNER: Very good. Thank you.

18 That brings us to Agenda Item 4, the approval of
19 the February 18th, Perf and Comp Committee timed agenda.

20 What's the pleasure of the Committee?

21 COMMITTEE MEMBER BROWN: Move approval.

22 CHAIRPERSON FECKNER: Moved by Brown.

23 VICE CHAIRPERSON ORTEGA: Second.

24 CHAIRPERSON FECKNER: Seconded by Ortega.

25 Any discussion on the motion?

1 Seeing none.

2 All in favor say aye?

3 (Ayes.)

4 CHAIRPERSON FECKNER: Motion -- all opposed say
5 no?

6 Motion carries.

7 CHAIRPERSON FECKNER: Item 5, Executive Report.
8 Mr. Hoffner.

9 DEPUTY EXECUTIVE OFFICER HOFFNER: Thank you, Mr.
10 Chair. I want to congratulate both you and the Vice Chair
11 for the election earlier today. I also want to welcome
12 Ms. Westly to the Committee as well. It's a pleasure to
13 meet you.

14 We have two items today before the Committee,
15 both action items. One is the approval of the CEO's
16 semiannual report, and the second is the review and
17 approval of the delegation of the Committee.

18 In addition, I want to provide a quick update to
19 the request for proposal for the Board's executive
20 incentive comp consultant. The Committee took action on
21 that in September, and we're in the process of having the
22 RFP go out the door in early March. And we'll come back
23 as the subcommittee meets to evaluate those proposals
24 in -- later this year.

25 I'd also like to highlight the fact that since we

1 were last here together, we have filled the Chief -- Human
2 Resource Division Chief role here at CalPERS. So I want
3 to announce that she's -- Michelle Tucker will be the new
4 HR chief. She's not with us today. She starts on March
5 2nd. And with that, I'd also like to thank Renee Salazar,
6 who's been the Interim HR Chief. She's done a fantastic
7 job. And she will carry us through the rest of this
8 Committee today, but I do appreciate her leadership in
9 that role for the last few months.

10 So with that, that will conclude my opening
11 remarks and we can move on to the action items.

12 CHAIRPERSON FECKNER: Excellent. Thank you very
13 much. So thank you, Ms. Salazar.

14 Brings us to Agenda Item 6, action consent
15 calendar, approval of the Performance, Compensation
16 meeting minutes.

17 What's the pleasure of the Committee?

18 Somebody has to move it.

19 COMMITTEE MEMBER BROWN: I wasn't on the
20 Committee.

21 COMMITTEE MEMBER MIDDLETON: I'll move it.

22 CHAIRPERSON FECKNER: Moved by Ms. Middleton.

23 Seconded by?

24 COMMITTEE MEMBER OLIVARES: Second.

25 CHAIRPERSON FECKNER: Seconded by Ms. Olivares.

1 Any discussion on the motion?

2 Seeing none.

3 All in favor say aye?

4 (Ayes.)

5 CHAIRPERSON FECKNER: Opposed, no?

6 Motion carries.

7 What was that?

8 COMMITTEE MEMBER BROWN: Abstain.

9 CHAIRPERSON FECKNER: Show Ms. Brown as
10 abstaining.

11 And just for clarification, the reason why there
12 was a little bit of hesitation up here, some of these
13 members weren't on the Committee when we had the ast
14 meeting, so they didn't feel they could make motions or
15 vote. So that's why it was a little cumbersome. It won't
16 be that way next month.

17 CHAIRPERSON FECKNER: Move on to Item 7,
18 information consent items.

19 Item 7a, annual calendar review.

20 Mr. Hoffner.

21 DEPUTY EXECUTIVE OFFICER HOFFNER: Nothing to
22 report on the annual calendar.

23 CHAIRPERSON FECKNER: All right.

24 Ms. Brown.

25 COMMITTEE MEMBER BROWN: Thank you, Mr. Chair,

1 and congratulations.

2 CHAIRPERSON FECKNER: Thank you.

3 COMMITTEE MEMBER BROWN: I just wanted to say
4 that -- let the rest of the Committee know that I had sent
5 an email to Doug Hoffner with the new calendar saying
6 could I take a look at the -- last year's calendar and the
7 calendar before, since we've changed the number of
8 meetings. I just wanted to make sure all the items were
9 covered. And you forwarded that and it was very help
10 physical. I appreciate that. Thank you.

11 CHAIRPERSON FECKNER: Great. Thank you.

12 Seeing nothing -- no requests on the draft agenda
13 for April 20th, moving on to Item 8, action agenda items.

14 8a, the semiannual status report of the incentive
15 plan of the CEO. Ms. Salazar.

16 HUMAN RESOURCES DIVISION INTERIM CHIEF SALAZAR:

17 Good afternoon, Mr. Chair and members of the
18 Committee. Renee Salazar, CalPERS team member.

19 As discussed earlier in closed session, the
20 Executive Compensation Policy requires the CEO to prepare
21 a semiannual status report on their incentive plan for the
22 Performance, Compensation and Talent Management
23 Committee's review and approval. The proposed report is
24 to inform the Committee on progress toward achieving the
25 plan's measures.

1 Presented in Attachment 1 is the CEO's semiannual
2 status report, which covers the time period of July 1st
3 through December 31st, 2019. Thank you. That concludes
4 my report.

5 Although, Ms. Frost is here to -- in case you
6 have questions about the report.

7 CHAIRPERSON FECKNER: Very good. Thank you.

8 Any requests or questions from the Committee?

9 Seeing none.

10 You must have answered them all earlier. So
11 thank you.

12 That brings us to Agenda Item 8b, the review of
13 the committee delegation. Ms. Salazar.

14 HUMAN RESOURCES DIVISION INTERIM CHIEF SALAZAR:

15 Thank you. Mr. Chair, Members of the Committee,
16 again, Renee Salazar, CalPERS team member.

17 The delegation resolution for the Performance,
18 Compensation and Talent Management Committee is reviewed
19 on an annual basis. Team members have reviewed the
20 Committee delegation and recommend revisions to simplify
21 the language, and formatting, and alignment with other
22 committee delegations. If the Committee wishes to make
23 additional revisions to the delegation resolution, they
24 will be incorporated and brought back for Board
25 consideration for approval in April 2020.

1 That concludes my report. Thank you, Mr. Chair.

2 CHAIRPERSON FECKNER: Very good.

3 Thank you, Mr. Jones.

4 Mr. Jones, just pointed out those were both
5 action items, even though there were no questions. So
6 we're back to Item 8a. What's the pleasure of the
7 Committee?

8 VICE CHAIRPERSON ORTEGA: Move approval.

9 CHAIRPERSON FECKNER: Moved by Ortega.

10 COMMITTEE MEMBER BROWN: Second.

11 CHAIRPERSON FECKNER: Seconded by Brown.

12 Any discussion on the motion?

13 Seeing none.

14 All in favor say aye?

15 (Ayes.)

16 CHAIRPERSON FECKNER: Opposed, no?

17 Motion carries. 8b, you just heard the Committee
18 delegation. What's the pleasure of the Committee?

19 COMMITTEE MEMBER BROWN: Move approval.

20 VICE CHAIRPERSON ORTEGA: Second.

21 CHAIRPERSON FECKNER: Moved by Brown, seconded by
22 Ortega.

23 Any discussion on the motion?

24 Seeing none.

25 All in favor say aye?

1 (Ayes.)

2 CHAIRPERSON FECKNER: Opposed, no?

3 Motion carries.

4 Thank you, Ms. Salazar.

5 That brings us to Agenda Item 9, Summary of
6 Committee Direction.

7 Mr. Hoffner.

8 DEPUTY EXECUTIVE OFFICER HOFFNER: I didn't hear
9 any.

10 CHAIRPERSON FECKNER: I didn't hear any either.
11 That's a good thing.

12 DEPUTY EXECUTIVE OFFICER HOFFNER: Thank you.

13 CHAIRPERSON FECKNER: Item 9b, public comment.

14 I have no requests from the public. Is there
15 anyone out there that wishes to address the committee at
16 this time?

17 Mr. Johnson is shaking his head no. That's a
18 good sign too.

19 (Laughter.)

20 CHAIRPERSON FECKNER: Thank you, Neal.

21 All right. Seeing no public comment.

22 This Committee is adjourned.

23 (Thereupon the California Public Employees'
24 Retirement System, Board of Administration,
25 Performance, Compensation, & Talent Management

Committee meeting adjourned at 1:10 p.m.)

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

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

4 That I am a disinterested person herein; that the
5 foregoing California Public Employees' Retirement System,
6 Board of Administration, Performance, Compensation &
7 Talent Management Committee meeting was reported in
8 shorthand by me, James F. Peters, a Certified Shorthand
9 Reporter of the State of California;

10 That the said proceedings was taken before me, in
11 shorthand writing, and was thereafter transcribed, under
12 my direction, by computer-assisted transcription.

13 I further certify that I am not of counsel or
14 attorney for any of the parties to said meeting nor in any
15 way interested in the outcome of said meeting.

16 IN WITNESS WHEREOF, I have hereunto set my hand
17 this 22nd day of February, 2020.

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