

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
OPEN SESSION

CALPERS AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, NOVEMBER 16, 2022

9:00 A.M.

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

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

Rob Feckner, Vice President

Fiona Ma, represented by Frank Ruffino

Lisa Middleton

David Miller

Eraina Ortega

Jose Luis Pacheco

Ramon Rubalcava

Mullissa Willette

Gail Willis, PhD

Betty Yee

STAFF:

Marcie Frost, Chief Executive Officer

Michael Cohen, Interim Chief Operating Investment Officer

Douglas Hoffner, Chief Operating Officer

Matthew Jacobs, General Counsel

Stephenson Loveson, Interim Chief Information Officer

Donald Moulds, PhD, Chief Health Director

Nicole Musicco, Chief Investment Officer

Michele Nix, Acting Chief Financial Officer

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholder Relations

APPEARANCES CONTINUED

STAFF:

Anthony Suine, Deputy Executive Officer, Customer Services & Support

Scott Terando, Chief Actuary

Marlene Timberlake D'Adamo, Chief Diversity, Equity, and Inclusion Officer

Danny Brown, Chief, Legislative Affairs Division

David Teykaerts, Assistant Division Chief, Stakeholder Relations Division

ALSO PRESENT:

Susan Adams, California School Employees Association

Christina Beruman, California School Employees Association

Cheryl Carter, California School Employees Association

William Cunningham, Creative Investment Research

Nadine Franklin, California School Employees Association

Carla Held, California School Employees Association

J.J. Jelincic

Neal Johnson

Teri Minoux, California School Employees Association

Martha Penry, California School Employees Association

INDEX

	<u>PAGE</u>
1. Call to Order and Roll Call	1
2. Pledge of Allegiance - Theresa Taylor	1
3. Board President's Report - Theresa Taylor	2
4. Chief Executive Officer's Report (Verbal) - Marcie Frost	30
5. Action Consent Items - Theresa Taylor	38
a. Approval of the September 21, 2022, Board of Administration Meeting Minutes	
b. Board Travel Approvals	
c. Approval of the November 16, 2022, Board of Administration Timed Agenda	
6. Information Consent Items - Theresa Taylor	39
a. Board Meeting Calendar	
b. Draft Agenda for the February 14, 2023, Board of Administration Meeting	
c. General Counsel's Report	
d. Communications and Stakeholder Relations	
e. 2021-22 Fiscal Year-End Compensation for Statutory Positions	
7. Committee Reports and Actions	
a. Investment Committee (Verbal) - David Miller	40
b. Pension & Health Benefits Committee (Verbal) - Rob Feckner	41
c. Finance & Administration Committee (Verbal) - Lisa Middleton	45
d. Performance, Compensation & Talent Management Committee (Verbal) - Rob Feckner	
e. Risk & Audit Committee (Verbal) - Lisa Middleton	54
f. Board Governance Committee (Verbal) - Theresa Taylor	58
8. Action Agenda Items	
a. Proposed Decisions of Administrative Law Judges - Theresa Taylor	60
1. Nancy Dubon	
2. Roberto Martinez Jr.	
3. John Deis	
4. Jean K. Spees	
5. Nicholas R. Meigs	

INDEX CONTINUED

	<u>PAGE</u>
6. Tyler Diamond, Alex Duncan, & Ryan P. Lawrence	
7. Philip F. Ketterle	
8. Dana Sutton Kennedy	
9. Matthew Jeffery Allendorph	
10. John A. Cano	
11. Stephen B. Meadows	
12. William F. Rylaarsdam (Rylaarsdam Family Trust)	
13. Juliet Kharileh	
b. Petitions for Reconsideration - Theresa Taylor	62
1. Robert J. Gardner	
2. Donald White	
c. State Legislative Proposal: Technical and Clarifying Amendments to the Public Employees' Retirement Law - Danny Brown	63
9. Information Agenda Items	
a. State and Federal Legislation Update - Danny Brown	66
b. Summary of Board Direction - Marcie Frost	77
c. Public Comment	77
10. Approval to Meet in Closed Session Pursuant to Government Code Section 11126(c)(18)(A) - Theresa Taylor	79
11. Report out on Information Security Update and Cybersecurity Briefing	83
12. Adjournment of Meeting	84
Reporter's Certificate	85

PROCEEDINGS

1
2 PRESIDENT TAYLOR: Good morning, everybody. I am
3 calling the Board of Administration meeting to order.

4 First order of business I've asked Mr. Feckner to
5 lead us in the Pledge of Allegiance.

6 VICE PRESIDENT FECKNER: Hand over heart.

7 (Thereupon the Pledge of Allegiance was
8 recited in unison.)

9 PRESIDENT TAYLOR: Thank you, Mr. Feckner. Can
10 we have roll call, please.

11 BOARD CLERK: Theresa Taylor?

12 PRESIDENT TAYLOR: Here.

13 BOARD CLERK: Rob Feckner?

14 VICE PRESIDENT FECKNER: Good morning.

15 BOARD CLERK: Frank Ruffino for Fiona Ma?

16 ACTING BOARD MEMBER RUFFINO: Present.

17 BOARD CLERK: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Present.

19 BOARD CLERK: David Miller?

20 BOARD MEMBER MILLER: Here.

21 BOARD CLERK: Eraina Ortega?

22 BOARD MEMBER ORTEGA: Here.

23 BOARD CLERK: Jose Luis Pacheco?

24 BOARD MEMBER PACHECO: Present.

25 BOARD CLERK: Ramon Rubalcava?

1 BOARD MEMBER RUBALCAVA: Present.

2 BOARD CLERK: Mullissa Willette?

3 BOARD MEMBER WILLETTE: Here.

4 BOARD CLERK: Dr. Gail Willis?

5 BOARD MEMBER WILLIS: Present.

6 BOARD CLERK: Controller Betty Yee?

7 BOARD MEMBER YEE: Here.

8 PRESIDENT TAYLOR: We got it. Okay.

9 So I -- we have -- also have our CalPERS Patriot
10 Chorus has assembled and they are going to come up here
11 and sing our National Anthem.

12 (Thereupon the Patriot Chorus sang the
13 National Anthem).

14 (Applause).

15 PRESIDENT TAYLOR: Thank you very much to the
16 CalPERS Patriot Chorus. That was wonderful. Thank you.

17 Good morning again. Last Friday, our nation
18 celebrated Veterans Day. It's a time when Americans pay
19 their respect to those who have served in our armed forces
20 and those who are currently serving. For one day, we
21 stand united in respect of our veterans and their service
22 to our country. We do have a number of veterans on the
23 CalPERS team and among the ranks of our stakeholders. So
24 I'd like to ask all of the veterans to stand and be
25 recognized.

1 We don't have any here today.

2 There we go. We got one.

3 (Applause).

4 PRESIDENT TAYLOR: All right. Thank you.

5 In honor of Veterans Day, we would like to share
6 with you a video of our spotlight on excellence recipient
7 who was honored at our Educational Forum last week. His
8 name the Julian Bond. He's a veteran and an Administrator
9 at the California Department of Veterans Affairs. If we
10 could please roll the video.

11 (Thereupon a video was played).

12 (Technical difficulties).

13 PRESIDENT TAYLOR: Give us a minute guys, sorry.

14 VICE PRESIDENT FECKNER: It's worth the wait.

15 PRESIDENT TAYLOR: Yeah, it's really good.

16 (Thereupon a video was played).

17 (Applause).

18 PRESIDENT TAYLOR: All right. That was great.

19 Sounds especially loud.

20 Does that change?

21 Wow. Oh, that's a little better.

22 So it's a special day for the Board and for the
23 CalPERS family. And we are bidding farewell to two of our
24 colleagues, so it's -- don't be surprised if I cry a
25 little bit, okay? Controller Betty Yee and Vice President

1 Rob Feckner, this is their last official meeting as
2 members of the Board.

3 Betty Yee joined our Board in 2015. You and I
4 joined together, remember, and when she was elected as
5 State Controller. As the State's chief fiscal officer,
6 she brought more than three decades of public service
7 experience in State, local, and finance tax policy to the
8 system. She's encouraged dialogue and thoughtful debate
9 as a member of the Board, and has always welcomed the
10 views of member and employer stakeholders. Betty has been
11 a champion of defined benefit plans, diversity, equity,
12 and inclusion, and a staunch advocate for sustainable
13 investments that address the growing risks of climate
14 change. Her expertise and judgment have significantly
15 contributed to enhancing the financial security of CalPERS
16 members, retirees, and their families.

17 You want to please join me on the stage.

18 Okay. So Betty, I want to present you -- I don't
19 know if I can do both the microphone and this. So I want
20 to present you with our resolution.

21 "Whereas, Betty Yee assumed her seat on the
22 California Public Employees' Retirement System, Board of
23 Administration upon her election as State Controller, and;

24 "Whereas, she has served with distinction on the
25 CalPERS Board since January 2015 representing the citizens

1 of California as the State's Chief Fiscal Officer.

2 "Whereas, she brought more than three decades of
3 public service experience in State local finance and tax
4 policy and valuable knowledge that guided the nation's
5 largest pension fund, and;

6 "Whereas, Controller Yee serves on dozens of
7 boards, including Chairing the Franchise Tax Board..." -
8 my agency, "...the State Lands Commission, where she
9 advocates strong action on climate change, and;

10 Whereas, Controller Yee was the -- was only the
11 10th woman in California history elected to statewide
12 office and was reelected to a second term in 2018, and;

13 "Whereas, she encouraged dialogue and thoughtful
14 debate as amember of the CalPERS Board and welcomed the
15 views of member and employer stakeholders, and;

16 "Whereas, she offered important insights on
17 ensuring financial soundness and integrity of the system
18 and advocated for transparency and inclusion of diverse
19 perspectives, and;

20 "Whereas, her experience and judgment has
21 significantly contributed to enhancing the financial
22 security of CalPERS members and protecting defined benefit
23 plans;

24 "Now therefore, be it resolved, that the CalPERS
25 Board of Administration individually and as a body

1 expresses its sincere appreciation to Betty Yee for her
2 many contributions and outstanding service to this system,
3 and we extend our best wishes to you in the future".

4 (Applause).

5 (Standing Applause).

6 PRESIDENT TAYLOR: All right. I have -- I didn't
7 mean to take this with me. I'll be right back though.

8 Betty, you want to say a few words. We should
9 have done that out there.

10 You didn't have the mic though.

11 (Laughter).

12 PRESIDENT TAYLOR: Hold on a sec.

13 There you go.

14 BOARD MEMBER YEE: Thank you very much.

15 President Taylor, Theresa, my friend, and to all of my
16 colleagues on the dais. As Theresa said, I do have a seat
17 on over 70 boards and commissions. And I can think of no
18 higher honor than to be a member of this Board to be
19 entrusted with the awesome responsibility of really
20 guarantying the retirement security for over two million
21 members and beneficiaries. So it's really been the honor
22 of our -- of my public service.

23 But I don't do this alone. And I -- and it's
24 always the people you're going to miss when you finish
25 this work, but I really do want to pay a attribute to my

1 Deputy Controller for Investments, Lynn Paquin and my
2 Chief of staff Karen Greene Ross who are here.

3 (Applause).

4 BOARD MEMBER YEE: This has been -- I was just
5 saying to someone this morning, this has been like a
6 college course over the last eight years, that a
7 wonderfully -- just really a great experience with
8 bringing what you have learned up until this date, but
9 every day just being exposed to so many new things. And
10 it really has been such a wonderful experience.

11 You know, as I leave this Board, I am very, very
12 just pleased that we are in the best of hands. Marcie,
13 your continued sustained leadership of this fund and your
14 continuing to just bring in the best of talent. To Nicole
15 Musicco, thank you for bringing us back on track. And I
16 have just every hope that we will continue to do well as a
17 fund against all of the odds that are really at us every
18 day.

19 And I'll just conclude by saying that, you know,
20 there's no place for politics on a Board like this, and --
21 but there is a place for supporting just the best of
22 talent with respect to investments and being sure that we
23 are doing our job and delivering the benefits and to our
24 pensioners with -- who rely on us for the best of health
25 care, and then health benefits as well.

1 This is not a place for politics and yet we're in
2 this world where so much around us is about everyone
3 taking some pretty hard positions. And I say that,
4 because our work will continue to be challenged by that.
5 And as a public official, first, I -- let me just say, I
6 could not do this without the tremendous personal support
7 that I've had in my husband Steven Jacobs, who's in the
8 audience, who understands the demands of public life. All
9 of us know what that means. But as we continue to be
10 attacked for the positions we take, as we continue to look
11 at how pension funds become the place where a lot of
12 political battles, people believe this is where they
13 should be fought and won inappropriately, I just ask that
14 we all keep our eye on the prize, and that is to the two
15 million members and Beneficiaries and their families who
16 depend on us.

