

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

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FECKNER AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

MONDAY, FEBRUARY 13, 2023
3:10 P.M.

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

APPEARANCES

COMMITTEE MEMBERS:

Theresa Taylor, Chairperson

David Miller, Vice Chairperson

Malia Cohen, represented by Lynn Paquin

Fiona Ma, represented by Frank Ruffino

Eraina Ortega

Kevine Palkki

Yvonne Walker

BOARD MEMBERS:

Lisa Middleton

Jose Luis Pacheco

Ramon Rubalcava

Mullissa Willette

STAFF:

Marcie Frost, Chief Executive Officer

Matt Jacobs, General Counsel

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PROCEEDINGS

1
2 CHAIRPERSON TAYLOR: I'm calling the Board
3 Governance Committee meeting to order.

4 Good afternoon, everybody. First order of
5 business is roll call, please.

6 BOARD CLERK TRAN: Theresa Taylor?

7 CHAIRPERSON TAYLOR: Here.

8 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

9 ACTING COMMITTEE MEMBER PAQUIN: Here.

10 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

11 ACTING COMMITTEE MEMBER RUFFINO: Present.

12 BOARD CLERK TRAN: David Miller?

13 COMMITTEE MEMBER MILLER: Here.

14 BOARD CLERK TRAN: Eraina Ortega?

15 COMMITTEE MEMBER ORTEGA: Here.

16 BOARD CLERK: Kevin Palkki?

17 COMMITTEE MEMBER PALKKI: Good afternoon.

18 BOARD CLERK TRAN: Yvonne Walker?

19 COMMITTEE MEMBER WALKER: Here.

20 CHAIRPERSON TAYLOR: All right. Thank you.

21 Next order of business is the election of the
22 Board Governance Committee Chair and Vice Chair. For this
23 I'm going to hand the virtual mallet over to David Miller.

24 COMMITTEE MEMBER MILLER: Okay. Let's see if I
25 can get the virtual microphone.

1 CHAIRPERSON TAYLOR: Yep. Yep. Yep. There you
2 go.

3 COMMITTEE MEMBER MILLER: Okay. It's time for
4 nominations for the Chair of the Board Governance
5 Committee. And I will kick it off by nominating Theresa
6 Taylor.

7 Are there any other nominations?

8 Any other nominations?

9 And finally, are there any other nominations?

10 Okay. Hearing none, I will make a motion to
11 approve Theresa Taylor as Chair.

12 COMMITTEE MEMBER ORTEGA: Second.

13 CHAIRPERSON TAYLOR: Seconded by Director Ortega.

14 And I will move to call for the question. Do the
15 roll call, please.

16 BOARD CLERK TRAN: Theresa Taylor?

17 CHAIRPERSON TAYLOR: Aye.

18 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

19 ACTING COMMITTEE MEMBER PAQUIN: Aye.

20 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

21 ACTING COMMITTEE MEMBER RUFFINO: Aye.

22 BOARD CLERK TRAN: David Miller?

23 COMMITTEE MEMBER MILLER: Aye.

24 BOARD CLERK TRAN: Eraina Ortega?

25 COMMITTEE MEMBER ORTEGA: Aye.

1 BOARD CLERK TRAN: Kevin Palkki?

2 COMMITTEE MEMBER PALKKI: Aye.

3 BOARD CLERK TRAN: Yvonne Walker?

4 COMMITTEE MEMBER WALKER: Aye.

5 COMMITTEE MEMBER MILLER: Okay. The ayes have
6 it. The motion passes. Congratulations.

7 And so now I will pass the --

8 CHAIRPERSON TAYLOR: Virtual mallet back.

9 COMMITTEE MEMBER MILLER: -- virtual gavel back.
10 (Applause).

11 CHAIRPERSON TAYLOR: Thank you. Thank you, Mr.
12 Miller.

13 And I now am making a nomination for Vice Chair
14 for -- David Miller for Vice Chair of Board Governance
15 Committee.

16 Are there any other nominations?

17 Do I hear any other nominations?

18 And once again any other nominations?

19 Hearing none, I have a motion to approve David
20 Miller as Vice Chair of the Committee. Can you please do
21 the roll call vote, please.

