

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

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

WEDNESDAY, JUNE 17, 2020
10:42 A.M.

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

COMMITTEE MEMBERS:

Mr. Henry Jones, Chairperson

Ms. Lisa Middleton, Vice Chairperson

Mr. Rob Feckner

Ms. Fiona Ma, represented by Mr. Frank Ruffino

Ms. Stacie Olivares

Ms. Eraina Ortega, represented by Ms. Michelle Mitchell

Mr. Jason Perez

BOARD MEMBERS:

Ms. Theresa Taylor, Vice President

Ms. Margaret Brown

Mr. David Miller

Mr. Ramon Rubalcava

Ms. Shawnda Westly

Ms. Betty Yee, represented by Mr. Karen Greene-Ross

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Matt Jacobs, General Counsel

Mr. Kelly Fox, Stakeholder Relations Chief

Ms. Pam Hopper, Committee Secretary

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

ALSO PRESENT:

Mr. Tim Behrens, California State Retirees

Mr. Al Darby, Retired Public Employees Association

Mr. J.J. Jelincic

Ms. Cathy Jeppson, Association of Retired Emeritus
Faculty, California State University, Northridge

Mr. Ray Snodgrass, CalFire Firefighters, Local 2881

Mr. Larry Woodson, California State Retirees

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P R O C E E D I N G S

1
2 CHAIRPERSON JONES: I call to order the Board
3 Governance Committee meeting. And the first order of
4 business is roll call, please.

5 Ms. Hopper.

6 COMMITTEE SECRETARY HOPPER: Henry Jones?

7 CHAIRPERSON JONES: Here.

8 COMMITTEE SECRETARY HOPPER: Rob Feckner?

9 COMMITTEE MEMBER FECKNER: Good morning.

10 COMMITTEE SECRETARY HOPPER: Frank Ruffino for
11 Fiona Ma?

12 ACTING COMMITTEE MEMBER RUFFINO: Present.

13 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

14 COMMITTEE MEMBER MIDDLETON: Present.

15 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

16 COMMITTEE MEMBER OLIVARES: Here.

17 COMMITTEE SECRETARY HOPPER: Michelle Mitchell
18 for Eraina Ortega?

19 ACTING COMMITTEE MEMBER MITCHELL: Here.

20 COMMITTEE SECRETARY HOPPER: Jason Perez?

21 COMMITTEE MEMBER PEREZ: Here.

22 CHAIRPERSON JONES: Okay. Thank you, Ms. Hopper.

23 The next item on the agenda is approval of the
24 June 7, 2020 Board Governance Committee timed agenda. Do
25 I have a motion?

1 COMMITTEE MEMBER PEREZ: I'll motion.

2 CHAIRPERSON JONES: Motion by Mr. Perez.

3 ACTING COMMITTEE MEMBER RUFFINO: Second.

4 CHAIRPERSON JONES: Second by Mr. Ruffino.

5 Roll call, Ms. Hopper.

6 COMMITTEE SECRETARY HOPPER: Rob Feckner?

7 COMMITTEE MEMBER FECKNER: Aye.

8 COMMITTEE SECRETARY HOPPER: Frank Ruffino for
9 Fiona Ma?

10 ACTING COMMITTEE MEMBER RUFFINO: Aye.

11 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

12 COMMITTEE MEMBER MIDDLETON: Aye.

13 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

14 COMMITTEE MEMBER OLIVARES: Aye.

15 COMMITTEE SECRETARY HOPPER: Michelle Mitchell
16 for Eraina Ortega?

17 ACTING COMMITTEE MEMBER MITCHELL: Aye.

18 COMMITTEE SECRETARY HOPPER: Jason Perez?

19 COMMITTEE MEMBER PEREZ: Aye.

20 COMMITTEE SECRETARY HOPPER: Mr. President, I
21 have Jason Perez making the motion, Frank Ruffino for
22 Fiona Ma seconding it, and all ayes.

23 CHAIRPERSON JONES: Thank you very much.

24 The next item on the agenda is the executive
25 report. Mr. Jacobs.

1 GENERAL COUNSEL JACOBS: Yes. Good morning,
2 Committee members and other Board members. We have a
3 pretty straightforward agenda this morning. There's only
4 one substantive matter and that is Item 5a, which is
5 proposed revisions the Board Travel Policy. So with that,
6 I'll just get out of the way and get -- let you get to it.
7 Let us get to it.

8 CHAIRPERSON JONES: Okay. Thank you very much.
9 Okay. So we'll move to that action consent
10 items. I have -- I need a motion on the action consent
11 items.

12 COMMITTEE MEMBER MIDDLETON: So moved.

13 CHAIRPERSON JONES: Moved by Ms. Middleton.

14 COMMITTEE MEMBER FECKNER: Second.

15 CHAIRPERSON JONES: Second by Mr. Feckner.

16 Roll call, Ms. Hopper.

17 COMMITTEE MEMBER PEREZ: Henry, I'm trying to
18 make a comment.

19 BOARD MEMBER BROWN: I have a comment too.

20 CHAIRPERSON JONES: On the minutes? On the --
21 okay. So go ahead, Mr. Perez.

22 COMMITTEE MEMBER PEREZ: I just got confused.
23 I'm sorry, are we on the minutes or on the new policy?

24 CHAIRPERSON JONES: We're on the action consent,
25 which is the minutes.

1 COMMITTEE MEMBER PEREZ: Then never mind.

2 CHAIRPERSON JONES: And the delegation. There's
3 two items there.

4 COMMITTEE MEMBER PEREZ: I'll withdraw my
5 question or comment.

6 CHAIRPERSON JONES: Okay. Ms. Brown.
7 Ms. Brown.

8 BOARD MEMBER BROWN: Thank you, Mr. Jones. I do
9 have a question on the delegation of authority.

10 CHAIRPERSON JONES: Okay. Ms. Brown.

11 BOARD MEMBER BROWN: I'm actually -- thank you.
12 I'm looking at the first page under "General", item number
13 6. And it says that the CEO will, "Report to the Board,
14 on at least a monthly basis, all significant action the
15 CEO has taken under this delegation of authority". So I'm
16 wondering how that's happening now in lieu of that we're
17 not meeting monthly? How is that kind of happening?

18 CHAIRPERSON JONES: Ms. Frost.

19 CHIEF EXECUTIVE OFFICER FROST: Yes. So
20 significant actions, you know, other than what's been
21 asked through Committee delegation, which would be put
22 into the Insight Tool, significant actions would also be
23 reported again through the dashboard that's now available
24 on the Insight Tool. That will be refreshed monthly. If
25 there are items between meetings that do occur, you either

1 get a Board note from the CEO or the CEO, me, is in
2 contact regularly with the Board President and the Board
3 Vice President.

