

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

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

TUESDAY, FEBRUARY 14, 2023

9:00 A.M.

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

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

David Miller, Vice President

Malia Cohen, represented by Lynn Paquin

Fiona Ma, represented by Frank Ruffino

Lisa Middleton

Eraina Ortega, represented by Nicole Griffith

Jose Luis Pacheco

Kevin Palkki

Ramón Rubalcava

Yvonne Walker

Mullissa Willette

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

Michelle Tucker, Chief, Human Resources Division

Danny Brown, Chief, Legislative Affairs Division

David Teykaerts, Assistant Division Chief, Stakeholder Relations Division

ALSO PRESENT:

Susan Cohen

Al Darby, Retired Public Employees Association
Lawrence Grossman

Kory Honea, California State Sheriffs' Association

Cesar Moreira

Johnnie Pena, League of California Cities

Chirag Shah, Haney and Shah

INDEX

	<u>PAGE</u>
1. Call to Order and Roll Call	1
2. Pledge of Allegiance - Theresa Taylor	2
3. Board President's Report - Theresa Taylor	2
4. Chief Executive Officer's Report (Verbal) - Marcie Frost	6
5. Action Consent Items - Theresa Taylor	
a. Approval of the November 16 and 30, 2022, and January 17, 2023, Board of Administration Meeting Minutes	13
b. Board Travel Approvals	14
c. Approval of the February 14, 2023, Board of Administration Timed Agenda	15
6. Information Consent Items - Theresa Taylor	17
a. Board Meeting Calendar	
b. Draft Agenda for the March 15, 2023, Board of Administration Meeting	
c. General Counsel's Report	
d. Communications and Stakeholder Relations	
7. Committee Reports and Actions	
a. Investment Committee (Verbal)	
b. Pension & Health Benefits Committee (Verbal)	
c. Finance & Administration Committee (Verbal)	17
d. Performance, Compensation & Talent Management Committee (Verbal)	24
e. Risk & Audit Committee (Verbal)	27
f. Board Governance Committee (Verbal)	28
8. Action Agenda Items	
a. Proposed Decisions of Administrative Law Judges - Theresa Taylor	30
1. Frank Perdomo	
2. Linda H. Wallihan and Georgiana C. Sims (Richard M. Sims III (dec.))	
3. Joseph R. Garcia	
4. Jason J. Bemowski	
5. Roy S. Taylor	
b. Proposed Regulation for the Definition of Limited Duration Employment - Anthony Suine	32

INDEX CONTINUED

	<u>PAGE</u>
9. Information Agenda Items	
a. State and Federal Legislation Update - Danny Brown	50
b. Summary of Board Direction - Marcie Frost	55
c. Public Comment	55
Adjournment	66
Reporter's Certificate	67

PROCEEDINGS

1
2 PRESIDENT TAYLOR: Good morning, everyone.
3 Welcome to the Board of Administration open session
4 meeting. I'm going to wait for just a second. We've got
5 people walking around.

6 But our first order of business is to call roll.
7 Do we have Kevin on the line?

8 BOARD CLERK ANDERSON: Yes.

9 PRESIDENT TAYLOR: Okay. All our votes are going
10 to be roll call votes.

11 BOARD CLERK TRAN: Theresa Taylor?

12 PRESIDENT TAYLOR: Here.

13 BOARD CLERK TRAN: David Miller?

14 VICE PRESIDENT MILLER: Here.

15 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

16 ACTING BOARD MEMBER PAQUIN: Here.

17 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

18 ACTING BOARD MEMBER RUFFINO: Present.

19 BOARD CLERK TRAN: Lisa Middleton?

20 BOARD MEMBER MIDDLETON: Present.

21 BOARD CLERK TRAN: Nicole Griffith for Eraina
22 Ortega?

23 ACTING BOARD MEMBER GRIFFITH: Here.

24 BOARD CLERK TRAN: Jose Luis Pacheco?

25 BOARD MEMBER PACHECO: Present.

1 BOARD CLERK TRAN: Kevin Palkki?

2 BOARD MEMBER PALKKI: Good morning.

3 BOARD CLERK TRAN: Ramón Rubalcava?

4 BOARD MEMBER RUBALCAVA: Present.

5 BOARD CLERK TRAN: Yvonne Walker?

6 BOARD MEMBER WALKER: Here.

7 BOARD CLERK TRAN: Mullissa Willette?

8 BOARD MEMBER WILLETTE: Here.

9 BOARD CLERK TRAN: Dr. Gail Willis?

10 PRESIDENT TAYLOR: Excused.

11 All right. Thank you, everybody. So next order
12 of business, I have asked Ms. Middleton to lead us in the
13 Pledge of Allegiance.

