

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

WEBEX PLATFORM

WEDNESDAY, NOVEMBER 18, 2020

11:11 A.M.

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

APPEARANCES

BOARD MEMBERS:

Mr. Henry Jones, President

Ms. Margaret Brown

Mr. Rob Feckner

Ms. Fiona Ma, represented by Mr. Frank Ruffino

Ms. Lisa Middleton

Mr. David Miller

Ms. Stacie Olivares

Ms. Eraina Ortega

Mr. Jason Perez

Mr. Ramon Rubalcava

Ms. Shawnda Westly

Ms. Betty Yee, represented by Ms. Lynn Paquin

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Dan Bienvenue, Interim Chief Investment Officer

Mr. Michael Cohen, Chief Financial Officer

Mr. Christian Farland, Chief Information Officer

Mr. Douglas Hoffner, Chief Operating Officer

Mr. Matthew Jacobs, General Counsel

Dr. Donald Moulds, Chief Health Director

Mr. Brad Pacheco, Deputy Executive Officer, Communications
& Stakeholder Relations

APPEARANCES CONTINUED

STAFF:

Mr. Anthony Suine, Deputy Executive Officer, Customer Services & Support

Mr. Scott Terando, Chief Actuary

Ms. Marlene Timberlake D'Adamo, Chief Compliance Officer

Mr. Danny Brown, Chief, Legislative Affairs Division

Ms. Pam Hopper, Board Secretary

Mr. Kelly Fox, Chief, Stakeholder Relations

ALSO PRESENT:

Ms. Christy Bouma, California Professional Firefighters

Mr. Dillon Gibbons, California Special Districts Association

Mr. J.J. Jelincic

Mr. Neal Johnson

Ms. Donna Snodgrass, Retired Public Employees Association

Mr. David Soares, Retired Public Employees Association

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PROCEEDINGS

1
2 PRESIDENT JONES: I would like to call the Board
3 of Administration meeting to order. And the first order
4 of business is roll call, please. Ms. Hopper.

5 BOARD SECRETARY HOPPER: Henry Jones?

6 PRESIDENT JONES: Here.

7 BOARD SECRETARY HOPPER: Margaret Brown?

8 BOARD MEMBER BROWN: Here.

9 BOARD SECRETARY HOPPER: Rob Feckner?

10 BOARD MEMBER FECKNER: Good morning.

11 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
12 Ma?

13 ACTING BOARD MEMBER RUFFINO: Present.

14 BOARD SECRETARY HOPPER: Lisa Middleton?

15 BOARD MEMBER MIDDLETON: Present.

16 BOARD SECRETARY HOPPER: David Miller?

17 BOARD MEMBER MILLER: Here.

18 BOARD SECRETARY HOPPER: Stacie Olivares?

19 Mr. President, I don't see Stacie on yet.

20 PRESIDENT JONES: She had sent a note that she
21 may have to go off at a certain time, so she's excused
22 until she can come back.

23 BOARD SECRETARY HOPPER: Okay. Thank you.

24 Eraina Ortega?

25 BOARD MEMBER ORTEGA: Here.

1 BOARD SECRETARY HOPPER: Jason Perez?

2 BOARD MEMBER PEREZ: Here.

3 BOARD SECRETARY HOPPER: Ramon Rubalcava?

4 BOARD MEMBER RUBALCAVA: Here.

5 BOARD SECRETARY HOPPER: Theresa Taylor?

6 PRESIDENT JONES: Excused.

7 BOARD SECRETARY HOPPER: Shawnda Westly?

8 BOARD MEMBER WESTLY: Present.

9 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

10 Yee?

11 ACTING BOARD MEMBER PAQUIN: Here.

12 BOARD SECRETARY HOPPER: Mr. President, all is in
13 attendance.

14 PRESIDENT JONES: Thank you, Ms. Hopper.

15 The next -- there's no need for a closed session,
16 so we go on to the item number 2 in the open session
17 agenda, approval of the November 18th timed agenda.

18 Do I have a motion?

19 BOARD MEMBER BROWN: Move approval.

20 PRESIDENT JONES: Moved by Ms. Brown.

21 BOARD MEMBER FECKNER: (Raise hand.)

22 PRESIDENT JONES: Second by Mr. Feckner.

23 Mrs. Hopper, please.

24 BOARD SECRETARY HOPPER: Margaret Brown?

25 BOARD MEMBER BROWN: Aye.

1 BOARD SECRETARY HOPPER: Rob Feckner?
2 BOARD MEMBER FECKNER: Aye.
3 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
4 Ma?
5 ACTING BOARD MEMBER RUFFINO: Aye.
6 BOARD SECRETARY HOPPER: Lisa Middleton?
7 BOARD MEMBER MIDDLETON: Aye.
8 BOARD SECRETARY HOPPER: David Miller?
9 BOARD MEMBER MILLER: Aye.
10 BOARD SECRETARY HOPPER: Stacie Olivares?
11 PRESIDENT JONES: Excused.
12 BOARD MEMBER OLIVARES: Aye.
13 PRESIDENT JONES: Oh, she's back. Okay.
14 BOARD SECRETARY HOPPER: Eraina Ortega?
15 BOARD MEMBER ORTEGA: Aye.
16 BOARD SECRETARY HOPPER: Jason Perez?
17 BOARD MEMBER PEREZ: Aye.
18 BOARD SECRETARY HOPPER: Ramon Rubalcava?
19 BOARD MEMBER RUBALCAVA: Aye.
20 BOARD SECRETARY HOPPER: Theresa Taylor?
21 PRESIDENT JONES: Excused.
22 BOARD SECRETARY HOPPER: Shawnda Westly?
23 BOARD MEMBER WESTLY: Aye.
24 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
25 Yee?

1 ACTING BOARD MEMBER PAQUIN: Aye.

2 BOARD SECRETARY HOPPER: Mr. President, I have
3 Margaret Brown making the motion, Rob Feckner seconding it
4 to approve item number two, approval of the timed agenda.

5 PRESIDENT JONES: Okay. Thank you, Ms. Hopper.

6 Okay. So, good morning, ladies and gentlemen.
7 One week ago, our nation celebrated a very special day,
8 Veterans Day. It is a time that Americans honor all those
9 who have served or are currently serving in our armed
10 forces and those who currently serve in reserve status --
11 statute -- status.

12 Today, we want to continue the celebration and
13 honor the veterans that are part of the CalPERS team, our
14 members, employers and stakeholders. I'd like to welcome
15 Jeffrey Scott from our San Diego Regional Office. Mr.
16 Scott, served in the Navy for four years as a member of
17 Seal Team 1. We are honored to have him here virtually to
18 lead us in our pledge today.

19 Mr. Jeffrey, would -- Scott, would you please
20 lead us in the pledge?

21 MR. SCOTT: Sure. Thank you.

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

24 PRESIDENT JONES: Okay. Thank you, Jeffrey.

25 MR. SCOTT: All right. Thank you.

1 PRESIDENT JONES: And I want to thank all
2 veterans for their service to our country. We are
3 grateful for your dedication, sacrifice and courage.

4 At this time, I want to give our members,
5 employers, and stakeholders a preview of the January
6 meetings. For the second year, the Board will have a day
7 of education with the second day afforded to the Annual
8 Stakeholders Forum. The education day will be held on
9 January 19th and will cover a number of topics. These
10 will include refresher training on Bagley-Keene, the
11 Political Reform Act and Government Code section 1090, and
12 fiduciary duties.

13 We will also be briefed about the process our
14 health plans use to set administrative expenses and
15 establish reserve balances, as well as the process that
16 management uses to recommend the Board adopt
17 administrative decisions as precedential.

18 The next day we'll host our Stakeholders Forum.
19 We will have four 75-minute presentations on the lifecycle
20 of a CalPERS member, our priorities in health care, and
21 our upcoming asset liability management process. I
22 strongly encourage our stakeholders to attend the forum.
23 Today is our last meeting in 2020. It has certainly been
24 a challenging year to say the least. I want to thank my
25 fellow Board members for their patience and flexibility as

1 we navigated the COVID environment. And, of course, a
2 tremendous thanks goes out to the CalPERS team for the
3 seamless service they have provided our members and
4 employers during this time.

5 On behalf of the Board, I want to wish everyone a
6 very safe and healthy holiday season. So let's hope for a
7 good and prosperous year in 2021.

8 Thank you very much.

9 With that, I would call on Ms. Frost for her
10 report.

11 CHIEF EXECUTIVE OFFICER FROST: Great. Thank
12 you, President Jones. And good morning, Board members. I
13 wanted to start with an update related to COVID-19 and our
14 ongoing response to the pandemic. Throughout the year,
15 really our top priority has been both to keep serving our
16 members at the high levels of service that we did prior to
17 COVID-19, but as well as to keep our employees and our
18 stakeholders safe.

19 We've continued our day-to-day business
20 environment with roughly 85 percent of our team members
21 working remotely. And then our focus does remain on
22 serving our customers, while we note that our employees
23 are balancing many other priorities in their own
24 households right now.

25 Our core processes do continue to perform quite

1 well. Anthony Suine did report out in his executive
2 report during PHBC. But just to recap a few of the
3 primary core process performance. Benefit payment
4 timeliness is exceeding its target of 95 percent with its
5 average between January and October of this year being at
6 97 percent.

7 And then our overall customer satisfaction rating
8 also remained above the target of 90 coming in averaging
9 around 92 percent. And then also during the terrible
10 fires again this year in California, we were quick to
11 respond to reassure all of the local retirees who were
12 living in those impacted areas that they would continue to
13 receive their benefit payments whether those payments
14 needed to be redirected or if we could get those
15 individuals, those retirees set up for automatic deposit.

16 So turning now to the recruitment of our next
17 Chief Investment Officer. We are continuing with that
18 process and our goal to have someone in place early next
19 year. Interviews will begin the first week of December.

20 Meanwhile, I want to take a quick moment to
21 welcome Sterling Gunn to our investment team. Sterling is
22 the new Managing Investment Director over the Trust Level
23 Portfolio Program. And he was a part of a couple of the
24 Monday Investment Committee panels. He brings a wealth of
25 experience to CalPERS and we feel very fortunate that we

1 were able to recruit him.

2 It took us a little bit of time to get him over
3 the Canada -- Canada-U.S. border, but he's here now. And
4 you'll be hearing quite a bit from Sterling over the
5 course of the year with all of the asset liability
6 management agenda items coming to the Investment
7 Committee.

8 Sterling is replacing Eric Baggesen, who is
9 retiring after more than 16 years at CalPERS. I think
10 many of you know Eric well. Eric Baggesen is retiring
11 after, you know, spending many -- you know, many moments
12 here at CalPERS helping the team. He's served in a
13 variety of roles here with us during his 16 years. And so
14 on behalf of all of us here at CalPERS, the Board, as well
15 as management and employees, I do want to thank him for
16 his service to our members -- our two million members and
17 to the entire team in the Investment Office. We wish him
18 a lot of happiness in his retirement. I know that he and
19 his wife did buy and essentially reconstruct a new home.
20 So this will give him some time to enjoy that.

21 I also want to take just a moment to recognize
22 and congratulate Anne Simpson on her permanent appointment
23 as the Managing Investment Director of Board Governance
24 and Sustainability.

25 Turning to health, you've heard some very

1 important discussions over the past couple of days about
2 long-term care, as well as potential design and benefit
3 changes to the health plans, the health plan changes that
4 both Don Moulds and Marta Green brought to you are, you
5 know, really quite innovative and could potentially, more
6 likely than not, benefit many of our members and help us
7 continue to provide those high quality plans while also
8 looking at ongoing cost containment.

9 As far as long-term care, we know that these
10 choices are quite difficult. We're doing everything we
11 can -- possibly can to minimize and mitigate their impact
12 for the participants in the Long-Term Care Program.

13 We will continue to explore more options, bring
14 those back to the Committee and to the Board that would do
15 one of two things, strengthen the program and again aid
16 many of the policyholders.

17 Yesterday, also the Pension and Health Benefits
18 Committee adopted a portfolio rating strategy for the HMO
19 and PPO plans that we will -- we do believe will set us on
20 a better path for rate parity amongst all of the plans.
21 The portfolio may present some volatility at the outset.
22 However, after the initial ramp-up period, members will
23 experience more premium rate stability over the long term.

24 In the Finance and Admin Committee, you were
25 presented with a mid-year budget adjustment. That

1 represents our ongoing efforts to control our operational
2 costs. The mid-year budget shows that we've reduced
3 expenses by about 12 percent for the fiscal year. You are
4 also presented with the financial statements that once
5 approved today will be published in our comprehensive
6 annual financial report, or also known as the CAFR, in
7 December.

8 And then finally, the most recent funding levels
9 and risk report that was presented by our actuaries shows
10 a slight increase to our funded status. And we know that
11 this will be of interest to our employers and encourage --
12 and we also would like to encourage them to continue to
13 use that pension outlook tool that was developed
14 internally between our IT organization and the actuaries,
15 so that they can run -- the employers can run their own
16 cost scenarios for their agencies. And, of course, if
17 they have any questions with any of those results, they
18 should contact their actuary. Everyone of our employers
19 has an assigned specific actuary.

20 And then as far as recent engagements, all of
21 these obviously have been conducted in a virtual manner.
22 The first one is the diversity investment exchange. This
23 was done in October. October, there were quite a number
24 of opportunities for CalPERS to participate. This was a
25 first time that directed at leaders in the investment

1 industry. And I think the -- really, the goal of this
2 event was to raise awareness about how to advance
3 diversity and inclusion practices in these organizations.

4 Interestingly enough, the other person on this
5 panel with me was Andrew Junkin, which was the Board's
6 former consultant, who's now the Chief Investment Officer
7 for the Rhode Island Pension System. So this was a
8 fireside chat format and it was good to catch up with
9 Andrew as well.

10 And then I also had the honor to participate on a
11 panel that was moderated by Hiro Mizuno, which many of you
12 know. We brought Hiro to the Board for some presentations
13 and some insight into work that he had done while he was
14 in -- at GPIF. This was the annual Task Force for
15 Climate-Related Financial Disclosures. This is a summit
16 that's hosted in Japan. And again, the focus of this
17 discussion was more related to the Coronavirus and its
18 impact on sustainable investment practices and business
19 operations for publicly-traded companies.

20 I think it's important to note that Japan has the
21 largest number of TCFD reporting companies worldwide.
22 Almost a quarter of all of the reports come from Japanese
23 companies. And I was able to share some of the highlights
24 of our own TCFD report, which Anne Simpson was able to
25 present to you and then talked more about our work with

1 Climate Action 100+.

2 That was followed by participation in Canada's
3 International Economic Forum of the Americas, also known
4 as the Toronto Global Forum. And that's also an annual
5 event with a mission to really just foster discussion
6 among economic leaders around the world. My session was
7 more focused on the investor's role and economic recovery,
8 and more specifically our approach to long-term
9 sustainable investing strategies.

10 So as you know with our -- at the end of our
11 five-year strategic plan coming to a close here pretty
12 quickly, we have been working with our Stakeholder
13 Relations team and the Enterprise Strategy and Performance
14 Team to actively solicit feedback for that next five-year
15 strategic plan.

