

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
MINUTES OF MEETING  
OPEN SESSION  
Wednesday, June 16, 2021**

The Board of Administration met via teleconference on Wednesday, June 16, 2021.

The teleconference meeting was called to order at approximately 11:26 a.m. and the following members were present:

Henry Jones, President  
Margaret Brown  
Rob Feckner  
Frank Ruffino for Fiona Ma  
Lisa Middleton  
David Miller  
Stacie Olivares  
Eraina Ortega  
Theresa Taylor  
Shawnda Westly  
Lynn Paquin for Betty Yee

Board of Administration Members excused: Ramon Rubalcava

Meeting was recessed into closed session at approximately 11:27 a.m.

Meeting was reconvened into open session at approximately 12:30 p.m.

**AGENDA ITEM 2 – APPROVAL OF THE JUNE 16, 2021 BOARD OF ADMINISTRATION  
TIMED AGENDA**

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

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

## AGENDA ITEM 4 – PRESIDENT’S REPORT

President Jones recognized Juneteenth and Pride Month.

## AGENDA ITEM 5 – EXECUTIVE REPORT

### a. Chief Executive Officer’s Report

Ms. Frost reported on the following:

- Return to Office Plan
- Asset Liability Management process
- Preliminary Health Care Rates
- Annual Career Day
- Diversity Forum
- Pathways for Women event
- CalPERS July Offsite
- Chief Investment Officer Recruitment

As of March 31, 2021, the fiscal year return is 15; the one-year return is 25.5; the three-year return is 8.9; the five-year return is 9.6; and the ten-year return is 8.1.

## AGENDA ITEM 6 – CONSENT ITEMS

### Action Consent Items

- a. Approval of the April 20, 2021 Board of Administration Meeting Minutes
- b. Board Travel Approvals

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

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

## AGENDA ITEM 7 – CONSENT ITEMS

### Information Consent Items:

- a. Board Meeting Calendar

- b. Draft Agenda for the September 15, 2021 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

**PUBLIC COMMENT:**

JJ Jelincic representing himself, spoke on Agenda Item 7c.

**AGENDA ITEM 8 – COMMITTEE REPORTS AND ACTIONS**

a. Investment Committee

Theresa Taylor, Chair, Investment Committee, presented the Committee Summary report to the Board. The Committee met on June 14, 2021.

Additional information may be found in the June 14, 2021 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for September 14, 2021 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 June 15, 2021.

Additional information may be found in the June 15, 2021 Agenda materials and transcripts of the Committee meeting.

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

c. Finance and Administration Committee

The Committee did not meet.

The next meeting of the Finance and Administration Committee is scheduled for September 14, 2021 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 June 16, 2021.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the fiscal year 2021-22 incentive metrics as proposed

by the Board's primary compensation consultant, including alternative number two for the stakeholder engagement metric. (PCTM Item 6a)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown		X	
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the fiscal year 2021 -22 incentive plan for the CEO as presented by the Board's primary compensation consultant. (PCTM Item 6b)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown		X	
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

Additional information may be found in the June 16, 2021 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for September 14, 2021 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 June 3, 2021.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the solicitation for third-party valuation and certification of annual actuarial reports finalist interviews and finalist selection. Approved the award of the contract to Buck Global as the highest-ranking finalist, subject to final negotiations and

satisfaction of all requirements, and direct staff to begin contract negotiations for the contract with Buck Global. (RAC Item 3a)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown		X	
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, the Board approved the proposed 2021-22 Office of Audit Services Plan. (RAC Item 6a)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown		X	
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the proposed independent auditor's annual plan on behalf of the Committee. (RAC Item 6b)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		

Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

Additional information may be found in the June 3, 2021 Agenda materials and transcripts of the Committee meeting.

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

**PUBLIC COMMENT:**

Dev Burger spoke on the preliminary 2022 health care rates and risk mitigation.

f. Board Governance Committee

Lisa Middleton, Vice Chair, Board Governance Committee presented the Committee Summary report to the Board. The Committee met on June 15, 2021.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the current CEO delegation resolution as presented in the agenda item. (GOV Item 4b)

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

The next meeting of the Board Governance Committee is scheduled for September 15, 2021 in Sacramento.

**AGENDA ITEM 9a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES**

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 9a1 through 9a7, 9a9 and 9a11 with minor modifications as argued by staff to Agenda Items 9a6, 9a7, and 9a11 and remand agenda items 9a9, 9a6 and 9a8 for the taking of additional evidence as argued by staff.

Name	Yes	No	Abstain
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X

Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

On **MOTION** by Theresa Taylor, **SECONDED** by Rob Feckner, and **CARRIED**, with a roll call vote, with one no vote by Margaret Brown, with one abstention by David Miller, the Board moved to adopt the proposed decision of Administrative Law Judge (ALJ) for Agenda Items 9a12 with minor modifications as argued by staff to Agenda Item 9a12.

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

On **MOTION** by Theresa Taylor, **SECONDED** by Rob Feckner, and **CARRIED**, with a roll call vote, with one abstention by Theresa Taylor, the Board moved to adopt the proposed decision of Administrative Law Judge (ALJ) for Agenda Items 9a10.