17 And many of them are here in this audience. And
18 let me just say to you, I look at you at every meeting
19 where -- that I attend and thank you for helping us to
20 keep the focus on what's important. And to my colleagues,
21 and particularly to Vice President Feckner, thank you for
22 really providing me the honor of a lifetime to serve.

23 Thank you.

24 (Applause).

25 PRESIDENT TAYLOR: Thank you, Betty.

1 Betty and I sort of learned together. And by
2 happenstance of our last names, we sat next to each other
3 often. So we were leaning over going what was that? So
4 it's a pleasure to have served with you. I'm going to
5 miss you. Don't be a stranger.

6 I may call you too.

7 BOARD MEMBER YEE: That's okay.

8 PRESIDENT TAYLOR: On behalf of the CalPERS Board
9 of Administration -- well, let's move on.

10 I have the honor and privilege of recognizing
11 now, our longest serving Board member and dear friend Rob
12 Feckner, who was my first like person that I went to for
13 all the advice I absolutely had to have, because I was
14 very confused when I got on the Board.

15 Rob joined the CalPERS Board in 1999 after being
16 elected to the seat that represents the school members.
17 He was young. You still are.

18 (Laughter).

19 PRESIDENT TAYLOR: Employee of the Napa Valley
20 Unified School District, where we has worked for the past
21 43 years. So were 7 when you joined, right?

22 VICE PRESIDENT FECKNER: Yeah.

23 (Laughter).

24 PRESIDENT TAYLOR: His career and tenure on the
25 Board have included a number of leadership roles including

1 Past President of the California School Employees
2 Association, Board President for 12 years, Vice President
3 and Chair or Vice Chair of nearly every Board Committee,
4 if not all. Quite frankly, you've been our rock here on
5 the Board for a -- Rob, so I'm really, wooh, going to miss
6 you.

7 Rob has been a steady hand that has guided this
8 system through good and challenging times, always
9 upholding transparency, accountability, and strong ethics
10 along the way. He's a man of few words, but when he does
11 have something to say, he is thoughtful and wise. Rob is
12 most known for his compassion for our members, their
13 families, and for every hard working public servant.
14 Simply put, he's a kind and gentle soul and don't forget
15 the special power of attorney, guys.

16 (Laughter).

17 PRESIDENT TAYLOR: I'd like to turn the -- I'd
18 like to turn the floor over to CEO Marcie Frost for a few
19 words about Betty and Rob before I ask Rob to join me on
20 the stage.

21 CHIEF EXECUTIVE OFFICER FROST: Thank you.
22 President Taylor. It's been a real honor and privilege to
23 be able to work with both Betty and Rob. And so Betty,
24 just thank you so much for your comments. We very much
25 relied on your wisdom and your insight the entire time

1 I've been here and certainly before I was here the two
2 years.

3 So when you say that Betty has been an advocate
4 for climate responsible investing, I think that is a real
5 understatement. It really just touches on the surface of
6 her influence, not only on our own investment policies,
7 but also just the global landscape in which we -- which we
8 run this fund. Betty saw early on the importance of
9 addressing climate change in the portfolio as a primary
10 risk, and she was an important partner in the creation of
11 the Climate Action 100+, which now has \$55 trillion behind
12 that initiative.

13 As for her commitment to the importance of
14 diversity, equity, and inclusion, Betty has provided
15 significant impact and input as we have created the own --
16 our own DEI framework, and also actively participated in
17 each of the diversity investment forums, of which we have
18 another one coming up this spring. She often volunteered
19 to serve as a presenter or a speaker, and really spoke
20 about the difference that DEI initiatives can make in the
21 financial marketplace, and more importantly, the impact on
22 returns and performance.

23 More recently, Betty helped kick off our Pathways
24 for Women event, which was a wonderful event by --
25 attended by many women in person. And she also moderated

1 a keynote discussion with our Chief Justice Tani
2 Cantil-Sakauye. It was an inspiring moment. And even
3 though Betty was the interviewer, we also got a lot of
4 insight into Betty's own career path and a little bit
5 about her childhood, which was really interesting and
6 really appreciated you being so willing to tell your
7 personal story.

8 She also inspired so many people in the audience
9 about pursuing their own leadership journeys. Perhaps her
10 most important perspectives have come from her role as the
11 State's top fiscal leaders, or of them. She's kept a
12 focus on the members of CalPERS and the policies that will
13 best serve them. So I want to thank you, Betty, for your
14 leadership and your care, your real care for CalPERS, not
15 only the members of the system, but also the employees who
16 serve the members of this system.

17 So you served CalPERS and Californians well and
18 we really wish you the very best. We hope you enjoy your
19 flowers. Those are sent to you on behalf of the executive
20 team.

21 So now, Rob. Okay. So Rob, you've been a real
22 leader, colleague, and a friend to all of us. There's a
23 saying out friendly not friends, but we certainly have a
24 real friendship with you. Your service on the Board will
25 be one for the history books. Frankly, I think you could

1 write a book. I won't be surprised if you don't have
2 people reaching out to you to do that.

3 Rob has really seen it all. When he joined the
4 Board, our assets stood at just about \$160 billion. They
5 now today are over \$400 billion, but the assets alone
6 don't tell the bigger picture or the greater picture. Rob
7 has seen CalPERS go from a superfunded status, well over
8 100 percent, to a low of 64 percent, just as I arrived in
9 2016 and then back up again.

10 Through those cycles of growth and decline, he
11 has led with a steady hand willing to make the tough
12 decisions when needed. That was the case when I came here
13 in 2016. There was some very serious work to be done on
14 the discount rate that would ultimately impact not only
15 our employer partners, but also the contributions that our
16 members make into the system to help fund their own
17 benefit.

18 Rob's guidance through those early days helped
19 smooth the path for the difficult but necessary work
20 ahead. In the years, I worked with Rob, he's always
21 proven to be a great resource, always willing to answer
22 the phone when I call him, supportive of the strategic
23 work that needed to be done, but above all deeply focused
24 on the people we serve and the employees here at CalPERS
25 who serve our members. Rob's focus on people has always

1 been his greatest asset. His passion for public service
2 and the noble calling it represents will be his lasting
3 legacy, I'm sure.

4 So Rob, thank you for all you've done on behalf
5 of our two million members, our 2800 employees, and for
6 your support of my CalPERS journey as well.

7 President Taylor, back to you

8 PRESIDENT TAYLOR: Thank you, Ms. Frost.

9 So one more time before we go on stage, I'd like
10 to roll the tape for a few of your friends and former
11 colleagues to describe you.

12 (Thereupon a video was played).

13 (Applause).

14 PRESIDENT TAYLOR: So Rob, at this time, will you
15 join me on the stage. Bring your box with you.

16 (Laughter).

17 PRESIDENT TAYLOR: There we go. All right.

18 So, Rob, it's my honor to present you with this
19 resolution from the Board. And I'm going to turn it
20 around so we can all see it. Rob, I want to read this to
21 you.

22 "Whereas, Rob Feckner was elected to the
23 California Public Employees' Retirement System Board of
24 Administration by the CalPERS school members, and;

25 "Whereas, he has served with distinction on the

1 CalPERS Board since January of 1999 and held the title of
2 Board President for 12 years from 2005 to 2017, and;

3 "Whereas, Mr. Feckner has guided the system
4 through both rewarding and challenging times, including
5 organizational changes, market pressures, and strategic
6 policy shifts, and;

7 "Whereas, Mr. Feckner has worked for the Napa
8 Valley Unified School District for the past 43 years and
9 brought his public policy and school administration skills
10 and knowledge to his many CalPERS responsibilities, and;

11 "Whereas, he obtained certificates from the
12 International Foundation of Employee Benefit Plans, and
13 completed the Stanford Fiduciary College Program, which
14 expanded his investment knowledge and displayed his
15 commitment to CalPERS, and;

16 "Whereas, he served as President of the
17 California School Employees Association where he hosted
18 seminars that educated members on the importance of
19 designating a CalPERS special power of attorney, and;

20 "Whereas, Mr. Feckner gained the trust of his
21 colleagues by upholding Board transparency,
22 accountability, and strong ethics, and;

23 "Whereas, he made a sustained effort to ensure
24 members and employers were informed and educated on all
25 aspects of CalPERS business and employee benefits, and;

1 "Whereas, Mr. Feckner made it his mission over
2 the years to ensure CalPERS members received access to
3 quality health care and sustainable pensions, and;

4 "Now therefore, be it resolved, the CalPERS Board
5 of Administration individually and as a body express its
6 sincere appreciation to Rob Feckner for his many
7 contributions and outstanding service to this system and
8 we extend our best wishes to you for retirement in the
9 future".

10 And here you go and congratulations.

11 (Applause).

12 (Standing applause).

13 PRESIDENT TAYLOR: Hold on a sec.

14 Go ahead.

15 VICE PRESIDENT FECKNER: Well, thank you,
16 everyone. It certainly is a bitter sweet moment for me.
17 It's a been a long run, but I will say that I have no
18 regrets. I think we've done great work over the years.
19 And it's so heartfelt and heartening to see -- look out in
20 the audience and see so many friends, whether they be CSEA
21 people, retirees, CalPERS staff, former CalPERS staff. I
22 see a lot of them here today, which thank you for coming.

23 I want a copy of that video. I know I date
24 myself when I say video, but --

25 (Laughter).

1 VICE PRESIDENT FECKNER: -- I do want a copy of
2 that. It's been a -- it's been a journey and there's been
3 a lot of ups and downs, but it was all for the right
4 reason. It was for the members of this system and making
5 sure that they had the retirement that they were entitled
6 to. So I just want to thank each and every one of you for
7 the time that we've spent together, the friendships we've
8 built, and the collegiality that we've been able to
9 achieve.

10 As I told the Board in the exec staff the other
11 night when he had -- when we had a dinner together, that I
12 feel comfortable in leaving, because the Board is in good
13 hands with our executive team, our staff is in good hands
14 with this Board, and our membership is in great hands with
15 a combination of the team of this staff and this Board.
16 And I take to heart that I had a part in building that.
17 And it's a -- again, it's bitter suite.

18 I was -- I was doing pretty good today until my
19 grandson walked in.

20 (Laughter).

21 VICE PRESIDENT FECKNER: That was a surprise and
22 I wasn't prepared for that, but I just want to thank all
23 my colleagues on the Board. It's been one heck of an
24 experience. And I'm glad that to hear the comments where
25 you have learned from me, but I, too, have learned from

1 each and every Board member and staff member that I have
2 come in contract with.

3 As someone said earlier, I don't speak a lot
4 sometimes, that's because I've always thought I needed to
5 listen and learn first. And that's been my mantra. And I
6 hope to be able to -- I hoped I was able to share that
7 information with other folks. And as I told the Board
8 members and Marcie, they'll all have my phone number and
9 personal email. I'm not going to be someone that goes
10 away. In fact, as I told Marcie, I didn't spend 24 years
11 helping to build this to watch it deteriorate now.

12 So if I can offer any help or guidance, I will
13 always be there to give my advice. Whether you take it or
14 not is up to you.

15 (Laughter).

16 VICE PRESIDENT FECKNER: But I'm going to be
17 there to give it and I think any Board member should do
18 that.

19 I mean, if you're here for the right reasons, you
20 should be willing to give that information and share that
21 going forward, whether you're sitting up here or not.

22 I want to thank my family. It has certainly been
23 a heck of a journey for them as well. I was sitting here
24 making a few notes. I mean, I've had five CEOs, and six
25 CIOs over the years and nobody else can say that. So

1 that's certainly an accomplishment amongst itself. I
2 spent 37 and a half percent of my life on this Board,
3 which certainly when I put the math together I said, wow,
4 yeah, it probably is time.

5 (Laughter).

6 VICE PRESIDENT FECKNER: But what really brought
7 it to light for me is my son was 16 when I joined this
8 Board. He's now well established adult at 40 years of age
9 with a lovely grandson. And it's certainly been a
10 journey, because he would have to traipse up here with me
11 at 16 years of age on occasion. And having to tote him
12 around to hotel, vacations, and things like that was
13 certainly a challenge. So I appreciate the sacrifices
14 that my family gave, so that I was able to serve.

15 So with that, I just want to again thank
16 everyone. This has been a total honor and what a great
17 day and a great way to go out. So thank you. As I've
18 always said -- my wife reminded me this morning, I've
19 always said that I like to see especially, as Nicole
20 brings her sports analogies in and the athletes, I've
21 always wanted to see athletes leave where they're on the
22 top of their game. I'm on the top of my game.

