

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, February 14, 2023**

The Board of Administration met via teleconference on Tuesday, February 14, 2023.

The meeting was called to order at approximately 9:00 a.m. and the following members were present:

Theresa Taylor, President
David Miller, Vice President
Lynn Paquin for Malia Cohen
Frank Ruffino for Fiona Ma
Lisa Middleton
Nicole Griffith for Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Yvonne Walker
Mullissa Willette

Board of Administration Members excused: Dr. Gail Willis

AGENDA ITEM 3 – PRESIDENT'S REPORT

President Taylor thanked Anthony Suine for his years of service to CalPERS and congratulated him on his new position at CalSTRS.

AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer's Report

Ms. Frost wished Anthony Suine well in his future endeavor.

Ms. Frost reported on the following:

- The Annual Stakeholder Forum
- Employee Engagement Survey
- The State Employee's Food Drive

AGENDA ITEM 5 – CONSENT ITEMS

Action Consent Items

- a. Approval of the November 16 and 30, 2022 and January 17, 2023, Board of Administration Meeting Minutes
- b. Board Travel Approvals

c. Approval of the February 14, 2023, Board of Administration Timed Agenda

On **MOTION** by Jose Luis Pacheco, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, and one abstention, the Board approved Action Consent Item 5a.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mulissa Willette	X		
Theresa Taylor			X

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board approved Action Consent Item 5b.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker			
Mulissa Willette	X		
Theresa Taylor			X

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board approved Action Consent Item 5c.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		

Yvonne Walker	X		
Mulissa Willette	X		
Theresa Taylor			X

AGENDA ITEM 6 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the March 15, 2023, Board of Administration Meeting
- c. General Counsel’s Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS

a. Investment Committee

The Committee did not meet.

The next meeting of the Investment Committee is scheduled for March 13, 2023 in Sacramento, California.

b. Pension and Health Benefits Committee

The Committee did not meet.

The next meeting of the Pension and Health Benefits Committee is scheduled for March 14, 2023 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 February 13, 2023.

The Committee elected Lisa Middleton as Chair and David Miller as Vice Chair.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board adopted an employer contribution schedule that includes advanced funding of the Judges Retirement System. (FAC Item 4c)

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		

Yvonne Walker	X		
Mulissa Willette	X		
Theresa Taylor			X

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the following agenda items:

- Adopt the employer contribution rate of 23.58% and a member contribution rate of 16% of salary for members subject to the Public Employees’ Pension Reform Act of 2013 for the period of July 1, 2023, through June 30, 2021, for the Judges’ Retirement System II. (FAC Item 4d)
- Adopt the employer contribution rate of 0.00% for the period of July 1, 2023, through June 30, 2024 for the Legislators Retirement System. (FAC Item 4e)
- Terminate the contract between the agency formerly known as the Samoa Peninsula Fire Protection District (SPFPD) and CalPERS in accordance with Government Code section 20572.

In addition, declare SPFPD in default on the effective date of termination, if SPFPD section has not paid the amounts under Government Code Section 20577. (FAC Item 6a)

Michele Nix, Acting Chief Financial Officer, followed up on Committee direction and reported the following: that she contacted Troy Nicolini from SPFPD and discussed options to continue the contract with SPFPD. That she also followed up with an email to Mr. Nicolini offering the following: CalPERS will accept a wire of \$300,000 to be paid towards the arrears amount by the time the Board meets to discuss. The distribute will be responsible for paying \$15,231 by June 30th, 2023, which would clear the principal amount of the arrears. On July 1, 2023, the District will be responsible for paying a revised monthly amount of \$6,935.58. This was calculated using an amortization period of 15 years. CalPERS also provided SPFPD an option to handle any interest outstanding by rolling it into the 15-year amortization or paying it off by June 30, 2025. Mr. Nicolini sent Ms. Nix an email stating he was unable to persuade his governing committee to stay in contract.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mulissa Willette	X		
Theresa Taylor			X

Additional information may be found in the February 13, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for April 2023 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Jose Luis Pacheco, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on February 13, 2023.

