

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Monday, April 20, 2020**

The Board of Administration met via teleconference on Monday, April 20, 2020 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The teleconference meeting was called to order at approximately 8:30 a.m. and the following members were present:

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

Board of Administration Members excused: Lisa Middleton

The Public meeting was recessed at approximately 8:38 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, April 22, 2020**

The Board of Administration met via teleconference on Wednesday, April 22, 2020 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The teleconference meeting was called to order at approximately 10:10 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 APRIL 22, 2020 BOARD OF ADMINISTRATION
 TIMED AGENDA**

On **MOTION** by Theresa Taylor, **SECONDED** by Margaret Brown and **CARRIED**, with a roll call vote, the Board approved Action Item 2.

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

AGENDA ITEM 4 – PRESIDENT’S REPORT

President Jones congratulated his fellow Board Members on their election as Committee Chairs and Vice Chairs.

President Jones thanked the CalPERS team members for the outstanding work going into the planning of the Board Meetings.

AGENDA ITEM 5 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost reported on the following:

- COVID-19 Action Plan
- Communication Plan
- Employer Webinar
- 2021 Healthcare Plan Premiums
- APEX Awards

Ms. Frost thanked the CalPERS team for all the work that went into planning the Board week virtually.

As of March 31, 2020, the fiscal year return is negative 4.1; the one-year return is negative 0.4; the three-year return is 4.6; the five-year return is 4.7; and the ten-year return is 7.0; and the 20-year return is 5.0.

AGENDA ITEM 6 – CONSENT ITEMS

Action Consent Items:

- Approval of February 18 and 19, 2020 and March 18, 2020 Board of Administration Meeting Minutes
- Board Travel Approvals

On **MOTION** by Theresa Taylor, **SECONDED** by Margaret Brown and **CARRIED**, with a roll call vote, the Board approved Action Consent Item 6a.

Name	Yes	No	Abstain
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Stacie Olivares	X		
Eraina Ortega	X		
Jason Perez	X		
Ramon Rubalcava	X		
Theresa Taylor	X		

Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller and **CARRIED**, with one no vote by Margaret Brown and a roll call vote, the Board approved Action Consent Item 6b.

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

AGENDA ITEM 7 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for June 17, 2020 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

PUBLIC COMMENT:

JJ Jelincic provided comment on the tail risk strategies discussion at the Investment Committee.

Al Darby, representing RPEA, provided comment on the tail risk strategies discussion at the Investment Committee.

AGENDA ITEM 8 – COMMITTEE REPORTS AND ACTIONS

- a. Investment Committee

Theresa Taylor, Chair, Investment Committee, presented the Committee Summary report to the Board. The Committee met on April 20, 2020.

The Investment Committee elected Theresa Taylor as Chair and David Miller as Vice Chair to the Investment Committee.

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the removal of Andrew Junkin as key person under the agreement with Wilshire Associates and

the substitution of Thomas Toth, Steve Foresti, Rose Dean, and Ali Kazemi as the agreements key persons going forward. (INVO Item 9a)

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

Additional information may be found in the April 20, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for June 15, 2020 in Sacramento, California.

b. Pension and Health Benefits Committee

Rob Feckner, Chair, Pension and Health Committee presented the Committee Summary report to the Board. The Committee met on April 21, 2020.

PUBLIC COMMENT:

Kelly Fox, CalPERS team member read the below public comment submitted by email into record:

Joanne Hollender, CalPERS member and RPEA member wrote in regarding the PPO PERSCare basic plan premiums being paid for in 2021.

The Committee reelected Rob Feckner as Chair and Ramon Rubalcava as Vice Chair of the Pension and Health Committee.

The Committee deferred Agenda Item 5b, review of the Pension and Health Benefits Committee delegation to the June 2020 PHBC Meeting.

Additional information may be found in the April 21, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for June 16, 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 April 21, 2020.

PUBLIC COMMENT:

Al Darby, representing RPEA spoke in opposition to the FAC delegation. Mr. Darby also spoke about the candidate statement requirements and the five-year limitation should apply to all items, not just one.

JJ Jelincic spoke on the Treasury Management Policy stating it places staff in charge of the policy.

Kelly Fox, CalPERS team member read the below public comments submitted by email into record:

Stephanie Hueg wrote in about Agenda item 7e with questions about the proposed changes to the Board election regulations.

Anthony Butka wrote about Agenda Item 5d, urging the Board to reverse the Committee's recommendation on the Treasury Management Policy.

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the April 2020 Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement. (FAC Item 5b)

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the 1959 Survivor Benefit Program Actuarial Valuation Report as of June 30, 2019 and the corresponding transmittal letter to the Governor and Legislature. Adopt the employer and employee monthly premiums for fiscal year 2020-21. (FAC Item 5c)

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the 2020-21 Annual Budget in the amount of \$1,694 billion and 2,875 positions. (FAC Item 7a)

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the employer and member contribution rates for the period of July 1, 2020 to June 30, 2021. (FAC Item 7c)

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the employer rate of 22.68% for the Schools Pool and (FAC Item 7d)

Name	Yes	No	Abstain
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Stacie Olivares	X		

Eraina Ortega	X		
Jason Perez	X		
Ramon Rubalcava	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Committee and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the proposed elected Board Member percentages of time to be spent on Board related duties based on Board and Committee selections held in February 2020. (FAC Item 7b)

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

On **MOTION** by Committee and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the Board of Administration Election Regulatory Changes expected to take effect January 1, 2021 for the 2021 Member-at-Large Election. (FAC Item 7e)

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

On **MOTION** by Theresa Taylor and **SECONDED** by Rob Feckner, and **CARRIED**, with a roll call vote, the Board approved the Treasury Management Policy with the addition of “review and approve” written in the appropriate locations of staff’s recommended changes. (FAC Item 5d)

On **MOTION** by Theresa Taylor and **SECONDED** by Rob Feckner, and **CARRIED**, the Board approved the Treasury Management Reserve Policy with the addition of “review and approve” written in the appropriate locations of staff’s recommended changes. (FAC Item 5e)

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

Additional information may be found in the April 21, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for September 15, 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 April 22, 2020.

Additional information may be found in the April 22, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for June 16, 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 April 21, 2020.

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the 2020-2021 Enterprise Compliance plan. (RAC Item 6a)

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the 2020-2021 Enterprise Risk Management plan. (RAC Item 6b)

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

Additional information may be found in the April 21, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for June 16, 2020 in Sacramento, California.

f. Board Governance Committee

Lisa Middleton, Chair, Board Governance Committee presented the Committee Summary report to the Board. The Committee met on April 21, 2020.

Henry Jones was elected Chair and Lisa Middleton was elected Vice Chair of the Board Governance Committee.

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved scheduling the Board's next self-evaluation for 2021. (GOV Item 7a)

Name	Yes	No	Abstain
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Stacie Olivares	X		
Eraina Ortega	X		
Jason Perez	X		

Ramon Rubalcava	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Committee and **CARRIED**, with a roll call vote, the Board approved the proposed Code of Conduct. (GOV Item 7b)

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

Additional information may be found in the April 21, 2020 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Board Governance Committee is scheduled for June 16, 2020 in Sacramento.

AGENDA ITEM 9a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Theresa Taylor, **SECONDED** by Margaret Brown, 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 9a11 and 9a13 through 9a17 as the Board’s own decisions with minor modifications as argued by staff to Agenda Items 9a2, 9a3, 9a9, 9a11, 9a16, 9a17, and to remand 9a12 for the taking of additional evidence regarding whether an actual termination from employment for cause without the possibility of reinstatement is required before a member may be deemed ineligible for an industrial disability retirement, and if so, whether the Notice of Intent constitutes such actual termination from employment.

Name	Yes	No	Abstain
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Stacie Olivares	X		
Eraina Ortega	X		

Jason Perez	X		
Ramon Rubalcava	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

AGENDA ITEM 9b – PETITIONS FOR RECONSIDERATION

On **MOTION** by Theresa Taylor, **SECONDED** by Rob Feckner, and **CARRIED**, with a roll call vote, the Board moved to deny the petitions for reconsiderations of Agenda Items 9b1 through 9b4.

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

AGENDA ITEM 10a – STATE AND FEDERAL LEGISLATION UPDATE

Danny Brown, Chief of Legislative Affairs, provided an update on State Legislation and Karishma Page from K&L Gates provided a federal update.

PUBLIC COMMENT:

JJ Jelincic spoke in opposition of CalPERS sponsorship of AB 2473.

AGENDA ITEM 10b – SUMMARY OF BOARD DIRECTION

Board direction was given to follow up on SB 1067 and provide an update to the Board.

AGENDA ITEM 10c – PUBLIC COMMENT

Kelly Fox, CalPERS team member read the below public comments submitted by email into record:

Joseph P. Ruiz inquired about the status of two complaints he filed.

David Soares wrote in regarding Mr. Feckner’s remarks on April 20, 2020.

AGENDA ITEM 11 - APPROVAL TO MEET IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 11126(C)(18)(A)

On **MOTION** by Theresa Taylor, **SECONDED** by Margaret Brown, and **CARRIED**, with a roll call vote, the Board approved to meet in in closed session for the Information Security Update and Cybersercurity Briefing.

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

The Public meeting recessed at approximately 12:18 p.m.

The Public meeting reconvened at approximately 3:08 p.m.

The Board received an update on Information Security Update and Cybersecurity Briefing and took no action.

The Public meeting adjourned at approximately 3:08 p.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 6b

April 22, 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
Theresa Taylor	3/9/20-3/11/20	Washington, DC	Attend CII Spring Conference*

*Travel request erroneously omitted from February Agenda Item.

HENRY JONES, President
Board of Administration



Investment Committee Meeting Summary

April 22, 2020

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met on April 20, 2020.

The Committee held an election for Chair and Vice Chair positions. Theresa Taylor was elected Chair and David Miller was elected Vice Chair.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- **AGENDA ITEM 9A**

To approve the removal of Andrew Junkin as a Key Person under the consulting agreement with Wilshire Associates and the substitution of Thomas Toth, Steve Foresti, Rose Dean, and Ali Kazemi as the agreement's Key Persons going forward.

The Committee received reports on the following topics:

- An overview of the performance of CalPERS' portfolio and the current economic situation
- An update on Global Equity's corporate governance and proxy voting activities and plans for the upcoming proxy voting season
- The Chair directed staff to:
 - Bring back an overview of the plan to mitigate financial risks presented by COVID-19

The Committee heard public comment on the following topics:

- The Investment Committee delegation
- Investment strategy and risk
- Previous litigation

At this time I would like to share some highlights of what to expect at the June Investment Committee meeting:

- The mid-cycle review of the Asset Liability Management decisions, and proposed changes to the Total Fund Policy

The next meeting of the Investment Committee is scheduled for June 15, 2020, in Sacramento, California.