

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Wednesday, March 16, 2022**

The Board of Administration met on Wednesday, March 16, 2022 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

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

Theresa Taylor, President
Rob Feckner, Vice President
Frank Ruffino for Fiona Ma
David Miller
Eraina Ortega
Jose Luis Pacheco
Ramon Rubalcava
Lynn Paquin for Betty Yee

Board of Administration Members excused: Lisa Middleton and Shawnda Westly

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

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

AGENDA ITEM 4 – PRESIDENT'S REPORT

President Taylor recognized March as Women's History Month.

President Taylor shared the dates of our Board Offsite dates as July 11-13, 2022 in Monterey, California.

AGENDA ITEM 5 – EXECUTIVE REPORT

a. Chief Executive Officer's Report

Ms. Frost reported on the following:

- Return to Office in the new hybrid schedule
- Reopening of the Regional Offices
- Implementation of the strategic asset allocation
- Annual Stakeholder Survey
- The Association of California Cities, Orange County Division Legislative Day
- California Assembly and Senate joint legislative information hearing
- The Annual Pathways for Women event on August 23, 2022

- The CalPERS Employer Education Forum November 1-3, 2022

Ms. Frost thanked Christian Farland for his service to CalPERS.

AGENDA ITEM 6 – CONSENT ITEMS

Action Consent Items

- a. Approval of the February 15, 2022 Board of Administration Meeting Minutes
- b. Board Travel Approvals

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

AGENDA ITEM 7 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the April 18 and 19, 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

David Miller, Chair, Investment Committee, presented the Committee Summary report to the Board. The Committee met on March 14, 2022.

Additional information may be found in the March 14, 2022 Agenda materials and transcripts of the Committee meeting.

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 March 15, 2022.

The Committee reelected Rob Feckner as Chair and Ramon Rubalcava as Vice Chair of the Pension and Health Benefits Committee.

On **MOTION** by Committee, and **CARRIED**, the Board approved staff's recommendation to make revisions to Section 599.500, subdivision (o) of the PEMHCA Regulations to clarify Parent-Child Relationships (PCR) dependent eligibility. (PHBC Item 5c)

On **MOTION** by Committee, and **CARRIED**, the Board approved the extension of CalPERS Pharmacy Benefit Manager (PBM) contract with OptumRx for two additional years. This extension improves current drug pricing, increases drug pricing transparency, and enables CalPERS to provide continuity of pharmaceutical benefit management services. (PHBC Item 7b)

On **MOTION** by Committee, and **CARRIED**, the Board approved the release of a Long-Term Care (LTC) Program Third-Party Administrator (TPA) solicitation. Approved a one, plus one, plus five-year contract term if the LTC TPA contract is awarded to a new vendor. The one plus one terms would allow for transition from the current vendor to the new vendor prior to starting the standard five-year term. Approved a standard five-year term if awarded to the incumbent. Approved extension of the current LTC TPA contract with Long-Term Care Group, Inc. (LTCG) for up to 24 months. (PHBC Item 7c)

Additional information may be found in the March 15, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for April 19, 2022 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 April 18, 2022 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

The Committee did not meet.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for April 19, 2022 in Sacramento, California.

e. Risk and Audit Committee

The Committee did not meet.

The next meeting of the Risk and Audit Committee is scheduled for April 18, 2022 in Sacramento, California.

f. Board Governance Committee

Theresa Taylor, Vice Chair of Board Governance Committee presented the Committee Summary report to the Board. The Committee met on March 15, 2022.

The Committee elected Theresa Taylor as Chair and Lisa Middleton and Vice Chair of the Board Governance Committee.

Additional information may be found in the March 15, 2022 Agenda materials and transcripts of the Committee meeting.

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 through 9a10 with minor modifications argued by staff to Agenda items 9a1, 9a2, 9a7, and 9a10.

AGENDA ITEM 9b – PETITIONS FOR RECONSIDERATION

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

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

No Board direction was given.

AGENDA ITEM 10c – PUBLIC COMMENT

JJ Jelincic, Health Benefits Director for RPEA spoke on the request of having a call in number for public comment and items that are important enough to require a change in regulations they should not be on consent.

Tim Behrens representing CSR congratulated Theresa Taylor on her presidency and Rob Feckner on his vice presidency. Mr. Behrens also spoke on having a call in number for public comment.

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

On **MOTION** by David Miller, **SECONDED** by Frank Ruffino, the Board approved to meet in closed session.

The Public meeting recessed into closed session at approximately 9:34 a.m.

The Public meeting reconvened in open session at approximately 11:06 a.m.

The Board reported that it met in closed session and received an Information Security Update and Cybersecurity Briefing and took no action.

The Public meeting adjourned at approximately 11:06 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration
Agenda Item 6b

March 16, 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
Ramon Rubalcava	April 24-26, 2022	Phoenix, AZ	Attend the International Foundation for Employee Benefit Plan - Health Care Management Conference	\$2,495.00
Lisa Middleton	April 26-28, 2022	Seattle, WA	Speak at the Pacific Northwest Investors Conference	\$825.00
Ramon Rubalcava	May 20-25, 2022	Washington, DC	Attend the International Foundation for Employee Benefit Plan – Washington Legislative Update	\$2,875.00

THERESA TAYLOR, President
Board of Administration



Investment Committee

Meeting Summary

March 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 March 14, 2022.

The Committee approved the following:

- AGENDA ITEM 5b
The recommendation to maintain the Investment Committee's current delegation.
- AGENDA ITEM 7a
To select Wilshire Associates as the Private Debt Consultant.
- AGENDA ITEM 7b
To adopt the recommended Fixed Income Long Liability benchmark weights for the Affiliate Funds and Candidate Portfolio A for each Affiliate Trust as its policy portfolio.

The Committee received reports on the following topics:

- A panel discussion on the risks and opportunities of investing in emerging markets.
- A review of staff's suggested changes to the Total Fund and Global Fixed Income Policies.
- The Chair directed staff to:
 - Contract with Wilshire Associates as the Board Investment Consultant for Private Debt and begin the RFP process for the General Pension Consultant and the Private Assets Consultant as soon as practical,
 - Consolidate all Asset Class Policies into the Total Fund Policy, and,
 - Establish specific allocation range targets for each strategy and summarize program related responsibilities within the Private Debt Policy, consistent with the Private Equity Policy.

The Committee heard public comment on the following topics:

- Investment strategy and risks; and CalPERS' Diversity, Equity, and Inclusion strategy.

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

- The second reading of proposed changes to the Total Fund and Global Fixed Income Program Policies, and
- A first reading of proposed changes to the Private Equity and Real Assets Policies.

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