16 So to day, we've connected with more than 40
17 stakeholder leaders representing 25 organizations just to
18 get their input on, you know, the areas that they think
19 that CalPERS does well and the opportunities or areas for
20 improvement, what do they see as the -- really the
21 external threat landscape, and then also additional
22 potential partnerships that we might be able to form with
23 them.

24 The team has taken a very thorough approach to
25 contact a wide variety of stakeholder groups, including

1 member associations, retiree groups, employer
2 associations, industry associations, legislative staff,
3 consultants, and leaders also in the private business
4 sector. All I think who have given us a some unique
5 perspectives that we haven't brought into this process in
6 the past.

7 For the most part, the majority of CalPERS is
8 being effective at our core obligation to pay pension
9 benefits and to administer the health plans, but there's
10 also a shared desire to see us focus on achieving our
11 targeted rate of return to fund pension payments. And I
12 think those thoughts did vary across those groups that I
13 mentioned.

14 The key takeaway from the conversations is that,
15 you know, really the stakeholder community is clear about
16 the importance of the health of the portfolio, our ability
17 to hit that assumed rate of return target, to minimize as
18 many costs as we can to the employer and prospectively to
19 the member as well.

20 And then finally I'll end our outreach summary
21 with the numbers and feedback received from our first ever
22 Educational Forum. As you recall, the forum took place
23 in -- online in mid-October. Of the 2,600 attendees who
24 had originally registered, we had about 1,600 who ended up
25 actively participating for the two-day event, I think

1 based on some of the industry standards that we've been
2 able to gather, we did expect about a 50 percent drop in
3 actual attendees, so our numbers a little bit above that
4 standard.

5 In addition, I think the event proved effective
6 in recruiting more individual agencies than what we've
7 been able to see in the past. While we typically get
8 participation from about 400 individual agencies, the
9 online forum was able to increase that number to about
10 780, which is about a 90 percent increase over last year.

11 And then of those 780 agencies, 236, this was the
12 first time that they had ever attended one of these
13 educational events. So certainly, the more agencies that
14 we can reach to help support them in their CalPERS roles
15 the better. And then in our post-event survey, attendees
16 provided positive reviews of the forum and educational
17 sessions overall. If you'd like to see those numbers, I'd
18 be happy to share those with you as well. And then for
19 those attendees who were watching and who registered, the
20 presentations that were done over that two days will
21 remain available through the attendee hub through
22 mid-February.

23 Now, quickly over to the Spotlight on Excellence
24 award. Of course, one of the highlights of the forum
25 every year is our annual Spotlight on Excellence award

1 presentation. This award honors outstanding public
2 service and is a peer-nominated award coming from CalPERS'
3 contracting agencies. This year's recipient, which is
4 Trieste Huey, from the Fontana Unified School District.
5 So we'd like to actually show her story right now in this
6 video if we could roll that, please.

7 (Thereupon a video was played.)

8 CHIEF EXECUTIVE OFFICER FROST: So I think it's
9 always a pleasure to see these Spotlight on Excellence
10 stories. Just a big congratulations to Trieste. We know
11 that peer recognition is one of the most powerful forms of
12 recognition that you can actually receive.

13 And so that brings me to this year's Our Promise
14 Campaign. Remember, Our Promise is the annual charitable
15 giving campaign that provides State employees with a
16 chance to allocate charitable donations through payroll
17 deduction. Of course, many of our nonprofit organizations
18 are in great need of support this year. And the campaign
19 is certain to make quite a bit of difference. So, so far
20 this year, we only have about 18 percent of our team
21 members who've stepped up to donate. We certainly like to
22 see that number climb a little bit higher, but I'd like to
23 thank Don Martinez and Forrest Grimes for chairing this
24 year's campaign team. It has been difficult to come up
25 with the right types of events, when we're trying to do

1 this virtually. So I do appreciate all of their efforts
2 and the unique way that they've had to run the campaign
3 this year.

4 So one final note before I close out with the
5 Investment Performance. This is the last Board of
6 Administration meeting of the year. The next time we will
7 meet will be January 19th and 20th for our annual Board
8 education and stakeholder days, both of which will take
9 place online.

10 So now to the investment performance. As of
11 September 30th of 2020, the fiscal year-to-date is 4.6,
12 the one career is 7.8, the three-year is 6.9, the
13 five-year is 8.4, and the 10-year is 8.2.

14 And with that, I'd like to wish everyone a safe
15 and Happy Thanksgiving, as well as a very nice Holiday
16 season. And that does conclude my report, President
17 Jones.

18 PRESIDENT JONES: Thanks very much, Ms. Frost.
19 And, Ms. Frost, could you send the campaign fundraising
20 information to Board members, so many of us -- some of us
21 may want to also contribute. So if you could do that.
22 Okay. Thank you.

23 Okay. So now we will move to Item 6, action
24 consent items.

25 ACTING BOARD MEMBER RUFFINO: Mr. Jones -- Mr.

1 President, can I just make a quick comment?

2 PRESIDENT JONES: Sure, Mr. Ruffino.

3 ACTING BOARD MEMBER RUFFINO: Thank you, Mr.

4 President. The -- Treasurer Ma would like to recognize
5 and thank a CalPERS team member. The Treasurer's Office
6 received word from a resident of one of our constituent
7 cities that CalPERS team member Daniel Miller did an
8 excellent job presenting some very high level and complex
9 information when discussing the components of the
10 actuarial valuation for the City of Upland at a recent
11 well-attended Finance Committee meeting. The Treasurer
12 would like to thank Mr. Miller for his work on this
13 presentation and the way that he represented every member
14 of the CalPERS Board in his interaction with the City of
15 Upland's residents, council members, and staff while
16 explaining the specific detail to make up the City of
17 Upland's retirement funding portrait.

18 So again thank you to Mr. Miller for your
19 dedication and commitment to our member.

20 Thank you, Mr. President.

21 PRESIDENT JONES: Thank you, Mr. Ruffino, for
22 that in recognizing our Board member and our staff member
23 we appreciate that. It's good to hear good news about the
24 work that our members are doing and serving our members
25 throughout the state. So thank you very much for that.

1 So now back to the Item 6, action consent items.

2 We have 6a, 6b, and 6c. Do I have a motion?

3 I don't --

4 BOARD MEMBER MILLER: So moved.

5 BOARD MEMBER FECKNER: Second.

6 PRESIDENT JONES: Moved by Mr. Miller second by
7 Mr. Feckner.

8 Mrs. Hopper, we have a motion on that. Mrs.
9 Hopper, please.

10 BOARD SECRETARY HOPPER: Margaret Brown?

11 BOARD MEMBER BROWN: Aye.

12 BOARD SECRETARY HOPPER: Rob Feckner?

13 BOARD MEMBER FECKNER: Aye.

14 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
15 Ma?

16 ACTING BOARD MEMBER RUFFINO: Aye.

17 BOARD SECRETARY HOPPER: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD SECRETARY HOPPER: David Miller?

20 BOARD MEMBER MILLER: Aye.

21 BOARD SECRETARY HOPPER: Stacie Olivares?

22 BOARD MEMBER OLIVARES: Aye.

23 BOARD SECRETARY HOPPER: Eraina Ortega?

24 BOARD MEMBER ORTEGA: Aye.

25 BOARD SECRETARY HOPPER: Jason Perez?

1 BOARD MEMBER PEREZ: Aye.

2 BOARD SECRETARY HOPPER: Ramon Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD SECRETARY HOPPER: Theresa Taylor?

5 PRESIDENT JONES: Excused.

6 BOARD SECRETARY HOPPER: Shawnda Westly?

7 BOARD MEMBER WESTLY: Aye.

8 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

9 Yee?

10 ACTING BOARD MEMBER PAQUIN: Aye.

11 BOARD SECRETARY HOPPER: Mr. President, I have
12 David Miller making the motion, Rob Feckner seconding it
13 for agenda Item 6a, 6b, 6c.

14 PRESIDENT JONES: Thank you, Mrs. Hopper.

15 We now move to Item 7 on the agenda, information
16 concept items. I have not received any requests to remove
17 any of those items from the consent calendar, so we will
18 move on to Item, 8, Committee Reports and Actions.

19 The first Item is 8a, the Investment Committee.

20 For that I call on the Vice Chair, Mr. Miller.

21 BOARD MEMBER MILLER: Thank you, Mr. President.

22 The Finance and Administration Committee met on
23 November 17th, 2020. The Committee recommends and I move
24 approve the following:

25 Agenda Item 4b, approve the November 2020

1 prospective report of solicitations, contracts, purchase
2 orders and letters of engagement.

3 Agenda Item --

4 PRESIDENT JONES: Mr. Miller. Mr. Miller, I
5 think that is Finance. This is Investment Committee.

6 BOARD MEMBER MILLER: Oh. Sorry. I got the
7 wrong one. Hang on and let me navigate this thing.

8 Oh, there we go. Got the right one. Sorry about
9 that.

10 PRESIDENT JONES: That's okay.

11 BOARD MEMBER MILLER: Autopilot here.

12 The Investment Committee met via videoconference
13 on November 16th, 2020. The Committee approved the
14 following:

15 Agenda Item 7a, the recommendation to set the
16 discount rate for the Long-Term Care Fund to 4.75 with a
17 portfolio risk upper threshold of 9.5 percent, and the
18 inclusion of private assets and leverage as allowable
19 investments within allocation ranges to be approved at a
20 future committee meeting.

21 Agenda Item 7b, the recommended changes to
22 Investment Committee's delegation.

23 Agenda Item 9a, to consent to the transfer of the
24 Wilshire Consulting contract to its new ownership
25 entities.

1 The Committee received reports on the following
2 topics:

3 An educational review of how CalPERS uses
4 tracking error as part of the investment risk framework;
5 Wilshire Associates annual financial analysis of CalPERS
6 divestments; an update on CalPERS investment strategy on
7 climate risk and opportunity; the annual report on
8 external managers compliance with the Responsible
9 Contractor Policy;

10 The Chair directed staff to: Include a market
11 and economics update in February, 2021 Investment
12 Committee meeting; accelerate the presentation of the
13 five-year divestment review to the Committee from November
14 2021 to March 2021; gather information to further the
15 understanding of the relationship between Wilshire and the
16 ACA Compliance Group and how that fits into Wilshire's
17 management of potential conflicts of interest.

18 The Committee heard public comment on a labor
19 dispute.

20 At this time, I would like to share some
21 highlights of what to expect at the February 2021
22 Investment Committee meeting:

23 Discussion on the asset allocation for the
24 Long-Term Care Program; an ALM support workshop covering
25 various foundational topics for the upcoming ALM cycle;

1 and a market and economics update.

2 The next meeting of the Investment Committee is
3 scheduled for February 16th, 2021 in Sacramento,
4 California.

5 Thank you. That concludes my report.

6 PRESIDENT JONES: Thank you, Mr. Miller.

7 The next item is item

8 BOARD SECRETARY HOPPER: Mr. President.

9 PRESIDENT JONES: Yes.

10 BOARD SECRETARY HOPPER: Did you not want to take
11 roll call votes for those action items?

12 PRESIDENT JONES: No. Now that the Investment
13 Committee is a committee of the whole, that is not
14 necessary now.

15 BOARD SECRETARY HOPPER: Okay.

16 PRESIDENT JONES: It's just report.

17 Okay. Thank you though, Mrs. Hopper.

18 ACTING BOARD MEMBER PAQUIN: Excuse me,
19 President. I have a -- this is Lynn Paquin. I have a
20 question on IC summary.

21 PRESIDENT JONES: Okay. Ms. Paquin.

22 ACTING BOARD MEMBER PAQUIN: Thank you. My
23 question is we had given Matt Jacobs and his legal staff
24 direction to pursue further information with Wilshire
25 regarding the conflicts of interest framework that they

1 are developing. And it's not clear when they're going to
2 bring that back. And my question is instead of waiting
3 for the February Investment Committee meeting, is it
4 possible to address that during our education session in
5 January given that we are starting the ALM process in
6 February itself?

7 PRESIDENT JONES: Yeah, I see no problem with
8 that. We could ask staff to contact them and see if we
9 can move that -- getting that information to an earlier
10 date.

11 Ms. Frost, can you be sure that they are aware of
12 that request. I think she's on mute. Ms. Frost, can you
13 hear?

14 GENERAL COUNSEL JACOBS: I'm aware.

15 PRESIDENT JONES: Mr. Jacobs, can you hear me?

16 GENERAL COUNSEL JACOBS: I'm aware of the
17 request.

18 PRESIDENT JONES: Okay. Good. Thank you. Okay.

19 ACTING BOARD MEMBER PAQUIN: Thank you.

20 PRESIDENT JONES: Okay. You're welcome.

21 Okay. So now we move -- we have a request coming
22 up from Ms. Brown on IC. Ms. Brown, you have a -- no,
23 that's Lynn. Okay. Ms. Brown, do you have a question on
24 IC summary also?

25 BOARD MEMBER BROWN: No. No. I'm just -- I'm

1 trying to give a heads up for Pension and Health to
2 separate out the vote, so...

3 PRESIDENT JONES: Okay. It said IC. Okay.
4 Okay. I thought -- okay, my problem.

5 Okay. Then let's move to Item 8b, Pension and
6 Health Benefits Committee. For that, I call on the Chair
7 Mr. Feckner.

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

9 Pension and Health Benefits Committee, PHBC, met
10 on November 17th, 2020.

11 The Committee recommends and I move the Board
12 approve the following:

13 Agenda Item 6a, approve health plan changes for
14 the 2022 plan year, including new Medicare Advantage and
15 basic plans, service area expansions of existing plans,
16 and new benefits for an existing Medicare Advantage plan.

17 PRESIDENT JONES: Oh motion of the Committee.

18 Any discussion?

19 Seeing none.

20 Mrs. Hopper, please.

21 BOARD SECRETARY HOPPER: Yes. Margaret Brown?

22 BOARD MEMBER BROWN: Aye.

23 BOARD SECRETARY HOPPER: Rob Feckner?

24 BOARD MEMBER FECKNER: Aye.

25 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona

1 Ma?

2 ACTING BOARD MEMBER RUFFINO: Aye.

3 BOARD SECRETARY HOPPER: Lisa Middleton?

4 BOARD MEMBER MIDDLETON: Aye.

5 BOARD SECRETARY HOPPER: David Miller?

6 BOARD MEMBER MILLER: Aye.

7 BOARD SECRETARY HOPPER: Stacie Olivares?

8 BOARD MEMBER OLIVARES: Aye.

9 BOARD SECRETARY HOPPER: Eraina Ortega?

10 BOARD MEMBER ORTEGA: Aye.

11 BOARD SECRETARY HOPPER: Jason Perez?

12 BOARD MEMBER PEREZ: Aye.

13 BOARD SECRETARY HOPPER: Ramon Rubalcava?

14 Ramon?

15 BOARD MEMBER RUBALCAVA: Aye.

16 BOARD SECRETARY HOPPER: Theresa Taylor?

17 PRESIDENT JONES: Excused.

18 BOARD SECRETARY HOPPER: Shawnda Westly?

19 BOARD MEMBER WESTLY: Aye.

20 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

21 Yee?

22 ACTING BOARD MEMBER PAQUIN: Aye.

23 BOARD SECRETARY HOPPER: Mr. President, for Item
24 6a, approval of the new health plan benefit designs and
25 service area changes, motion made by Rob Feckner, all

1 ayes.