22 GENERAL COUNSEL JACOBS: Is there a second?

23 ACTING COMMITTEE MEMBER PAQUIN: I second. I'll
24 second.

25 CHAIRPERSON TAYLOR: Ms. Paquin seconds. Sorry.

1 BOARD CLERK TRAN: David Miller?

2 COMMITTEE MEMBER MILLER: Aye.

3 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

4 ACTING COMMITTEE MEMBER PAQUIN: Aye.

5 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

6 ACTING COMMITTEE MEMBER RUFFINO: Aye.

7 BOARD CLERK TRAN: Eraina Ortega?

8 COMMITTEE MEMBER ORTEGA: Aye.

9 BOARD CLERK TRAN: Kevin Palkki?

10 COMMITTEE MEMBER PALKKI: Aye.

11 BOARD CLERK TRAN: Yvonne Walker?

12 COMMITTEE MEMBER WALKER: Aye.

13 CHAIRPERSON TAYLOR: All right. Thank you.

14 Motion carries. David Miller is Vice Chair of the Board
15 Governance Committee. If you want to move over here. I
16 don't know if you want to run him over here real quick.
17 He doesn't have to. Okay.

18 VICE CHAIRPERSON MILLER: I don't have to. Okay.
19 I'll stay put.

20 CHAIRPERSON TAYLOR: State seated. We're
21 almost --

22 VICE CHAIRPERSON MILLER: State seated. We're
23 almost done.

24 CHAIRPERSON TAYLOR: All right. So we're moving
25 on to the next order of business and that is the Executive

1 report from Mr. Jacobs.

2 GENERAL COUNSEL JACOBS: Good afternoon, Chair
3 Taylor and Board members. We have a modest agenda in
4 Governance today. There's one substantive item about the
5 cadence for reviewing the delegations to committees and
6 the delegation to the CEO.

7 Looking forward, we do have this year -- it's
8 about time for the Board to undertake its self-evaluation.
9 Given that there are three new Board members and speaking
10 with you, Chair Taylor, we thought that we would give that
11 a little bit of time for people to get some experience on
12 the Board under their belt. And so I will be bringing
13 that back as -- for a proposal as to how to perform the
14 self-evaluation in June with an idea toward getting that
15 kicked off January of next year.

16 CHAIRPERSON TAYLOR: I think that's what we said,
17 yeah.

18 GENERAL COUNSEL JACOBS: Yeah. And so that's
19 the -- that will be coming forward later. And that is my
20 executive report for today.

21 CHAIRPERSON TAYLOR: All right. Thank you, Mr.
22 Jacobs.

23 So next up on the agenda is action consent items.
24 What's the pleasure of the Board?

25 ACTING COMMITTEE MEMBER PAQUIN: I need to -- can

1 we separate them out?

2 CHAIRPERSON TAYLOR: Yes. You want to pull one?

3 ACTING COMMITTEE MEMBER PAQUIN: Yes.

4 CHAIRPERSON TAYLOR: Which one?

5 ACTING COMMITTEE MEMBER PAQUIN: I just need to
6 abstain on the vote for the minutes from November?

7 CHAIRPERSON TAYLOR: November. Okay. So we
8 still have action consent -- well, the --

9 COMMITTEE MEMBER ORTEGA: I'll move approval of
10 Item 4a.

11 CHAIRPERSON TAYLOR: 4a. Okay.

12 VICE CHAIRPERSON MILLER: Second.

13 CHAIRPERSON TAYLOR: It's been moved by Ms.
14 Ortega seconded by Mr. Miller. All those in favor, we
15 need a roll call vote anyway.

16 BOARD CLERK TRAN: David Miller?

17 VICE CHAIRPERSON MILLER: Aye.

18 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

19 ACTING COMMITTEE MEMBER PAQUIN: Abstain.

20 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

21 ACTING COMMITTEE MEMBER RUFFINO: Aye.

22 BOARD CLERK TRAN: Eraina Ortega?

23 COMMITTEE MEMBER ORTEGA: Aye.

24 BOARD CLERK TRAN: Kevin Palkki?

25 COMMITTEE MEMBER PALKKI: Aye.

1 BOARD CLERK TRAN: Yvonne Walker?

2 COMMITTEE MEMBER WALKER: Aye.

3 CHAIRPERSON TAYLOR: Okay. Motion carries for
4 Action Consent Item 4a.

5 Moving on to 4b and a motion.

6 COMMITTEE MEMBER ORTEGA: Move approval.

7 CHAIRPERSON TAYLOR: Move approval.

8 VICE CHAIRPERSON MILLER: Second.

9 CHAIRPERSON TAYLOR: Okay. Move approval by Ms.
10 Ortega, seconded by Mr. Miller.

11 Roll call vote, please.

12 BOARD CLERK TRAN: David Miller?

13 VICE CHAIRPERSON MILLER: Aye.

14 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

15 ACTING COMMITTEE MEMBER PAQUIN: Aye.

16 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

17 ACTING COMMITTEE MEMBER RUFFINO: Aye.

18 BOARD CLERK TRAN: Eraina Ortega?

19 COMMITTEE MEMBER ORTEGA: Aye.

20 BOARD CLERK TRAN: Kevin Palkki?

21 COMMITTEE MEMBER PALKKI: Aye.

22 BOARD CLERK TRAN: Yvonne Walker?

23 COMMITTEE MEMBER WALKER: Aye.

24 CHAIRPERSON TAYLOR: All right. Motion carries
25 on 4b. I appreciate it. Thank you.

1 The next item on the agenda is information
2 consent items. I haven't had any request to remove -- oh,
3 I do.

4 COMMITTEE MEMBER ORTEGA: I couldn't find --

5 CHAIRPERSON TAYLOR: Hold on a second. I'm just
6 imagining you'll talk on your own.

7 COMMITTEE MEMBER ORTEGA: I couldn't find mine in
8 this attachment. I don't know if -- it looks like Jose
9 Luis's name is on two different documents. I just
10 wondered if there was something off on the attachment.

11 GENERAL COUNSEL JACOBS: We'll certainly look
12 into that.

13 COMMITTEE MEMBER ORTEGA: I see my designees, so
14 that's why it seemed odd that mine wasn't here, but it
15 also could be I'm having a hard time with the attachment.
16 But if someone -- I mean, I think we can vote for it, but
17 if someone could just double check the attachment.

18 GENERAL COUNSEL JACOBS: Yes. It doesn't require
19 a vote. But in any case, we'll make sure that we get back
20 to you on that promptly.

21 COMMITTEE MEMBER ORTEGA: Thank you. Appreciate
22 it.

23 CHAIRPERSON TAYLOR: I'm not seeing her either.
24 So -- okay. So it doesn't require a vote.

25 Moving on to our action item -- action agenda

1 Item 6a. Matt, if you want to go ahead.

2 GENERAL COUNSEL JACOBS: Yes. Item 6a, revision
3 to frequency of Board's review of Committee and CEO
4 delegations. This agenda item presents the Committee with
5 an opportunity to effectuate a suggestion to change the
6 applicable policies regarding periodic review of the
7 Board's delegations to the committees and the Board's
8 delegation to the CEO, to every two years from every year.

9 CHAIRPERSON TAYLOR: Annually.

10 GENERAL COUNSEL JACOBS: And the basic idea being
11 to streamline something that usually doesn't have changes
12 anyway, but with an understanding that if the Board ever
13 does want to make a change to these delegations, it
14 certainly has the opportunity to just call for that and
15 bring it forward on the next agenda. So that is kind of
16 the sum and substance of this agenda item.

17 CHAIRPERSON TAYLOR: All right. Thank you, Mr.
18 Jacobs. I am not seeing any questions from the Board.

19 COMMITTEE MEMBER ORTEGA: Move approval.

20 CHAIRPERSON TAYLOR: Motion to move the agenda
21 item, by Ms. Ortega.

22 ACTING COMMITTEE MEMBER PAQUIN: Second.

23 CHAIRPERSON TAYLOR: Seconded by Ms. Paquin.

24 Any discussion, anybody, questions before I move?

25 Okay. We need a roll call vote on that. Thank

1 you.