4 BOARD MEMBER BROWN: Thank you for the answer.
5 The question I have is I want to make sure it's monthly.
6 And also, if you're only telling a few Board members,
7 you're not reporting to the Board. You're only reporting
8 to a few. So I want to make sure that the report goes to
9 all the Board members.

10 CHIEF EXECUTIVE OFFICER FROST: Yes. And the
11 channel or the formats that we will use is the Insight
12 Tool, which was intentionally designed to be monthly
13 updates.

14 BOARD MEMBER BROWN: Thank you. As long as I
15 have your assurances that's happening.

16 Thank you.

17 CHAIRPERSON JONES: Okay. So now the vote please
18 on that.

19 COMMITTEE SECRETARY HOPPER: Okay. This is for
20 both 4a and 4b, right, Mr. President?

21 CHAIRPERSON JONES: Yes.

22 COMMITTEE SECRETARY HOPPER: Okay. Rob Feckner?

23 COMMITTEE MEMBER FECKNER: Aye.

24 COMMITTEE SECRETARY HOPPER: Frank Ruffino for
25 Fiona Ma?

1 ACTING COMMITTEE MEMBER RUFFINO: Aye.

2 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

3 COMMITTEE MEMBER MIDDLETON: Aye.

4 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

5 COMMITTEE MEMBER OLIVARES: Aye.

6 COMMITTEE SECRETARY HOPPER: Michelle Mitchell
7 for Eraina Ortega?

8 ACTING COMMITTEE MEMBER MITCHELL: Aye. I'm
9 sorry. I'm having computer issues.

10 COMMITTEE SECRETARY HOPPER: No problem. Thank
11 you.

12 Jason Perez?

13 COMMITTEE MEMBER PEREZ: Aye.

14 COMMITTEE SECRETARY HOPPER: Mr. President, I
15 have Lisa Middleton making the motion, Rob Feckner
16 seconding it, and I have all ayes.

17 CHAIRPERSON JONES: Okay. Thank you very much.
18 Now, we will move to the action agenda items. The
19 proposed revisions to the Board Travel Policy, travel
20 reporting and approval process.

21 Mr. Jacobs.

22 GENERAL COUNSEL JACOBS: Yes. Thank you. Let me
23 set the table for the Committee. This item continues the
24 discussion of potential changes to the Board Travel
25 Policy. As you may recall, the Committee tasked the Legal

1 Office with reviewing the transcripts of the Committee's
2 prior discussions on this issue to try to capture a
3 consensus in a -- in some amendments to the existing
4 Travel Policy. So we did that.

5 Then we worked on that draft with the Chair, Mr.
6 Jones, and the Vice Chair, Ms. Middleton. We made some
7 revisions. And what you have before you is what we
8 arrived at. There are two basic changes.

9 The first one would expand the reporting of the
10 educational and other travel. It would require a concise
11 written report of any such travel within 30 days of that
12 travel, except, of course, Board constituent meetings.
13 The reports would be posted as part of a standing agenda
14 item at each Board meeting, and then we would give
15 members -- Board members an opportunity to expand on their
16 reports orally at the meeting, and the public an
17 opportunity to comment on those reports. It expands the
18 potential consequences of failing to comply with this
19 requirement to a denial of reimbursement of the travel
20 expenses.

21 The second change would require Board members to
22 obtain the President's -- excuse me, the President's prior
23 approval for any travel within California, including
24 events with -- within California that have registration
25 fees under \$500. The existing policy does not require

1 this approval for travel within California or events
2 within California under \$500.

3 So with this change, all travel within
4 California, whether or not it involves the registration
5 fee, would require the President's approval. And this
6 agenda item would also clarify -- excuse me, this change
7 would also clarify that travel approval is required for
8 speaking engagements that require travel.

9 So with that overview of the agenda item, I will
10 hand it back to you, Mr. Jones, for discussion with your
11 colleagues.

12 CHAIRPERSON JONES: Yeah. Thank you, Mr. Jacobs.
13 And I know you said it, but I just want to reiterate that
14 this does not require the President's to approval to meet
15 with constituents or CalPERS-related business at the
16 office or other CalPERS sites throughout the State.

17 Okay. We have a number of questions.

18 Ms. Brown.

19 You're on mute.

20 BOARD MEMBER BROWN: I think Mr. Jones was first.
21 I -- my was comment on delegation. I mean, I think Mr.
22 Perez was next. My comment was --

23 CHAIRPERSON JONES: Oh. Okay. So you're --
24 okay. Then, Mr. Perez.

25 COMMITTEE MEMBER PEREZ: Thank you.

1 Mr. President, I -- let me start by saying, I
2 absolutely believe in transparency. Everyone whom we
3 meet, the stakeholders and everyone should be able to see
4 who we meet and why we're meeting them.

5 However, I think respectfully, sir, I think this
6 is an overreach of your authority. I know you're asking
7 for this authority, but I don't -- I think it's a really
8 bad idea. Your question right now to Mr. Jacobs in
9 regarding to meeting with stakeholders, that is contrary
10 to what it says in the highlight under B, "Travel Requests
11 and Approval". It doesn't say thinking about stakeholders
12 there. It does mention again below. But there's a couple
13 instance in this document where it's contrary to itself.

14 Another example would be the -- the exceptions of
15 Board member travel after it's been -- before it's been
16 submitted. You have in there that it's -- that there will
17 not be paid out, but then you mention -- or the document,
18 excuse me, mentions that there are exceptions.

19 Lastly, I don't think it's up to the Board or
20 anybody on the -- it's not up to the President or anyone
21 else on the Board with whom we meet. Seeking your
22 approval is just -- I don't think it's right.

23 CHAIRPERSON JONES: Well, first of all, on your
24 comment if you look at Item F under "Procedures" in the
25 highlighted changes, it's the fourth paragraph. It does

1 say expenses, and then parentheses, "with the exception of
2 meetings notified by the Board and constituent meetings
3 with members". So it is highlighted in the document, that
4 that's not part of the requirement.

5 And I think to your broader question, I think
6 that there has to be someone responsible for an
7 organization, whether it's two members, five members, or
8 six members. You can't -- I don't believe it's prudent to
9 not have someone responsible, and that's why the Board has
10 delegated that authority to the President of the Board and
11 the Vice President, when it's the President who is
12 traveling, to be responsible for the institution. So I
13 believe that someone needs to be responsible. And it
14 seems to me, the appropriate place is the -- is the
15 President.

16 COMMITTEE MEMBER PEREZ: But you don't have that
17 authority now. You're asking for that authority. So --

18 CHAIRPERSON JONES: The only change -- I'm sorry.
19 Go ahead. I'm sorry.

20 COMMITTEE MEMBER PEREZ: You don't have that
21 authority now. You're asking for that authority.

22 CHAIRPERSON JONES: The only thing that I'm
23 asking for that's different than the prior policy is that
24 it's less than \$500 and in the state of California. All
25 the other policies were there before.