23 Thank you.

24 (Applause).

25 PRESIDENT TAYLOR: Rob, you will definitely be

1 missed. I didn't make it through this without tearing up
2 here. I do want to recognize some speakers before we go
3 out and have a little ceremony and refreshments. So we
4 have it looks like one, two, three, four, five speakers.
5 I'm going to do it in order. Nadine Franklin and Susan
6 Adams, if you both want to come up.

7 MR. FRANKLIN: Thank you.

8 PRESIDENT TAYLOR: Nadine, if you want to --

9 MR. FRANKLIN: Is this on?

10 PRESIDENT TAYLOR: Yes, it is. You -- go ahead.

11 MR. FRANKLIN: Well, so much has been said that
12 it doesn't seem like there could be anything else, but I
13 think there is. When you have a representative for your
14 group, a school representative for the school members,
15 sitting on the CalPERS Board, you hope that they will pay
16 attention to you, listen to you, and do the things that
17 they can to assist you.

18 I worked for the California School Employees
19 Association for many years. And the final 30 years of my
20 career, it became a part of my job to assist our members
21 in having an education about CalPERS. As a former
22 classified employee, I knew that didn't take place at the
23 workplace, so it was important for our members to know
24 more about their retirement. And it was particularly
25 important, because the large percentage of our members

1 don't work eight hours a day. And over time, we found
2 that the employers were not reporting properly, not
3 counting all of their hours, sometimes not enrolling them
4 in CalPERS.

5 And through the help of some of our staff members
6 whose pictures appeared up here today, as well as Rob and
7 his influence, and his connections with staff, he was able
8 to direct us to the proper people to address those issues.
9 And I can tell you that there are hundreds of members out
10 there that are currently getting a better retirement or
11 will be getting a better retirement because of Rob. And
12 we truly thank you for all of the service that you have
13 provided to us.

14 And I've personally said to him how much I have
15 appreciated all of his help. Wherever we saw him, he was
16 always supportive of the CalPERS staff, always there to
17 talk about CalPERS and help people understand what an
18 incredible retirement system they are fortunate to be a
19 part of.

20 And it's -- we've all been so very proud of Rob
21 and we thank you so very, very much for what you've done
22 for the school members.

23 Thank you.

24 VICE PRESIDENT FECKNER: Thank you.

25 (Applause).

1 PRESIDENT TAYLOR: Susan.

2 MR. ADAMS: Hello. I am Susan Adams, a
3 California School Employees Association retiree member.
4 And I want to thank the entire Board for what they do for
5 the members. But right now, I'd like to speak to Rob
6 Feckner. Thank you, Rob. Thank you for the years that
7 you have served to help the members on -- that now I have
8 a comfortable retirement and that's important to me. But
9 I will miss you at my CSEA retired day meetings, district
10 meetings, in Southern California where you come to tell
11 our members all about the state of CalPERS and inform them
12 of the power of attorney, while you're at it.

13 (Laughter).

14 MR. ADAMS: So I'm speaking for them, but I know
15 they will miss seeing you there too and all that you have
16 done. Thank you.

17 VICE PRESIDENT FECKNER: Thank you, Susan.

18 (Applause).

19 PRESIDENT TAYLOR: So Carla Held, Teri Minoux.

20 And take your time.

21 Hold on a second. You're -- there you go. Go
22 ahead.

23 MS. HELD: I'm Carla Held and I'm from California
24 School Employees Association. And I would like to thank
25 the Board, but especially Rob Feckner, for the years

1 you've given us and in your dedication to the members.
2 And especially, Robert and I want to thank you, because we
3 went through -- he went through some difficult challenges
4 for his retirement and you personally helped us through
5 that, and than you so very much.

6 VICE PRESIDENT FECKNER: You're welcome. Thank
7 you.

8 PRESIDENT TAYLOR: Teri, go ahead.
9 You're -- hold on. There you go.

10 MS. MINOUX: Good morning. My name is Teri
11 Minoux. And I am also a retired member from CSEA.

12 Rob, I am sad to see you go, but I'm happy to see
13 you go, because I know that you enjoy being a grandpa.

14 And to the rest of the Board, you all are going
15 to have big shoes to fill, because Rob has always been
16 there for us. He has -- no matter what comes up, you
17 email him, you call him, and he has been there. He's
18 helped so many people in so many ways.

19 And I just want to say on a personal, I know that
20 when I was getting ready to retire, and I went and Rob
21 signed my papers to make it official, and my husband took
22 them down to San Diego to the office, and they looked at
23 it and they went, oh, my goodness. We've never had a
24 paper come through with the President - at that time you
25 were the President - with the President's signature. And

1 for some reason, those papers went right through without a
2 problem.

3 (Laughter)

4 MS. MINOUX: Thank you, Rob. Thank you very
5 much. And on behalf of everyone who's not here today,
6 thank you for being their for us always.

7 VICE PRESIDENT FECKNER: Thank you. You're
8 welcome.

9 PRESIDENT TAYLOR: Thank you.

10 Next, I'm going to call the last three I have,
11 Christina Beruman first, Cheryl Carter and Martha Penry.

12 And I think you can all three sit here just... O
13 think it's Christina first, and then Cheryl and Martha.

14 Christina, go ahead.

15 MS. BERUMAN: Hello. Good morning. I have my
16 Kleenex in case I can't make it.

17 VICE PRESIDENT FECKNER: Me too.

18 (Laughter).

19 MS. BERUMAN: Good morning, Board members. Good
20 morning, audience today, and staff. My name is Christina
21 Beruman and I'm a proud member of the California School
22 Employees Association. And I'm here to thank Rob Feckner
23 for all his work and his devotion to CalPERS and to our
24 association. And he is such a good man, a man of
25 integrity, a man of professionalism. We are so proud that

1 he's our past President and has sat on this Board. And
2 when I have meetings with my retirees, I always remind
3 them about the power of attorney and invite him to speak
4 at our -- and you know when you say Rob Feckner said it's
5 important, then they know it's important.

6 (Laughter).

7 MS. BERUMAN: So than you very much for allowing
8 me to speak today. And Betty Yee, I did vote for you.

9 (Laughter).

10 PRESIDENT TAYLOR: Cheryl.

11 MS. CARTER: Good morning, Board, Mr. Feckner.
12 My name is Cheryl Carter. I, too, am from CSEA and I am
13 currently the Chair of the Pre-retirement Committee. But
14 my first interaction with Rob was as President of the
15 California School Employees Association. And when he left
16 the Association as President and he came over to the
17 CalPERS Board, my first thought was, good, we got somebody
18 up there that's going to fight for us, you know, and watch
19 out for my money. And then when I started coming to the
20 Board meetings, I realized he wasn't just fighting for me,
21 he was fighting for everybody. So, you know, everybody
22 says you want to have a dog in the fight. Well, we had a
23 dog in the fight for everybody, so thank you for that. I
24 really appreciate it.

25 And with our committee, I'm so in awe of how you

1 make people feel so comfortable. When we go online and
2 everybody was doing Zoom. And Zoom is so standoffish and
3 there's no personal connection, and he was talking about
4 the power of attorney and the beneficiary forum, he always
5 said email me, here's my email address, call me, here's my
6 phone number. And I've had people reach back at me and
7 say is that a real number or is that a voicemail?

8 (Laughter).

9 MS. CARTER: Is that one of those, you know,
10 emails that goes to staff or does it go to him? And I
11 said, no, it goes to him. And you always made everybody
12 feel comfortable. You made everybody feel like I can come
13 to you and I can talk to you, and I'm talking to CalPERS,
14 I'm talking to CSEA. And I so much appreciate that. And
15 I hope that I learn from that and I give the same
16 experience to people when they interact with me.

17 The other thing I want to say to kind of bring it
18 back to me, when I was growing up -- you know, I grew up
19 in the South, and you'd go to church on Sunday and it
20 would be time to take the collection, you know, at the end
21 of the service and there'd be one of deacons that stood up
22 there and he would say we appreciate the kind of money
23 that jingles, but we need the kind of money that folds.

24 Thank you for all the hard work that all of you
25 do, because in one month when I'm retired, I will

1 appreciate the kind of money that folds.

2 (Laughter).

3 MS. CARTER: So thank you so much for everything
4 you've done. Thank you for everything you've taught me.
5 I hope that I'll be able to live up to what you've set
6 forward for us and that I will continue to remind people
7 about their power of attorney and their beneficiary forms,
8 and that I make you proud in the future.

9 Thank you

10 VICE PRESIDENT FECKNER: Thank you.

11 PRESIDENT TAYLOR: Martha.

12 MS. PENRY: Good morning. Martha Penry. I'm
13 with California School Employees Association and I am the
14 Chair of the Retiree Unit, Executive Board. I have had a
15 cold also, so bear with me.

16 First, I want to say Ms. Betty Yee, thank you for
17 your advocacy on behalf of every CalPERS pensioner, but
18 especially for school employees. You know, we don't make
19 those big figures like people think we do. And without
20 your advocacy, I don't know that I'd have the pension that
21 I have. So I very much appreciate that and I want to
22 thank you.

23 Rob Feckner became President of CSEA when I first
24 became a Board member on CSEA. And one of the things that
25 I learned from Rob was to listen and learn, just like he

1 does with all of you. I had a friend that worked in
2 actu -- actu --

3 PRESIDENT TAYLOR: Actuary.

4 MS. PENRY: Yeah, actuary. Thank you. And when
5 I mentioned Rob Feckner, she said, oh, I know Rob. I said
6 you do. She said yes. She said staff and members alike
7 know Rob Feckner, not just the people, not just school
8 employees, not just the retirees, but the staff. And to
9 me that spoke volumes that if CalPERS staff knows who Rob
10 is, then we're very fortunate.

11 I want to thank Rob, because you've led by
12 example. You showed the way. You have helped to ensure
13 that some of the strongest women in the nation lead this
14 agency. And that gives me a very, very warm feeling to
15 know where we're headed. I am forever indebted to you for
16 your friendship, your kindness, and your guidance. I look
17 forward to seeing you and become -- and having you become
18 one of my CSEA retirees.

19 Kevin Palkki, you've got some big shoes to fill,
20 but I know he's got this. I look forward to many
21 continued years of friendship Rob and thank you so much
22 for all of us -- from all of us.

23 Thank you.

24 PRESIDENT TAYLOR: Thank you.

25 VICE PRESIDENT FECKNER: Thank you.

1 (Applause).

2 PRESIDENT TAYLOR: I think that is all our
3 speakers on this item.

4 So I just want to say we're going to miss you,
5 Rob.

6 VICE PRESIDENT FECKNER: Thank you. I'll miss
7 all of you.

8 PRESIDENT TAYLOR: At this time, we're going to
9 take a break from our Board meeting for a special ceremony
10 and refreshments outside our auditorium out the door.
11 I'll meet you guys outside and bring -- I promise I'll
12 bring him. Do you want to speak? Oh, one more thing, I'm
13 sorry.

14 Frank.

15 ACTING BOARD MEMBER RUFFINO: Sorry, Madam
16 President.

17 PRESIDENT TAYLOR: Mr. Ruffino, go ahead.

18 ACTING BOARD MEMBER RUFFINO: Sorry, Madam
19 President. I thought I pushed my button. Thank you,
20 Madam President. Real quick, I just wanted to mention the
21 Treasurer is out of the country and she could not be here
22 today. When I mentioned it to her, she said absolutely
23 put it on the calendar. I need to be there, but then
24 would realize that she would be out the country. But she
25 sends her best. She wants to make sure that she thank you

1 for your service, thank you for your leadership, and
2 certainly she wish all the very best on your future
3 endeavors.

4 Thank you, Madam President.

5 PRESIDENT TAYLOR: Thank you, Mr. Ruffino.

6 All right. Shall we. We are in recess.

7 (Off record: 10:01 a.m.)

8 (Thereupon a recess was taken).

9 (On record: 10:33 a.m.)

10 PRESIDENT TAYLOR: We're going to reconvene. Let
11 me make sure -- hold on one second. Everything logged
12 off.

13 I believe that we are currently -- hold on. I'm
14 waiting for my agenda to come up. Boy, it just kicks you
15 out of everything.

16 All right. So we are going to toss the ball to
17 Ms. Frost for her Chief Executive Officer's report.

18 CHIEF EXECUTIVE OFFICER FROST: All right. Thank
19 you and good morning again. And I hope everyone enjoyed
20 the refreshments and the renaming of the auditorium, which
21 we were really proud to be able to do for you, Rob.

22 So let's continue this morning by thanking our
23 Board members who attended our annual Education Forum that
24 we held just two weeks ago. We had more than 900
25 attendees, a group representing a wide variety of those

1 who employ our CalPERS members. It was our highest
2 attendance to date and the feedback so far has been
3 excellent.