2 PRESIDENT JONES: Thank you very much.

3 Mr. Feckner.

4 BOARD MEMBER FECKNER: Thank you.

5 Agenda Item 6b, approve adoption of the portfolio
6 rating approach for the basic health plan portfolio using
7 the Milliman Advances Risk Adjusters, MARA, prospective
8 risk scoring tool with a two-year phase in. This rating
9 approach includes replacing the current PERS Basic
10 Preferred Provider Organization, PPO, plans with a
11 proposed PERS Platinum and PERS Gold plans. Benefit
12 design changes will be considered next November as part of
13 year two of a two-year phase in.

14 PRESIDENT JONES: Mrs. Brown, are -- are you
15 asking for a comment or you want to just have a separate
16 vote on this?

17 BOARD MEMBER BROWN: No. No, I do have a comment
18 before we vote. Thank you.

19 PRESIDENT JONES: Okay.

20 BOARD MEMBER BROWN: Are you calling on me?
21 Okay.

22 So, you know, I do appreciate all the information
23 staff brought to us, but I -- what I believe we are still
24 missing quite a bit of information on the number of people
25 that are going to be impacted and affected. Quite a few

1 of our members are participants in health care need the
2 low cost health care. And especially with this now going
3 to Platinum and Gold, I don't know what the impact is,
4 other than it's going to raise rates substantially.

5 The other issue is, is that the benefit
6 modifications, we don't know what those are. Those are
7 going to happen in the following year. So we voted for
8 something that's going to increase rates dramatically for
9 a large population of our members, I think. I don't know
10 that for a fact, and we don't know what costs -- what cuts
11 are going to come to them in terms of their benefits. So
12 we're going to raise their rates. I'm talking about the
13 Platinum and Gold Plans. We're going to raise their rates
14 and we're going to reduce their benefits. And we really
15 don't know what those benefits are that are going to
16 be raised to -- or reduced to.

17 And so I think it's premature to vote on this. I
18 know we're probably going to move forward. And so I'm
19 just saying why -- I'm voting no.

20 Thank you.

21 PRESIDENT JONES: Thank you.

22 Okay. I call for the vote. Ms. Hopper, please.

23 BOARD SECRETARY HOPPER: Margaret Brown?

24 BOARD MEMBER BROWN: No.

25 BOARD SECRETARY HOPPER: Rob Feckner?

1 BOARD MEMBER FECKNER: Aye.
2 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
3 Ma?
4 ACTING BOARD MEMBER RUFFINO: Aye.
5 BOARD SECRETARY HOPPER: Lisa Middleton?
6 BOARD MEMBER MIDDLETON: Aye.
7 BOARD SECRETARY HOPPER: David Miller?
8 BOARD MEMBER MILLER: Aye.
9 BOARD SECRETARY HOPPER: Stacie Olivares?
10 BOARD MEMBER OLIVARES: Aye.
11 BOARD SECRETARY HOPPER: Eraina Ortega?
12 BOARD MEMBER ORTEGA: Aye.
13 BOARD SECRETARY HOPPER: Jason Perez?
14 BOARD MEMBER PEREZ: No.
15 BOARD SECRETARY HOPPER: Ramon Rubalcava?
16 BOARD MEMBER RUBALCAVA: Aye.
17 BOARD SECRETARY HOPPER: Theresa Taylor?
18 PRESIDENT JONES: Excused.
19 BOARD SECRETARY HOPPER: Shawnda Westly?
20 BOARD MEMBER WESTLY: Aye.
21 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
22 Yee?
23 ACTING BOARD MEMBER PAQUIN: Aye.
24 BOARD SECRETARY HOPPER: Mr. President, Rob
25 Feckner made the motion for the approval of Agenda Item

1 6b, risk mitigation strategies.

2 PRESIDENT JONES: Thank you, Mrs. Hopper.

3 Mr. Feckner, Item 6c.

4 BOARD MEMBER FECKNER: Agenda Item 6c, approve
5 recommendations to pursue proposed amendments to existing
6 regulations regarding the minimum standard for CalPERS
7 health benefit plans.

8 PRESIDENT JONES: On the motion of the Committee.

9 Any discussion?

10 Seeing none.

11 Ms. Hopper, please.

12 BOARD SECRETARY HOPPER: Margaret Brown?

13 BOARD MEMBER BROWN: Aye.

14 BOARD SECRETARY HOPPER: Rob Feckner?

15 BOARD MEMBER FECKNER: Aye.

16 BOARD SECRETARY HOPPER: Frank Ruffino?

17 ACTING BOARD MEMBER RUFFINO: Aye.

18 BOARD SECRETARY HOPPER: Lisa Middleton?

19 BOARD MEMBER MIDDLETON: Aye.

20 BOARD SECRETARY HOPPER: David Miller?

21 BOARD MEMBER MILLER: Aye.

22 BOARD SECRETARY HOPPER: Stacie Olivares?

23 Eraina Ortega?

24 BOARD MEMBER ORTEGA: Aye.

25 BOARD SECRETARY HOPPER: Jason Perez?

1 BOARD MEMBER PEREZ: Aye.

2 BOARD SECRETARY HOPPER: Ramon Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD SECRETARY HOPPER: Theresa Taylor?

5 PRESIDENT JONES: Excused.

6 BOARD SECRETARY HOPPER: Shawnda Westly?

7 BOARD MEMBER WESTLY: Aye.

8 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

9 Yee?

10 ACTING BOARD MEMBER PAQUIN: Aye.

11 BOARD SECRETARY HOPPER: Last vote, Stacie

12 Olivares?

13 BOARD MEMBER OLIVARES: Aye.

14 BOARD SECRETARY HOPPER: Mr. President, I have
15 the motion made by Rob Feckner, all ayes for approval of
16 Agenda Item 6c minimum standards for health benefits.

17 PRESIDENT JONES: Thank you Mrs. Hopper.

18 Agenda Item 6d, Mr. Feckner.

19 BOARD MEMBER FECKNER: Thank you.

20 Agenda Item 6d, approve adoption of a rate
21 increase of 52 percent in year one and 25 percent in year
22 two for all CalPERS Long-Term Care Program policyholders
23 effective July 2021. Authorize recommended benefit design
24 modifications that could be made available to Long-Term
25 Care Program policyholders in lieu of a rate increase. If

1 offered, choosing one or more of those benefit design
2 changes would be optional for policyholders.

3 PRESIDENT JONES: On the motion of the Committee.
4 Discussion?

5 Mrs. Brown.

6 BOARD MEMBER BROWN: No, I don't have comment.
7 I'm just going to vote no. Thank you.

8 PRESIDENT JONES: Oh, okay. Then, Mrs. Hopper
9 please,

10 BOARD SECRETARY HOPPER: Margaret Brown?

11 BOARD MEMBER BROWN: No.

12 BOARD SECRETARY HOPPER: Rob Feckner?

13 BOARD MEMBER FECKNER: Aye.

14 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
15 Ma?

16 ACTING BOARD MEMBER RUFFINO: Aye.

17 BOARD SECRETARY HOPPER: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD SECRETARY HOPPER: David Miller?

20 BOARD MEMBER MILLER: Aye.

21 BOARD SECRETARY HOPPER: Stacie Olivares?

22 BOARD MEMBER OLIVARES: Aye.

23 BOARD SECRETARY HOPPER: Eraina Ortega?

24 BOARD MEMBER ORTEGA: Aye.

25 BOARD SECRETARY HOPPER: Jason Perez?

1 BOARD MEMBER PEREZ: Aye.

2 BOARD SECRETARY HOPPER: Ramon Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD SECRETARY HOPPER: Theresa Taylor?

5 PRESIDENT JONES: Excused

6 BOARD SECRETARY HOPPER: Shawnda Westly?

7 BOARD MEMBER WESTLY: Aye.

8 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

9 Yee?

10 ACTING BOARD MEMBER PAQUIN: Aye.

11 BOARD SECRETARY HOPPER: Mr. President, Rob

12 Feckner makes the motion. We have one no made by Margaret

13 Brown for the approval of Agenda Item 6d, long-term care
14 optional benefit design and premium changes.

15 PRESIDENT JONES: Thank you, Mrs. Hopper.

16 Mr. Feckner.

17 BOARD MEMBER FECKNER: Thank you. The Chair
18 directed staff to: provide the Board with specific numbers
19 and locations of members in the PPO plan; provide the
20 Board with an exact timeline for rate increase benefit
21 mitigation options - was it in advance of the rate
22 increase or at the same time.

23 At this time, I would like to share some
24 highlights of what to expect at the March PHBC meeting.
25 The Committee will receive reports on the PHBC delegation,

1 health open enrollment results, Long-Term Care Program,
2 and the retired members cost of living.

3 The next meeting of the PHBC will be March 17th.
4 Thank you very much, Mr. President.

5 PRESIDENT JONES: Okay. Thank you, Mr. Feckner.
6 The next item on the agenda is 8c, Finance and
7 Administration Committee. For that, I call on the Vice
8 Chair, Mr. Miller.

9 BOARD MEMBER MILLER: Okay. Thank you. I think
10 I've got the right one in front of me here.

11 The Finance and Administration Committee met on
12 November 17th, 2020 and the Committee recommends and I
13 move the Board approve the following:

14 Agenda Item 4b, approve November 2020 prospective
15 report of solicitations, contracts, purchase orders and
16 letters of engagement.

17 Agenda Item 4c, approve an additional one year
18 contract term extension for the external Investment
19 Manager contracts without a defined duration.

20 Agenda Item 6a, approve the draft CalPERS 2019
21 through 2020 basic financial statement.

22 Agenda Item 6b, approve a \$72.3 million reduction
23 for a total revised 2020 to 2021 budget of \$1.621 billion

24 And Agenda Item 6c, approve the CalPERS Board
25 elections candidate nomination petition options to pursue

1 an emergency regulation to permit non-original signatures
2 during the pandemic.

3 PRESIDENT JONES: Okay. Thank you, Mr. Miller.

4 Ms. Brown, you had a note that one of these items
5 you want to separate for the vote?

6 BOARD MEMBER BROWN: Yes, I believe Mr. Miller
7 does as well, the very last one, because we may want to
8 abstain.

9 PRESIDENT JONES: Okay. That's 6c then.

10 BOARD MEMBER BROWN: Yes.

11 PRESIDENT JONES: Okay. So call for the vote of
12 the members of the Board will be on 8 -- Agenda Item 4b,
13 4c, 6a, 6b. So roll call Mrs. Hopper.

14 BOARD SECRETARY HOPPER: Margaret Brown?

15 BOARD MEMBER BROWN: Aye.

16 BOARD SECRETARY HOPPER: Rob Feckner?

17 BOARD MEMBER FECKNER: Aye.

18 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
19 Ma.

20 ACTING BOARD MEMBER RUFFINO: Aye.

21 BOARD SECRETARY HOPPER: Lisa Middleton?

22 BOARD MEMBER MIDDLETON: Aye.

23 BOARD SECRETARY HOPPER: David Miller?

24 BOARD MEMBER MILLER: Aye.

25 BOARD SECRETARY HOPPER: Stacie Olivares?

1 BOARD MEMBER OLIVARES: Aye.

2 BOARD SECRETARY HOPPER: Eraina Ortega?

3 BOARD MEMBER ORTEGA: Aye.

4 BOARD SECRETARY HOPPER: Jason Perez?

5 BOARD MEMBER PEREZ: Aye.

6 BOARD SECRETARY HOPPER: Ramon Rubalcava?

7 BOARD MEMBER RUBALCAVA: Aye.

8 BOARD SECRETARY HOPPER: Theresa Taylor?

9 PRESIDENT JONES: Excused.

10 BOARD SECRETARY HOPPER: Shawnda Westly?

11 BOARD MEMBER WESTLY: Aye.

12 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

13 Yee?

14 ACTING BOARD MEMBER PAQUIN: Aye.

15 BOARD SECRETARY HOPPER: Mr. President, the
16 motion was made by David Miller. This is for the approval
17 of the Agenda Items 4b, 4c, 6a, 6d as if David.

18 PRESIDENT JONES: Okay. On mine it says B, okay.

19 BOARD MEMBER BROWN: 6b

20 PRESIDENT JONES: Okay B.

21 BOARD SECRETARY HOPPER: Okay. So it should 6b?

22 PRESIDENT JONES: Yeah. Okay. All right. So
23 then that item is approved.

24 So now we would vote on items -- Agenda Item 6c.
25 Ms. Hopper, please.

1 BOARD SECRETARY HOPPER: Margaret Brown?
2 BOARD MEMBER BROWN: Abstain.
3 BOARD SECRETARY HOPPER: Abstain.
4 Rob Feckner?
5 BOARD MEMBER FECKNER: Aye.
6 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
7 Ma?
8 PRESIDENT JONES: Frank?
9 It looks like he's paused.
10 BOARD MEMBER FECKNER: Here he comes.
11 BOARD SECRETARY HOPPER: Okay. Lisa Middleton?
12 BOARD MEMBER MIDDLETON: Aye.
13 BOARD SECRETARY HOPPER: David Miller?
14 BOARD MEMBER MILLER: Abstain.
15 BOARD SECRETARY HOPPER: Stacie Olivares?
16 BOARD MEMBER OLIVARES: Aye.
17 BOARD SECRETARY HOPPER: Eraina Ortega?
18 BOARD MEMBER ORTEGA: Aye.
19 BOARD SECRETARY HOPPER: Jason Perez?
20 BOARD MEMBER PEREZ: No.
21 BOARD SECRETARY HOPPER: Ramon Rubalcava?
22 BOARD MEMBER RUBALCAVA: Aye.
23 BOARD SECRETARY HOPPER: Theresa Taylor?
24 PRESIDENT JONES: Excused.
25 BOARD SECRETARY HOPPER: Shawnda Westly?

1 BOARD MEMBER WESTLY: Aye.

2 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
3 Yee?

4 ACTING BOARD MEMBER PAQUIN: Aye.

5 BOARD SECRETARY HOPPER: One last time, Frank
6 Ruffino for Fiona Ma?

7 PRESIDENT JONES: He was there a minute ago.

8 BOARD SECRETARY HOPPER: Mr. President, that --
9 right now leaves with David Miller making the motion. I
10 have seven ayes, one no made by Jason Perez, two
11 abstentions, one from Margaret Brown and the other from
12 David Miller.

13 PRESIDENT JONES: Okay. Mr. Ruffino, can you
14 hear us?

15 ACTING BOARD MEMBER RUFFINO: Yes, I can hear
16 you, but I -- okay. It think just worked. Can you guys
17 hear me now?

18 PRESIDENT JONES: Yes, we can.

19 BOARD SECRETARY HOPPER: Yes.

20 ACTING BOARD MEMBER RUFFINO: My vote is aye.
21 Sorry. It got --

22 PRESIDENT JONES: Okay.

23 BOARD SECRETARY HOPPER: Okay. Your vote for
24 Frank Ruffino is aye.

25 ACTING BOARD MEMBER RUFFINO: Aye, yes. Thank

1 you

2 PRESIDENT JONES: Okay. Thank you.

3 Mr. Miller.

4 BOARD MEMBER MILLER: The Committee received
5 reports on following topics: Annual review of funding
6 levels and risk report.

7 The Chair directed staff to:

8 Provide a breakdown of the investment, personnel
9 and administrative expenses; research privacy protection,
10 short-term and long-term, for CalPERS Board election
11 nomination petitions.

