

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Monday, April 18, 2022**

The Board of Administration met on Monday, April 18, 2022 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:18 a.m. and the following members were present:

Theresa Taylor, President
Rob Feckner, Vice President
Sertan Usanmaz for Fiona Ma
Lisa Middleton
David Miller
Eraina Ortega
Jose Luis Pacheco
Ramon Rubalcava
Lynn Paquin for Betty Yee

Board of Administration Members excused: Shawnda Westly

AGENDA ITEM 2 – FULL BOARD HEARING

a. Tustin Unified School District

At the February 15, 2022 Board meeting, the Board declined to adopt the proposed decision of the Administrative Law Judge (ALJ) and scheduled this matter for a full Board hearing on Tustin Unified School District.

Charles Glauberman, CalPERS Attorney appeared for CalPERS. Joshua Morrison, appeared for Tustin Unified School District.

Chirag Shah, the Board's independent counsel on full Board hearings arising from the proposed decisions of the OAH, was present to guide and advise the Board in these proceedings.

President Taylor reminded those present that the record from the hearing before the ALJ stands as is, but the parties have the opportunity to present oral and written arguments. President Taylor provided a general outline of the procedures for the hearing and confirmed that all parties received copies of the Statement of Policy and Procedures for Full Board Hearings before the Board.

Mr. Shah provided a summary of the case and the substantive facts.

Mr. Glauberman then presented CalPERS Team's arguments.

Mr. Morrison then presented arguments on behalf of Tustin Unified School District.

Mr. Glauberman and Mr. Morrison each presented their rebuttal arguments.

The floor was then opened for questions by the Board.

Mr. Glauberman and Mr. Morrison were asked questions by the Board members for approximately 20 minutes.

The Board then recessed into closed session at 10:06 a.m.

Closed Session

Deliberate on Full Board Hearing (Government Code section 11126(c)(3))

- a. Tustin Unified School District

The Public meeting reconvened in open session at approximately 10:42 a.m.

Open Session

Take Action on Full Board Hearing

- a. Tustin Unified School District

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board rejected the proposed decision by the Administrative Law Judge and denied the appeal and issued the Boards own final decision in both cases as argued by staff.

Name	Yes	No	Abstain
Rob Feckner	X		
Sertan Usanmaz for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Ramon Rubalcava	X		
Theresa Taylor			X
Lynn Paquin for Betty Yee	X		

The Public meeting adjourned at approximately 10:43 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, April 19, 2022**

The Board of Administration met on Tuesday, April 19, 2022 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 12:17 p.m. and the following members were present:

Theresa Taylor, President
Rob Feckner, Vice President
Sertan Usanmaz for Fiona Ma
Lisa Middleton
David Miller
Eraina Ortega
Jose Luis Pacheco
Ramon Rubalcava
Lynn Paquin for Betty Yee

Board of Administration Members excused: Shawnda Westly

**AGENDA ITEM 2 – APPROVAL OF THE APRIL 19, 2021 BOARD OF ADMINISTRATION
TIMED AGENDA**

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco and **CARRIED**, the Board approved Action Item 2.

AGENDA ITEM 4 – PRESIDENT'S REPORT

President Taylor congratulated Mr. Rubalcava on his reappointment to the Board.

AGENDA ITEM 5 – EXECUTIVE REPORT

a. Chief Executive Officer's Report

Ms. Frost reported on the following:

- Welcomed Nicole Musicco to CalPERS
- Approval of the Annual Budget for the 2022-23 Fiscal Year
- Second-Reading of the Five-Year Strategic Plan
- Return to Office
- Dashboard of COVID statistics
- WELL certification, Health & Safety rating for facility management from the International WELL Building Institute
- Document Management Center meeting their service level agreements for 300 business days

- World Economic Forum
- CalPERS Special Election for public agencies
- APEX Recipients

AGENDA ITEM 6 – CONSENT ITEMS

Action Consent Items

- a. Approval of the March 16, 2022 Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of Committee Delegations

On **MOTION** by Rob Feckner, **SECONDED** by David Miller and **CARRIED**, the Board approved Action Consent Items 6a, 6b and 6c.

AGENDA ITEM 7 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the June 15, 2022 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 8 – COMMITTEE REPORTS AND ACTIONS

- a. Investment Committee

The Committee did not meet.

The next meeting of the Investment Committee is scheduled for June 13, 2022 in Sacramento, California.

- b. Pension and Health Benefits Committee

Rob Feckner, Chair Pension and Health Benefits Committee presented the Committee Summary report to the Board. The Committee met on April 18, 2022.