4 Just a data point on this that I know that our
5 team tracks, 96 percent of the people who registered for
6 the event actually attended the event.

7 PRESIDENT TAYLOR: Wow.

8 CHIEF EXECUTIVE OFFICER FROST: And when I did a
9 pole of the room about how many people in the room was
10 this their first in-person event, over half of the room
11 raised their hands. So I think that tells you how
12 important this event is to our employer representatives.

13 So top of mind I think for many of the attendees
14 was a concern for the long term sustainability of the fund
15 and how to balance the cost of their employees' benefits
16 with their other budgetary demands and constraints. In my
17 conversations with our employer partners, we also had an
18 elected official track. And I want to again give credit
19 to Controller Yee for having this idea to get the elected
20 officials together in our annual Employer Education Forum.
21 That, I think, has been pretty well attended, but really
22 important, you know, group of members of the system, where
23 we can do some more direct interaction and direct
24 conversations. Many times, their questions are quite
25 different than what we get from some of the practitioners

1 who are attending.

2 I did have a chance to remind everyone that we
3 did put employer affordability as a top risk to the system
4 and it is woven now into our five-year strategic plan as
5 well.

6 So while, you know, we measure risks, it really
7 is at the heart of providing retirement benefits to our
8 members. But lately, it does seem that one of the biggest
9 risks we've noticed is the risk caused by misinformation,
10 when it comes to the issue of sustainable investments.
11 Let's look at just two snapshots from last week. First,
12 we saw world leaders gather in Egypt for COP27, where the
13 Secretary General of the United Nations delivered a
14 sobering assessment of the global effort to address
15 climate change. He said and I quote, "We are in the fight
16 of our lives and we're losing".

17 And then we watched millions of Americans cast
18 their votes in the mid-term elections. In some cases, the
19 campaign rhetoric not only dismissed the danger of climate
20 change, it went so far as to mischaracterize a strategy we
21 believe in strongly, examining the risk factors of the
22 environment of social inequality and of good governance.

23 The falsehoods about ESG risk analysis have been
24 so widespread that I even heard them repeated at our
25 Educational Forum, particularly in the elected officials

1 track. So lets spend a few minutes educating those who
2 are spreading these allegations. After all, what these
3 critics want is for CalPERS to stop considering the E, the
4 S, and the G as a risk factor. Even though doing so would
5 be contrary to our fiduciary duty, your fiduciary duty,
6 and might put the performance of our investments in
7 jeopardy.

8 First, we should remind everyone what ESG
9 actually means. It is simply a thorough analysis of the
10 environmental, social, and governance implications of an
11 investment opportunity. Not everyone likes that term and
12 we don't always use it either, because it's become a bit
13 of a political football, perhaps because it also suggests
14 that some -- that there might be a litmus test for whether
15 an investment is a good one or a bad one.

16 But let's be clear, adopting an ESG approach
17 really is just another lens through which we identify
18 where our risks and our opportunities would lie. And as
19 fiduciaries, again reminder of our fiduciary duty, it's
20 vital that we assess risk and take advantage of
21 opportunities that help us pay benefits.

22 So let me share a couple of examples of how this
23 works internally. Recently, our CalPERS investment team
24 used the zip codes of our real estate assets to assess
25 their climate risk based on their location. And we found

1 a number of these properties are in coastal regions, where
2 rising sea levels from a warming planet may bring new or
3 increased flood dangers into focus. That's a very real
4 risk to the investment and it's the kind of valuable
5 information we receive when we use the principles of ESG.

6 Another example is in our infrastructure program,
7 where investments in wind and solar farms have paid off.
8 These are assets that make up more than half of the
9 portfolio that has outperformed its benchmark over the
10 past five and 10 years, and they have an additional
11 benefit of helping transition to a sustainable energy
12 source.

13 We do talk a lot about sustainability. We need
14 to know whether the monetary value of our investments are
15 sustainable in the short term as well as the long term.
16 These same factors come into play in the report from the
17 Task Force on Climate-Related Financial Disclosures that
18 you were presented with on Monday. It highlights several
19 important milestones on the road to addressing climate
20 change.

21 These include a reduction in the carbon intensity
22 of our global equity portfolio by more than 30 percent
23 over the past seven years, and over 50 percent in our
24 global fixed income portfolio. On the opportunity side,
25 we also brief you that nearly \$19 billion in our global

1 equity portfolio and around \$1 billion of our corporate
2 credit portfolio is invested in companies designated as
3 low carbon solutions.

4 Finally, more than 51 percent of our
5 infrastructure portfolio is invested in renewable energy,
6 energy efficient infrastructure, sustainably certified and
7 carbon neutral assets. These accomplishments might never
8 have been achieved without an ESG approach. But again,
9 we'll be clear, applying the lens of ESG is not a mandate
10 for how to invest, nor is it an endorsement of a political
11 position or ideology. Those who say otherwise are
12 actually advocating for investors like CalPERS to put on
13 blinders, to ignore information and data that might
14 otherwise help build on the retirement security that our
15 two million members are relying upon.

16 Instead, we do leverage the power that comes with
17 our size. In collaboration with a network of highly
18 influential global partners to abdicate -- advocate,
19 excuse me, for governance best practices that will help
20 the companies we invest in succeed, and to ensure they are
21 mitigating for climate risks while planning for the
22 transition to net zero economy.

23 We use our proxy votes at the companies we invest
24 in, again to advocate for better corporate governance and
25 we work to improve transparency around important issues

1 that matter to investors. For all that we've accomplished
2 to date, we know there is more to do and not much time to
3 do it.

4 The bottom line of the -- excuse me -- of this
5 ESG work is a need for clarity about the risk and reward
6 potential with the companies in which we invest. Just as
7 important is the use of consistent reporting standards
8 across the financial marketplace to enable investors like
9 CalPERS to make well-informed decisions.

10 As the COP27 conference does wrap up tomorrow,
11 countries around the world will reaffirm their pledge to
12 help combat climate change. As they do, we expect the
13 rhetoric around sustainable investing to come and go. But
14 rhetoric doesn't drive our decisions. Data drives our
15 decisions. It has to. CalPERS has been around for 90
16 years and we have so much more to do.

17 And then finally, before I conclude my report, I
18 want to also briefly address some of the questions that
19 we've received recently regarding concerns over invest --
20 investments in cryptocurrencies.

21 The update that I can share with you is pretty
22 simple on this topic. CalPERS has no direct exposure to
23 cryptocurrency. We do know that there are likely some
24 indirect exposures, that includes public equity index
25 holdings. One example we've shared in the past couple of

1 days has been the online platform called Coinbase, which
2 provides for the buying and selling of cryptocurrency.

3 We will continue to examine any potential impacts
4 felt by our partners in private equity as well. But that
5 does conclude my report this morning, President Taylor.

6 PRESIDENT TAYLOR: Thank you, Ms. Frost.
7 Appreciate it.

8 That moves us on to -- oh, I'm sorry, Rob.
9 Mr. Feckner, go ahead.

10 VICE PRESIDENT FECKNER: Thank you, Madam
11 President. I, too, want to comment on the Employers
12 Forum -- Ed Forum. I still go by the Employers Forum.
13 But again, it was a wonderful event. I know I said so
14 yesterday, but I want to come back to the comment that you
15 made about the elected local officials, and again thank
16 Betty for putting that forward back when she did. We've
17 seen a growth in the people that are attending each time.
18 However, I must say -- and thank you to Lisa for hosting
19 or moderating that panel that day. It was great. I want
20 to see -- I would love to see more Board members attend
21 that. Because even though, we're not the elected official
22 reps, it's good that we all hear that information and hear
23 their questions and concerns.

24 But my bigger concern is -- and I know that the
25 employers are listening, and that the League is listening.

1 I will say although it was a nice turnout this year, I was
2 disheartened by the number of name badges that I saw
3 sitting on the table, that half of the people that signed
4 up didn't show up. And when there are issues that are
5 important to you, we need to hear them. And this is an
6 opportunity and an avenue we've given them to come and
7 share and they didn't take advantage of it, and that
8 disappoints me. And I hope in the future that they will
9 come. So we know they have concerns. We want to hear
10 them. This is the ability for them to bring it to this
11 Board.

12 Thank you.

13 PRESIDENT TAYLOR: Thank you, Mr. Feckner. I
14 appreciate that.

15 Moving on to Agenda Item number 5, it's action
16 consent items. And I just want to update the Board that
17 there is an update to Item 5B. There's additional travel
18 that's been listed.

19 What's the pleasure of the Board?

20 VICE PRESIDENT FECKNER: Move approval.

21 PRESIDENT TAYLOR: Moved by Mr. Feckner.

22 BOARD MEMBER PACHECO: (Hand raised).

23 PRESIDENT TAYLOR: Seconded by Mr. Pacheco. This
24 is going to have to be an electronic vote or -- not it has
25 to be a roll call vote because of Gail. Okay. So call

1 the roll for the vote, please.

2 BOARD CLERK: Rob Feckner?

3 VICE PRESIDENT FECKNER: Aye.

4 BOARD CLERK: Frank Ruffino for Fiona Ma?

5 ACTING BOARD MEMBER RUFFINO: Aye.

6 BOARD CLERK: Lisa Middleton?

7 BOARD MEMBER MIDDLETON: Aye.

8 BOARD CLERK: David Miller?

9 BOARD MEMBER MILLER: Aye.

10 BOARD CLERK: Eraina Ortega?

11 BOARD MEMBER ORTEGA: Aye.

12 BOARD CLERK: Jose Luis Pacheco?

13 BOARD MEMBER PACHECO: Aye.

14 BOARD CLERK: Ramon Rubalcava?

15 BOARD MEMBER RUBALCAVA: Aye.

16 BOARD CLERK: Mullissa Willette?

17 BOARD MEMBER WILLETTE: Aye.

18 Dr. Gail Willis?

19 BOARD CLERK: Controller Betty Yee?

20 BOARD MEMBER YEE: Aye.

21 PRESIDENT TAYLOR: All right. The ayes have it.

22 If Dr. Willis comes back, let us know.

23 The ayes have it.

24 Moving on to Agenda Item number 6, I have not
25 received any requests to pull any items.

1 So that moves us on to Agenda Item 7, which is
2 Committee Reports. And for that -- hold on one second. I
3 have two of these. Yay.

4 Let me move on to -- Mr. Miller, can you do your
5 mic. Mr. Miller, can you give us the Investment Committee
6 report.

7 BOARD MEMBER MILLER: There we go. I'd be happy
8 to, Madam Chair.

9 Good morning, everyone. The Investment Committee
10 met on November 14th, 2022. The Committee approved the
11 following reports: revisions to the Total Fund Policies,
12 private asset classes, second reading; and Assembly Bill
13 890, diversity in the management of investments 2021
14 through 2022 fiscal year report.

15 The Committee received reports on the following
16 topics: CalPERS response to the Task Force on
17 Climate-Related Financial Disclosure and Senate Bill 964;
18 consultant review of CalPERS divestments; liquidity
19 management; and Responsible Contractor Policy.

20 The Committee heard public comment on the
21 following topics: private equity investments and climate
22 change.

23 At this time, I would like to share some
24 highlights of what to expect at the March Investment
25 Committee meeting. The Committee will receive reports on

1 global real estate sustainability benchmark, CalPERS trust
2 level reviews, and an update on proxy voting and corporate
3 engagement.

4 The next meeting of the Investment Committee is
5 scheduled for March 13th, 2023 in Sacramento, California.
6 And that concludes my report, President Taylor

7 PRESIDENT TAYLOR: Thank you, Mr. Miller.

8 The next Committee is Pension and Health Benefits
9 Committee, Mr. Feckner.

10 VICE PRESIDENT FECKNER: Thank you, Madam Chair.
11 The Pension and Health Benefits Committee, PHBC, met on
12 November 15th, 2022.

13 The Committee recommends and I move the Board
14 approve the following:

15 Agenda Item 5a, approve the revised proposed
16 regulation defined limited duration employment with 15-day
17 public comment period followed by submission of the final
18 rulemaking package to the Office of Administrative Law
19 upon conclusion of the comment period, if no public
20 comments are received.