12 The Committee heard public comment from the City
13 of Tulsa regarding and outstanding utility issue on a
14 property owned by CalPERS.

15 At this time, I would like to share some
16 highlights of what to expect at the February Finance and
17 Administration Committee meeting:

18 2021 CalPERS Board of Administration
19 member-at-large notice of election; and the annual
20 diversity report.

21 The next meeting of the Finance and
22 Administration Committee is scheduled for February 2021.

23 PRESIDENT JONES: Okay. Thank you very much --

24 BOARD MEMBER MILLER: And that concludes my
25 report.

1 PRESIDENT JONES: Thank you very much, Mr.
2 Miller. Okay. We now move to the Item 8d, Performance,
3 Compensation and Talent Management Committee. For that, I
4 call on the Chair, Mr. Feckner.

5 BOARD MEMBER FECKNER: Thank you, Mr. President.
6 The Performance, Compensation and Talent
7 Management Committee met on November 18th, 2020.

8 The Committee received reports on the following
9 topics:

10 2019-20 fiscal year-end compensation outcomes for
11 statutory positions; financial interest separate
12 requirements for Chief Investment Officer position.

13 The Chair directed staff to:

14 Defer the incentive compensation recommendations
15 for the Chief Investment Officer position to the next
16 Board meeting, once the new investment compensation
17 consultant Global Governance Advisors is under contract;

18 Provide additional information and research on
19 how financial interest separation requirements for
20 positions within the organization compared to other public
21 funds, as well as potential restrictions relevant to
22 categorization of financial interests.

23 At this time, I would like to share some
24 highlights of what to expect at the February Performance,
25 Compensation and Talent Management Committee meeting. The

1 Committee will receive a semiannual status report on the
2 Chief Executive Officer's incentive plan and review the
3 Committee delegation. The Committee will receive the
4 incentive compensation recommendations for the Chief
5 Investment Officer position from the Board's new
6 compensation consultant, Global Governance Advisors.

7 The next meeting of the Performance, Compensation
8 and Talent Management Committee is scheduled for February
9 2021.

10 Thank you. That ends my report, Mr. President.

11 PRESIDENT JONES: Thank you, Mr. Feckner.

12 The next item 8d, Risk and Audit Committee. I
13 call on the Chair, Mr. Miller.

14 BOARD MEMBER MILLER: Thank you, Mr. President.

15 The Risk and Audit Committee met on November
16 12th, 2020.

17 The Committee recommends and I move the Board
18 approve the following:

19 Agenda Item 6a, Independent Auditor's Report
20 fiscal years 2019 to 2020. Approve the CalPERS Board of
21 Administration independent financial statement auditor's
22 report and the accompanying required reports of the fiscal
23 year ended June 30th, 2020.

24 Agenda Item 6b, independent auditor's management
25 letter. Approve the CalPERS Board of Administration's

1 independent financial statement auditor's management
2 letter for the fiscal year ended June 30th, 2020.

3 Agenda Item 6c, independent financial statement
4 auditor selection. The Risk and Audit Committee approve
5 and recommends to the CalPERS Board of Administration,
6 one, the finalist selected by the subcommittee of the Risk
7 and Audit Committee as CalPERS independent financial
8 statement auditor, and two, approve CalPERS to enter
9 contract negotiations with the approved finalist. And if
10 those negotiations are unsuccessful, approve CalPERS to
11 enter contract negotiations with the next highest scoring
12 finalist.

13 Agenda Item 6d RFP for parallel valuation and
14 certification services. Approve the release of an RFP
15 seeking an external firm to provide parallel actuarial
16 valuation and certification services to the Board of
17 Administration on a quadrennial schedule. Approve the
18 draft services to be provided, minimum qualifications,
19 proposal of valuation process and proposal evaluation
20 sheet.

21 PRESIDENT JONES: On the motion of the Committee.

22 Any discussion?

23 Seeing none.

24 Ms. Hopper please.

25 BOARD SECRETARY HOPPER: Margaret Brown?

1 BOARD MEMBER BROWN: Aye.
2 BOARD SECRETARY HOPPER: Rob Feckner?
3 BOARD MEMBER FECKNER: Aye.
4 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
5 Ma?
6 ACTING BOARD MEMBER RUFFINO: Aye.
7 BOARD SECRETARY HOPPER: Lisa Middleton?
8 BOARD MEMBER MIDDLETON: Aye.
9 BOARD SECRETARY HOPPER: David Miller?
10 BOARD MEMBER MILLER: Aye.
11 BOARD SECRETARY HOPPER: Stacie Olivares?
12 BOARD MEMBER OLIVARES: Aye.
13 BOARD SECRETARY HOPPER: Eraina Ortega?
14 BOARD MEMBER ORTEGA: Aye.
15 BOARD SECRETARY HOPPER: Jason Perez?
16 BOARD MEMBER PEREZ: Aye.
17 BOARD SECRETARY HOPPER: Ramon Rubalcava?
18 BOARD MEMBER RUBALCAVA: Aye.
19 BOARD SECRETARY HOPPER: Theresa Taylor?
20 PRESIDENT JONES: Excused.
21 BOARD SECRETARY HOPPER: Shawnda Westly?
22 BOARD MEMBER WESTLY: Aye.
23 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
24 Yee?
25 ACTING BOARD MEMBER PAQUIN: Aye.

1 BOARD SECRETARY HOPPER: Mr. President, David
2 Miller making the motion for Item 6a, 6b, 6c and 6d, all
3 ayes.

4 PRESIDENT JONES: Thank you very much, Ms.
5 Hopper.

6 Mr. Miller.

7 BOARD MEMBER MILLER: The committee received
8 reports on the following topics:

9 Third-party valuation and certification of the
10 2019 annual valuations of the Judges' Retirement System,
11 Judges' Retirement System II, Legislators' Retirement
12 System, and the 1959 Survivor Benefit Program; and, the
13 enterprise risk management framework review.

14 At this time, I would like to share some
15 highlights of to what expect at the February Risk and
16 Audit Committee meeting.

17 The election of the Risk and Audit Committee
18 Chair and Vice Chair. The review of the Risk and Audit
19 Committee delegation. And the mid-year plans for
20 enterprise compliance and enterprise risk management.

21 The next meeting of the Risk and Audit Committee
22 is scheduled for February 2021 in Sacramento, California.

23 That concludes my report, Mr. President.

24 PRESIDENT JONES: Okay. Thank you, Mr. Miller.

25 The next Item, 8f, Board Governance Committee.

1 For that report, I call on the Vice Chair Ms. Middleton.

2 BOARD MEMBER MIDDLETON: Thank you, Mr.

3 President. The Board Governance Committee met on November
4 18, 2020. The Committee discussed whether to change the
5 composition of the Pension and Health Benefits Committee
6 to a committee of the whole. The Committee also reviewed
7 and discussed the proposed revision to the Board
8 Governance Policy regarding the reporting of
9 investigations to the Board and ask management to bring
10 back revised language that incorporates comments made
11 during the meeting for Committee action.

12 The next meeting of the Board Governance
13 Committee is tentatively scheduled for March 16th, 2021 in
14 Sacramento, California. That concludes my report.

15 PRESIDENT JONES: Thank you, Ms. Middleton.

16 The next item, action agenda items, 9a, proposed
17 decisions of administrative law judges. The -- we also

18 BOARD MEMBER BROWN: Mr. Jones.

19 PRESIDENT JONES: I had comment on Board
20 Governance.

21 PRESIDENT JONES: Oh. Okay. Mrs. Brown, go
22 ahead.

23 BOARD MEMBER BROWN: Sorry to interrupt.

24 First of all, I just want to thank the Committee
25 for the great discussion on making the PHBC committee of

1 the whole. I know we are not all in agreement, but I
2 think with the big decisions we have -- we've made and we
3 have coming -- going forward, I think it could be critical
4 for all us to participate.

5 And I don't know if this is in Board Governance,
6 Mr. Jones, or if it's in another committee, but we still
7 haven't fixed the number of meetings for Pension and
8 Health Benefits. We only have one meeting in June when it
9 comes to rate setting. And that is typically not enough
10 time. And we certainly aren't sharing with our
11 stakeholders. And so usually we get two meetings
12 back-to-back, where we come with preliminary and then
13 final numbers. I just think it's critical that we add
14 another meeting. And I don't know if we -- when that gets
15 discussed, but I think it's critical. We've also heard
16 that from our stakeholders as well.

17 Thank you.

18 PRESIDENT JONES: Yes. Thank you, Ms. Brown for
19 your comments. And another Board member raised that issue
20 earlier and I indicated that the stated Board meetings are
21 at minimum, that when there's necessary additional
22 meetings can be added. So if there are items that you
23 believe that needs to be discussed prior to those
24 meetings, I'd consult with the Chair and the CEO of the
25 Health Benefits Committee and -- for consideration of a

1 agendizing additional meetings.

2 BOARD MEMBER BROWN: So I think I just did that,
3 but I'll do it again. Thank you.

4 PRESIDENT JONES: Okay. But I'm just letting you
5 know what that process is. Okay.

6 BOARD MEMBER BROWN: Thank you.

7 PRESIDENT JONES: Okay. You're welcome. Thank
8 you.

9 Okay. Now, we will move to Item 9a, proposed
10 decisions of administrative law judges. And before we
11 move into these items, Chirag Shah our independent Board
12 counsel for administrative decisions is on the phone in
13 case we have to refer any questions to him.

14 And also, I've been asked to have a separate vote
15 on 9a13, the Alex Ray case. So with that, I will call on
16 Board Member Rob Feckner to go through the recommendations
17 for 9a through 14, excluding 9a13.

18 Mr. Feckner.

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

20 I move the Board adopt the proposed decisions at
21 agenda items 9a through 12 and number 14 as the Board's
22 own decisions with the minor modifications argued by staff
23 to Agenda Items 9a1, 8, 11 and 12.

24 PRESIDENT JONES: Okay. On the motion.

25 BOARD MEMBER MILLER: I'll second.

1 PRESIDENT JONES: Moved by Mr. Feckner second by
2 Mr. Miller.

3 Discussion?

4 Seeing no additional discussion requests.

5 So, Mrs. Hopper, please.

6 BOARD SECRETARY HOPPER: Margaret Brown?

7 BOARD MEMBER BROWN: Aye.

8 BOARD SECRETARY HOPPER: Rob Feckner?

9 BOARD MEMBER FECKNER: Aye.

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

12 ACTING BOARD MEMBER RUFFINO: Aye.

13 BOARD SECRETARY HOPPER: Lisa Middleton?

14 BOARD MEMBER MIDDLETON: Aye.

15 BOARD SECRETARY HOPPER: David Miller?

16 BOARD MEMBER MILLER: Aye.

17 BOARD SECRETARY HOPPER: Stacie Olivares?

18 BOARD MEMBER OLIVARES: Aye.

19 BOARD SECRETARY HOPPER: Eraina Ortega?

20 BOARD MEMBER ORTEGA: Aye.

21 BOARD SECRETARY HOPPER: Jason Perez?

22 BOARD MEMBER PEREZ: Aye.

23 BOARD SECRETARY HOPPER: Ramon Rubalcava?

24 BOARD MEMBER RUBALCAVA: Aye.

25 BOARD SECRETARY HOPPER: Theresa Taylor?

1 Shawnda West --

2 PRESIDENT JONES: Excused.

3 BOARD SECRETARY HOPPER: Shawnda Westly?

4 BOARD MEMBER WESTLY: Aye.

5 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
6 Yee?

7 ACTING BOARD MEMBER PAQUIN: Aye.

8 BOARD SECRETARY HOPPER: Mr. President, I have
9 Rob Feckner making the motion, David Miller seconding it.
10 All ayes for agenda items 9a1 through 12 and 9a14,
11 excluding 9a13.

12 PRESIDENT JONES: Thank you, Ms. Hopper.

13 So now we'll go to 9a13, the Alex Ray case.
14 Ms. Westly.

15 BOARD MEMBER WESTLY: Thank you. And I'm sorry
16 for not being on camera. The pandemic elementary school
17 has really been a drain on my Internet. I wanted to just
18 pull this for a comment. I understand that this is based
19 on what looks like a precedential decision from last year
20 in the fall. So while I think I'm spitting into the wind,
21 I definitely want to make a point.

22 This one concerned me, because I'm concerned
23 about conferring intent in a manner that changes the rules
24 of the game for our retirees. And I think that this does
25 just that. I realize that we took that -- the position

1 that we did. This was prior to me being on the Board.
2 But these decisions are felt entirely by the retirees who
3 make decisions to retire based on an understanding of what
4 their allowance will be. And decisions like these turn
5 the tables on them.

6 I -- we are bound to follow the law, but we can't
7 push the law into a place that evaporates liabilities for
8 the system and employers at a great harm to retirees. And
9 this felt a little bit like legal gymnastics to me.
10 Special compensation may include the full monetary value
11 of normal contributions paid to the Board by the employer,
12 and though special compensation is part of compensation
13 earnable by a member. So I feel like he is not getting
14 his due for his retirement and I will be voting no.

15 PRESIDENT JONES: Okay. Thank you, Ms. Westly.

16 So seeing no additional requests to speak on this
17 item. Mr. Feckner.

18 BOARD MEMBER FECKNER: Yes, Mr. President.

19 I move that the Board adopt the proposed decision
20 at Agenda Item 13 as the Board's own decision.

21 PRESIDENT JONES: Yeah, Mrs. -- on the motion --
22 it's been moved by Mr. Feckner. Do I have a second?

23 BOARD MEMBER BROWN: Aye. Second.

24 PRESIDENT JONES: Okay. Second by Ms. Brown.

25 Ms. Hopper, please.

1 BOARD SECRETARY HOPPER: Margaret Brown?
2 BOARD MEMBER BROWN: Aye.
3 BOARD SECRETARY HOPPER: Rob Feckner?
4 BOARD MEMBER FECKNER: Aye.
5 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
6 Ma?
7 ACTING BOARD MEMBER RUFFINO: Aye.
8 BOARD SECRETARY HOPPER: Lisa Middleton?
9 BOARD MEMBER MIDDLETON: Aye.
10 BOARD SECRETARY HOPPER: David Miller?
11 BOARD MEMBER MILLER: Aye.
12 BOARD SECRETARY HOPPER: Stacie Olivares?
13 BOARD MEMBER OLIVARES: Aye.
14 BOARD SECRETARY HOPPER: Eraina Ortega?
15 BOARD MEMBER ORTEGA: Aye.
16 BOARD SECRETARY HOPPER: Jason Perez?
17 BOARD MEMBER PEREZ: No.
18 BOARD SECRETARY HOPPER: Ramon Rubalcava?
19 BOARD MEMBER RUBALCAVA: Aye.
20 BOARD SECRETARY HOPPER: Theresa Taylor?
21 PRESIDENT JONES: Excused.
22 BOARD SECRETARY HOPPER: Shawnda Westly?
23 BOARD MEMBER WESTLY: No.
24 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
25 Yee?

1 ACTING BOARD MEMBER PAQUIN: Aye.

2 BOARD SECRETARY HOPPER: Mr. President, I have
3 Rob Feckner making the motion, Margaret Brown seconding it
4 for agenda Item 9a13 Alex Ray. I have nine ayes and two
5 noes. Those were by Jason Perez and Shawnda Westly.