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

**AGENDA ITEM 9b – PETITIONS FOR RECONSIDERATION**

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board moved to deny the petitions for reconsiderations of Agenda Items 9b2.

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

On **MOTION** by Theresa Taylor, **SECONDED** by Rob Feckner, to deny the petitions for reconsiderations of Agenda Items 9b1.

On **SUBSTITUTE MOTION** by David Miller, **SECONDED** by Margaret Brown, and **CARRIED**, with a roll call vote, with two no votes by Lisa Middleton and Eraina Ortega, the Board moved to remand Agenda Item 9b1 for further taking of evidence in front of an ALJ.

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

**AGENDA ITEM 9C – ASSEMBLY BILL 1130 (WOOD) CALIFORNIA HEALTH CARE QUALITY AND AFFORDABILITY ACT**

On **MOTION** by Theresa Taylor, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, the Board adopted a support position on Assembly Bill 1130 (Wood).

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

Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

**AGENDA ITEM 9D – SENATE BILL 457 (PORTANTINO) – SEGREGATED INVESTMENT PORTFOLIO: REPUBLIC OF TURKEY**

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, with a roll call vote, with two abstentions by Frank Ruffino for Fiona Ma and Eraina Ortega, the Board adopted an oppose position on Senate Bill 457 (Portantino).

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma			X
Lisa Middleton	X		
David Miller	X		
Eraina Ortega			X
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

**AGENDA ITEM 9E – ASSEMBLY BILL 890 (CERVANTES) – EMERGING AND DIVERSE INVESTMENT MANAGERS**

On **MOTION** by David Miller, **SECONDED** by Theresa Taylor, and **CARRIED**, with a roll call vote, with two abstentions by Eraina Ortega and Shawnda Westly, the Board adopted a support position on Assembly Bill 890 (Cervantes).

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega			X
Theresa Taylor	X		
Shawnda Westly			X
Lynn Paquin for Betty Yee	X		

## AGENDA ITEM 9F – FIDUCIARY COUNSEL POOL

On **MOTION** by Rob Feckner, **SECONDED** by Margaret Brown, and **CARRIED**, with a roll call vote, the Board approved to select three firms to participate in the external fiduciary counsel pool.

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

## AGENDA ITEM 10a – STATE AND FEDERAL LEGISLATION UPDATE

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

## AGENDA ITEM 10b – ANNUAL STAKEHOLDER PERCEPTION SURVEY UPDATE

David Teykaerts, CalPERS Team Member, provided an update on the Annual Stakeholder Perception Survey.

## AGENDA ITEM 10c – SUMMARY OF BOARD DIRECTION

Direction was given to provide Lisa Middleton the number of respondents who were employers and employer leaders.

## PUBLIC COMMENT

Joanne Hollender, representing RPEA would like to see more consideration for the PPO Medicare plans, because they did not benefit from the reserve funds and readjust.

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

On **MOTION** by David Miller, and **SECONDED** by Margaret Brown, and **CARRIED**, the Board approved to meet in closed session for the Information Security Update and Cybersecurity Briefing.

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Margaret Brown	X		
Rob Feckner	X		
Henry Jones			X
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
David Miller	X		
Eraina Ortega	X		
Theresa Taylor	X		
Shawnda Westly	X		
Lynn Paquin for Betty Yee	X		

The Public meeting recessed into closed session at approximately 2:35 p.m.

The Public meeting reconvened at approximately 4:15 p.m.

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

The Public meeting adjourned at approximately 4:16 p.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

---

MARCIE FROST  
Chief Executive Officer



Investment Committee

## Open Session Meeting Summary

**June 16, 2021**

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 via videoconference on June 14, 2021.

### **THE COMMITTEE approved the following:**

- AGENDA ITEM 6a  
Adopt the proposed updates to the Long-Term Care (LTC) investment policy and implementation timing that are associated with the Asset Liability Management Review.

### **The Committee received reports on the following topics:**

- Information from Goldman Sachs on the current market environment including a market review, Goldman Sachs strategic long-term capital market assumptions, and factors impacting changes in capital market assumptions.
- Potential revisions to the Total Fund Investment Policy that pertains to tracking error and related conforming changes.
- A progress report on CalPERS' Sustainable Investment Five Year Strategic Plan.
- The Chair directed staff to:
  - Bring an action item back to the Committee in September 2021, in follow-up to item 7b, regarding tracking error in the Total Fund Policy and work with Wilshire to include information on other plans.

The Committee heard public comment on the following topic:

- Sustainability factors which pose investment risk.

### **At this time, I would like to share some highlights of what to expect at the September 2021 Investment Committee meeting:**

- CalPERS Trust Level Review and Annual Program Reviews;
- CalPERS Trust Level Review Consultant Report and Annual Program Reviews;
- More information on the Asset Liability Management Process; and,
- Total Fund Policy Updates.

The next meeting of the Investment Committee is scheduled for September 14, 2021, via videoconference.