1 COMMITTEE MEMBER PEREZ: Right. And I think --

2 CHAIRPERSON JONES: And the reason -- and the
3 reason that's there is because when the stakeholders
4 requested that we have a public forum on our travel and
5 information to provide for the public for transparency
6 purposes, I thought it was prudent, before we just go and
7 make that one policy change, we needed to review what our
8 current practices are and determine whether or not there
9 are other changes that should be made. And as a result of
10 that review, we found that the less than \$500 in in-state
11 travel did pose a problem for staff processing
12 reimbursement, because that was not sufficient
13 information. So that's why we've added that provision.

14 COMMITTEE MEMBER PEREZ: Are -- well, this --
15 this strikes a chord with me specifically, sir, because
16 last month I had put in a -- not a request for travel,
17 because I don't need approval in the state of California.
18 I put it in through the portal just so I can get my room
19 squared away, and it was denied by you. You gave me
20 the -- a good answer saying that it was because it was
21 outside the scope of the government's -- or the Governor's
22 orders of the COVID. And I provided back to you examples
23 of why that would be exempt. And that meeting was with
24 another Board member in Sacramento and you still denied
25 it.

1 Again, this is not a tit for tat by any mean.
2 I'm saying that the Board President should not have that
3 kind of authority to deny someone travel in the state of
4 California under \$500.

5 CHAIRPERSON JONES: Yeah, and you're correct, Mr.
6 Perez, that I did disapprove that, because it wasn't in
7 accordance with the Governor's Executive Order. And it
8 was considered only essential travel. And to meet with a
9 Board member, I thought and believe that that could have
10 been done on the phone. And that does not fall under the
11 category of essential travel at that time. And so that's
12 why I declined that.

13 Okay. Any other questions, Mr. Perez?

14 COMMITTEE MEMBER PEREZ: Not right now.

15 CHAIRPERSON JONES: Okay.

16 COMMITTEE MEMBER PEREZ: Thank you.

17 CHAIRPERSON JONES: Ms. Brown.

18 BOARD MEMBER BROWN: Thank you, Mr. Chair.

19 I just have to say that the current Board policy
20 provides a wonderful opportunity for Board members to
21 engage with stakeholders whether they be retired, working,
22 or public agencies worried about increasing pension
23 obligations.

24 Who's shuffling papers?

25 CHAIRPERSON JONES: Oh, I'm sorry.

1 BOARD MEMBER BROWN: No Board member has ever
2 needed the President's permission to visit such exotic
3 California donations -- destinations like Bakersfield,
4 Chula Vista, El Centro, Eureka, Fresno, Glendale, Hanford,
5 Hollister, Modesto, Redding, Salinas, or Susanville --
6 actually, Susanville is quite lovely. But we don't
7 need -- we've never needed your permission to attend
8 those, and I don't understand why we need to change that
9 policy now.

10 You're saying it doesn't apply to constituents.
11 And so I have a concern though. It's like constituents
12 invite you to speak. Does it have to become speaking
13 engagement. But there's no reason to change this. I
14 don't travel internationally. I don't go to Singapore,
15 and I don't go to Australia. If you want to set a limit,
16 because there's a financial reason, I think that's a great
17 idea. But just to say that I have to get your permission
18 to go to Redding to speak to a group of people, I think is
19 a complete overreach.

20 We are either elected or appointed Board
21 officials. Are you going to do this to the State
22 Controller or the State Treasurer? They -- all this would
23 apply to them as well. And I think it's a huge overreach.
24 It shouldn't happen. If there's a problem with processing
25 reimbursements, then take care of the paperwork problem.

1 Thank you.

2 CHAIRPERSON JONES: And, Ms. Brown, it does
3 not -- all of those cities that you mentioned were
4 there -- you're meeting with your stakeholders does not
5 require my approval, or the Board president, because it's
6 Henry Jones. It's the Board President, whoever happens to
7 be in this seat.

8 BOARD MEMBER BROWN: The problem is you give no
9 criteria, and you don't give an -- so give me an example
10 of a speaking engagement that's under \$500 that you would
11 need to approve?

12 CHAIRPERSON JONES: Well, there's one coming up
13 in Napa that I was invited to to speak to be on panel.
14 And that was not a constituent meeting and they wanted me
15 to participate in the panel. So in that regard, I would
16 have to get Ms. Taylor's approval to serve on that panel.

17 BOARD MEMBER BROWN: And what criteria will you
18 use to determine whether or not you get to go or don't get
19 to go?

20 CHAIRPERSON JONES: And I'm not -- I'm not
21 deciding the -- you have listed the reasons for going, and
22 I don't see me disapproving you for going to participate
23 in a -- on a panel of anything like that. As I've
24 mentioned, the problem was is that we cannot get
25 information based on when you have travel, the -- in terms

1 of providing the necessary information so that paperwork
2 work can be processed appropriately. So it's -- you know.

3 BOARD MEMBER BROWN: It appears to be a paperwork
4 problem, not a Governance Policy problem.

5 Thank you.

6 CHAIRPERSON JONES: Okay. We have -- that's a
7 Committee. Those are public speakers that have a comment
8 here.

9 Ms. Westly. No, Ms. Taylor, I'm sorry. Ms.
10 Taylor.

11 COMMITTEE MEMBER FECKNER: Don't forget me.

12 CHAIRPERSON JONES: Oh, okay. You, I don't see
13 you.

14 VICE PRESIDENT TAYLOR: Yeah, Rob is first. Rob
15 is first.

16 CHAIRPERSON JONES: Okay. Okay. Go ahead, Rob.

17 COMMITTEE MEMBER FECKNER: Thank you, Mr.
18 President.

19 I tend to align myself and agree with what Mr.
20 Perez said, but I do want to focus on one piece, because
21 in B it does not talk about the constituents. You have to
22 go to F to find that. And I think that would clarify
23 better if it was in B.

24 But beyond that, I think what we're all getting
25 hung up on is that word "approval". Perhaps, if we took

1 out "approval" and made it "prior notification" instead.
2 We're not asking for your approval, but we want you to
3 know where we're going, so that if the public asks, that
4 it could be tracked. I think that makes a lot more sense
5 than asking for approval to go to something that we don't
6 need approval to go to.

7 But prior notification to me makes sense, because
8 then everyone knows who's going where, what you're doing,
9 who you're speaking to, so that it can be tracked and then
10 looked at again. So those are my comments.