21 PRESIDENT TAYLOR: On motion by the Committee.

22 Any discussion on the motion?

23 Seeing none.

24 All in favor and we'll do -- I guess we have to
25 do a roll call, right? Okay. So do a roll call, please.

1 BOARD CLERK: Rob Feckner?
2 VICE PRESIDENT FECKNER: Aye.
3 BOARD CLERK: Frank Ruffino for Fiona Ma?
4 ACTING BOARD MEMBER RUFFINO: Aye.
5 BOARD CLERK: Lisa Middleton?
6 BOARD MEMBER MIDDLETON: Aye.
7 BOARD CLERK: David Miller?
8 BOARD MEMBER MILLER: Aye.
9 BOARD CLERK: Eraina Ortega?
10 BOARD MEMBER ORTEGA: Aye.
11 BOARD CLERK: Jose Luis Pacheco?
12 BOARD MEMBER PACHECO: Aye.
13 BOARD CLERK: Ramon Rubalcava?
14 BOARD MEMBER RUBALCAVA: Aye.
15 BOARD CLERK: Mullissa Willette?
16 BOARD MEMBER WILLETTE: Yes.
17 BOARD CLERK: Dr. Gail Willis?
18 Controller Betty Yee.
19 BOARD MEMBER WILLIS: Aye.
20 PRESIDENT TAYLOR: Thank you.
21 VICE PRESIDENT FECKNER: There we go.
22 BOARD MEMBER YEE: Aye.
23 PRESIDENT TAYLOR: And you got Gail -- Dr.
24 Willis's?
25 BOARD CLERK: (Nods head).

1 PRESIDENT TAYLOR: Okay.

2 VICE PRESIDENT FECKNER: All right. Thank you.
3 Agenda Item 5b, the California Public Employees'
4 Retirement System team recommends approving the following
5 proposals in our Preferred Provider Organization and
6 Health Maintenance Organization programs for the 2024 plan
7 year:

8 One, site of care member incentive program for
9 labs in the PPO basic plans; pharmacy mail-order opt-out
10 program in the HMOs using OptumRx pharmacy benefit and the
11 PPO basic plans.

12 PRESIDENT TAYLOR: All right. On motion by
13 Committee.

14 Any discussion on the motion?

15 Hearing none.

16 All in favor and please call the role, please.

17 BOARD CLERK: Rob Feckner?

18 VICE PRESIDENT FECKNER: Aye.

19 BOARD CLERK: Frank Ruffino for Fiona Ma?

20 ACTING BOARD MEMBER RUFFINO: Aye.

21 BOARD CLERK: Lisa Middleton?

22 BOARD MEMBER MIDDLETON: Aye.

23 BOARD CLERK: David Miller?

24 BOARD MEMBER MILLER: Aye.

25 BOARD CLERK: Eraina Ortega?

1 BOARD MEMBER ORTEGA: Aye.

2 BOARD CLERK: Jose Luis Pacheco?

3 BOARD MEMBER PACHECO: Aye.

4 BOARD CLERK: Ramon Rubalcava?

5 BOARD MEMBER RUBALCAVA: Aye.

6 BOARD CLERK: Mullissa Willette?

7 BOARD MEMBER WILLETTE: Yes.

8 BOARD CLERK: Dr. Gail Willis?

9 BOARD MEMBER WILLIS: Aye.

10 BOARD CLERK: Controller Betty Yee?

11 BOARD MEMBER YEE: Aye.

12 BOARD MEMBER WILLIS: Aye.

13 PRESIDENT TAYLOR: Thank you, Ms. Willis.

14 VICE PRESIDENT FECKNER: The Committee received
15 reports on the following topics:

16 The Committee received the 2021 CalPERS Health
17 Benefits Program annual report, and an overview of the
18 Internal Revenue Code -- Revenue Code section 415(b);

19 The Committee received public comment regarding
20 plans building relationships with Board members, ACO
21 REACH, health insurance options for retirees, and an
22 appreciation for the Treasurer's office.

23 The Chair directed staff to: research the
24 possibility of charging employers a rate for employing
25 retired annuitants into the future; continue efforts to

1 address the IRC issues for the judges through various
2 avenues.

3 At this time, I would like to share some
4 highlights of what to expect at the March 23 PHBC meeting:
5 the Committee will approve the proposed revisions to the
6 Public Employees' Medical and Hospital Care Act
7 regulations: definition of parent-child relationships,
8 Health Maintenance Organization solicitation award, and
9 the PHBC delegation, as well as review health open
10 enrollment results and receive a report on retired members
11 cost of living.

12 The next meeting of the PHBC is scheduled for
13 March 14th, 2023 in Sacramento, California.

14 Thank you, Madam Chair.

15 PRESIDENT TAYLOR: Thank you, Mr. Feckner.

16 Ms. Middleton, Finance and Administration
17 Committee, please.

18 BOARD MEMBER MIDDLETON: All right. Thank you.
19 Finance and Administration Committee met on November 15,
20 2022.

21 The Committee recommends and I move the Board
22 approve the following:

23 Agenda Item 3c, approve November 2022 prospective
24 report of solicitations, contracts, purchase orders, and
25 letters of engagement.

1 PRESIDENT TAYLOR: On motion by Committee.

2 Any discussion on the motion?

3 CHIEF EXECUTIVE OFFICER FROST: President
4 Taylor --

5 PRESIDENT TAYLOR: Go ahead, Matt.

6 CHIEF EXECUTIVE OFFICER FROST: -- I believe you
7 have comment for 7c.

8 PRESIDENT TAYLOR: Oh, you are -- I didn't have
9 7c. I just had 7, I thought.

10 Oh, no, it is 7c. Mr. Jelincic.

11 MR. JELINCIC: My comments actually relate to the
12 financial reports, so if you want to do this one first.

13 PRESIDENT TAYLOR: Okay. So you need 7d. Okay.

14 MR. JELINCIC: No, it's -- it's Item 7c.

15 VICE PRESIDENT FECKNER: 7c, Item D.

16 PRESIDENT TAYLOR: Item D. Okay. I gotcha.

17 So on motion by Committee.

18 Any discussion on the motion?

19 We didn't hear any, so we do need to take the
20 vote.

21 BOARD CLERK: Rob Feckner?

22 VICE PRESIDENT FECKNER: Aye.

23 BOARD CLERK: Frank Ruffino for Fiona Ma?

24 ACTING BOARD MEMBER RUFFINO: Aye.

25 BOARD CLERK: Lisa Middleton?

1 BOARD MEMBER MIDDLETON: Aye.

2 BOARD CLERK: David Miller?

3 BOARD MEMBER MILLER: Aye.

4 BOARD CLERK: Eraina Ortega?

5 BOARD MEMBER ORTEGA: Aye.

6 BOARD CLERK: Jose Luis Pacheco?

7 BOARD MEMBER PACHECO: Aye.

8 BOARD CLERK: Ramon Rubalcava?

9 BOARD MEMBER RUBALCAVA: Aye.

10 BOARD CLERK: Mullissa Willette?

11 BOARD MEMBER WILLETTE: Aye.

12 BOARD CLERK: Dr. Gail Willis?

13 BOARD MEMBER WILLIS: Aye.

14 BOARD CLERK: Controller Betty Yee?

15 BOARD MEMBER YEE: Aye.

16 PRESIDENT TAYLOR: All right. Motion carries.

17 Is this the one, J.J.?

18 MR. JELINCIC: I don't have the --

19 PRESIDENT TAYLOR: Why don't you come up anyway,
20 so that we don't miss you.

21 MR. JELINCIC: Okay. It's not going to make any
22 difference what I say anyhow, so...

23 (Laughter).

24 MR. JELINCIC: J.J. Jelincic, retiree. When the
25 return of record is wrong, there is a problem. I believe

1 in transparency and would hope that you do as well.

2 Thank you.

3 PRESIDENT TAYLOR: Okay. Thank you, Mr.
4 Jelincic.

5 Go ahead, Ms. Middleton.

6 BOARD MEMBER MIDDLETON: Thank you.

7 Agenda Item 3d, approve an additional one-year
8 contract term extension for the Investment Office
9 contracts with a defined duration.

10 PRESIDENT TAYLOR: Thank you.

11 On motion by Committee. Any discussion on the
12 motion?

13 Hearing none.

14 Can we take the vote, please.

15 BOARD CLERK: Rob Feckner?

16 VICE PRESIDENT FECKNER: Aye.

17 BOARD CLERK: Frank Ruffino for Fiona Ma?

18 ACTING BOARD MEMBER RUFFINO: Aye.

19 BOARD CLERK: Lisa Middleton?

20 BOARD MEMBER MIDDLETON: Aye.

21 BOARD CLERK: David Miller?

22 BOARD MEMBER MILLER: Aye.

23 BOARD CLERK: Eraina Ortega?

24 BOARD MEMBER ORTEGA: Aye.

25 BOARD CLERK: Jose Luis Pacheco?

1 BOARD MEMBER PACHECO: Aye.

2 BOARD CLERK: Ramon Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD CLERK: Mullissa Willette?

5 BOARD MEMBER WILLETTE: Aye.

6 BOARD CLERK: Dr. Gail Willis?

7 BOARD MEMBER WILLIS: Aye.

8 BOARD CLERK: Controller Betty Yee?

9 BOARD MEMBER YEE: Aye.

10 PRESIDENT TAYLOR: All right. Motion carries.

11 Go ahead, Lisa.

12 BOARD MEMBER MIDDLETON: Agenda Item 3e, extend
13 the incumbent's contract for an additional five-year term.

14 PRESIDENT TAYLOR: On motion by the Committee.

15 Any discussion on the motion?

16 Hearing none.

17 Please take the vote.

18 BOARD CLERK: Rob Feckner?

19 VICE PRESIDENT FECKNER: Aye.

20 BOARD CLERK: Frank Ruffino for Fiona Ma?

21 ACTING BOARD MEMBER RUFFINO: Aye.

22 BOARD CLERK: Lisa Middleton?

23 BOARD MEMBER MIDDLETON: Aye.

24 BOARD CLERK: David Miller?

25 BOARD MEMBER MILLER: Aye.

1 BOARD CLERK: Eraina Ortega?

2 BOARD MEMBER ORTEGA: Aye.

3 BOARD CLERK: Jose Luis Pacheco?

4 BOARD MEMBER PACHECO: Aye.

5 BOARD CLERK: Ramon Rubalcava?

6 BOARD MEMBER RUBALCAVA: Aye.

7 BOARD CLERK: Mullissa Willette?

8 BOARD MEMBER WILLETTE: Aye.

9 BOARD CLERK: Dr. Gail Willis?

10 BOARD MEMBER WILLIS: Aye.

11 BOARD CLERK: Controller Betty Yee?

12 BOARD MEMBER YEE: Aye.

13 PRESIDENT TAYLOR: Thank you. Motion carries.
14 Go ahead, Ms. Middleton.

15 BOARD MEMBER MIDDLETON: Agenda Item 3f, approve
16 the revised Budget Policy.

17 PRESIDENT TAYLOR: On motion by the Committee.
18 Any discussion on the motion?

19 Seeing none.

20 Go ahead and take the vote, please.

21 BOARD CLERK: Rob Feckner?

22 VICE PRESIDENT FECKNER: Aye.

23 BOARD CLERK: Frank Ruffino for Fiona Ma?

24 ACTING BOARD MEMBER RUFFINO: Aye.

25 BOARD CLERK: Lisa Middleton?

1 BOARD MEMBER MIDDLETON: Aye.

2 BOARD CLERK: David Miller?

3 BOARD MEMBER MILLER: Aye.

4 BOARD CLERK: Eraina Ortega?

5 BOARD MEMBER ORTEGA: Aye.

6 BOARD CLERK: Jose Luis Pacheco?

7 BOARD MEMBER PACHECO: Aye.

8 BOARD CLERK: Ramon Rubalcava?

9 BOARD MEMBER RUBALCAVA: Aye.

10 BOARD CLERK: Mullissa Willette?

11 BOARD MEMBER WILLETTE: Aye.

12 BOARD CLERK: Dr. Gail Willis?

13 BOARD MEMBER WILLIS: Aye.

14 BOARD CLERK: Controller Betty Yee?

15 BOARD MEMBER YEE: Aye.

16 PRESIDENT TAYLOR: All right. Thank you. Motion
17 carries.

18 Go ahead, Ms. Middleton.

19 BOARD MEMBER MIDDLETON: Agenda Item 5a, approve
20 a 112.1 million increase in the revised total budget of
21 2.185 billion.