6 PRESIDENT JONES: Okay. Thank you, Ms. Hopper.
7 Now, we will move to 9b, petition for
8 reconsideration.

9 Mr. Feckner.

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

11 I move that the Board deny the petition for
12 reconsideration at Agenda Item 9b1.

13 PRESIDENT JONES: Moved by Mr. Feckner.

14 BOARD MEMBER PEREZ: (Hand raised.)

15 PRESIDENT JONES: Second by Mr. Perez.

16 Ms. -- Discussion?

17 9c1. Okay. That's next.

18 Okay. Ms. Hopper, please.

19 BOARD SECRETARY HOPPER: Margaret Brown?

20 BOARD MEMBER BROWN: Aye.

21 BOARD SECRETARY HOPPER: Rob Feckner?

22 BOARD MEMBER FECKNER: Aye.

23 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
24 Ma?

25 ACTING BOARD MEMBER RUFFINO: Aye.

1 BOARD SECRETARY HOPPER: Lisa Middleton?

2 BOARD MEMBER MIDDLETON: Aye.

3 BOARD SECRETARY HOPPER: David Miller?

4 BOARD MEMBER MILLER: Aye.

5 BOARD SECRETARY HOPPER: Stacie Olivares?

6 BOARD MEMBER OLIVARES: Aye.

7 BOARD SECRETARY HOPPER: Eraina Ortega?

8 BOARD MEMBER ORTEGA: Aye.

9 BOARD SECRETARY HOPPER: Jason Perez?

10 BOARD MEMBER PEREZ: Aye.

11 BOARD SECRETARY HOPPER: Ramon Rubalcava?

12 BOARD MEMBER RUBALCAVA: Aye.

13 BOARD SECRETARY HOPPER: Theresa Taylor?

14 PRESIDENT JONES: Excused.

15 BOARD SECRETARY HOPPER: Shawnda Westly?

16 BOARD MEMBER WESTLY: Abstain.

17 BOARD SECRETARY HOPPER: Lynn Paquin for Betty

18 Yee?

19 ACTING BOARD MEMBER PAQUIN: Aye.

20 BOARD SECRETARY HOPPER: Mr. President, I have
21 Rob Feckner making a motion, Jason Perez seconding it. I
22 have 10 ayes, one abstention from Shawnda Westly for
23 Agenda Item 9b petition for reconsideration.

24 PRESIDENT JONES: Okay. Thank you, Ms. Hopper.

25 Now, we will move to Agenda Item 9c, State

1 Legislative Proposals.

2 Mr. Brown.

3 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Hello,
4 Mr. President and Board members. Danny Brown, CalPERS
5 team member.

6 I have three legislative proposals for you today.
7 This first one is seeking approval to sponsor legislation
8 that would assist the Investment Office in pursuing
9 private debt investment opportunities. This is the same
10 proposal the Board approved in February and the bill
11 language attached is the final version of the bill that
12 was in print, with the one exception that the bill now
13 only applies to CalPERS. We would welcome CalSTRS and UC
14 retirement system's inclusion if they request it.

15 In short, this bill is intended to facilitate
16 bringing private debt investment management in-house by
17 setting up public records, disclosure requirements
18 consistent with existing law. The Board memo notes how
19 the proposal is modeled after current law both for
20 external alternative investments and for public banking.

21 Bringing these investments in-house would provide
22 more control over these investments and we would avoid the
23 fees and costs associated with external management.

24 The disclosure is in current law, and proposed
25 here provide the appropriate balance for protecting

1 borrower's information and ensuring transparency for
2 investment team's decisions and performance.

3 Because this issue has been discussed before, I
4 will stop and I'm available to answer any questions and I
5 believe that Jean Hsu is also available, if we need some
6 technical questions answered.

7 PRESIDENT JONES: Okay. Thank you.

8 Seeing no requests from Board members to speak on
9 this, so I will entertain a motion and second, and then we
10 do have a request from the public to speak on this item.

11 BOARD MEMBER MILLER: (Raised hand.)

12 PRESIDENT JONES: So moved by Mr. Miller.

13 Second -- can I get a second?

14 BOARD MEMBER FECKNER: (Hand raised.)

15 PRESIDENT JONES: Second by Mr. Feckner.

16 Okay. The motion made by Mr. Miller, seconded by
17 Mr. Miller. Ms. Hopper, please -- hold on. We have a
18 public request to speak.

19 Mr. Fox.

20 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
21 President. We have one caller. Mr. David Soares from the
22 Retired Public Employees Association of California.

23 MR. SOARES: Good afternoon. Again, my name is
24 David Soares. I'm with RPEA. I'm a retired prosecutor.

25 And I just want to indicate that the item 9c1

1 private lending bill, we would be able to support that
2 bill with amendments, which had actually been proposed
3 previously. We certainly support exploring private debt.
4 And we know that the underwriting process should be kept
5 private, but we believe that the constituent ownership of
6 the borrower, the terms of the loan, and the collateral
7 pledged must remain public information.

8 I think that there was some confusion due to
9 personalities. I know when I got involved in this bill, a
10 strong letter from the Senate Judiciary Committee staff
11 indicated that bills limiting public access to records
12 relating to public funds are limited by policy from
13 personal or proprietary information only.

14 Not knowing the ownership, or terms, or
15 collateral is ripe for conflicts of interest. And the
16 discussion before the Legislature is going to devolve into
17 a discussion of how the CalPERS Board, and particularly
18 the CEO and the Board President, have failed to
19 establish -- follow well established law, in particular
20 the Political Reform Act of 1974.

21 We would much prefer that the Board direct staff
22 to work with us to craft a bill that protects proprietary
23 information of potential borrowers disclosed during
24 underwriting and negotiation, but that does not hide the
25 nature of assets held in Public Trust.

1 We would much prefer to be able to support this
2 bill, because we were not able to support it as it was
3 proposed, and it could get ugly again.

4 We'd like to avoid that very much. Thank you.

5 PRESIDENT JONES: Okay. Thank you.

6 We have a motion on the floor.

7 (At 12:23 p.m. the webcast went out.)

8 BOARD SECRETARY HOPPER: Shawnda Westly?

9 BOARD MEMBER WESTLY: Aye.

10 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
11 Yee?

12 ACTING BOARD MEMBER PAQUIN: Aye.

13 BOARD SECRETARY HOPPER: Mr. President, I have
14 David Miller making the motion, Rob Feckner seconding it.
15 I have nine ayes, one no made by Margaret Brown, one
16 abstention from Eraina Ortega.

17 PRESIDENT JONES: Thank you, Mrs. Hopper.

18 Mr. Brown, the next item is optional membership,
19 enrollment date.

20 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah.
21 In this next item we're seeking approval to sponsor
22 legislation that would specify that membership enrollment
23 date for optional members is the start date for the
24 appointment, if the membership election is received by
25 CalPERS within 90 days of the start date.

1 If the election is received after 90 days, the
2 enrollment date would be the first day of the month in
3 which the election is received by CalPERS.

4 Current law does not provide deadlines for this
5 election, which has allowed confusion with both employers
6 and optional members. As a result, CalPERS team members
7 have unnecessarily -- unnecessary workload addressing
8 enrollment issues with optional members. Optional members
9 are local elected officials, Governor appointees, and
10 legislative employees. This proposal provides a clear
11 timeline to make -- to process these elections while
12 providing both employers and the optional members the
13 flexibility of a 90-day window. With that, I'll stop and
14 answer any questions that you may have.

15 PRESIDENT JONES: I don't see any questions from
16 Board members. And so this is an action item. What is
17 the pleasure of the Board.

18 Do I have a motion?

19 BOARD MEMBER FECKNER: Move approval.

20 PRESIDENT JONES: Moved by Mr. Feckner.

21 BOARD MEMBER RUBALCAVA: (Hand raised.)

22 PRESIDENT JONES: Second by Mr. Rubalcava.

23 Further discussion?

24 Seeing none.

25 Ms. Hopper, please.

1 BOARD SECRETARY HOPPER: Margaret Brown?
2 BOARD MEMBER BROWN: Aye.
3 BOARD SECRETARY HOPPER: Ramon -- Rob Feckner?
4 BOARD MEMBER FECKNER: Aye.
5 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
6 Ma?
7 ACTING BOARD MEMBER RUFFINO: Aye.
8 BOARD SECRETARY HOPPER: Lisa Middleton?
9 BOARD MEMBER MIDDLETON: Aye.
10 BOARD SECRETARY HOPPER: David Miller?
11 BOARD MEMBER MILLER: Aye.
12 BOARD SECRETARY HOPPER: Stacie Olivares?
13 BOARD MEMBER OLIVARES: Aye.
14 BOARD SECRETARY HOPPER: Eraina Ortega?
15 BOARD MEMBER ORTEGA: Aye.
16 BOARD SECRETARY HOPPER: Jason Perez?
17 BOARD MEMBER PEREZ: Aye.
18 BOARD SECRETARY HOPPER: Ramon Rubalcava?
19 BOARD MEMBER RUBALCAVA: Aye.
20 BOARD SECRETARY HOPPER: Theresa Taylor?
21 PRESIDENT JONES: Excused.
22 BOARD SECRETARY HOPPER: Shawnda Westly?
23 BOARD MEMBER WESTLY: Aye.
24 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
25 Yee?

1 ACTING BOARD MEMBER PAQUIN: Aye

2 BOARD SECRETARY HOPPER: Mr. President, I have
3 Rob Feckner making the motion, Ramon Rubalcava seconding
4 it for Agenda Item 9c2, all ayes.

5 PRESIDENT JONES: Thank you, Ms. Hopper.

6 We now will move to Item 9c3, collection of
7 overpayments, deduction from warrants.

8 Mr. Brown.

9 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: In
10 this last item we are seeking approval to sponsor
11 legislation that would allow CalPERS to collect any
12 overpayment made to or on behalf of any member, former
13 member, or beneficiary from any future CalPERS benefit
14 payment that may be payable.

15 When a retiree (inaudible) there is often an
16 overpayment that must be collected and reconciled with the
17 benefits associated with the individual. When there are
18 ongoing benefit payments, CalPERS is usually able to
19 reconcile the overpayment by withholding that amount from
20 that ongoing payment to a surviving spouse or beneficiary.

21 For lump sum payments, this reconciliation may
22 not always be possible. CalPERS team members are required
23 to try to identify who is the liable party when an
24 overpayment has been made. This proposal gives CalPERS
25 team members the authority to recover overpayments by

1 withholding the owed amount from future benefit payments,
2 which is intended to reduce unnecessary workload and
3 reduce uncollected overpayments. The authority is modeled
4 after a CalSTRS law enacted in 1976.

5 And that ends my presentation and I'm happy to
6 answer any questions.

7 PRESIDENT JONES: Okay. Seeing no questions from
8 the Board members. It's been moved and seconded

9 No, we need a motion.

10 BOARD MEMBER BROWN: I have a question.

11 PRESIDENT JONES: Ms. Brown.

12 BOARD MEMBER BROWN: Yes. Mr. Brown, how many --
13 how often does this come up in a year? Do you know how
14 many times -- or what this -- how many times this comes
15 up?

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: I
17 don't have that number off the top of my head. I know
18 that there was about \$550,000 in uncollected debt in '18
19 and '19 and about a little over 400,000 in the prior
20 fiscal year. I don't know -- I can get that number of how
21 often it comes up. But again, it typically only comes up
22 when either the member dies and they don't have a --
23 they're not leaving a continuing benefit to a surviving
24 spouse, or maybe the surviving spouse dies and so there's
25 a lump sum death benefit payment being paid. So it

1 doesn't happen -- I would have to get those numbers to
2 you, but I could.

3 BOARD MEMBER BROWN: So my question is so we
4 would take the overpayment from the future ongoing
5 payments. My concern is is like what if the overpayment
6 wasn't made to the surviving spouse and then we're going
7 to take it from the surviving spouse? I mean, that's my
8 concern, that we're not penalizing a different party that
9 didn't receive the overpayment. Do you think that's what
10 we're not doing?

11 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: No, I
12 think -- well, in the sense of the -- if there is a
13 ongoing payment -- so, for example, the member dies and
14 the spouse is now going to get a continuing benefit, they
15 would just offset this payment against that continuing
16 benefit. If there is a -- if there's a death and there's
17 no continuing benefit, and maybe the only thing that's
18 going to be paid out is a lump sum death benefit remaining
19 balance, they're going to deduct it from that balance.
20 And you're correct, we try to determine that whoever got
21 these overpayments is -- we try to determine who the
22 liability -- liable party is try to collect from that
23 liable party. But in this -- what this bill allows us to
24 do or clarify that we can do is that we don't necessarily
25 have to match up the liability. We can just go ahead and

1 offset it against that ongoing payment.

2 BOARD MEMBER BROWN: Yeah. This kind of reminds
3 me of the old IRS rule when they would go after the
4 separated spouse with children because the deadbeat
5 ex-husband wasn't paying, you know, or wasn't filing his
6 taxes and the IRS put a stop to that. So I don't want us
7 chasing the wrong party for the repayment. But, you know,
8 maybe the rest of us don't feel the same way.

9 But that would be my concern and I would hope
10 that we could find that out, that we -- we wouldn't be
11 doing that. This could be something where maybe the --
12 you know, the new wife got the overpayment and now the
13 first wife is getting the pension, and, you know, you're
14 going to be debiting from one when they didn't get the
15 overpayment. That's my only concern.

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: I
17 don't know if Anthony is on the line and wants to jump in.
18 But I think it's more of a situation where it's not so
19 much the spouses. It think it's maybe child one and child
20 two or, you know, it might be the children that one
21 child -- one child has access to the member's bank account
22 or another child might be getting, you know, the lump sum
23 death benefit. So I think it's more of that than spouses,
24 but I would have -- if Anthony is available, maybe he
25 can --

1 BOARD MEMBER BROWN: I do. I see him.

2 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:

3 -- help me.

4 DEPUTY EXECUTIVE OFFICER SUINE: Yeah. Thank
5 you, Danny and Ms. Brown. Anthony Suine, CalPERS team
6 member. Yeah, Danny is exactly right. Ongoing benefits
7 are always collected to payoff overpayments. So if there
8 were ongoing benefits, and this is just to clarify other
9 type of lump sum benefits that maybe they could be
10 payable. We're not aware of who took the overpayment
11 after the date of death or the payment after the date of
12 death that created the overpayment, and we would apply
13 these lump sum death benefits to offset that overpayment.
14 So we're always making the fund whole before paying any
15 additional benefits.

16 If the ex-spouse had a separate payment stream,
17 they would not be liable for -- for the overpayment to the
18 member.

19 BOARD MEMBER BROWN: Is the typical overpayment
20 because we don't get the date of death right away and we
21 keep making like retirement payments, and then -- okay.
22 Is that correct?

23 DEPUTY EXECUTIVE OFFICER SUINE: That's correct
24 in most cases.

25 BOARD MEMBER BROWN: All right. Thank you.

1 PRESIDENT JONES: Okay. Mr. Feckner.

2 BOARD MEMBER FECKNER: Yes. Thank you. Don't
3 run off Mr. Suine. I assume this may be for you as well.
4 Given the scenario that you just put out there, if there's
5 an overpayment to a member and something happens, but they
6 have a community property settlement, do we then collect
7 that overpayment back from both parties?