11 Thank you.

12 CHAIRPERSON JONES: Okay. Ms. Taylor.

13 VICE PRESIDENT TAYLOR: Yes. Thank you, Mr.
14 President.

15 I agree that we do probably need to mention it in
16 B as well. I was looking for it. I don't really see it
17 there. So -- and I think getting hung up on approval --
18 yeah, I mean, in California, stakeholder meetings that we
19 all attend, I don't notice those, because I go based on my
20 union, so I don't even charge CalPERS, so -- so that's a
21 different thing.

22 But I think what we all have to be careful of is
23 when we are going to whatever stakeholder meetings we're
24 going to, if we're members of those organizations, we have
25 to make sure that we're not going as a member of the

1 organization, which is why I have SEIU pay for my travel
2 for stakeholders versus CalPERS.

3 So I think that's -- if we're -- if we're looking
4 at just saying notification, I'm not sure that covers
5 whether or not -- like I -- I say I want to go see DMV
6 offices in Laguna Niguel or something, and I put that as a
7 CalPERS thing, Henry can deny me, because that's an SEIU
8 expense. So I think we have to be cognizant of all of us
9 have constituents. We are also members of those
10 constituent groups. Maybe not -- you know, not all of us,
11 but -- so I think that's where we have to be careful. And
12 that does require approval, because if Henry knows I'm
13 going to go see a DMV office, well, those are my
14 employees. CalPERS shouldn't be paying for that.

15 So that's my statement. But again, I will agree
16 with Rob and Jason that we need to move that -- move some
17 more language over under B.

18 CHAIRPERSON JONES: Okay. Okay. We have Ms.
19 Westly.

20 BOARD MEMBER WESTLY: No, I -- that was an error.
21 I don't have that.

22 COMMITTEE MEMBER OLIVARES: Mr. President, I have
23 a question.

24 CHAIRPERSON JONES: Okay. Ms. Olivares.

25 COMMITTEE MEMBER OLIVARES: Thank you.

1 I'd like to get some more clarification on this.
2 I think the first question I have, and again still rather
3 new to the Board, is how do we define constituent, because
4 I didn't see that anywhere in the policy?

5 CHAIRPERSON JONES: Well, constituent could be --
6 I mean, even though we're -- each of us are elected, those
7 of us that are elected, are elected by a unique group.
8 But I perceive all members our constituents, whether it's
9 from the schools, or whether it's from the State, or
10 whether it's a retiree. All those are our constituents.
11 So I don't -- I interpret the constituent to mean any
12 member of CalPERS. Those organizations that have members
13 that are part of CalPERS are constituents.

14 COMMITTEE MEMBER OLIVARES: Thank you for
15 clarifying that. And does this travel -- do these
16 proposed changes to the Travel Policy only apply if it a
17 reimbursement is sought?

18 CHAIRPERSON JONES: Yes, because if you're not
19 traveling on -- if you're not traveling on CalPERS
20 business, then you can -- you -- we all travel on our own.
21 Just like Mr. Perez said that he was going to do some
22 personal travel and it didn't involve CalPERS, so you're
23 not getting approval for that, because it's not CalPERS
24 related.

25 Mr. Jacobs, do you have any comment on that?

1 GENERAL COUNSEL JACOBS: You know, the fidelity
2 of the sound in the auditorium today is really quite
3 horrible, so I'm not sure I heard the question.

4 COMMITTEE MEMBER OLIVARES: I'm happy to repeat
5 it.

6 CHAIRPERSON JONES: Repeat it, Ms. Olivares.

7 COMMITTEE MEMBER OLIVARES: Of course. So, Mr.
8 Jacobs, I'm unclear as to whether this proposed -- these
9 proposed changes to the Travel Policy apply only if
10 reimbursement is sought or if pre-approval would be
11 required, even if a Board member is not seeking
12 reimbursement? Could you please clarify that?

13 GENERAL COUNSEL JACOBS: Sure. These only apply
14 if you're seeking reimbursement. However, there are, in
15 other places, requirements with respect to speaking on
16 behalf of CalPERS. So if you're thinking I want to go and
17 speak on behalf of CalPERS, or I want to represent CalPERS
18 at an item, and I want to pay myself -- pay for myself,
19 that may trigger a different notification or approval
20 requirement anyway.

21 Now, I don't happen to -- I can get -- I can get
22 that information or I can point out where in the Board
23 Governance Policy that is. I just don't happen to have
24 the cites at the top of my head, but I think that's kind
25 of might be what you're getting at.

1 COMMITTEE MEMBER OLIVARES: To some extent.

2 Mr. President, is the goal of these proposed
3 changes to increase transparency? And if so, I'm trying
4 to understand why these would only apply if seeking
5 reimbursement. So let me give you an example. So I often
6 meet with investment funds. That's my role and -- or
7 other pension funds who have questions, right? And so we
8 often talk about other CIOs. We'll talk about what's
9 happening in the markets overall and investment
10 opportunities, et cetera, and sometimes they'll have a
11 question.

12 And there's often questions regarding what I do
13 during my day job and then CalPERS. And so I often don't
14 submit for investment. And so here I'm just trying to
15 understand what the parameters are, because to me the
16 definitions aren't very clear.

17 CHAIRPERSON JONES: Um-hmm. Well --

18 COMMITTEE MEMBER OLIVARES: I want to make sure
19 that I'm not out of bounds too, as this -- as this is
20 proposed, because I typically don't submit for
21 reimbursement, if it's within California. But now as I
22 read this, I'm like, well, wait, if I get a -- in a Q&A
23 session where I'm speaking at an event, and it's not
24 supposedly CalPERS related or CalPERS constituent, but I
25 end up answering questions, have I then inadvertently

1 violated policy, because I didn't submit for pre-approval?
2 I just -- there's a lot of potential confusion here.

3 CHAIRPERSON JONES: Yeah. The -- I understand
4 what you're saying, because I take meetings that I don't
5 request reimbursement either. It's just that they want to
6 meet and ask what's the process of making an investment
7 through our investment proposal system, et cetera. That's
8 not something that I request a reimbursement for.

9 And in your case, you know, it's -- you have
10 the latitude to meet with whoever you want. And, you
11 know, it could be if you are asking whether or not it's
12 related to CalPERS business, then if you are -- depending
13 on where you're traveling to, or what you're -- you know,
14 if you're requesting to travel to another city and be --
15 you're requesting reimbursement, then that becomes a
16 CalPERS item. But if you are traveling related to your
17 other job, and you happen to be asked questions about
18 CalPERS, that's totally different.

19 COMMITTEE MEMBER OLIVARES: Okay. I'm sorry.
20 I'm still not sure I follow, but let's go ahead and move
21 on to the other questions.

22 CHAIRPERSON JONES: Okay. We see -- okay. I
23 don't think I see any other -- Ms. Brown, is that repeat
24 or that's --

25 BOARD MEMBER BROWN: No, I have a question.

1 CHAIRPERSON JONES: Okay. Ms. Brown.

2 BOARD MEMBER BROWN: Yeah. So I shared this
3 policy with my attorney and he's informed me that the
4 policy looks like if you don't get approval, you can't go.
5 That's the way he read the policy. The -- whether you
6 want reimbursement or not.

7 But I do agree with the idea of notifying the
8 Board President where we're going. That's already the
9 policy. We're supposed to notify Karen Perkins and Henry
10 Jones when we are going to a constituent meeting, so she
11 puts it on the calendar, so she knows who meets with who.
12 We're already supposed to be doing that.

13 If you're not doing that, then you're not
14 following -- it's not a policy. It's a practice or maybe
15 it's a procedure. But we're already supposed to be doing
16 that. So I don't see any reason to change this. And I
17 will agree with some of my members on the Board that, yes,
18 we meet with taxpayers or other associations and if
19 they're nearby, there's no reason to request a
20 reimbursement. If you're already there for another
21 reason, we -- I don't request a reimbursement for that.

22 But we should, in fact, notify -- I agree, we
23 should notify at least the staff and tell them that we met
24 with, so you have an idea of what we're doing.

25 But I don't know that -- I don't know how clear

1 the policy is. And it's kind of interesting, because
2 constituents -- you know, taxpayers are our constituents,
3 because they're paying through their taxes the State's
4 obligations for pensions. So it's very, very confusing.
5 I don't think we need to change the policy.

6 Thank you.

7 CHAIRPERSON JONES: Okay. Ms. Middleton.

8 COMMITTEE MEMBER MIDDLETON: Thank you, Mr.
9 President. And I want to thank all of my colleagues for
10 their comments. To my knowledge, the motivation behind
11 this was to improve the practices around reporting to make
12 it easier for the Board Travel Unit to process claims and
13 to one of transparency, so that everything -- all of our
14 travel was identified.

15 So I think Mr. Feckner and some others have made
16 a good point that notification may be adequate as opposed
17 to approval. It would certainly be a interim step that we
18 could try to see if that makes some improvements in our
19 processes, and I could accept that.

20 CHAIRPERSON JONES: Okay. Okay. Anyone else
21 before we go to the -- and I -- I can accept that too,
22 because what I'm trying to achieve is the improvement in
23 the processes, because as I mentioned before, there -- you
24 know, looking at a review of some report, it was like 64
25 percent of the time that reimbursement claims were filed

1 with staff, there was a lack of explanation. So that's
2 what I'm trying to deal with is the -- as Ms. Middleton
3 mentioned, is to make sure that we have the information
4 for staff whenever they're processing your claims, that it
5 ties back into the purpose of that travel in the first
6 place.

7 So approve, notification, I'm not, you know, torn
8 with that. I just think that we need to work on something
9 to improve that process. So that's my viewpoint on that.

10 So, Mr. Feckner, you have another question.
11 That's an old one.

12 COMMITTEE MEMBER FECKNER: I do, but Mr. Perez is
13 in front of me.

14 CHAIRPERSON JONES: Okay. I don't see Mr. Perez.
15 Go ahead, Mr. Perez. I don't see you here.

16 COMMITTEE MEMBER PEREZ: Thank you. Thank you,
17 Rob. There's mentions of fixing the process several
18 times. And I don't -- I don't quite understand that, now
19 that you mentioned an audit. What I would hate to do is
20 make a blanket policy change because we have a couple, or
21 several Board members that are failing to complete the
22 appropriate paperwork. So if that's the case, perhaps we
23 should just fix -- you know, fix those people that are
24 committing the errors.

25 And if it's me, I'm sorry.

1 CHAIRPERSON JONES: Okay. Mr. Feckner.

2 COMMITTEE MEMBER FECKNER: Yes. I'm ready to
3 make a motion, Mr. President, if you're ready.

4 COMMITTEE MEMBER OLIVARES: I had a --

5 CHAIRPERSON JONES: Wait a minute, we have
6 another question, Mr. Feckner.

7 COMMITTEE MEMBER FECKNER: Very good.

8 CHAIRPERSON JONES: Ms. Olivares.

9 COMMITTEE MEMBER OLIVARES: Thank you.

10 So I'm sorry, I'm still trying to get
11 clarification here, but as I -- so I understand now it's
12 more of a reporting issue where the Board Services Unit
13 doesn't have the information it needs, is that correct?

14 CHAIRPERSON JONES: That's one of them, yeah.

15 COMMITTEE MEMBER OLIVARES: Then perhaps we could
16 explore some type of like reporting portal or within our
17 travel portal, we have fields to fill out, because I think
18 here, it mentions providing a synopsis. But maybe it's
19 more a page in which we enter who we met with, what the
20 top of -- topic of discussion was, location, miles, that
21 type of thing. So we have a format for reporting that can
22 be consistent.

23 CHAIRPERSON JONES: That's certainly -- yeah.
24 Okay. You know, we have several people from the public
25 that wish to speak, Mr. Feckner. Theresa, you wanted --

1 Ms. -- before you make a motion, Ms. Taylor.

2 VICE PRESIDENT TAYLOR: Hi. Sorry. Thanks, Mr.
3 President. So I think we're all getting hung up on stuff.
4 But I think what it is is so staff has to have a reason
5 that they're approving the money, right? And it goes to
6 the State of California, don't forget. And we have been
7 audited. I got audited for a taxi ride that had extra
8 fees on it, so -- for travel. So, I mean, I think we have
9 to be aware that we're not the only ones that look at our
10 Board travel. The reason has to be on the request.

11 Stacie it's not a bad idea to put it in the
12 portal. The synopsis is different. That's what our
13 constituents ask for. I think it was the retirees asked
14 for, hey, if you guys went to the CII or Ceres event in
15 Washington, D.C., can you guys give us a report. And so
16 that's fine. That's part of this new thing.

17 But then in addition, I just want to also say
18 that it's -- it's imperative that we clarify that we're
19 traveling for the appropriate reason. So if you're -- I
20 got denied, because I was going to Harvard TLF for -- I
21 was on the planning committee basically. It's not -- it's
22 not a board or anything, a planning committee. That is
23 not something they should pay for. I didn't realize that,
24 okay?

25 So -- and these things -- so you're saying

1 approval and notification, but it's -- eventually, if it's
2 an incorrect travel, it's going to get approved. If we're
3 not saying that even under \$500 and I'm -- like I said
4 earlier in the example I'm using is for myself, but it has
5 happened with some of our other Board members, I'm going
6 to a constituent meeting of whom I'm a member, like SEIU
7 Local 1000, and I'm trying -- I got SEIU to pay for it,
8 and then I'm trying to put in a claim with CalPERS, that's
9 the transparency we're looking for, so -- and that's the
10 problem we're running into. And I think we need to be
11 clear on that, so --

12 CHAIRPERSON JONES: Thank you.

13 VICE PRESIDENT TAYLOR: All right. Thank you.

14 CHAIRPERSON JONES: Okay. So are there any other
15 questions from Board members before I go to the public
16 requests to speak?

17 Seeing none. Mr. Fox, you have people that are
18 in the queue?

19 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr. Chair.
20 We have a total of six individuals. First up, we have
21 Cathy Jeppson.

22 CHAIRPERSON JONES: Okay. Ms. Jeppson.

23 MS. JEPSON: Good morning. I hope you can hear
24 me.

25 CHAIRPERSON JONES: Yes, we can.

1 MS. JEPPSON: Cathy Jeppson, Immediate Past --
2 thank you, Henry -- Immediate Past President of the
3 Association of Retired Emeritus Faculty at Cal State
4 University, Northridge.

5 Thank you for the opportunity to address the
6 Board. I believe that the Chair and the Vice Chair of the
7 CalPERS Board have a difficult, demanding, and
8 time-consuming role. And personally, I think that Henry
9 Jones and Theresa Taylor are doing a great job in their
10 roles.

11 The reason that I am opposed to this second part
12 of this action item is that it has the appearance, and I
13 underline the word appearance, of the Chair and the Vice
14 Chair, if the Chair is not available, of micromanaging
15 Board members. And I don't think that that is what
16 they're trying to do, but I think it's the process that
17 needs to be changed.

18 One of the Board members duties of all of the
19 Board is to meet and consult with constituents. And when
20 I read this originally prior to this discussion, it looked
21 to me that if it was under a certain dollar amount and in
22 California, that they could only speak if they were given
23 prior notices of 30 days.

24 Now, I don't know about you, but I'd sure like to
25 know for sure exactly what I'm going to be doing 30 days

1 from now. I think it is important to increase the
2 interaction between the Board and constituents. And I
3 think if this action item, the second part is approved, I
4 think it would have the exact opposite.

5 Now, being a CPA, if cost is the reason for the
6 suggested change, then I would set a cap to the total
7 amount any Board member can spend in any year on
8 out-of-state conferences, education, speaking engagements.
9 I know that a lot of elected Board members joined the
10 respective -- like for example RPEA or CSR, but I don't
11 think that they should be paying if one of the Board
12 members comes to speak on behalf of the Board.

13 Thank you very much for allowing me to speak.

14 CHAIRPERSON JONES: Okay. Thank you.

15 Kelly, next.

16 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr. Chair.
17 Next, we have Mr. Al Darby.

18 MR. DARBY: Mr. Chair, Committee members, Al
19 Darby, RPEA. I believe that Mr. Feckner was about to make
20 a motion that would have satisfied the issues that I have.
21 I'd like to hear the motion, so as to know exactly what
22 might be voted upon as opposed to not knowing in the
23 current condition we're in. Thank you.

24 I'll hang on.

25 CHAIRPERSON JONES: Okay. That's a good point.

1 Why don't we refer back to that, Mr. Feckner, so that
2 they -- the audience know exactly what they'll be speaking
3 to.

4 Mr. Feckner.

5 COMMITTEE MEMBER FECKNER: Yes. Thank you, Mr.
6 President. I move approval of the policy revision except
7 in Section B to take out the where it says requires
8 approval, to put in "requires prior acknowledgement to the
9 President". So making sure the President knows ahead of
10 time what the travel is, so if there's any questions, the
11 President can reach out and question why you are going
12 somewhere. But again, this not about Mr. Jones. It's the
13 President, whoever it will be, and we want to make sure
14 that we keep things above board.

15 So I think with transparency, with prior
16 acknowledgement of what the travel is going to be, I think
17 instead of the word "approval", I think that works for me.
18 And I agree with the reporting requirement, that we should
19 be giving that report, so that it can be posted. So the
20 constituents can see where we went, what we did, and why
21 we did it, and what we learned from it. I think that's
22 all very important.

23 I just think that that word "approval" is causing
24 a lot of angst and if we just have prior acknowledgement
25 or something along those lines, that it's much better

1 served.

2 Thank you.

3 CHAIRPERSON JONES: Okay. Do we have a second
4 for that motion?

5 COMMITTEE MEMBER MIDDLETON: I'll second that
6 motion

7 CHAIRPERSON JONES: Okay. It's been seconded.

8 Okay. So now, we can go back to the speakers.
9 Who's next, Mr. Kelly.

10 STAKEHOLDER RELATIONS CHIEF FOX: Mr. Chair, I'm
11 going to return Al Darby.

12 CHAIRPERSON JONES: Okay.

13 MR. DARBY: I'm satisfied with what I heard Mr.
14 Feckner make a motion for. So I'll sign off at this
15 point. Thank you.

16 CHAIRPERSON JONES: You're welcome.

17 STAKEHOLDER RELATIONS CHIEF FOX: Mr. Chair, the
18 next public comment comes from Tim Behrens.

19 MR. BEHRENS: Good morning, President Jones,
20 Committee members. Tim Behrens, President of the
21 California State Retirees. I support this amendment just
22 made. I don't think that Board members should have to
23 charge their expenses to constituent groups that they may
24 belong to when they're invited to talk on CalPERS
25 business.

1 Over the past six years, several past Board
2 members, as well as current Board members, including
3 President Jones, Lisa Middleton, Margaret Brown, Jason
4 Perez, David Miller, and Rob Feckner have attended CSR
5 chapter meetings as a guest speaker. They have given an
6 overview of CalPERS pension investments, and current
7 health care benefits, and answered questions about the
8 quality of service received from CalPERS.

9 This information has been invaluable to thousands
10 of CSR members who do not attend Board and Committee
11 meetings. I believe it also gives the Board members some
12 insight into what the stakeholders have on their mind
13 regarding the service received from CalPERS.

14 Changing this language could have a detrimental
15 effect on continuing the very valuable exchange between
16 Board members and stakeholders. I do support all the
17 additional language under F, 5f, Procedures for Board
18 members to provide a written as well as a verbal feedback
19 for all other travel.

20 Thank you for the opportunity to speak.

21 Stay safe.

22 CHAIRPERSON JONES: Okay. Mr. Kelly.

23 STAKEHOLDER RELATIONS CHIEF FOX: Mr. Chair, next
24 up we, have Mr. J.J. Jelincic.

25 MR. JELINCIC: If Mr. Jacobs and Mr. Jones do not

1 believe that the issue as presented does not impact
2 constituent groups, then I would suggest that they didn't
3 read 3c. I'm sorry. C3.

4 Speaking on behalf of RPEA, we do not want the
5 Board, let alone the Board President, acting on his own
6 bias to tell us which Board members can and cannot speak
7 at our chapters. No matter how you got on the Board, you
8 have a legal obligation to represent our interests and we
9 have -- we want the ability to invite you to speak at our
10 meetings and to question you. Amendment to a
11 notification, rather than approval addresses part of that.

12 On a personal level, when I first was elected to
13 the Board, there was no limit on travel. I was
14 responsible for the 500 registration limit within
15 California. And it came about because I wanted to go to
16 an event with a \$1,700 registration fee, and I wanted more
17 than just my opinion on its value, after all, it's a
18 trust.

19 I know about secret charges and secret so-called
20 hearings. I know about being denied the opportunity to
21 publicly defend myself. Even when the Board acted to
22 punish Priya Mathur, it was in open session, it was by the
23 full Board, not the President acting in secret, and it was
24 over multiple violations of the FPPC regulations. Even
25 then, we did not restrict travel to constituent groups.

1 To limit constituent's access to their trustees
2 is to punish the members. It is not the action the trust
3 should be taking. Beneficiaries deserve to meet with
4 their fiduciaries. It should not take a court order to
5 meet with a trustee. I urge you to reject the changes in
6 C3. Do not adopt this, which limits members rights.

7 Thank you.

8 CHAIRPERSON JONES: Next, Mr. Kelly.

9 STAKEHOLDER RELATIONS CHIEF FOX: Mr. Chair, next
10 we have Larry Woodson from CSR.

11 MR. WOODSON: Good morning. Can you hear me?

12 CHAIRPERSON JONES: Yes, we can.

13 MR. WOODSON: Okay. Larry Woodson, California
14 State Retirees. And I appreciate the opportunity to
15 address the Committee and you, Mr. Chair.

16 My comments have suddenly gotten a lot shorter.
17 I think Mr. Feckner's proposal and -- is a good one. I
18 happen to agree with my president, and that removes the
19 prior -- required prior approval.

20 Just a comment about, you know, the statement
21 that denying travel does not necessarily mean people can't
22 go meet with their constituents, since they can do it at
23 their own expense. I don't think that all Board members
24 are equally rich, and it, I think, does create a hardship
25 on some. And I think it would be a disincentive. And so

1 I would just urge the Board to approve that amendment and
2 not -- not require prior Chair approval for -- for items
3 under 500 -- or travel under \$500.

4 Thank you.

5 CHAIRPERSON JONES: Mr. Kelly, next. Thank you
6 for your comments.

7 Mr. Kelly.

8 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr. Chair.
9 The final commenter Mr. Ray Snodgrass, CalFire Local 2881.

10 MR. SNODGRASS: Good morning, Mr. President. Ray
11 Snodgrass, CalFire firefighters representing the active
12 and retired members. With the amended proposal, the
13 motion by Mr. Feckner, we -- I do support the proposed
14 change and I also would like to reflect on Mr. Jelincic's
15 comments that the changes proposed are actually very
16 unnecessary.

17 I would suggest that if you do approve this
18 policy change, that at least Mr. Feckner's motion be
19 approved, but I would also suggest that this entire policy
20 go back to staff to rework it and work with the
21 constituent groups and stakeholders, and maybe come up
22 with some more acceptable language. It would be less
23 confusing. Thank you and I'll stop there.

24 CHAIRPERSON JONES: Okay. Thank you for your
25 comments.

1 Okay. We have a motion on the floor by Mr.
2 Feckner and a second by Ms. Brown.

3 BOARD MEMBER BROWN: I have a comment.

4 CHAIRPERSON JONES: Okay.

5 GENERAL COUNSEL JACOBS: Can I just ask to
6 clarify -- oh, you're taking comments on this?

7 CHAIRPERSON JONES: Yeah, still. I see one more
8 question from Ms. Brown.

9 GENERAL COUNSEL JACOBS: Okay. All right. Good.

10 BOARD MEMBER BROWN: Thank you, President Jones.
11 You know, based on the comments I heard -- well, first, I
12 want to reply to a concern that Ms. Taylor had about what
13 we call in finance and accounting double dipping. You
14 cannot -- it's illegal for you to be reimbursed by say
15 your association and by CalPERS. It's illegal to be
16 reimbursed by your employer and CalPERS. So that better
17 not be happening at all, so that's -- it's illegal.

18 The second thing I'd like to say that in light of
19 the State's financial crisis and with our
20 less-than-adequate funding status, I'd like to see us
21 adopt a cap on our travel, until such time as we can do
22 better. I mean, we're going to be asking our employees to
23 take furlough days or somehow cut back on the budget. And
24 I think we as Board members should also, you know, suffer
25 a little and look at putting a cap on our travel expenses

1 as well.

2 Thank you.

3 CHAIRPERSON JONES: Okay. Mr. Jacobs.

4 GENERAL COUNSEL JACOBS: In the interests of
5 clarity --

6 CHIEF EXECUTIVE OFFICER FROST: Mr. Jacobs.

7 GENERAL COUNSEL JACOBS: -- and the hope that we
8 can just do this by interlineation if the motion is
9 approved and not have to bring back additional language.
10 Let me try and restate Mr. Feckner's motion.

11 On page two of five, of Agenda Item 5a,
12 Attachment 1, the motion is to replace, under item 2, the
13 language, "Approval by the Board President", with the
14 language, "Requires notice to", so that the entire
15 paragraph would read, "Board member travel within
16 California and attendance at any event within California
17 with a registration fee less than \$500 requires notice to
18 the Board President, or in his absence...", and then it
19 goes on.

20 Is that the motion, Mr. Feckner?

21 COMMITTEE MEMBER FECKNER: I would say, Mr.
22 Jacobs, that it would be requires "prior notice" or "prior
23 notification". So it's before the action and it's written
24 in that word "prior", so that it's prior notification to
25 the President and/or Vice President to allow them ask

1 further questions, if need be, as to whether or not it's
2 something that should or should not be a CalPERS expense.

3 But either way, I think taking out approval by
4 and replacing that with prior notification makes a big
5 change.

6 GENERAL COUNSEL JACOBS: Okay. Thank you.

7 CHAIRPERSON JONES: Okay. Ms. Olivares.

8 COMMITTEE MEMBER OLIVARES: Thank you. And how
9 would prior notification be defined? Is that something
10 that's five minutes beforehand, is it 24 hours?

11 COMMITTEE MEMBER FECKNER: Well, if you're asking
12 the maker of the motion, I don't think any of us do
13 anything within 24 hours these days. So I would think
14 that, you know, a two-week prior notification, unless it's
15 an emergency, and if it's an emergency, then you express
16 that to the President or Vice President.

17 COMMITTEE MEMBER OLIVARES: Thank you. I think
18 this needs to go back for additional clarification. I
19 think that there are a lot of concerns about this right
20 now. And I think there's some confusion regarding the
21 language that continues.

22 CHAIRPERSON JONES: Okay. Any other comments or
23 questions? Because we do have a motion on the floor.

24 Ms. Brown.

25 BOARD MEMBER BROWN: Thank you. I was hoping for

1 maybe a friendly amendment to the motion that says -- in
2 B3, that says, "excluding meetings with constituents",
3 because it doesn't say it there. You have to go to F to
4 find that.

5 The other thing is I don't think two weeks works.
6 Sometimes we get invited last minute, a speaker fell
7 through at a local chapter, and they ask you to come speak
8 and you fill-in and give the CalPERS update. You can pull
9 those right off of diligent. You could take like Lisa
10 Middleton's last speech to whatever. You can take it,
11 modify it, and go.

12 And so -- and that's a lot of times what I do. I
13 help out the chapters when their DMV speaker or their
14 Social Security speaker dropped out. So I think two weeks
15 is a hardship for me.

16 Thank you.

17 CHAIRPERSON JONES: Okay. Any other questions?
18 Ms. Taylor.

19 VICE PRESIDENT TAYLOR: I just -- thank you very
20 much, Mr. President. I think we should -- I'm not sure
21 that this needs to go back. It's simple. We're just
22 asking for prior notification. Come on, people you --
23 you're traveling for CalPERS, but you're also traveling on
24 the State of California's dime. Two weeks notice is not a
25 big deal. And if you work for the State of California,

1 that's not a big deal. So let's be clear, that's not a
2 hardship. We're just asking you to give us prior
3 notification.

4 If you have an urgent thing, I have to travel
5 tomorrow, call Henry, or call whoever the President is. I
6 don't think they're going to turn you down, but -- and
7 if -- in any event, I think we're making too big of a deal
8 out of a few small changes, one of which was requested by
9 our constituents. So I think we should move forward with
10 this.

11 CHAIRPERSON JONES: Okay. I think I'm going to
12 go ahead and call for the vote with that understanding of
13 the modifications. And many of the -- some of the
14 comments relate to areas that did not change. They've
15 been there all along, like the 30-day prior notice.
16 That's not new. That's always been in the policy. And I
17 think it's also important to clarify that -- in my earlier
18 statement, I did say constituents were all members of
19 CalPERS, so it's all constituents. It's not just who you
20 are elected by.

21 So with that, I'm going to call for the vote.

22 Ms. Hopper, would you call the roll, please on
23 the motion by Mr. Hopper[SIC] and seconded by Ms.
24 Middleton.

25 COMMITTEE SECRETARY HOPPER: Okay. Rob Feckner?

1 COMMITTEE MEMBER FECKNER: Aye.

2 COMMITTEE SECRETARY HOPPER: Frank Ruffino for
3 Fiona Ma?

4 ACTING COMMITTEE MEMBER RUFFINO: Aye.

5 COMMITTEE SECRETARY HOPPER: Lisa Middleton?

6 COMMITTEE MEMBER MIDDLETON: Aye.

7 COMMITTEE SECRETARY HOPPER: Stacie Olivares?

8 COMMITTEE MEMBER OLIVARES: Nay.

9 COMMITTEE SECRETARY HOPPER: Michelle Mitchell
10 for Eraina Ortega?

11 ACTING COMMITTEE MEMBER MITCHELL: Aye.

12 COMMITTEE SECRETARY HOPPER: Jason Perez?

13 COMMITTEE MEMBER PEREZ: No.

14 COMMITTEE SECRETARY HOPPER: Mr. President, I
15 have Rob Feckner making the motion, Lisa Middleton
16 seconding it. I have four ayes and two nays.

17 CHAIRPERSON JONES: Okay. You have four?

18 COMMITTEE SECRETARY HOPPER: Four. Four yes and
19 two noes.

20 CHAIRPERSON JONES: Okay. So it passes. Okay.
21 The item passes.

22 Okay. So we now will move to the next item on
23 the agenda, if I could find my notes here.

24 GENERAL COUNSEL JACOBS: It's the summary of
25 committee direction --

1 CHAIRPERSON JONES: Yeah. Okay.

2 GENERAL COUNSEL JACOBS: -- Mr. President, which
3 I don't believe there has been any. So we get to public
4 comment.

5 CHAIRPERSON JONES: Yeah. And so there are --
6 are there any further public comments not on the item we
7 just passed, Mr. Fox?

8 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr. Chair.
9 I believe we have Mr. Al Darby would like to add public
10 comment.

11 CHAIRPERSON JONES: Okay.

12 MR. DARBY: Al Darby again. I believe that it's
13 a strict reading of the wording of this obligation -- are
14 you hearing me?

15 CHAIRPERSON JONES: Yes, I can hear you.

16 MR. DARBY: Are you hearing me? Okay.

17 CHAIRPERSON JONES: I can hear you.

18 MR. DARBY: A strict read -- a strict -- a strict
19 reading of the language in this proposal says any fee
20 registration event that you -- that a Board member attends
21 all these rules apply. If there's no fee involved, none
22 of these rules apply, except for what the old rules were,
23 I would think, because this whole event -- this whole new
24 proposal hinges on it being a fee-based event. Lacking a
25 fee, it -- the rule does not apply. That would be a

1 strict reading of the way it's written.

2 Thank you. Bye.

3 CHAIRPERSON JONES: Thank you.

4 Are there any other pub -- general public
5 comments Mr. Fox, other than on the item we just had the
6 discussion on?

7 STAKEHOLDER RELATIONS CHIEF FOX: No, Mr.
8 President. That concludes the public comment.

9 CHAIRPERSON JONES: Okay. Thank you very much.
10 So that means that this meeting is adjourned. And we
11 will -- we will now have to give them time to prepare the
12 documents from this meeting going to the regular Board, so
13 why don't we -- is it -- what time is it now -- It's
14 11:40. Why don't we just go ahead and -- do you mind
15 taking an early lunch?

16 You don't mind. Okay. So let's go ahead and do
17 lunch and we will return at 12:45 to start the Board
18 meeting. Is that okay?

19 Okay. This meeting is adjourned. Thank you.

20 VICE PRESIDENT TAYLOR: At what time, Henry?

21 CHAIRPERSON JONES: 12:45.

22 VICE PRESIDENT TAYLOR: Oh, lunch time. So we're
23 doing lunch.

24 CHAIRPERSON JONES: Yeah, we're going to take
25 lunch. Yeah.

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VICE PRESIDENT TAYLOR: Okay.
CHAIRPERSON JONES: Okay.
(Thereupon California Public Employees'
Retirement System, Board Governance Committee
meeting adjourned at 11:42 a.m.)

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

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

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Board Governance Committee meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of June, 2020.

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