2 COMMITTEE MEMBER WALKER: I do have a question.

3 CHAIRPERSON TAYLOR: Oh, we do have a question.

4 Hold on.

5 Go ahead.

6 COMMITTEE MEMBER WALKER: So I am hesitant to be
7 aye on this, because I would imagine that it takes up very
8 little time to give the delegations every year and I don't
9 hear anything pressing about why it has to change to a
10 two-year cycle instead of just the one-year cycle.

11 CHAIRPERSON TAYLOR: You want to talk to that,
12 Matt.

13 GENERAL COUNSEL JACOBS: Staff is agnostic on
14 this. It was really kind of brought forward as an idea
15 to -- I mean, it seems repetitive to do it every year.
16 And it's kind of an exercise where we have to do it for
17 each committee and then we package all of them together
18 and bring them to the full Board. So it's kind of extra
19 work for no apparent reason, but it doesn't require a ton
20 of work. It's just -- so it's whatever the Committee's
21 preference is on this.

22 CHAIRPERSON TAYLOR: Okay. I'm not -- is that
23 it? Is that your only question?

24 COMMITTEE MEMBER WALKER: Oh, yeah, he answered.

25 CHAIRPERSON TAYLOR: Okay. So we've already had

1 the motion to move approval.

2 BOARD CLERK ANDERSON: Theresa, I think Kevin has
3 a question.

4 CHAIRPERSON TAYLOR: Oh, okay. Tell him to go
5 ahead.

6 COMMITTEE MEMBER PALKKI: Just quick
7 clarification. Did this include the delegation of Chairs
8 and Vice Chairs as well?

9 CHAIRPERSON TAYLOR: No, no, no. Staff
10 authority.

11 COMMITTEE MEMBER PALKKI: Okay.

12 CHAIRPERSON TAYLOR: Okay. Thank you, Kevin.

13 COMMITTEE MEMBER PALKKI: Thank you.

14 CHAIRPERSON TAYLOR: Okay. The question has been
15 called if you want to do the roll call vote.

16 BOARD CLERK TRAN: David Miller?

17 VICE CHAIRPERSON MILLER: Aye.

18 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

19 ACTING COMMITTEE MEMBER PAQUIN: Aye.

20 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

21 ACTING COMMITTEE MEMBER RUFFINO: Aye.

22 BOARD CLERK TRAN: Eraina Ortega?

23 COMMITTEE MEMBER ORTEGA: Aye.

24 BOARD CLERK TRAN: Kevin Palkki?

25 COMMITTEE MEMBER PALKKI: Aye.

1 BOARD CLERK TRAN: Yvonne Walker?

2 COMMITTEE MEMBER WALKER: No.

3 CHAIRPERSON TAYLOR: Okay. Motion carries.

4 And we will move on to Agenda Item 7, information
5 agenda item, summary of Committee direction, which I don't
6 think we any, but go ahead, Matt.

7 GENERAL COUNSEL JACOBS: I don't think we had any
8 either, but just to recap that we will bring forward in
9 June a plan -- a proposed plan -- it's, of course, your
10 plan, not ours, as to how the Committee and the Board want
11 to undertake the self-evaluation this year.

12 CHAIRPERSON TAYLOR: Perfect. We appreciate
13 that.

14 And then I just want to reiterate if anybody has
15 a revision to any of the delegated authorities, we can
16 bring that forward at any time, just give Matt a call or
17 one of -- you know, myself, and we can get it on the
18 agenda for next meeting.

19 And then my next thing is public comment, 7b.
20 Any public comments?

21 BOARD CLERK ANDERSON: No.

22 CHAIRPERSON TAYLOR: Nope. Okay. Well, I guess
23 that means we're adjourning the meeting. So we are
24 currently adjourned at 3:21. And we start tomorrow
25 morning with Board at 9 a.m. I believe, correct?

1 GENERAL COUNSEL JACOBS: Yes, Madam Chair.

2 CHAIRPERSON TAYLOR: All right. See everybody at
3 9 a.m. here in the auditorium.

4 (Thereupon California Public Employees'
5 Retirement System, Board Governance Committee
6 meeting adjourned at 3:22 p.m.)

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