22 PRESIDENT TAYLOR: Okay. On motion by Committee.

23 Any discussion on the motion?

24 Seeing none.

25 Can we take the vote on that, please?

1 BOARD CLERK: Rob Feckner?
2 VICE PRESIDENT FECKNER: Aye.
3 BOARD CLERK: Frank Ruffino for Fiona Ma?
4 ACTING BOARD MEMBER RUFFINO: Aye.
5 BOARD CLERK: Lisa Middleton?
6 BOARD MEMBER MIDDLETON: Aye.
7 BOARD CLERK: David Miller?
8 BOARD MEMBER MILLER: Aye.
9 BOARD CLERK: Eraina Ortega?
10 BOARD MEMBER ORTEGA: Aye.
11 BOARD CLERK: Jose Luis Pacheco?
12 BOARD MEMBER PACHECO: Aye.
13 BOARD CLERK: Ramon Rubalcava?
14 BOARD MEMBER RUBALCAVA: Aye.
15 BOARD CLERK: Mullissa Willette?
16 BOARD MEMBER WILLETTE: Aye.
17 BOARD CLERK: Dr. Gail Willis?
18 BOARD MEMBER WILLIS: Aye.
19 BOARD CLERK: Controller Betty Yee?
20 BOARD MEMBER YEE: Aye.
21 PRESIDENT TAYLOR: All right. Motion carries.

22 Ms. Middleton, last item.

23 BOARD MEMBER MIDDLETON: Recommend the Board of
24 Administration approve the draft CalPERS 2021-22 basic
25 financial statements.

1 PRESIDENT TAYLOR: On motion by the Committee.

2 Any discussion on the motion?

3 Seeing none.

4 Can we move to the vote.

5 BOARD CLERK: Rob Feckner?

6 VICE PRESIDENT FECKNER: Aye.

7 BOARD CLERK: Frank Ruffino for Fiona Ma?

8 ACTING BOARD MEMBER RUFFINO: Aye.

9 BOARD CLERK: Lisa Middleton?

10 BOARD MEMBER MIDDLETON: Aye.

11 BOARD CLERK: David Miller?

12 BOARD MEMBER MILLER: Aye.

13 BOARD CLERK: Eraina Ortega?

14 BOARD MEMBER ORTEGA: Aye.

15 BOARD CLERK: Jose Luis Pacheco?

16 BOARD MEMBER PACHECO: Aye.

17 BOARD CLERK: Ramon Rubalcava?

18 BOARD MEMBER RUBALCAVA: Aye.

19 BOARD CLERK: Mullissa Willette?

20 BOARD MEMBER WILLETTE: Aye.

21 BOARD CLERK: Dr. Gail Willis?

22 BOARD MEMBER WILLIS: Aye.

23 BOARD CLERK: Controller Betty Yee?

24 BOARD MEMBER YEE: Aye.

25 PRESIDENT TAYLOR: All right. Motion carries.

1 Thank you.

2 Go ahead, Ms. Middleton.

3 BOARD MEMBER MIDDLETON: Thank you.

4 The Committee received reports on the following
5 topics: pension contract management program report, annual
6 review of funding levels and risk report, semi-annual
7 health plan financial report.

8 The Chair directed staff to provide information
9 on the impact of additional discretionary payments.

10 At this time, I would like to share a highlight
11 of what to expect at the February 2023 Finance and
12 Administration Committee Meeting: treasury analysis and
13 liquidity status report; pension contracts management
14 program report.

15 The next meeting of the Finance and
16 Administration Committee is scheduled for February 2023.

17 PRESIDENT TAYLOR: All right. Thank you.

18 Next committee is Risk and Audit Committee, Ms.
19 Middleton

20 BOARD MEMBER MIDDLETON: Thank you.

21 The Committee recommends and -- excuse me. The
22 Risk and Audit Committee met on November 15, 2022. The
23 Committee recommends and I move the Board approve the
24 following:

25 Agenda Item 5a, independent auditor's report

1 fiscal years 2021-22. Approve the CalPERS Board of
2 Administration independent financial statement auditor's
3 report and the accompanying required reports for the
4 fiscal year that ended June 30, 2022.

5 PRESIDENT TAYLOR: All right. On motion by
6 Committee.

7 Any discussion on the motion?

8 Seeing none.

9 Can we please take the vote.

10 BOARD CLERK: Rob Feckner?

11 VICE PRESIDENT FECKNER: Aye.

12 BOARD CLERK: Frank Ruffino for Fiona Ma?

13 ACTING BOARD MEMBER RUFFINO: Aye.

14 BOARD CLERK: Lisa Middleton?

15 BOARD MEMBER MIDDLETON: Aye.

16 BOARD CLERK: David Miller?

17 BOARD MEMBER MILLER: Aye.

18 BOARD CLERK: Eraina Ortega?

19 BOARD MEMBER ORTEGA: Aye.

20 BOARD CLERK: Jose Luis Pacheco?

21 BOARD MEMBER PACHECO: Aye.

22 BOARD CLERK: Ramon Rubalcava?

23 BOARD MEMBER RUBALCAVA: Aye.

24 BOARD CLERK: Mullissa Willette?

25 BOARD MEMBER WILLETTE: Aye.

1 BOARD CLERK: Dr. Gail Willis?

2 BOARD MEMBER WILLIS: Aye.

3 BOARD CLERK: Controller Betty Yee?

4 BOARD MEMBER YEE: Aye.

5 PRESIDENT TAYLOR: All right. Motion carries.

6 Move on to the next. Thanks, Ms. Middleton.

7 BOARD MEMBER MIDDLETON: Agenda Item 5b, review
8 of independent auditor's management letter. Approve the
9 CalPERS Board of Administration's independent financial
10 statement auditor's - independent auditor - management
11 letter for the fiscal year ended June 30, 2022.

12 PRESIDENT TAYLOR: All right. On motion by
13 Committee.

14 Any discussion on the motion?

15 Seeing none.

16 Could we take the vote, please.

17 BOARD CLERK: Rob Feckner?

18 VICE PRESIDENT FECKNER: Aye.

19 BOARD CLERK: Frank Ruffino for Fiona Ma?

20 ACTING BOARD MEMBER RUFFINO: Aye.

21 BOARD CLERK: Lisa Middleton?

22 BOARD MEMBER MIDDLETON: Aye.

23 BOARD CLERK: David Miller?

24 BOARD MEMBER MILLER: Aye.

25 BOARD CLERK: Eraina Ortega?

1 BOARD MEMBER ORTEGA: Aye.

2 BOARD CLERK: Jose Luis Pacheco?

3 BOARD MEMBER PACHECO: Aye.

4 BOARD CLERK: Ramon Rubalcava?

5 BOARD MEMBER RUBALCAVA: Aye.

6 BOARD CLERK: Mullissa Willette?

7 BOARD MEMBER WILLETTE: Aye.

8 BOARD CLERK: Gail -- Dr. Gail Willis?

9 BOARD MEMBER WILLIS: Aye.

10 BOARD CLERK: Controller Betty Yee?

11 BOARD MEMBER YEE: Aye.

12 PRESIDENT TAYLOR: All right. Motion carries.

13 Thank you.

14 Go ahead, Ms. Middleton.

15 BOARD MEMBER MIDDLETON: The Committee received
16 reports on the following topics, the Chief Compliance
17 Officer's update on preliminary plans.

18 At this time, I would like to share some
19 highlights of what to expect at the February Risk and
20 Audit Committee meeting: The 2022-23 enterprise compliance
21 and risk management mid-year plan update.

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

24 Thank you, Madam Chair.

25 PRESIDENT TAYLOR: Thank you, Ms. Middleton.

1 Moving on. The next Committee is Board
2 Governance. And for that, I'm going to recognize Vice
3 President Feckner. Go ahead.

4 VICE PRESIDENT FECKNER: Thank you, Madam Chair.
5 The Board Governance Committee met on November 15th, 2022.
6 The Committee recommends and I move the Board approve the
7 following:

8 Agenda Item 4b, approve the current CEO
9 delegation resolution as presented in the agenda item.

10 PRESIDENT TAYLOR: On motion by the Committee.

11 Any discussion on the motion?

12 Seeing none.

13 Go ahead and take the vote.

14 BOARD CLERK: Rob Feckner?

15 VICE PRESIDENT FECKNER: Aye.

16 BOARD CLERK: Frank Ruffino for Fiona Ma?

17 ACTING BOARD MEMBER RUFFINO: Aye.

18 BOARD CLERK: Lisa Middleton?

19 BOARD MEMBER MIDDLETON: Aye.

20 BOARD CLERK: David Miller?

21 BOARD MEMBER MILLER: Aye.

22 BOARD CLERK: Eraina Ortega?

23 BOARD MEMBER ORTEGA: Aye.

24 BOARD CLERK: Jose Luis Pacheco?

25 BOARD MEMBER PACHECO: Aye.

1 BOARD CLERK: Ramon Rubalcava?

2 BOARD MEMBER RUBALCAVA: Aye.

3 BOARD CLERK: Mullissa Willette?

4 BOARD MEMBER WILLETTE: Aye.

5 BOARD CLERK: Dr. Gail Willis?

6 BOARD MEMBER WILLIS: Aye.

7 BOARD CLERK: Controller Betty Yee?

8 BOARD MEMBER YEE: Aye.

9 PRESIDENT TAYLOR: All right. Motion carries.

10 VICE PRESIDENT FECKNER: Agenda Item 5a, approve
11 the proposed revisions to the full Board hearing
12 procedures as presented in Attachment C of the agenda item
13 with the exception that the time limits for the parties
14 presentations and rebuttals will remain 15 and 5 minutes
15 respectively. With those changes, the revised document
16 recommended for Board approval is attached hereto.

17 PRESIDENT TAYLOR: Okay. On motion by Committee.

18 Any discussion on the motion?

19 Hearing none.

20 Go ahead and take the vote, please.

21 BOARD CLERK: Rob Feckner?

22 VICE PRESIDENT FECKNER: Aye.

23 BOARD CLERK: Frank Ruffino for Fiona Ma?

24 ACTING BOARD MEMBER RUFFINO: Aye.

25 BOARD CLERK: Lisa Middleton?

1 BOARD MEMBER MIDDLETON: Aye.

2 BOARD CLERK: David Miller?

3 BOARD MEMBER MILLER: Aye.

4 BOARD CLERK: Eraina Ortega?

5 BOARD MEMBER ORTEGA: Aye.

6 BOARD CLERK: Jose Luis Pacheco?

7 BOARD MEMBER PACHECO: Aye.

8 BOARD CLERK: Ramon Rubalcava?

9 BOARD MEMBER RUBALCAVA: Aye.

10 BOARD CLERK: Mullissa Willette?

11 BOARD MEMBER WILLETTE: Aye.

12 BOARD CLERK: Dr. Gail Willis?

13 BOARD MEMBER WILLIS: Aye.

14 BOARD CLERK: Controller Betty Yee?

15 BOARD MEMBER YEE: Aye.

16 PRESIDENT TAYLOR: All right. Motion carries.

17 VICE PRESIDENT FECKNER: The next meeting of the
18 Board Governance Committee is tentatively scheduled for
19 March 14th, 2023 in Sacramento, California.

20 Thank you, Madam Chair.

21 PRESIDENT TAYLOR: Thank you, Mr. Feckner. That
22 moves us on to -- I don't have anybody else for 7. Okay.
23 That moves us on to Item 8, action agenda items, and for
24 that I will turn it over to Mr. Feckner.

25 VICE PRESIDENT FECKNER: Thank you, Madam Chair.

1 I move to adopt the proposed decisions at Agenda Items 8a1
2 through 13 as the Board's own decisions with the minor
3 modifications argued by staff to Agenda Items 8a4, 5, and
4 7.

5 BOARD MEMBER MILLER: Second.

6 PRESIDENT TAYLOR: Okay. I have a motion by Mr.
7 Feckner, a second by Mr. Miller.

8 Do I have any discussion on the motion?

9 If not, can we please take the vote.

10 BOARD CLERK: Rob Feckner?

11 VICE PRESIDENT FECKNER: Aye.

12 BOARD CLERK: Frank Ruffino for Fiona Ma?

13 ACTING BOARD MEMBER RUFFINO: Aye.

14 BOARD CLERK: Lisa Middleton?

15 BOARD MEMBER MIDDLETON: Aye.

16 BOARD CLERK: David Miller?

17 BOARD MEMBER MILLER: Aye.

18 BOARD CLERK: Eraina Ortega?

19 BOARD MEMBER ORTEGA: Aye.

20 BOARD CLERK: Jose Luis Pacheco?

21 BOARD MEMBER PACHECO: Aye.

22 BOARD CLERK: Ramon Rubalcava?

23 BOARD MEMBER RUBALCAVA: Aye.

24 BOARD CLERK: Mullissa Willette.

25 BOARD MEMBER WILLETTE: Aye.

1 BOARD CLERK: Dr. Gail Willis?

2 BOARD MEMBER WILLIS: Aye. Aye.

3 BOARD CLERK: Controller Betty Yee?

4 BOARD MEMBER YEE: Aye.

5 PRESIDENT TAYLOR: All right. Motion carries.

6 VICE PRESIDENT FECKNER: Agenda Item 8b. I move
7 to deny the petitions at agenda items 8B1 and 2.

8 PRESIDENT TAYLOR: All right.

9 BOARD MEMBER PACHECO: Second.

10 PRESIDENT TAYLOR: I have a second by -- I have a
11 motion by Mr. Feckner, a second by Mr. Pacheco.

12 Do I have any discussion on this motion?

13 Hearing none.

14 Go ahead and take the vote.

15 BOARD CLERK: Rob Feckner?

16 VICE PRESIDENT FECKNER: Aye.

17 BOARD CLERK: Frank Ruffino for Fiona Ma?

18 ACTING BOARD MEMBER RUFFINO: Aye.

19 BOARD CLERK: Lisa Middleton?

20 BOARD MEMBER MIDDLETON: Aye.

21 BOARD CLERK: David Miller?

22 BOARD MEMBER MILLER: Aye.

23 BOARD CLERK: Eraina Ortega?

24 BOARD MEMBER ORTEGA: Aye.

25 BOARD CLERK: Jose Luis Pacheco?

1 BOARD MEMBER PACHECO: Aye.

2 BOARD CLERK: Ramon Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD CLERK: Mullissa Willette?

5 BOARD MEMBER WILLETTE: Yes.

6 BOARD CLERK: Dr. Gail Willis?

7 BOARD MEMBER WILLIS: Aye.

8 BOARD CLERK: Controller Betty Yee?

9 BOARD MEMBER YEE: Aye.

10 PRESIDENT TAYLOR: All right. Thank you. Motion
11 carries.

12 All right. So, we got all of that done. I'm
13 moving on to Agenda Item 9.

14 VICE PRESIDENT FECKNER: 8c.

15 PRESIDENT TAYLOR: Where did I miss -- oh, 8c,
16 I'm sorry, State legislative proposal, technical and
17 clarifying amendment. Danny Brown, go ahead.

18 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good
19 morning, Madam President and Board members. Danny Brown,
20 CalPERS team member.

21 This is an action item asking the Board to
22 sponsor technical and clarifying changes to the PERL.
23 This proposal includes four items. The first item
24 authorizes the State Controller's office to execute
25 fund-to-fund transfers between the California Employers'

1 Pension Prefunding Trust Fund and the PERF. We have
2 briefed the Controller's office on this proposal and
3 commit to working with them to ensure a smooth
4 implementation. This proposal will streamline the fund
5 transfer process for employers participating in the CEPPT.

6 The next item would cap the interest assessed on
7 CalPERS contracting agencies at 10 percent when a
8 contracting agency fails to remit the required
9 contributions in a timely manner. Currently, the law
10 reads that we would charge the higher of 10 percent or
11 last year's investment return. This proposal will
12 simplify the collection of interest on delinquent funds.

13 The third item would authorize a judge, who is a
14 member of the Judges' Retirement System II to designate a
15 Beneficiary, such as a trust, when choosing option
16 settlement one, which is the return of remaining
17 contributions in cases where there is no surviving spouse.
18 This would align JRS II with the process for JRS I and the
19 main CalPERS retirement plan.

20 And finally, there is an item to conform existing
21 law to ensure proper implementation of Assembly Bill 2443,
22 which becomes operative on January 1st, 2024. This is a
23 bill that the Governor signed this past year. This new
24 law establishes deferred retirement option for JRS II
25 members, but did not include all the necessary technical

1 conforming changes in order to make sure that it's
2 implemented consistent with other JRS II provisions.

3 If the Board approves this proposal, we will seek
4 to have it -- these provisions put into the Legislature's
5 retirement omnibus bill or other appropriate measure.

6 With that, I'm available for any questions.

7 PRESIDENT TAYLOR: All right. Does the Board
8 have any questions to ask Mr. Brown?

9 BOARD MEMBER YEE: I'll move the item.

10 PRESIDENT TAYLOR: Okay. Ms. Yee is moving the
11 item.

12 BOARD MEMBER MILLER: (Hand raised).

13 PRESIDENT TAYLOR: Seconded by Mr. Miller.

14 So it's been moved and seconded. Can we take a
15 vote on it, please.

16 BOARD CLERK: Rob Feckner?

17 VICE PRESIDENT FECKNER: No. I change my mind.
18 I wanted to see what it sounded like.

19 (Laughter).

20 VICE PRESIDENT FECKNER: I vote aye.

21 PRESIDENT TAYLOR: Wow. We're doing it at the
22 last meeting, huh?

23 (Laughter).

24 BOARD CLERK: Frank Ruffino for Fiona Ma?

25 ACTING BOARD MEMBER RUFFINO: Aye.

1 BOARD CLERK: Lisa Middleton?

2 BOARD MEMBER MIDDLETON: Aye.

3 BOARD CLERK: David Miller?

4 BOARD MEMBER MILLER: Aye.

5 BOARD CLERK: Eraina Ortega?

6 BOARD MEMBER ORTEGA: Aye.

7 BOARD CLERK: Jose Luis Pacheco?

8 BOARD MEMBER PACHECO: Aye.

9 BOARD CLERK: Ramon Rubalcava?

10 BOARD MEMBER RUBALCAVA: Aye.

11 BOARD CLERK: Mullissa Willette?

12 BOARD MEMBER WILLETTE: Aye.

13 BOARD CLERK: Dr. Gail Willis?

14 BOARD MEMBER WILLIS: Aye.

15 BOARD CLERK: Controller Betty Yee?

16 BOARD MEMBER YEE: Aye.

17 PRESIDENT TAYLOR: All right. Motion carries.

18 Thank you. Thank you, Mr. Brown.

19 Moving on, you're up next for information agenda

20 item, State and federal legislative update.

21 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Thank
22 you. Yes. Danny Brown, CalPERS team member.

23 I will give a brief State update and then we have
24 K&L Gates on the line who will provide a federal update.
25 And mine will mainly be for those that like, I guess,

1 numbers, statistics. You know, the legislative session is
2 over for this year. All the bills that have been sent to
3 the Governor have either been signed or vetoed. According
4 to unofficial observers, there were 2,055 bills introduced
5 in 2022, and 1,166 of those went to the Governor's desk,
6 and he signed about 997 of them, which is about 86
7 percent.

8 The Legislative Affairs Office actively tracked
9 229 bills this year, with 28 of those bills designated for
10 our highest level of attention and analysis. Ten of those
11 bills were signed into law, two were vetoed, and the
12 remaining 16 died in the Legislature.

13 So that closes the books on 21-22 session. The
14 Legislature reconvenes on December 5th to start the new
15 session. And the results from last week's election ensure
16 that the partisan breakdown in the State legislature will
17 essentially be unchanged. There are a few races that are
18 too close to call. However, both the Assembly and Senate
19 will have super majorities, over two-thirds threshold.

20 Legislature can begin to introduce new bills
21 starting on December 5th, but most bills won't be
22 introduced until much closer to the February 17th
23 deadline.

24 And with that, I can answer any questions on the
25 State side or we can go ahead and turn it over to K&L and

1 do the federal update, whatever --

2 PRESIDENT TAYLOR: Do I have any questions on the
3 State side before I turn it over?

4 It does not look like it, so we can turn it over
5 to K&L.

6 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Okay.
7 I believe that Dan Crowley and Karishma are on the line.

8 Dan, if you want to go.

9 MR. CROWLEY: We are. Thank you very much. Dan
10 Crowley and Karishma Page. We are your federal investment
11 policy counsel in Washington D.C. or rather two of the
12 team in our Washington office.

13 I'm going to defer to my colleague, Karishma for
14 any opening remarks she would like to make.

15 MS. PAGE: Thank you, Dan. Thank you, Danny, and
16 thank you to the Board for the opportunity to be with you.
17 I apologize for the lighting in my new office. I know
18 that the picture is not -- it's a little off. Sorry about
19 that.

20 But we wanted to talk a bit about a starting
21 point where we are in terms of the state of the election.
22 Of course, last week was election day, and I think you
23 know now, given the last couple elections, we should
24 really call it election week. The full of the House
25 hasn't officially been called just yet, but we do

1 anticipate that the Republicans are positioned to take
2 control of the House, but by a far slimmer majority than
3 was originally anticipated.

4 The Senate will remain in Democratic control.
5 That was called after Senator Cortez Masto of Nevada won
6 her race over the weekend. And there still is a runoff
7 that will be required in Georgia between Senator Warnock
8 and Herschel Walker that will be on December 6th. But
9 that will determine whether it will be a 50/50 Senate or a
10 51 -- 50 to 49 Senate, both with the Democrats in control.

11 This again I think we had sort of long had some
12 recognition that polling was off. This election continued
13 to show that. There had been an anticipation of what was
14 termed a red wave, but that really did not come to
15 fruition. And in a sense that's being played out now in
16 terms of the congressional leadership elections, which
17 are -- which are underway. The House Republican
18 conference has held secret ballot leadership elections.
19 Those were taking place this week. And it is -- the House
20 minority leader, Kevin McCarthy is looking to be slated to
21 become the next Speaker. And interestingly, on the Senate
22 Republican side, after 15 years at the helm, Senator
23 McConnell was challenged by Senator Rick Scott. And
24 Senator McConnell did win that election and will be the
25 Republican leader.

1 But I think what you're seeing in both the House
2 and Senate on the Republican side is some questions about
3 what the next generation of leadership will look like and
4 what it will be like to govern in a slim majority on the
5 House side, a slim minority on the Senate side, but a real
6 sort of reflection in terms of where the party may be
7 headed generally.

8 In terms of the Democrats, the House Democrats
9 are slated to have their leadership elections on November
10 30th. And it is still unclear about what will be
11 happening on the House side. Speaker Pelosi has had a
12 good turnout in terms of this election cycle. Certainly,
13 there's a good amount of support for her continued
14 leadership of the party. But at the same time, there have
15 been some that have been called -- calling for new
16 leadership to take over on the House Democratic side. So
17 that's still to be determined. And certainly the very
18 challenging attack on Speaker Pelosi's home is, I think,
19 part of the personal calculation about what she would
20 be -- what she'd like to do going forward. And on the
21 Senate Democratic side, we do anticipate Senator Schumer
22 to continue to be in the leadership role.

23 So those are some of the high level atmospheric.
24 You know, I think just a couple comments before I turn it
25 over to Dan is we had talked more specifically about the

1 implications from a CalPERS perspective. You know, it's
2 often commented -- commonly said that when you have a
3 bifurcated control of Congress, or Washington D.C., that
4 really means that not a whole lot is going to get done.
5 It's going to result in gridlock. And I think, you know,
6 our thinking right now at this juncture is that that
7 probably is true in certain respects, but in other
8 respects, I think what we will see is a very active next
9 two years.

10 A couple reasons for that. One is that the close
11 House an Senate majorities are really reflective of a very
12 divided country. And the fact that the Presidential
13 elections cycle started on November 9th means that we've
14 got about two years of campaigning ahead of us. And I
15 think both parties will see an imperative to speak to the
16 American public to make the case for winning the White
17 House and the control of the House and Senate. So that
18 really means that there will be a requirement that there
19 is legislation that is passed and really helps address
20 some of the concerns that the American people have.

21 The other key here is that, in many ways,
22 Congress is necessarily reactive and there's sort of two
23 buckets of reactivity. One is the fact that there is
24 possibly legislation that needs to happen as we look to
25 the Lame Duck. There is the federal funding bill that

1 means the funding of government, there is the National
2 Defense Authorization Act. The NDAA has become, because
3 it is an annual measure, has become the Christmas Tree for
4 many other issues well beyond defense issues.

5 And so in addition to those annual
6 authorizations, we have the Farm bill that's coming due
7 next year as well, so I think Congress is going to have to
8 react to those. But more generally, a reactive --
9 Congress has to be reactive on a range of other issues as
10 well. First of all, there are the economic clouds ahead.
11 And so we do anticipate that there could be some work
12 being done from an economic perspective. Geopolitically,
13 the situation continues to be somewhat unstable. And so
14 to the extent that Congress needs to weigh in with
15 additional funding for Ukraine or otherwise, we anticipate
16 that that will happen. And, of course, we hope that we
17 are in a post-COVID environment, but it make sense that
18 there may be upticks in COVID or any sort of pre-pandemic
19 planning that we do anticipate Congress will be -- will be
20 addressing.

21 The final -- or two final buckets I'll mention
22 just in terms of what we will -- I see is we could see a
23 situation that are a number of issues that are sort of
24 outside partisan politics. And there are a number of
25 those that are increasing with pace. Issues along the

1 lines of mental health, telehealth, technology. I think
2 many of those issues really are not necessarily partisan
3 issues, but are issues that will require some level of
4 consideration by Congress.