8 DEPUTY EXECUTIVE OFFICER SUINE: If there was
9 a -- I'll have to think that through a bit, Mr. Feckner.
10 If -- if there's a -- if there's a community property
11 element that the ex-spouse is getting paid independently
12 from the member. So we're just collecting from the
13 member's -- on the member's overpayment, so we wouldn't
14 hold the ex-spouse liable.

15 BOARD MEMBER FECKNER: Right, but then if -- but
16 if the member is -- then is -- there's is reduced, we're
17 not reducing the spouses's -- the ex-spouses's?

18 DEPUTY EXECUTIVE OFFICER SUINE: It depends. If
19 they were -- if there was a -- if there was an erroneous
20 payment, right, if the payment being paid was erroneous,
21 we would reduce again both of those, but in the case of
22 the death, we wouldn't reduce the ex-spouse's ongoing
23 benefits for that particular case.

24 BOARD MEMBER FECKNER: Thank you.

25 DEPUTY EXECUTIVE OFFICER SUINE: Does that help?

1 BOARD MEMBER FECKNER: Yes. Thank you.

2 PRESIDENT JONES: Okay. I have a question. Are
3 there any statute of limitations in terms of time that you
4 can go back and recoup overpayments?

5 DEPUTY EXECUTIVE OFFICER SUINE: On death
6 benefits, it's 10 years, Mr. Jones.

7 PRESIDENT JONES: What about other kinds of
8 benefits?

9 DEPUTY EXECUTIVE OFFICER SUINE: There are
10 statute of limitations for the member that are up to three
11 years or anything over three years, are non-collectible.

12 PRESIDENT JONES: Okay.

13 DEPUTY EXECUTIVE OFFICER SUINE: But the death
14 benefits are a different situation.

15 PRESIDENT JONES: Okay. Okay. Thank you very
16 much.

17 Okay. So this is an action item.

18 BOARD MEMBER BROWN: I'll move approval.

19 PRESIDENT JONES: Moved by Ms. Brown.

20 Need a second?

21 BOARD MEMBER FECKNER: I'll second.

22 PRESIDENT JONES: Second by Mr. Feckner.

23 Okay. So, Ms. Hopper.

24 BOARD SECRETARY HOPPER: Margaret Brown?

25 BOARD MEMBER BROWN: Aye.

1 BOARD SECRETARY HOPPER: Rob Feckner?
2 BOARD MEMBER FECKNER: Aye.
3 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
4 Ma?
5 ACTING BOARD MEMBER RUFFINO: Aye.
6 BOARD SECRETARY HOPPER: Lisa Middleton?
7 BOARD MEMBER MIDDLETON: Aye.
8 BOARD SECRETARY HOPPER: David Miller?
9 BOARD MEMBER MILLER: Aye.
10 BOARD SECRETARY HOPPER: Stacie Olivares?
11 BOARD MEMBER OLIVARES: Aye.
12 BOARD SECRETARY HOPPER: Eraina Ortega?
13 BOARD MEMBER ORTEGA: Aye.
14 BOARD SECRETARY HOPPER: Jason Perez?
15 BOARD MEMBER PEREZ: Aye.
16 BOARD SECRETARY HOPPER: Ramon Rubalcava?
17 BOARD MEMBER RUBALCAVA: Aye.
18 BOARD SECRETARY HOPPER: Theresa Taylor?
19 PRESIDENT JONES: Excused.
20 BOARD SECRETARY HOPPER: Shawnda Westly?
21 BOARD MEMBER WESTLY: Aye.
22 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
23 Yee?
24 ACTING BOARD MEMBER PAQUIN: Aye.
25 BOARD SECRETARY HOPPER: Mr. President, I have

1 Margaret Brown making the motion, Rob Feckner seconding
2 it. I have 10 -- 11 ayes for Agenda Item 9c3.

3 PRESIDENT JONES: Okay. Thank you Ms. Hopper.

4 Now, we'll move to Item 9d, approval of Committee
5 delegations. Mr. Jacobs.

6 GENERAL COUNSEL JACOBS: Yes. Good afternoon
7 again, Board members. This agenda item brings together
8 for Board approval all of the 2020 revisions to the
9 various committee delegations. Those obviously were
10 revisions that have been approved by the respective
11 committees. They're all fairly minor. The revisions
12 essentially clean up some of the more archaic and
13 unnecessary language in the delegations to make them more
14 readable. There are also a few other relatively minor
15 revisions that are outlined in the agenda item.

16 PRESIDENT JONES: Thank you, Mr. Jacobs. So this
17 is item 9d. Do I have a motion?

18 BOARD MEMBER FECKNER: Move approval.

19 PRESIDENT JONES: Moved by Mr. Feckner.

20 BOARD MEMBER MILLER: Second.

21 PRESIDENT JONES: Seconded by Mr. Miller.

22 Questions or comments?

23 Mrs. Brown. No, I'm sorry, D -- yeah, Ms. Brown.

24 BOARD MEMBER BROWN: Mr. Perez is in front of me.

25 PRESIDENT JONES: He's asking for 10d.

1 BOARD MEMBER BROWN: Okay. Great. Thank you.

2 PRESIDENT JONES: I think. Is that correct, mr.
3 Perez?

4 BOARD MEMBER PEREZ: No, I have a question, but I
5 defer to the lady, first.

6 BOARD MEMBER BROWN: Thank you. Thank you.

7 PRESIDENT JONES: Okay.

8 BOARD MEMBER BROWN: Mr. Jacobs, I just want to
9 confirm, because there's a lot here, that none of this
10 reduces our oversight roles from the Board, is that
11 correct?

12 GENERAL COUNSEL JACOBS: Yes.

13 BOARD MEMBER BROWN: Thank you.

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

16 BOARD MEMBER PEREZ: Matt, along the same
17 question, everything that we've -- I know we had
18 discussions a little bit over everyone, but there's no
19 changes to those documents when we discussed it.

20 GENERAL COUNSEL JACOBS: Correct.

21 BOARD MEMBER PEREZ: Okay. Thank you.

22 GENERAL COUNSEL JACOBS: You're welcome.

23 PRESIDENT JONES: Okay. Thank you.

24 So this is an action item. Ms. Hopper, please.

25 BOARD SECRETARY HOPPER: Margaret Brown?

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BOARD MEMBER BROWN: Aye.
BOARD SECRETARY HOPPER: Rob Feckner?
BOARD MEMBER FECKNER: Aye.
BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
ACTING BOARD MEMBER RUFFINO: Aye.
BOARD SECRETARY HOPPER: Lisa Middleton?
BOARD MEMBER MIDDLETON: Aye.
BOARD SECRETARY HOPPER: David Miller?
BOARD MEMBER MILLER: Aye.
BOARD SECRETARY HOPPER: Stacie Olivares?
BOARD MEMBER OLIVARES: Aye.
BOARD SECRETARY HOPPER: Eraina Ortega?
BOARD MEMBER ORTEGA: Aye.
BOARD SECRETARY HOPPER: Jason Perez?
BOARD MEMBER PEREZ: Aye.
BOARD SECRETARY HOPPER: Ramon Rubalcava?
BOARD MEMBER RUBALCAVA: Aye.
BOARD SECRETARY HOPPER: Theresa Taylor?
PRESIDENT JONES: Excused.
BOARD SECRETARY HOPPER: Shawnda Westly?
BOARD MEMBER WESTLY: Aye.
BOARD SECRETARY HOPPER: Lynn Paquin for Betty
Yee?
ACTING BOARD MEMBER PAQUIN: Aye.

1 BOARD SECRETARY HOPPER: Mr. President, Rob
2 Feckner making the motion, David Miller seconding it for
3 Item 9d, all ayes.

4 PRESIDENT JONES: Okay. Thank you very much.

5 We now will move to information agenda items.

6 10a, Mr. Brown.

7 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good
8 afternoon again, Mr. President and Board members. Danny
9 Brown, CalPERS team member.

10 This item is the State and federal legislative
11 update. On the State side, since our September Board
12 meeting, the Governor has signed or vetoed all the
13 legislation sent to his desk this year, which included two
14 more of the bills that you supported.

15 First AB 2101, our annual housekeeping bill, was
16 signed. The final bill language is in attachment 2. And
17 you will see that the legislative committees decided to
18 include housekeeping provisions for CalSTRS and the '37
19 Act County Systems in the bill.

20 And second, AB 2967 by Assemblymember O'Donnell
21 was signed. This bill prohibits future exclusions through
22 the CalPERS contract amendment process.

23 Moving to the election, the results are largely
24 settled and the State Legislature partisan makeup has only
25 small changes. In the State Senate, two Republican

1 incumbents have been defeated. So the Democratic majority
2 will be 31 members out of 40 seats. In the State
3 Assembly, the Republicans have picked up one seat, leaving
4 the breakdown 60 Democrats, 19 Republicans and one no
5 party preference. So you can see both in the Senate and
6 in the Assembly, the Democrats have a supermajority.

7 Both Houses reconvened and start the 2021-22
8 session on December 7th. We are still waiting to see what
9 the session calendar will look like in 2021 and how the
10 Legislature will manage its workload. And once the
11 Committee makeups have been announced, we will begin our
12 outreach.

13 Moving to the federal update and starting with
14 the election, and I'm sure I'm not telling you anything
15 you probably don't already know, but Joe Biden has been
16 declared the winner and next President of the United
17 States. And even though President Trump continues to
18 dispute the results, we are not expecting the outcome to
19 change. The Democrats have also held onto the House, but
20 their majority could shrink by as many as 10 seats if not
21 more. This would give the house Democrats the smallest
22 majority since 1919.

23 The control of the Senate is pending a runoff in
24 January for both seats in Georgia. The Democrats must win
25 both seats to take control of the Senate with a 50/50

1 split. Most pundits think the Republicans will be able to
2 hold on to at least one seat, giving them a slim Margin of
3 51 to 49, but we'll just have to wait and see what
4 happens.

5 The Lame Duck session has also started in
6 Congress. And despite hopeful talk on both sides of the
7 aisle, the odds are not favorable that Congressional
8 leaders will be able to reach an agreement on COVID-19
9 relief package or a full year omnibus appropriations bill
10 before the end of session.

11 The federal government is currently funded
12 through December 11th. So the thought is Congress will
13 pass another short-term continuing resolution to get them
14 past the inauguration.

15 Then the question is whether they can include
16 some kind of very limited bipartisan COVID-19 aid in that
17 bill. As for the bigger stimulus package, and although
18 Senate Majority Leader McConnell has entered the
19 negotiations, the sides are still far apart with Democrats
20 holding firm the their request for two trillion plus
21 dollars in relief, while Senator McConnell and Senate
22 Republicans are still around \$500 billion.

23 Some think that the runoff in Georgia will give
24 them enough incentive to reach an agreement, because no
25 wants to be blamed for not providing COVID relief when

1 that race takes place in January.

2 The other thing we'll be watching and engaging on
3 during this Lame Duck session is the slim chance that
4 legislation dealing with balance billing and prescription
5 drug costs can be included in any this last minute
6 legislation. While it is a long shot, Senator Lamar
7 Alexander, the Chair of the Health Committee, is retiring
8 at the end of the year, and Senator Grassley must give up
9 his chairmanship of the Senate Finance Committee due to
10 internal rules, regardless of who controls the Senate.

11 Both senators have been committed to reaching
12 bipartisan agreements and many think that they -- they're
13 going to work hard to try to get something done before
14 their tenure is up.

15 Of course, now with Senator Grassley being --
16 testing positive for COVID, I'm not sure -- it probably
17 makes the chances even less that something is going to
18 happen in that area.

19 Finally, I will end by saying we have started the
20 process of developing our federal priorities for next year
21 and plan to cover those with you in February. Obviously,
22 we'll need to consider the outcome of the Senate race in
23 Georgia, as well as the key appointments made by
24 President-elect Biden. We will continue to increase our
25 activity on federal health care policy. And as Don

1 mentioned yesterday, Marta Green was recently added to the
2 board of the Public Sector HealthCare Roundtable, which is
3 step in that direction and will improve our access to
4 federal policymakers.

5 We're also recently released an RFP for federal
6 lobbying spring-fed pool that could be used to focus on
7 specific health care issues as needed.

8 And with that, I'll end my presentation and happy
9 to answer any questions anybody has.

10 PRESIDENT JONES: Okay I'm -- I see no questions,
11 Mr. Brown from the Board members.

12 Are you raising your hand, Ms. Ortega?

13 BOARD MEMBER ORTEGA: (Shake head.)

14 PRESIDENT JONES: Okay. I do have one question
15 Mr. Brown. I heard this morning earlier that I think it's
16 32 members of Congress have NOW tested positive. Can they
17 vote remotely or do they have to be present IN the
18 chambers?

19 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: I
20 think it depends on -- I think -- I think it depends if
21 it's a committee or a floor vote, but I believe -- I
22 believe on the Senate floor, they need to be present. In
23 fact, that was Senator Grassley missed a vote, I believe,
24 on Tuesday. And it's the first time he's missed a vote in
25 I don't know how many years. And so he's been like the

1 longest standing senator to not miss a vote and he missed
2 one.

3 So I believe that they do participate remotely in
4 certain committee hearings, but I believe on the floor,
5 they have to be present.

6 PRESIDENT JONES: Okay. Okay. Thank you very
7 much.

8 Okay. So we move to -- thank you, Mr. Brown, for
9 that report. We move now to 10b, options for retaining
10 fiduciary counsel.

11 Mr. Jacobs.

12 I can't hear you, Matt.

13 GENERAL COUNSEL JACOBS: All right. There we go.

14 PRESIDENT JONES: Okay.

15 GENERAL COUNSEL JACOBS: Thank you. Sorry about
16 that.

17 PRESIDENT JONES: That's okay.

18 GENERAL COUNSEL JACOBS: Okay. This agenda item
19 presents the Board with options for selecting and
20 utilizing fiduciary counsel. As you know, our current
21 model and one that we've been using for several cycles now
22 for the selection of fiduciary counsel is to have a single
23 primary fiduciary counsel.

24 In addition, of course, on occasion, we have
25 called on specialized fiduciary counsel to address a

1 specific fiduciary issues when such expertise has been
2 needed. The current incumbent, Nossaman, the team headed
3 by Ms. Dunning, is under contract through March of 2022.
4 And so in the absence of any changes, we would typically
5 commence a solicitation to see who else might be
6 interested in that engagement in the fall of 2021.

7 So there are benefits to sticking with that model
8 and they're outlined in the agenda item. But in short, it
9 would be kind of continuity of the same counsel. And
10 there's a certain efficiency involved there, as far as the
11 incumbent having full knowledge of all the fiduciary
12 issues that the Board has been confronting. And that can
13 be useful as a background and a basis as new fiduciary
14 issues arise, and there's a potential cost savings.

15 There are disadvantages to sticking with that
16 model, which are essentially less flexibility, as far as
17 choosing counsel for particular fiduciary issues. And
18 there is a conflict potential, if you come up with -- if
19 Nossaman were to have a conflict with respect to a
20 particular issue, it would be more difficult to obtain
21 fiduciary counsel on a -- on an expedited basis. It's not
22 impossible to be sure.

23 There are options if you wanted to change this
24 model. The second option that's listed in the agenda item
25 is to do a new solicitation now, as opposed to waiting

1 until the fall of 2021. The basic difference between what
2 we have now, which is continuing the Nossaman contract
3 through its expiration, would be that it would allow the
4 Board to kind of test the waters to see what other options
5 may be out there now.

6 The disadvantage is that the cost could be
7 greater and there would be a certain ramp-up time for a
8 new fiduciary counsel.

9 The third option -- excuse me -- also outlined in
10 the agenda item would be to do a new solicitation and
11 select multiple firms. This is what STRS has gone to this
12 year. STRS actually selected four different fiduciary
13 counsels with respect to different areas of fiduciary
14 counsel -- fiduciary advice. A primary advantage of this
15 is it gives CalPERS, both the Board and the Legal Office,
16 more immediate access to multiple firms. The disadvantage
17 is -- or a disadvantage is cost. Another disadvantage is
18 multiple firms ramp-up time and potential, at least
19 theoretic, inefficiencies from no single firm being aware
20 of all the fiduciary issues confronting CalPERS, and the
21 history of those issues, and also a certain lack of
22 continuity.

23 And then option 4 is to select a primary
24 fiduciary counsel and then a single back-up. And that has
25 a mix of some of the advantages and disadvantages that

1 have already described albeit to a lesser degree. And
2 then I'm sure that there are variations of each of these
3 that could also be adopted.

4 And so that's really where we are and what the
5 options are for the Board. Management is agnostic as to
6 which of these we should go with. We can make any of them
7 work and they all have their -- their strong points and
8 less strong points.

9 So with that, Mr. President, I will kick it back
10 to you for the Board to discuss.

11 PRESIDENT JONES: Okay. Thank you, Mr. Jacobs.
12 Mr. Miller.

13 BOARD MEMBER MILLER: Yes. Thank you, Mr.
14 President. I have a comment and a question. The comment
15 is I'm very much in favor of new solicitation. We've had
16 some discussions before where some -- we've come up about,
17 you know, strengths and shortcomings of our current status
18 quo. But my question, because I would lean toward number
19 4, having a primary fiduciary and back-up in circumstances
20 where we might need it.

21 But I guess my question is having not been here
22 all that long, how often or have we needed to get a
23 specialist fiduciary counsel for specific issues in the
24 past that would lead us to think maybe we need multiples
25 or has that not really been an issue with us?

1 GENERAL COUNSEL JACOBS: Mr. Miller, I don't
2 think it's been a huge issue. We've done it on a couple
3 of investment matters that you know about. We've done
4 that recently. And we did that on a Board -- excuse me,
5 an issue that arose with respect to the responsible
6 contractor party -- excuse me, Responsible Contractor
7 Policy, probably at least two years ago. And we really
8 haven't had an issue retaining the expertise. We have
9 quite a few firms that we are under contract with for a
10 wide variety of matters, not just fiduciary matters.

11 So they -- we tend to be able to find the type of
12 expertise that we need within those firms, even though
13 they may not be engaged with us specifically to provide
14 fiduciary counsel. So it's not a big issue and we have
15 been able -- and we've done it probably, putting aside the
16 investment issue this career, maybe on average once a
17 year.

18 BOARD MEMBER MILLER: Yeah, thank you. That's
19 helpful. So I still feel that number 4 to me seems to be
20 the option that I would be most enthusiastic about.

21 Thank you.

22 PRESIDENT JONES: Okay. Mr. Perez.

23 BOARD MEMBER PEREZ: Thank you.

24 I like option 3, because I have -- I have had
25 questions our current -- and she's made comments that

1 she's not the expert in that specific area. And I
2 think -- I think the Board and our members deserve the
3 experts for a specific area. So for that reason I like
4 option 3.

5 PRESIDENT JONES: Okay. Ms. Paquin.

6 ACTING BOARD MEMBER PAQUIN: Thank you, Mr.
7 President. Our office is also in favor of option 3. As
8 Mr. Jacobs mentioned during his opening remarks, CalSTRS
9 has already gone to this model and it's been very
10 effective so far. As we all know, it takes a long time to
11 put RFPs together, and go through, and solicit and
12 interview the firm to make a selection.

13 And it's nice to though that there are multiple
14 firms with different strengths and expertise in the pool.
15 It doesn't mean that we're paying them to be in the pool,
16 but if we do need to call upon their expertise and we can
17 engage them in whatever project we're interested in very
18 quickly.

19 Thank you.

20 PRESIDENT JONES: Okay. Any other comments?

21 Mr. Jacobs, if we were to go with option 1, that
22 doesn't prevent us from bringing in additional fiduciary
23 counsel, as needed, such as opining on a significant
24 investment transaction, et cetera, is that correct?

25 GENERAL COUNSEL JACOBS: That is correct, Mr.

1 Jones.

2 PRESIDENT JONES: And so then there's no -- and
3 it's almost like a spring-fed pool, if we continue with
4 the -- just the -- one fiduciary counsel and then go to
5 the pool when we need to.

6 GENERAL COUNSEL JACOBS: Well, it's not quite the
7 same, but it's not grossly different. You know, if you
8 regard all of our counsel for our various areas. So, for
9 example, we've got, gosh, probably six, eight different
10 firms under con -- maybe more than that for various
11 transactional matters.

12 They tend to have some of this expertise that --
13 this specialized expertise that we need, so we can call on
14 them if they're willing to provide us that kind of
15 specialized expertise, as we did recently with Pillsbury,
16 without getting into a whole new contract.

17 The idea of a spring-fed pool is more that you
18 have multiple firms that are specifically in a
19 fiduciary -- fiduciarily kind of designated pool. So
20 it's -- I don't know if that helps, but it's -- I mean, to
21 get to -- more to Ms. Paquin -- I think Ms. Paquin is
22 thinking of more of a model where we've actually got a few
23 firms that are -- that have this fiduciary -- specific
24 fiduciary expertise that would be in this pool that we
25 would draw from, as opposed to having one or two firms,

1 and then kind of reaching out to a pool that is perhaps
2 less specialized to get, you know, on a more ad hoc basis.

3 PRESIDENT JONES: Okay. And so I -- you know, I
4 like the continuity of option 1, with back -- perhaps a
5 backup or having pre-qualified additional fiduciary
6 counsel to access when necessary, as opposed to going to
7 four different fiduciary counsels, and as you said, that
8 that would eliminate some of the continuity. And as --
9 and, you know, when we hire a fiduciary firm, we're hiring
10 the firm, so they have additional expertise I'm sure that
11 they could bring to the table, as opposed to having to go
12 out and hire someone on a specific issue.

13 So that's my comment.

14 Mr. -- who's next here? I think Ms. -- Mr. Perez
15 you -- you have -- you still have a question?

16 BOARD MEMBER PEREZ: There's no question before,
17 I think, but I'm prepared to motion that we go with option
18 3.

19 PRESIDENT JONES: Okay. So we have a -- it's a
20 motion. Is there a second for

21 ACTING BOARD MEMBER PAQUIN: I'll second.

22 BOARD MEMBER OLIVARES: I second.

23 PRESIDENT JONES: Mr. Perez moved the motion for
24 3 and a second by Ms. Olivares.

25 Discussion?

1 Ms. Middleton.

2 BOARD MEMBER MIDDLETON: Thank you.

3 A couple of questions. One, a procedural
4 question. This came to us as an information item. If we
5 take and make a motion and have a vote on that, we are
6 moving from information to action item, is that something
7 we're permitted to do?

8 GENERAL COUNSEL JACOBS: It is something we're
9 permitted to do. I know that some of the stakeholders
10 don't like it, but legally it is something we're permitted
11 to do. We do notice that in our notice. It goes out that
12 information items can be transformed into action items.

13 BOARD MEMBER MIDDLETON: All right. Thank you.

14 Second question is more substantive to the
15 discussion here. Mr. Jacobs, have you had any difficulty
16 under the current model in being able to identify the need
17 for and then obtain counsel, in any fiduciary area, where
18 we've needed expertise?

19 GENERAL COUNSEL JACOBS: No.

20 BOARD MEMBER MIDDLETON: All right. So, I mean,
21 I'm not opposed necessarily to making change, but it seems
22 that we are moving quickly into this. And I question
23 whether or not a more thorough review of what we need in
24 the way of fiduciary counsel and doing so consistent with
25 the process that we have coming up, where we will be going

1 out to RFP in the fall of '21 would be more appropriate,
2 but I'm open after hearing from my colleagues.

3 PRESIDENT JONES: Okay. Thank you, Ms. Middleton
4 Ms. Olivares.

5 BOARD MEMBER OLIVARES: Thank you. I am in
6 support of option 3. However, I also concur with Ms.
7 Middleton's remarks. As we go forward with selecting a
8 CIO and setting a new conflict of interest policy, I think
9 it's critical that we have a fiduciary that has extensive
10 experience in dealing with institutional investors and has
11 deep institutional investment knowledge.

12 Thank you.

13 PRESIDENT JONES: Lynn Paquin.

14 ACTING BOARD MEMBER PAQUIN: Thank you.

15 So I appreciate, Mr. Jacobs, you know, the fact
16 that CalPERS has a lot of different counsels that we work
17 with and under contract. But I do seem to recall that
18 when we were hiring Pillsbury, which I think that they've
19 done a great job so far, it took a long time. And I think
20 I remember it was at least six months, but please correct
21 me if I'm wrong. And I think the concept behind option 3
22 is to have firms with different expertise, so that if we
23 wanted to talk to them about different investment models,
24 talk to them about compliance issues, whatever it is, we
25 would have access to them right away without having to go

1 through an extended period of time with the search
2 process. So we are definitely in favor of option 3.

3 PRESIDENT JONES: Okay. Mr. Miller.

4 BOARD MEMBER MILLER: Yeah, I had a question and
5 a comment. My question I guess to Mr. Jacobs, option 3
6 wouldn't preclude our current fiduciary counsel from being
7 in that pool or competing to be in that pool, in any way,
8 would it?

9 GENERAL COUNSEL JACOBS: No, it would not. That
10 is correct.

11 BOARD MEMBER MILLER: And so my comment is I'm
12 finding myself persuaded by the -- you know, the
13 information and the -- what Ms. Paquin and Mr. Perez have
14 shared with us. And so I'm very much leaning toward
15 number 3. I really think it would be good timing to get a
16 new solicitation going and in knowing all the challenges
17 and all the decisions we have coming up, I think we would
18 benefit from that.

19 PRESIDENT JONES: Okay. Any other comments or
20 questions on that? We do have a motion on the floor.

21 And so seeing no additional questions or comments
22 on the motion by Mr. Perez and --

23 GENERAL COUNSEL JACOBS: Really, I mean -- Mr.
24 Jones, if I might interject.

25 PRESIDENT JONES: Yes.

1 GENERAL COUNSEL JACOBS: I'm sorry. This can
2 really done without a motion. It could just be Board
3 direction -- Board President direction, but it can also be
4 done by motion

5 PRESIDENT JONES: Okay. Well, let it be the
6 Board direction to go ahead and pursue the process for --
7 Rob, you have a question, Mr. Feckner.

8 BOARD MEMBER FECKNER: (Shakes head.)

9 PRESIDENT JONES: Okay. Pursue the -- the
10 President's --

11 BOARD MEMBER MILLER: Does the maker of the
12 motion need to withdraw it?

13 PRESIDENT JONES: Yeah. Mr. Perez, you want to
14 still have this as a motion or are you okay with
15 direction?

16 BOARD MEMBER PEREZ: I think -- I think a motion
17 would be good, that way there's no questions. There's
18 no -- there's no -- we're kind of putting -- putting Matt
19 on the box to where he has to keep it --

20 PRESIDENT JONES: Okay. Let's call for the
21 question.

22 BOARD MEMBER PEREZ: -- with respect.

23 PRESIDENT JONES: Any other comments by Mr.
24 Jacobs on that?

25 GENERAL COUNSEL JACOBS: No, sir.

1 PRESIDENT JONES: Okay. So we have a motion on
2 the flood. It was moved by Mr. Pere and second by who was
3 it? Who seconded the motion?

4 BOARD MEMBER OLIVARES: I did.

5 PRESIDENT JONES: Okay. Ms. Olivares. Thank
6 you. Okay. So --

7 ACTING BOARD MEMBER RUFFINO: So, Mr. President?

8 PRESIDENT JONES: Yes.

9 ACTING BOARD MEMBER RUFFINO: I've got a point of
10 clarification. So the motion does it -- I'm trying to
11 understand, you know, is the motion states that this needs
12 to be executed tomorrow, right away rather than waiting
13 until we prepare to go out for an RFP? I did not -- the
14 motion implies there is an urgency of some sort. And I'm
15 just trying to understand is that -- am I correct in that,
16 or -- or not?

17 PRESIDENT JONES: Mr. Jacobs.

18 GENERAL COUNSEL JACOBS: Well, if I might comment
19 on that. I think the way I'm understanding it is that we
20 will just proceed to get the solicitation out there in the
21 normal course. That may meet -- that would be probably be
22 mid -- it would probably take a couple weeks to get it out
23 on the street and we'll just proceed apace. Is that
24 sufficient?

25 ACTING BOARD MEMBER RUFFINO: Okay. Thank you.

1 I just wanted to understand, you know, if that's --

2 PRESIDENT JONES: Okay. Thank you. And can I
3 ask the maker of the motion and second is -- if there is
4 any interest in waiting till that 21st period is upon us
5 to deal with --

6 BOARD MEMBER PEREZ: I don't want to wait that
7 long. I appreciate you asking. I don't want to wait that
8 long.

9 PRESIDENT JONES: Okay.

10 BOARD MEMBER PEREZ: But there's no urgency
11 either. It's just regular business.

12 PRESIDENT JONES: Yeah. Okay. Ms. Olivares.

13 BOARD MEMBER OLIVARES: Thank you. I actually
14 think that it is important that we do this soon, given
15 that we are going to onboard a CIO hopefully at the
16 beginning of the year and then again look at our conflict
17 of interest policies, particularly as it regards to
18 personal investment holdings.

19 PRESIDENT JONES: Okay. So the -- call for the
20 vote, Mrs. Hopper, please, on the motion by Mr. Perez,
21 second by Ms. Olivares of option 3.

22 BOARD SECRETARY HOPPER: Margaret Brown?

23 BOARD MEMBER BROWN: Aye.

24 BOARD SECRETARY HOPPER: Rob Feckner?

25 PRESIDENT JONES: Rob, you're --

1 BOARD MEMBER FECKNER: Aye.
2 BOARD SECRETARY HOPPER: Frank Ruffino for Fiona
3 Ma?
4 ACTING BOARD MEMBER RUFFINO: Aye.
5 BOARD SECRETARY HOPPER: Lisa Middleton?
6 BOARD MEMBER MIDDLETON: Aye.
7 BOARD SECRETARY HOPPER: David Miller?
8 BOARD MEMBER MILLER: Aye.
9 BOARD SECRETARY HOPPER: Stacie Olivares?
10 BOARD MEMBER OLIVARES: Aye.
11 BOARD SECRETARY HOPPER: Eraina Ortega?
12 BOARD MEMBER ORTEGA: Aye.
13 BOARD SECRETARY HOPPER: Jason Perez?
14 BOARD MEMBER PEREZ: Aye.
15 BOARD SECRETARY HOPPER: Ramon Rubalcava?
16 BOARD MEMBER RUBALCAVA: Aye.
17 BOARD SECRETARY HOPPER: Theresa Taylor?
18 PRESIDENT JONES: Excused.
19 BOARD SECRETARY HOPPER: Shawnda Westly?
20 BOARD MEMBER WESTLY: Aye.
21 BOARD SECRETARY HOPPER: Lynn Paquin for Betty
22 Yee?
23 ACTING BOARD MEMBER PAQUIN: Aye.
24 BOARD SECRETARY HOPPER: Mr. President, I have
25 the motion made by Jason Perez, Stacie Olivares seconding

1 for Item 10b on option 3.