On **MOTION** by Committee, and **CARRIED**, with one no vote, the Board approved staff's recommendation to pursue the proposed regulation defining limited duration employment. (PHBC Item 6a)

Additional information may be found in the April 18, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for June 14, 2022 in Sacramento, California.

c. Finance and Administration Committee

Lisa Middleton, Chair, Finance and Administration Committee presented the Committee Summary report to the Board. The Committee met on April 18, 2022.

On **MOTION** by Committee, and **CARRIED**, the Board approved the April 2022 Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement. (FAC Item 4b)

On **MOTION** by Committee, and **CARRIED**, the Board approved the 1959 Survivor Benefit Program Actuarial Valuation Report as of June 30, 2021 and the transmittal letter to the Governor and Legislature, and adopt the employer and employee monthly premiums for fiscal year 2022-23. (FAC Item 4c)

On **MOTION** by Committee, and **CARRIED**, the Board approved the June 30, 2021 Judges' Retirement System Actuarial Valuation report and the corresponding transmittal letter to the governor and Legislature including lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality and retirement rates as outlined below and in the valuation report, and adopted the use of the new demographic and economic assumptions including inflation and salary growth in all affected member calculations. The discount rate for benefit calculations and service credit purchases is the same as that used for the Judges Retirement II System (6.00%). (FAC Item 4d)

On **MOTION** by Committee, and **CARRIED**, the Board approved the June 30, 2021 Judges' Retirement System II Actuarial Valuation Report and the corresponding transmittal letter to the governor and Legislature, including lowering the discount rate assumption from 6.50% to 6.00%, lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality and retirement rates as outlined below and in the valuation report; adopted the employer contribution rate of 23.23% and a member contribution rate of 16% of salary for members subject to the Public Employees' Pension Reform Act of 2013 (PEPRA) for the period of July 1, 2022 through June 30, 2023 for the Judges' Retirement System II (JRS II); and adopted the use of the new demographic and economic assumptions. (FAC Item 4e)

On **MOTION** by Committee, and **CARRIED**, the Board approved the June 30, 2021 Legislators' Retirement System Actuarial Valuation Report and the corresponding transmittal letter to the governor and Legislature, including lowering the discount rate assumption from 5.00% to 4.50%, lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality rates as outlined below and in the valuation report; adopted the employer contribution rate of 31.80% for the period of July 1, 2022 through June 30, 2023 for the Legislators' Retirement System; and adopted the use of the new demographic and economic assumptions. (FAC Item 4f)

On **MOTION** by Committee, and **CARRIED**, the Board approved an additional one-year contract term extension for the Office of Public Affairs video hardware maintenance contract, to fulfill the board's duty to educate and inform CalPERS members and stakeholders. (FAC Item 4g)

PUBLIC COMMENT:

Al Darby, representing RPEA provided comment on the external management budget for private equity.

On **MOTION** by Committee, and **CARRIED**, the Board approved the 2022-23 Annual Budget in the amount of \$2.073 billion and 2,843 positions. (FAC Item 6a)

On **MOTION** by Committee, and **CARRIED**, the Board approved the proposed elected board member percentages of time to be spent on board related duties based on board and committee selections held in February and March 2022. (FAC Item 6b)

On **MOTION** by Committee, and **CARRIED**, the Board adopted the actuarially determined employer contribution rates and approved the member contribution rates for the period July 1, 2022 to June 30, 2023. (FAC Item 6c)

On **MOTION** by Committee, and **CARRIED**, the Board approved an employer contribution rate of 25.37% for the Schools Pool and a member contribution rate of 8.00% for schools' employees subject to the Public Employees' Pension Reform Act of 2013 (PEPRA). Rates are applicable for the period of July 1, 2022 to June 30, 2023. (FAC Item 6d)

Additional information may be found in the April 18, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for September 20, 2022 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Rob Feckner, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on April 19, 2022.

Additional information may be found in the April 19, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for June 14, 2022 in Sacramento, California.

e. Risk and Audit Committee

Lisa Middleton, Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on April 18, 2022.

Additional information may be found in the April 18, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for September 20, 2022 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is scheduled for June 15, 2022 in Sacramento.

AGENDA ITEM 9a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 9a1 and 9a3 through 9a6 as the Board's own decisions with minor modifications argued by staff to Agenda items 9a3, 9a5, and 9a6.

On **MOTION** by Rob Feckner, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with one no vote by Sertan Usanmaz for Fiona Ma, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Item 9a2 as the Board's own decision with the minor modification argued by staff.