5 And then the final piece I'll mention is
6 oversight. And the House Republicans coming into the
7 election cycle put out a very significant document, about
8 a thousand page document, outlining oversight priorities.
9 And that I think is going to be reflective of the focus.
10 There will be an towards the administration, the White
11 House, but also private and public sector entities that
12 are implicated in Congress's -- or in the White House's
13 priorities or otherwise.

14 So an example of that is we do anticipate a
15 significant of oversight for the kind of issues, such as
16 ESG. And so I think there is a possibility that that
17 could create some risk for stakeholders as they indicated
18 as part of their oversight efforts.

19 It doesn't necessarily take just a gavel to do
20 oversight these days, but certainly it could be something
21 as simple as a letter or a Tweet that could result -- that
22 could then go -- that could go viral. So I will pause
23 there. I think those are some of the high level
24 atmospheric of what we're make of the coming year ahead
25 and the state of play in terms of the election.

1 And with that, Dan, I'll turn it over to you to
2 talk about some of the specifics from a CalPERS
3 perspective.

4 MR. CROWLEY: Sure. And Madam Chair, I know that
5 you're running behind, so I will be quick and would be
6 happy to pause for questions at the end.

7 But I think, you know, our assessment, as
8 Karishma says, is that we will have a divided Congress,
9 which means that the regulators are essentially empowered
10 to pursue their current agendas. And the reason I say
11 that is that while there was expected to be a red wave
12 that would have resulted in bipartisan -- I'm sorry,
13 bicameral oversight, with both the House and Senate
14 focused on the regulatory activities, with the Senate
15 staying in Democratic hands, that essentially means that
16 any time the Republicans in the House want to have a
17 hearing, Democrats in the Senate can have another hearing
18 to balance the record.

19 And so it really, you know, deprives the
20 Republicans of the opportunity to derail the regulatory
21 agenda, either through the oversight process or the
22 appropriations process or the congressional review
23 process. And the document the Karishma is referring to
24 specifically targeted the Climate Risk Disclosure Rule as
25 the number one Republican oversight agenda item.

1 I actually -- excuse me -- had an opportunity to
2 ask Leader McCarthy why that's the case and he said it's
3 because he gets more complaints from issuer CEOs about the
4 Climate Risk Disclosure Rule than any other. And now I
5 don't think they're going to have the ability to derail
6 it. There will be oversight. There will be alternative
7 oversight in the Senate. But as a practical matter, the
8 only thing that's going to be able to be derail some of
9 these regulatory initiatives, a number of which CalPERS is
10 on record as supporting, would be litigation. And the
11 reason I mention that is that in the wake of the Supreme
12 Court ruling in the West Virginia versus EPA case, there's
13 question about how far regulators can expand their own
14 jurisdiction without Congress passing a law. So we expect
15 a lot more attention in that area.

16 On the sustainable finance agenda, again I think
17 there's a limit to the Republican's ability to slow the
18 process. Some of us, Karishma and I, are working on
19 educating some of the Republican members of Congress about
20 the sustainability movement and why it's essential to
21 investors and we will be working on a webinar with Bob
22 Eccles, some of you will know as the father of
23 sustainability on November 29th. We will make sure to get
24 that link to Danny for circulation in advance.

25 But with that, I will pause and we'd be happy to

1 take any questions.

2 PRESIDENT TAYLOR: Thank you very much.

3 It doesn't look like I have any questions. I
4 will make my own comment. I do appreciate the look at
5 whether or not our ESG advocacy with the SEC is going to
6 get derailed. So it's sounding like that's a positive.
7 As for Karishma's kind of sunny outlook that we might get
8 stuff down in Congress, I'm not quite as optimistic, but I
9 do appreciate the overview. So thank you. I'm still not
10 seeing anything from the Board.

11 So if you want to move on. I do have somebody on
12 public comment on this. So I guess it's on the phone,
13 right. So Mr. Teykaerts.

14 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF

15 TEYKAERTS: Yes, Madam President. We have a Bill --

16 MR. CUNNINGHAM: Hello.

17 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF

18 TEYKAERTS: Go ahead.

19 MR. CUNNINGHAM: My name is William Michael
20 Cunningham. I'm an economist based in Washington D.C. and
21 hold an MBA in finance and a Master's in economics, both
22 from the University of Chicago. I note that on November
23 3rd, five U.S. senators wrote to 51 major law firms about
24 environmental, social, and governance investing. The
25 letter stated quote, "Your law firm has a duty to fully

1 inform clients of the risks they may incur by
2 participating in what the senators call, quote, 'Climate
3 cartels and other ill-advised ESG schemes'. This follows
4 19 States attorneys general announcing their participation
5 in an investigation into ESG ratings produced by
6 Morningstar, Inc., and its subsidiary Sustainalytics".

7 I noted in a November 1st article in Black
8 Enterprise magazine that sustainability may get axed amid
9 recession worries, potentially imperiling corporate
10 pledges to the Black community. Now, as CalPERS
11 approaches Assembly Bill 890, diversity in the management
12 of investments, we strongly suggest that you seek to
13 protect your excellent ESG work from the risk-elevating
14 impacts of any efforts to reverse ESG investing.

15 Thank you very much.

16 PRESIDENT TAYLOR: Thank you very much.

17 I don't have any other public comments on this
18 item, so we are now at summary of Board direction. Do we
19 have anything, Ms. Frost?

20 CHIEF EXECUTIVE OFFICER FROST: I didn't record
21 anything.

22 PRESIDENT TAYLOR: Okay. Thank you.

23 So then we will go on to public comment. And for
24 that, I have Mr. Jelincic.

25 MR. JELINCIC: J.J. Jelincic, retiree. The

1 Election Code forbids internet voting. It forbids
2 approval of any system even connected to the internet
3 voting. The Board has decided it is not bound by the
4 Election Code. The Secretary of State used to certify
5 CalPERS' elections. Since internet voting started, the
6 Secretary of State certifies that this is what CalPERS
7 told them the results were.

8 The Public Employment Retirement Law permits any
9 retiree to run for an at-large or the retiree seat. The
10 election code requires that a candidate be a State
11 resident. The Board has decided that it is bound by the
12 Election Code. I guess this is another example of the
13 system picking and choosing what it wants to do.

14 The reason that the State does not allow internet
15 voting is it's too easy to hack. I acknowledge it is
16 claimed that it is to hack paper ballots, especially in
17 Arizona, but that seems to be convincing only to the true
18 believers. An example of hacking is Ronald Harris, a
19 retiree from Santa Clara. He received his ballot package.
20 He went online as the system encourages. He input his PIN
21 and the last four digits of Social Security only to learn
22 that this Board, or one of its agents, had already voted
23 for him, and that he was not therefore eligible to vote.

24 There is a reason the law forbids internet
25 voting. It's too late for this election, but I encourage

1 you to come into compliance with the law for future
2 elections.

3 Thank you. And Rob, enjoy the bocce ball. And
4 Betty, I hope that you enjoy not having to raise any money
5 for a while.

6 Thank you.

7 PRESIDENT TAYLOR: Thank you, Mr. Jelincic.

8 I don't have anymore requests to speak from the
9 public, so I'm going to move on to Agenda Item 10, which
10 is approval from the Board to meet in closed session
11 pursuant to Government Code section 11126(c)(18)(A).

12 Can I have a motion?

13 BOARD MEMBER MILLER: I'll motion.

14 BOARD MEMBER PACHECO: (Hand raised).

15 PRESIDENT TAYLOR: It was moved by Mr. Miller,
16 seconded by Mr. Pacheco.

17 Can we have a vote please to move into closed
18 session?

19 I can't hear you.

20 BOARD CLERK: We have public comment on the item.

21 PRESIDENT TAYLOR: Oh, there is public comment on
22 the line. All right. Let's do that first and then we'll
23 that vote.

24 Mr. Teykaerts.

25 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF

1 TEYKAERTS: Thank you, Madam President. We have Neal
2 Johnson on the line. Go ahead, Neal.

3 PRESIDENT TAYLOR: Oh, my gosh.

4 MR. JOHNSON: Hello. Yes, Theresa, oh, my gosh.
5 (Laughter).

6 MR. JOHNSON: I want to (inaudible) --

7 PRESIDENT TAYLOR: It was a good, oh, my gosh,
8 Neal.

9 MR. JOHNSON: I understand. I'm a retired
10 member. I would have been there today, but my friend who
11 would provide transportation had a medical procedure
12 yesterday and is unavailable.

13 Anyway, I wanted to thank Betty for her service,
14 both on the Board and the State Controller, including her
15 delegate -- designee, most notably Lynn Paquin and Karen
16 Greene Ross. Betty, you've done a very good job. I
17 didn't always agree with all of these decisions, but I
18 think you've done a good job both on the Board and as
19 Controller.

20 And finally, Mr. Feckner, who has been a quarter
21 -- nearly a quarter of a century on the Board, he is the
22 oldest serving one, that I remember when he was very young
23 that I was following the Board back around 2000. Anyway,
24 Rob, you've done a good job. And you forced us to sharpen
25 our pencils more other than you probably would like to.

1 But anyway, you've done a good job. I hope retirement
2 treats you well. I never -- I didn't always agree with
3 your decisions, including your love of the Dodgers.

4 (Laughter).

5 MR. JOHNSON: Of course being an Angels fan, you
6 can't love the Dodgers. But anyway, Rob, you've done a
7 good. I think you -- as was said, you were (inaudible)
8 gentlemen. You didn't necessarily say a lot, but what you
9 did was important and thank you for your service.

10 And that's it. Thank you, Theresa.

11 PRESIDENT TAYLOR: All right. Thank you, Neal.
12 We appreciate that.

13 So we had the motion to adjourn. Can we take the
14 vote, please?

15 That was it for phone calls, right?

16 BOARD CLERK: (Nods head).

17 PRESIDENT TAYLOR: Okay.

18 BOAR CLERK: Rob Feckner?

19 VICE PRESIDENT FECKNER: Aye.

20 BOARD CLERK: Frank Ruffino for Fiona Ma?

21 ACTING BOARD MEMBER RUFFINO: Aye.

22 BOARD CLERK: Lisa Middleton?

23 BOARD MEMBER MIDDLETON: Aye.

24 BOARD CLERK: David Miller?

25 BOARD MEMBER MILLER: Aye.

1 BOARD CLERK: Eraina Ortega?

2 BOARD MEMBER ORTEGA: Aye.

3 BOARD CLERK: Jose Luis Pacheco?

4 BOARD MEMBER PACHECO: Aye.

5 BOARD CLERK: Ramon Rubalcava?

6 BOARD MEMBER RUBALCAVA: Aye.

7 BOARD CLERK: Mullissa Willette?

8 BOARD MEMBER WILLETTE: Aye.

9 BOARD CLERK: Dr. Gail Willis?

10 BOARD MEMBER WILLIS: Aye.

11 BOARD CLERK: Controller Betty Yee?

12 BOARD MEMBER YEE: Aye.

13 PRESIDENT TAYLOR: All right. So motion carries.

14 Before we adjourn, I just need to state that we approved
15 the meeting in closed session for the information security
16 update and cybersecurity briefing. The Bagley-Keene Open
17 Meeting Act requires at least two-thirds of the Board, so
18 I think we're all here, for the meeting be present to vote
19 and approval in order to hold the closed session to
20 consider matters posing a potential threat of criminal
21 activity against CalPERS property or equipment, including
22 electronic data, and where disclosure would compromise
23 CalPERS's security.

24 And based on our consultation with our Legal
25 Office, this discussion concerning CalPERS information

1 security cybersecurity qualifies for this closed session
2 exception. After the closed session, the Board will
3 briefly report out in open session that we meant -- met
4 under this exception and if any action was taken.

5 So thank you very much. At this point, I will
6 adjourn the open session of the November Board of
7 Administration. We will give 15 minutes to move into
8 closed session.

9 Thank you.

10 (Off record: 11:31 a.m.)

11 (Thereupon the meeting recessed
12 into closed session.)

13 (Thereupon the meeting reconvened
14 open session.)

15 (On record: 1:43 p.m.)

16 PRESIDENT TAYLOR: Welcome back to open session.
17 The Board met in closed session today pursuant to
18 Government Code section 11126 subdivision (c)(18)(A).

19 (Coughing).

20 PRESIDENT TAYLOR: Excuse me.

21 During the closed session, the Board received an
22 information security update and cybersecurity briefing on
23 staff's work to protect the system. The Board took no
24 action.

25 This adjourns this month's Board of

1 Administration and Committee meetings. Thank you for
2 joining us. We will see you in January.

3 All right.

4 (Thereupon, the California Public Employees'
5 Retirement System, Board of Administration
6 meeting open session adjourned at 1:44 p.m.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of November, 2022.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063