14 BOARD MEMBER MIDDLETON: Please join me and
15 stand.

16 (Thereupon the Pledge of Allegiance was
17 recited in unison.)

18 PRESIDENT TAYLOR: Thank you, Ms. Middleton.

19 So good morning, everybody. Happy Valentine's
20 Day. I had to text my husband and -- because I forgot.

21 (Laughter).

22 PRESIDENT TAYLOR: Fortunately, I have
23 everything. I just forgot to wish him Happy Valentine's
24 Day. I want to go on and congratulate our colleagues who
25 have been elected to serve as chairs and vice chairs of

1 our committees that met yesterday. So congratulations,
2 everyone.

3 (Applause).

4 PRESIDENT TAYLOR: So, of course, we look forward
5 to working with all of you throughout the year. The
6 elections for the chair and vice Chair of our Investment
7 Committee and our Pension and Health Benefits committees
8 will be held next month.

9 And this -- this morning, I do want to take a
10 moment of personal privilege. I have the honor to
11 recognize one of CalPERS longest serving team members
12 Anthony Suine.

13 Where did he go?

14 There he is.

15 Anthony has been part of the CalPERS family for
16 36 years. His extensive career began at CalPERS in 1994
17 after serving as a student assistant while attending Sac
18 State. He has had a successful career rising through the
19 ranks at CalPERS to be appointing -- appointed our Deputy
20 Chief Officer for Customer Service and Support three years
21 ago, leading a team of more than 900 employees who serve
22 our members, retirees, and their families.

23 Anthony is known for his passion for providing
24 outstanding customer service, his support of many
25 charitable campaigns, and his humor and antics that often

1 involve some wild costumes. He's not retiring. He's
2 leaving us for our sister pension fund CalSTRS to help
3 them with their Pension Solution Technology Project. So
4 congratulations on that. We're very happy for you.
5 CalPERS is very for -- CalSTRS is very fortunate to have
6 Anthony. And I know that you'll bring the same commitment
7 and passion to your work as you did with us. So again
8 congratulations. Can you please join me on stage.

9 (Applause).

10 PRESIDENT TAYLOR: You thought you'd get away
11 without this.

12 DEPUTY EXECUTIVE OFFICER SUINE: Yeah.

13 PRESIDENT TAYLOR: Oh, no, no, no.

14 Funny, we ran into each other in the parking lot
15 today. I said nothing. I know we signed it.

16 So I'm very honored to present you with this.
17 And I'm going to read this for you. Let me stand a little
18 closer.

19 "Whereas, Anthony Suine has had a long and
20 distinguished career with the California Public Employees'
21 Retirement System for 36 years, and;

22 "Whereas, his extensive career began at CalPERS
23 with permanent service in 1994..." -- that's when I
24 started -- "...after serving as a student assistant while
25 attending California State University, Sacramento;

1 "Whereas, Mr. Suine most recently served as
2 Deputy Executive Officer for Customer Service and Support
3 leading a team of more than 900 employees who serve the
4 system's members, retirees, families, and;

5 "Whereas, he held many leadership positions
6 during his tenure, including Chief of Retirement Benefit
7 Services, Assistant Chief of Member Services, and Project
8 Manager for CalPERS Pension System Resumption Project, now
9 known as myCalPERS, and;

10 "Whereas, he has amassed more than 30 years of
11 experience in the planning and administration of
12 retirement benefits, and has a strong understanding of
13 California's pension policy and laws".

14 Hold on, this is covering it.

15 "Whereas, he has brought to the job a passion for
16 providing outside customer service, strong relationships
17 with all Stakeholders, and the genuine kindness and care
18 that has made him successful in his career".

19 Let me move back up.

20 (Laughter).

21 "Whereas, he has brought to the job a passion for
22 providing outstanding customer service, strong
23 relationships with all stakeholders and the genuine..." --
24 I did this already, didn't I?

25 "Whereas, Mr. Suine was a leader and staunch

1 supporter of CalPERS efforts with the March of Dimes, Run
2 to Feed the Hungry, season -- Susan G. Komen and the
3 California State employees charitable campaign, Our
4 Promise, and;

5 "Whereas, as his humor, smile, and costumes will
6 be sorely missed".