The Committee elected Jose Luis Pacheco as Chair and elected Mullissa Willette as Vice Chair.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved revisions to implement previous Board direction: Compensation Policy for executives and investment management positions. Approved revisions to reflect the recent changes approved by the Board in November 2022 and January 2023. (PCTM Item 5c)

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor			X

Additional information may be found in the February 13, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for April 2023 in Sacramento, California.

e. Risk and Audit Committee

David Miller, Vice Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on February 13, 2023.

The Committee elected David Miller as Chair and Lisa Middleton as Vice Chair.

Additional information may be found in the February 13, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for June 2023 in Sacramento, California.

f. Board Governance Committee

David Miller, Vice Chair, Board Governance Committee presented the Committee Summary report to the Board. The Committee met on February 13, 2023.

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

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the proposed revisions to the Board's scheduled review of Committee Delegations and the CEO's delegation from annually to biennially. (BD GOV Item 6a)

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor			X

The next meeting of the Board Governance Committee is tentatively scheduled for June 2023 in Sacramento.

AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 through 8a5 as the Board's own decisions with the following minor modifications argued by staff to Agenda Item 8a1.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		

Theresa Taylor			X
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AGENDA ITEM 8b – PROPOSED REGULATION FOR THE DEFINITION OF LIMITED DURATION EMPLOYMENT

PUBLIC COMMENT:

Kory Honea, Sheriff of Butte County, asking the Board member to consider an exemption to public safety personnel when it comes to the definition of limited duration employment.

Johnnie Pena, representing The League of Cities thanked CalPERS staff for speaking to the League about the changes to the regulation.

On **MOTION** by Lisa Middleton, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, with one no vote, the Board moved to approve Agenda item 8b.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Nicole Griffith for Eraina Ortega		X	
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor			X

AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE

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

AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION

Direction was given for the team to reach out to Sherriff’s Association to work with them on the language.

AGENDA ITEM 9c – PUBLIC COMMENT

Lawrence Grossman, representing himself spoke on CalPERS Long Term Care program.

Susan Cohen, representing herself spoke on CalPERS Long Term Care program.

Al Darby, representing RPEA thanked Anthony Suine for his years of service.

Cesar Moreira, Union Worker working at the Refresco Bottling Company in New Jersey, KKR is the new owner. John O’Campo translated for Mr. Moreira. Mr. Moreira spoke about his concerns over the working conditions.

The Public meeting adjourned at approximately 10:22 a.m.

The Public meeting recessed into closed session

The Public meeting reconvened into open session at approximately 11:45 a.m.

The Public meeting adjourned at approximately 11:45 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration
Agenda Item 5b

REVISED

February 14, 2023

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
Theresa Taylor	March 5-9, 2023	Stockholm, Sweden	International Corporate Governance Network Stockholm Conference	\$3,450.00
Ramon Rubalcava	March 3-9, 2023	Washington, DC	Council of Institutional Investors Spring Conference	\$2,000.00

There are Board Member Travel Reports attached.

Attachment 1

Attachment 2

Theresa Taylor
President
Board of Administration



Investment Committee Meeting Summary

November 16, 2022

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

The Investment Committee met on November 14, 2022.

The Committee approved the following reports:

- Revisions to the Total Fund Policies – Private Asset Classes – Second Reading; and,
- Assembly Bill 890: Diversity in the Management of Investments 2021-22 Fiscal Year Report.

The Committee received reports on the following topics:

- CalPERS' Response to the Taskforce on Climate-Related Financial Disclosure (TCFD) and Senate Bill 964,
- Consultant Review of CalPERS Divestments,
- Liquidity Management, and
- Responsible Contractor Policy.

The Committee heard public comment on the following topics:

- Private Equity Investments and Climate Change.

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

- The Committee will receive reports on Global Real Estate Sustainability Benchmark, CalPERS Trust Level Reviews, and an update on Proxy Voting and Corporate Engagement.

The next meeting of the Investment Committee is scheduled for March 13, 2023, in Sacramento, California.