2 PRESIDENT JONES: Okay. Thank you very much, Ms.
3 Hopper.

4 Now we move to Item 10c, Summary of Board
5 Direction. Ms. Frost.

6 CHIEF EXECUTIVE OFFICER FROST: President Jones,
7 I noted one, and that was to provide the Board with the
8 Our Promise Campaign terms.

9 PRESIDENT JONES: Okay. Okay. I think that's it
10 too. So now we would move to public comment. And I got a
11 request to -- from the public comment is on one of the
12 items 9a13, the Alex Ray. But before we call on that
13 person, I think there's a legal issue. So I'm going to
14 ask Mr. Jacobs or Ms. Chirag Shah to comment on that
15 before we call on the speaker.

16 Mr. Jacobs.

17 GENERAL COUNSEL JACOBS: Sure. I'm happy to
18 comment, but I think if Mr. Shah is still on, as your
19 independent fiduciary -- not fiduciary, independent
20 counsel on OAH matters, he might want to comment first.

21 PRESIDENT JONES: Are you still on Mr. Chirag
22 Shah?

23 MEETING MODERATOR: Chirag Shah did not come back
24 online. He was having some issues earlier and I don't
25 think he's here.

1 GENERAL COUNSEL JACOBS: Okay. Well, here's the
2 problem. Public comment is not authorized under the
3 Administrative Procedure Act on OAH matters. And, of
4 course, the APA, the Administrative Procedures Act, is the
5 law underwhich we proceed in these administrative
6 adjudication matters. And as a consequence of that
7 provision -- or that lack of authorization in the APA, the
8 Bagley-Keene Open Meeting Act specifically exempts OAH
9 matters from the requirement that there be an opportunity
10 for public comment. So we have historically followed that
11 and not permitted public comment on pending OAH matters.

12 PRESIDENT JONES: Okay. I think that --

13 GENERAL COUNSEL JACOBS: The basic idea being, I
14 mean, these are -- these are adjudications that are
15 supposed to be decided on the basis of the administrative
16 record themselves that have been developed. And not to
17 have third parties or even lawyers come in outside of that
18 specific process to try to sway a decision on such a
19 matter.

20 PRESIDENT JONES: Okay. I think we will -- Ms.
21 Westly -- Ms. Westly.

22 BOARD MEMBER WESTLY: Just a point of
23 clarification, didn't we already vote on it?

24 PRESIDENT JONES: Yes, we did.

25 BOARD MEMBER WESTLY: So I don't understand.

1 GENERAL COUNSEL JACOBS: Yeah. It's a good --
2 it's a good point, Ms. Westly. And I originally gave that
3 advice on this, because I thought, hey, once you vote on
4 it. It's done, so what's the big deal. But then I
5 remembered that this could very well come back. It's not
6 final until the petition for -- the opportunity for a
7 petition for review has expired. And many of these things
8 do come back to the Board on a petition for review. And
9 so it's really not final, even though you did already vote
10 on it.

11 BOARD MEMBER WESTLY: That seems flexible, but
12 thanks.

13 PRESIDENT JONES: Okay.

14 GENERAL COUNSEL JACOBS: Sure.

15 PRESIDENT JONES: Ms. Middleton.

16 BOARD MEMBER MIDDLETON: I had exactly the same
17 question Ms. Westly had.

18 PRESIDENT JONES: Okay. Okay. Seeing no further
19 comments or questions from the Board, we will take legal
20 advice on that and ask whether or not there are any
21 additional public comments or requests to speak, Mr. Fox.

22 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
23 President. We have a total of five callers, the first of
24 which will be Neal Johnson, SEIU Local 1000.

25 MS. JOHNSON: Hello. Can you hear me?

1 PRESIDENT JONES: Yes, we can.

2 MS. JOHNSON: Okay. Actually, I am no longer
3 with Local 1000. I am -- as of the end of May, I am a
4 retiree in the system after 45 plus years as -- in the
5 State of California, having gone back to when Ronald
6 Reagan was Governor.

7 Anyway, what I was calling about was to
8 congratulate Eric Baggesen on his retirement. Eric and
9 I -- I've known Eric since back in the Joe Dear era
10 probably 2010 and ALM process. And then through the years
11 have been able to talk with Eric, found him very
12 knowledgeable, very helpful, willing to discuss things. I
13 don't always agree with him. But anyway, one of the
14 things we -- he and I used to talk about was getting to
15 retirement and working on our old sports cars, him the
16 Corvette, which I think he sold, and I have two old
17 Lotuses that I may be now getting too old to really fix
18 and repair. But that was always my dream and I just
19 wanted to thank Eric for his helpfulness during the last
20 decade and wish him well in retirement.

21 The other thing I would like to comment on, this
22 came up in Ms. Brown's comments about the overpayments,
23 was the -- and it's something I fought with the IRS about,
24 the innocent spouse isn't always the wife or the female.
25 It can be the male. And, you know, I went through that

1 with my ex-wife who, among other things, had retired many
2 years -- a number of years ago and didn't bother to tell
3 PERS that she had gotten divorced and that consequently I
4 wasn't a beneficiary. And it wasn't until I tried to file
5 for retirement and it took a good month to deal with
6 finding the divorce decree and submitting it and getting
7 things through that -- anyway, I'm retired and anyway just
8 wanted to thank Eric for his help and wish him well in
9 retirement. And thank you.

10 PRESIDENT JONES: Okay. Thank you. And
11 Congratulations to you on your retirement, Mr. Johnson.

12 MR. JOHNSON: You're welcome, Henry.

13 PRESIDENT JONES: Okay. Mr. Fox.

14 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
15 President. The next caller is Donna Snodgrass from RPEA

16 MS. SNODGRASS: -- and congratulations -- good
17 afternoon, Board members, and congratulations, Neal.
18 That's good news.

19 I just have a few comments. I'm speaking as an
20 RPEA member and president of the Chapter 47 in Yucaipa
21 Valley. Last September, there was a Board Item 9c1 that
22 was brought asking to set a precedent regarding retired
23 annuitant rules and policy. It appears the issue or the
24 item has been pulled for consideration, and that was a
25 good decision.

1 I still feel that I need to comment on the part
2 of the case that I was going to anyway, and that includes
3 the 960-hour rule. I'm not arguing the case. That's been
4 done, but there is, however, an error in the amount of
5 time to be repaid. And I'm not speaking specifically for
6 this case, please excuse me.

7 I have personally assisted members with multiple
8 appeals for members who received the letters of this
9 960-hour violation. During the conversations with CalPERS
10 staff, thankfully they agreed that the rule was applied
11 incorrectly and this resulted in a massive reduction of
12 the amount that was owed by the members. It didn't excuse
13 the amount owed. We didn't argue that.

14 The -- I'll give you two examples and I'm
15 changing some dates and dollar amounts and I'll explain
16 why later.

17 One amount was in excess of 300,000 and another
18 amount was approximately 250,000. These were reduced to
19 9,800 and 9,300 respectively, after looking at this rule.
20 The 960-hour rule says the reinstatement period is for the
21 period of violation. And the 960 hours is based on a
22 fiscal year, July 1st to June 30th. However, the
23 reinstatement periods in those letters had been in every
24 case based on a calendar year.

25 And I'll give an example of, Member A was

1 reinstated January 1st through December 31st of 2014. The
2 repayment amount included the whole year allowances plus
3 all interest and earnings that was compounded for five
4 years. The period of violation happened in April of 2014
5 and should have ended June 30th of that year. So only
6 April, May and June should have been the violation.

7 Because July 1st started the clock all over again
8 and they weren't in violation until April. So I'm asking
9 now, if the Board, because it looks like this is a little
10 more widespread, please have all of these audited cases
11 reviewed for the error in the 960-hour rule.

12 I can tell you that the members I'm speaking on
13 behalf of are so frightened of CalPERS now, that they
14 wouldn't let me use their case -- the exact examples or
15 their names and they hate receiving any mail from CalPERS
16 with a logo on because, they don't know what to expect and
17 they don't even want to open it.

18 So thank you for considering this. And I'm
19 available for more details any time from the staff to
20 answer anymore question.

21 PRESIDENT JONES: Thank you.

22 Mr. Fox.

23 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
24 President. We have -- the next caller Mr. J.J. Jelincic,
25 I think, representing RPEA.

1 MR. JELINCIC: This is J.J. Jelincic, and I'm not
2 representing RPEA. I'm speaking for myself as a
3 beneficiary. And I want to apologize to the Board, and
4 especially, Mr. Feckner.

5 I should not have assumed that when you met ni
6 closed session in April and June to discuss the long-term
7 care strategy that you got any information about the plans
8 to adjust the premiums or the benefits structure, let
9 alone learned anything.

10 I should not have assumed that last month's
11 Health Pension Benefit closed committee meeting about
12 health plan rate strategy provided you any information
13 about risk and mitigation.

14 I should not have assumed that this week's closed
15 Investment Committee meeting on long-term care asset
16 allocation provided any information.

17 Since the system's policies and procedures
18 related to the review of Form 700, the detection of
19 errors, and dealing with conflicts of interest are secret
20 as client-attorney privileged, why should I not suspect
21 that the Board is being less than fully transparent.

22 When the Board approved the annual audit plan for
23 the Audit of Office -- the Office of Audit Services, it
24 directed that internal audits be reported to the Risk and
25 Audit Committee in closed session.

1 Eleven internal audits were completed, but I
2 noticed that none of them were reported to the Committee.
3 This lack of review must somehow help the Board's
4 oversight function, even if I don't see it.

5 I guess this is just another example of why I
6 should believe that the Board's focus is on the members,
7 transparency and oversight.

8 Thank you.

9 PRESIDENT JONES: Thank you.

10 Mr. Fox.

11 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
12 President, the next caller is Dillon Gibbons with the
13 California Special Districts Association.

14 MR. GIBBONS: Hello, Chair and members of the
15 Board. Dillon Gibbons with the California Special
16 Districts Association.

17 Just calling in reference to a couple comments
18 that were made regarding taking action on information
19 items. As Mr. Jacobs stated, a number of stakeholders
20 don't appreciate it. I'm one of them. My association is
21 one of them, particularly in the format that Board
22 meetings are now taking place. These remote meetings, to
23 call in, takes time. I've got to hear that action is
24 being taken on what was not supposed to be an action item
25 or that is, yes, footnoted that anything can be come one,

1 dial in the 800 number, leave my name, the agenda item
2 I've got -- that I want to talk on, then wait for an
3 operator to get on, confirm all of that information, and
4 then contact whoever else is on -- who -- I assume it's
5 Mr. Fox contacting Mr. Jones that I want to speak on an
6 item.

7 This all -- while this is all happening, I'm
8 having these conversations trying to get through the phone
9 line, the Board is continuing to take action, have
10 discussion on these items. So again particularly while
11 we're in this pandemic setting and your -- we're doing
12 these remote distance meetings, taking action on
13 information items I believe flies in the face of the
14 transparency efforts that this Board is consistently
15 trying to undertake and that we consistently support.

16 So again, I would urge you to, wherever possible,
17 please avoid taking action on information items. If you
18 think you want to take action on a potential information
19 item, have it changed on the agenda.

20 With that, thank you very much for your time.
21 Today's action item -- or informational item being taken
22 action on was not of a significant concern of mine, more
23 just the issue of information items being turned to action
24 items.

25 Thank you for your time.

1 PRESIDENT JONES: Okay. Thank you, Mr. Gibbons.
2 And I think also Mr. Jacobs did also echo that concern.
3 And I did share with you that I will be asking our Board
4 members to be more considerate of those kinds of actions
5 going forward, so that the public will have an opportunity
6 to opine or make comments on these items as we go forward.
7 So legitimate concern. So thank you.

8 Next, Mr. Fox.

9 STAKEHOLDER RELATIONS CHIEF FOX: Yes, Mr.
10 President. The last caller is Christy Bouma, California
11 Profession Firefighters.

12 MS. BOUMA: Good afternoon, members. Christy
13 Bouma on behalf of the California Professional
14 Firefighters. I thank you for the opportunity to make
15 public comment and for your work, always and over the last
16 several days.

17 The Board is fully aware that the CPF has been
18 very active in the Legislature trying to protect against
19 adverse actions that harm retirees after the fact that
20 they've made the decision to retire. So I just wanted to
21 make a comment about our concern, about the ongoing
22 practice of taking great liberties to try and eliminate
23 compensation items after the fact, maybe sometimes they're
24 disfavored. But either way, that effectively punishes
25 retirees and provides a windfall to employers and systems.

1 The firefighters recognize the overall goal that
2 we all share to have a strong funded status of the system
3 and to have a sustainable system to the benefit of
4 employers and all members of the system.

5 But this is not the way we achieve it by making
6 determinations after the fact. So we would just ask you
7 to be very mindful of that as you address these issues
8 going forward, whether in your legal department or in your
9 policy decisions.

10 Thanks for the time. I appreciate it.

11 PRESIDENT JONES: Thank you for your comments.

12 Mr. Fox.

13 STAKEHOLDER RELATIONS CHIEF FOX: Mr. President,
14 that concludes public comment for this Board of
15 Administration meeting.

16 PRESIDENT JONES: Okay. Well, thank you very
17 much. And that will conclude our open session meeting.
18 And we're going to take a lunch break -- a short lunch
19 break. Before -- but before I need to indicate that we'll
20 now adjourn -- we will adjourn into closed session for
21 Items 1 to 3 from the closed session agenda. This will
22 include the following litigating matters -- litigation
23 matters, Wedding et al. v. CalPERS. We'll also receive
24 the General Counsel's update on pending litigation.

25 So at this time the Board Members will exit this

1 open session meeting and connect to the closed session
2 meeting.

3 To the members of the public watching on
4 livestream, this concludes our open session meetings for
5 November. Thank you for joining us.

6 And we will reconvene our closed session meeting
7 at 2:15.

8 (Thereupon California Public Employees'
9 Retirement System, Board of Administration
10 meeting open session adjourned at 1:27 p.m.)

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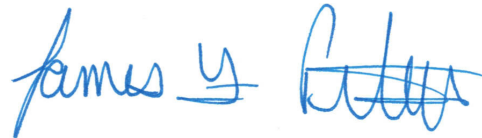
CERTIFICATE OF REPORTER

1
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 open session meeting was reported
7 in shorthand by me, James F. Peters, a Certified Shorthand
8 Reporter of the State of California, and was thereafter
9 transcribed, under my direction, by computer-assisted
10 transcription;

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

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 27th day of November, 2020.
16
17
18

19 A handwritten signature in blue ink that reads "James F. Peters". The signature is written in a cursive, flowing style.

20
21
22 JAMES F. PETERS, CSR
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