AGENDA ITEM 9b – PETITIONS FOR RECONSIDERATION

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, the Board moved to deny the petitions at Agenda items 9b1, 9b2 and 9b3.

AGENDA ITEM 9c – FULL BOARD HEARING DECISION

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED** the Board moved to adopt the full Board hearing decision as presented at Agenda Item 9c in the appeal of Tustin Unified School District as the Board's final decision.

AGENDA ITEM 9d – CALPERS 2022-27 STRATEGIC PLAN – SECOND READING

On **MOTION** by Ramon Rubalcava, **SECONDED** by Jose Luis Pacheco, and **CARRIED** the Board approved the CalPERS 2022-27 Strategic Plan.

AGENDA ITEM 9e – SENATE BILL 1328 (MCGUIRE) – DIVESTMENT FROM RUSSIA AND BELARUS

On **MOTION** by Rob Feckner, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with one no vote Sertan Usanmaz for Fiona Ma and one abstention by Eraina Ortega, the Board moved to take an oppose position on Senate Bill 1328.

AGENDA ITEM 9F – SENATE BILL 1173 (GONZALEZ) – DIVESTMENT FROM FOSSIL FUEL COMPANIES

PUBLIC COMMENT:

Sara Theiss, CalPERS member and member of Fossil Free California urges the Board to support Senate Bill 1173.

Glenn Fieldman from Fossil Free California urges the Board to support Senate Bill 1173.

Leonard Skyler, CalPERS retiree urges the Board to support Senate Bill 1173.

Miriam Eide urges the Board to support Senate Bull 1173.

On **MOTION** by Rob Feckner, **SECONDED** by Lynn Paquin for Betty Yee, and **CARRIED**, with one no vote Sertan Usanmaz for Fiona Ma and one abstention by Eraina Ortega, the Board moved to take an oppose position on Senate Bill 1173.

AGENDA ITEM 10a – STATE AND FEDERAL LEGISLATION UPDATE

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

AGENDA ITEM 10b – SUMMARY OF BOARD DIRECTION

The Board directed the team to provide communication to the members explaining the policies around engagement over divestment.

AGENDA ITEM 10c – PUBLIC COMMENT

Neal Johnson congratulated Ramon Rubalcava for his reappointment to the Board and provided comment regarding to the 20098 positions.

The Public meeting recessed into closed session at approximately 1:41 p.m.

The Public meeting reconvened in open session at approximately 2:09 p.m.

The Public meeting adjourned at approximately 2:10 p.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 6b

April 19, 2022

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

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

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

Board Member	Date	Destination	Purpose	Estimated Costs
Lisa Middleton	October 7-11, 2022	Washington, DC	NACD Summit	\$5,775.00

There is a Board member travel report attached.

THERESA TAYLOR, President
Board of Administration

CalPERS Board of Administration Travel Report

Instructions: Please fill out the below template and return to BSU team. This report will be entered into the monthly Board travel agenda item:

Frank Ruffino- State Treasurer's Designee

Board Member Name

March 7-9, 2022

Date(s) of Travel

COUNCIL OF INSTITUTIONAL INVESTORS SPRING CONFERENCE

NAME OF CONFERENCE (IF APPLICABLE)

WASHINGTON, DC

Location(s) Traveled To

Purpose of Travel:

ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS SPRING CONFERENCE

Instructions: If travel includes attendance at an educational program, complete the next section and attach a copy of the program's agenda to this travel report.

Name of Educational Event:

2022 SPRING CONFERENCE: PUTTING THE BAND BACK TOGETHER

Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session). Use page 2 if needed.

**The Changing Role of a Director
Perspective on Navigating the Energy Transition
Mobilizing Finance for a Net-Zero Economy**

4 hours

Hours

**Investor Action for a Net-Zero Emissions
Engage on Human Capital Management Vs Asset Owners-Public
Fund Constituency**

4 hours

Hours

CalPERS Board of Administration Travel Report

Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session).

SEC Rulemaking & What's Next
Civil Rights Audits
Sustainability Disclosure Standards

4 hours

Hours

Racial & Ethnic Diversity in The Workplace
New Investment Landscape
Elevating Employees' Voices

4 hours

Hours

Mitigating Social & Environmental Impacts
Initiatives of Faith-Based Investors
Proxy Voter Group Meeting

4 hours

Hours

Insight Into the Boardroom

4 hours

Hours

Corporate Sustainability Disclosure
International Governance Roundup