7 (Laughter).

8 PRESIDENT TAYLOR: "Now, therefore it be
9 resolved, that CalPERS Board of Administration
10 individually and as a body express our sincere
11 appreciation to Anthony Suine for his many contributions,
12 outstanding service to the system, and extend our sincere
13 best wishes to him in the future endeavors".

14 Congratulations.

15 (Applause).

16 PRESIDENT TAYLOR: I'm so happy for you.

17 Speech.

18 DEPUTY EXECUTIVE OFFICER SUINE: I'll save my
19 comments for -- I have a couple comments, so I'll save
20 them, but this means the world. Thank you, all.

21 (Applause).

22 PRESIDENT TAYLOR: No speech. All right.

23 So again, I'm very excited for Anthony and his
24 future endeavor. And right now, I'd like to toss it over
25 to Ms. Frost for her Chief Executive Officer's report.

1 CHIEF EXECUTIVE OFFICER FROST: Thank you.

2 Good morning, President Taylor and members of the
3 Board. I was a little surprised that Anthony didn't have
4 a speech prepared. We're normally accustomed to that with
5 him. But we'd also like to take a moment to really thank
6 Anthony and his long career, 36 years at a single employer
7 is a rare, are thing these days. We do wish him well in
8 his new role at CalSTRS. We don't really think that
9 CalSTRS could not have chosen a better person to run their
10 IT project. We know that Anthony has that experience of
11 working through our myCalPERS and a system replacement,
12 which is no easy feat. Lots of challenges I think ahead
13 for him, but ones that we know he is certainly up to.
14 We'll also miss him and truly have appreciated the way
15 that he has taken care of our members.

16 He really has been working as more of an
17 ombudsperson in addition to his leadership role on the
18 executive team. Any time we have a complex case or we
19 have a major stakeholder issue, you know, it's usually
20 Anthony to the rescue getting involved and getting
21 involved very quickly to get a resolution, whether that's
22 on the pension side or also working with our health care
23 team to get that positive resolution for the member. But
24 also just really appreciate the way that he cared for his
25 team as well. And I know that they are going to miss him

1 too.

2 So Anthony, more celebration and roasting to come
3 for you, I'm afraid.

4 (Laughter).

5 CHIEF EXECUTIVE OFFICER FROST: So I'll start
6 more of my remarks today by acknowledging our Annual
7 Stakeholder Forum and to thank everyone for their
8 participation in the annual event. This was the fourth
9 event of its kind. And I think it really does represent
10 and opportunity for our stakeholders to openly engage with
11 the Board, more openly engage with us beyond the three
12 minutes of public comment time that they're able to have.
13 So I think it has been a valuable addition to the
14 stakeholder meetings that we currently have, but having
15 this in the lineup, you know, the feedback that we're
16 getting is please keep these -- please keep them as open
17 as they have been and allow us the opportunity to interact
18 with the Board and with the team.

19 In total, we were engaged with nearly 600 people
20 throughout the day. We took, you know, the experiences
21 that we learned during the pandemic and we offered an
22 in-person option, and we also offered the virtual option.
23 We offered the telephone option. So the -- you know, the
24 maneuvering and the navigating around that I think it went
25 pretty well. But that does allow people who are not able

1 to travel to Sacramento to be able to participate in this
2 really important event. And about 50 of our stakeholders
3 were in the room, including our entire Board was here.

4 So I think throughout the day, we were able to
5 provide some important context about the decisions that
6 we're making, whether that's on the investment side,
7 whether that's on the health care side, also just to hear
8 about what we believe are the challenges and the strategic
9 priorities ahead for CalPERS.

10 We do believe that that direct feedback coming
11 from our stakeholders is really important, how we
12 determine the resources -- how we allocate the resources,
13 and then determine the services that we need to provide to
14 them. And we know that our stakeholders have a very
15 strong vested interest in the success of the system.

16 So I'd like to thank everyone who joined us and
17 remind everyone that the Forum is available for viewing on
18 our CalPERS YouTube channel for those who were unable to
19 make it or want to go back and take another look at a
20 session that was done.

21 Next, this does lead to a conversation about the
22 reports you received this week about our CalPERS workplace
23 culture captured in the commitment to diversity, equity,
24 and inclusion report, and in the results from our latest
25 employee engagement survey. