

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, February 18, 2020**

The Board of Administration met on Tuesday, February 18, 2020 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

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

Henry Jones, President
Theresa Taylor, Vice President
Margaret Brown
Rob Feckner
Matthew Saha for Fiona Ma
Lisa Middleton
David Miller
Stacie Oliveras
Eraina Ortega
Jason Perez
Ramon Rubalcava
Shawnda Westly
Betty Yee

Board of Administration Members excused: None

President Jones welcomed Shawnda Westly to the Board and Ms. Westly was sworn in as a CalPERS Board Member.

The Public meeting was recessed at approximately 8:34 a.m. into closed session.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Wednesday, February 19, 2020**

The Board of Administration met on Wednesday, February 19, 2020 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 8:45 a.m. and the following members were present:

Henry Jones, President
Theresa Taylor, Vice President
Margaret Brown
Rob Feckner
Frank Ruffino for Fiona Ma
Lisa Middleton
David Miller
Stacie Oliveras
Eraina Ortega
Jason Perez
Ramon Rubalcava
Lynn Paquin for Betty Yee

Board of Administration Members excused: None

**AGENDA ITEM 2 – APPROVAL OF THE FEBRUARY 19, 2020 BOARD OF ADMINISTRATION
TIMED AGENDA**

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller and **CARRIED**, the Board approved Action Item 2.

AGENDA ITEM 4 – PRESIDENT'S REPORT

President Jones welcomed Shawnda Westly to the Board.

President Jones expressed sincere condolences to the family of Mr. Sam Davis.

AGENDA ITEM 5 – EXECUTIVE REPORT

a. Chief Executive Officer's Report

Ms. Frost welcomed Shawnda Westly to the Board.

Ms. Frost expressed condolences to the family of Mr. Sam Davis.

Ms. Frost reported on the following:

- Stakeholder Forum
- League of Cities Policy Committee
- Association of California Cities, Orange County Legislative Day
- California Society of Municipal Finance Officers Conference
- League of California Cities Managers Conference
- NASRA Annual Conference

Ms. Frost recognized and thanked Kim Malm for serving as the Interim Division Chief, Health Planning and Research.

As of December 31, 2019, the calendar year return is 17.3; the three-year return is 9.4; the five-year return is 7.1; and the ten-year return is 8.4; and the 20-year return is 5.7.

AGENDA ITEM 6 – CONSENT ITEMS

Action Consent Items:

- a. Approval of November 20, 2019 Board of Administration Meeting Minutes
- b. Board Travel Approvals

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller and **CARRIED**, the Board approved Action Consent Item 6a & 6b.

AGENDA ITEM 7 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for March 18, 2020 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 8 – COMMITTEE REPORTS AND ACTIONS

- a. Investment Committee

The Committee did not meet.

The next meeting of the Investment Committee is scheduled for March 16, 2020 in Sacramento, California.

- b. Pension and Health Benefits Committee

The Committee did not meet.

The next meeting of the Pension and Health Benefits Committee is scheduled for March 17, 2020 in Sacramento, California.

c. Finance and Administration Committee

Theresa Taylor, Chair, Finance and Administration Committee presented the Committee Summary report to the Board. The Committee met on February 18, 2020.

On **MOTION** by Committee and **CARRIED**, the Board approved the June 30, 2019 Judges' Retirement System Actuarial Valuation Report and the corresponding transmittal letter to the Governor and Legislature. (FAC Item 5b)

On **MOTION** by Committee and **CARRIED**, the Board approved the June 30, 2019 Retirement System II Actuarial Valuation Report and the corresponding transmittal letter to the Governor and Legislature. (FAC Item 5c)

On **MOTION** by Committee and **CARRIED**, the Board approved the June 30, 2019 Legislators' Retirement System Actuarial Valuation Report and the corresponding transmittal letter to the Governor and Legislature. (FAC Item 5d)

On **MOTION** by Committee and **CARRIED**, the Board approved the Delegation from the Board to the Committee and the recommended changes that will be brought to the Board in the April, along with the other Committee Delegations. (FAC Item 7a)

On **MOTION** by Committee and **CARRIED**, the Board approved the revised proposed regulations to establish a fee structure to fund the State Social Security Administrator (SSSA) program with a 15-day public comment period, followed by submission of the final rulemaking package to the Office of Administrative Law (OAL). (FAC Item 7c)

On **MOTION** by Committee and **CARRIED**, with one abstention by Stacie Olivares and one no vote by Margaret brown, the Board approved recommendation for a two-year contract extension on the Barra, LLC Contract. (FAC Item 7d)

On **SUBSTITUTE MOTION** by Margaret Brown, **SECONDED** by Lynn Paquin, and **FAILED** by electronic vote, to approve Option B, mail-in for all elections. (FAC Item 7b)

Name	Yes	No
Stacie Olivares		X
Eraina Ortega		X
Jason Perez	X	
Ramon Rubalcava		X
Shawnda Westly		X
Lynn Paquin for Betty Yee	X	
Frank Ruffino for Fiona Ma	X	
Margaret Brown	X	
Rob Feckner		X
Lisa Middleton		X

David Miller		X
Theresa Taylor		X

On **MOTION** by Committee and **CARRIED**, with three no votes by Margaret Brown, Lynn Paquin, and Jason Perez, the Board approved option A to maintain the status quo on election procedures. (FAC Item 7b)

PUBLIC COMMENT:

JJ Jelincic spoke on FAC Agenda Item 7b urging the Board to vote for Option B, the all paper ballot process.

Tim Behrens representing California State Retirees spoke on FAC Agenda item 7b urging the Board to vote for Option A, keeping it status quo.

Additional information may be found in the February 18, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for April 20, 2020 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Rob Feckner, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on February 18, 2020.

On **MOTION** by Committee and **CARRIED**, the Board approved the fiscal year 2019-20 semiannual status report of the Chief Executive Officer. (PCTM Item 8a)

On **MOTION** by Committee and **CARRIED**, the Board approved the proposed amendments to the Performance, Compensation & Talent Management Committee Delegation Resolution. (PCTM Item 8b)

Additional information may be found in the February 18, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for April 20, 2020, in Sacramento, California.

e. Risk and Audit Committee

David Miller, Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on February 18, 2020.

On **MOTION** by Committee and **CARRIED**, the Board approved the proposed amendments to the Risk and Audit Committee Delegation Resolution as part of the annual Board Committee Delegation review process. (RAC Item 7a)

Additional information may be found in the February 18, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for April 20, 2020 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is scheduled for March 17, 2020 in Sacramento.

AGENDA ITEM 9a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 9a1 through 9a17 as the Board's own decisions with minor modifications as argued by staff to Agenda Items 9a1, 9a2, 9a9, 9a12 and 9a15.

AGENDA ITEM 9b – PETITIONS FOR RECONSIDERATION

On **MOTION** by Theresa Taylor, **SECONDED** by Margaret Brown, and **CARRIED**, the Board moved to deny the petitions for reconsiderations of Agenda Items 9b1 and 9b2.

AGENDA ITEM 9c – REQUEST FOR PRECEDENTIAL DECISION

On **MOTION** by Theresa Taylor, and **SECONDED** by David Miller, the Board approved the Legal Office to solicit written comments from the public on whether or not to designate the Dudley J. Lang final decision at Agenda Item 9c1 as a precedential Board decision.

AGENDA ITEM 9d – STATE LEGISLATIVE PROPOSAL: TECHNICAL AMENDMENTS TO THE PUBLIC EMPLOYEES' RETIREMENT LAW

On **MOTION** by Margaret Brown, and **SECONDED** by Jason Perez, and **CARRIED**, the Board approved to sponsor the Annual Housekeeping Bill that makes clarifying and technical changes to the Public Employees' Retirement Law (PERL).

AGENDA ITEM 9E – STATE LEGISLATIVE PROPOSAL: DISCLOSURE OF PRIVATE DEBT

On **MOTION** by Theresa Taylor, and **SECONDED** by David Miller and **CARRIED**, with one no vote by Margaret Brown, the Board approved to sponsor legislation that would assist the Investment Office in pursuing private debt investment opportunities.

PUBLIC COMMENT:

JJ Jelincic disagrees with the proposal.

Al Darby, representing RPEA disagrees with the legislative proposal.

AGENDA ITEM 10a – ENTERPRISE PERFORMANCE REPORTING – SECOND QUARTER

Kristin LaMantia provided a second quarter Enterprise Performance Report to the Board.

PUBLIC COMMENT:

Robert Girling representing California State University ERFSA, complimented the team on the comprehensive strategic plan. Mr. Girling expressed concerns with the mitigation strategies in relation to the risk of investment loss and the omission of the State Treasurer as a voting member of the Investment Committee.

AGENDA ITEM 10b – STATE AND FEDERAL LEGISLATION UPDATE

Danny Brown, Chief of Legislative Affairs, provided an update on State Legislation.

AGENDA ITEM 10c – SUMMARY OF BOARD DIRECTION

Board direction was given to include draft bill language as part of an action item for future proposed legislation and to add the “refresh on” date to the enterprise performance management system.

AGENDA ITEM 10c – PUBLIC COMMENT

Tim Behrens, representing CSR thanked the team for the PERS Buck and inquired about the status of Board Member’s Travel Reports.

Jim Baker representing Private Equity Stakeholder Project spoke about CalPERS investment with Cerberus Institutional Partners V.

The Public meeting adjourned at approximately 10:19 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration
REVISED Agenda Item 6b

February 19, 2020

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

Approve travel requests as required under the Board of Administration's travel policy.

Over \$500/Out of State/Country Travel Requests Approved by Board President:

Board Member	Date	Destination	Purpose of Travel
David Miller	2/25/20-2/26/20	Newport Beach, CA	Attend CCE Celebrating Excellence Conference
Betty Yee	3/21/20-3/26/20	New York, NY	Attend Ceres 2020 Investor Summit on Climate Risk, Ceres 2020 Conference, and board meeting
Theresa Taylor	5/9/20-5/13/20	Las Vegas, NV	NCPERS Annual Conference
Theresa Taylor	6/7/20-6/10/20	Cambridge, MA	Harvard Trustee Leadership Forum
Henry Jones	6/10/20-6/13/20	New York, NY	Toigo Board Meeting
Rob Feckner	6/28/20-7/1/20	San Francisco, CA	IFEBC Public Benefits Conference

HENRY JONES, President
Board of Administration

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF TELECONFERENCE MEETING
OPEN SESSION
Wednesday, March 18, 2020**

The Board of Administration met on Wednesday, March 18, 2020 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The teleconference meeting was called to order at approximately 9:00 a.m. and the following members were present:

Henry Jones, President
Theresa Taylor, Vice President
Margaret Brown
Rob Feckner
Frank Ruffino for Fiona Ma
Lisa Middleton
David Miller
Stacie Oliveras
Michelle Mitchell for Eraina Ortega
Jason Perez
Ramon Rubalcava
Lynn Paquin for Betty Yee

Board of Administration Members excused: None

AGENDA ITEM 5 – EXECUTIVE REPORT

a. Chief Executive Officer's Report

Ms. Frost reported on COVID-19 and CalPERS.

Mr. Meng provided an update on the financial market volatility and the impact to CalPERS.

AGENDA ITEM 9a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 9a1 through 9a5, and 9a7 through 9a10 as the Board's own decisions with minor modifications as argued by staff to Agenda Items 9a5, and set aside the Board's final decision in the appeal of Charles Therrien and remand the case back to the Office of Administrative Hearings in accordance with the Superior Court Order found at Agenda Item 9a6, only on the specific issues specified therein.

Board Member	Yes	No
Margaret Brown	x	
Rob Feckner	x	
Frank Ruffino for Fiona Ma	X	
Lisa Middleton	X	
David Miller	X	
Stacie Olivares	X	
Michelle Mitchell for Eraina Ortega	X	
Jason Perez	X	
Ramon Rubalcava	X	
Theresa Taylor	X	
Shawnda Westly	X	
Lynn Paquin for Betty Yee	X	

AGENDA ITEM 10c – PUBLIC COMMENT

No public comment was given.

The Public meeting adjourned at approximately 9:30 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer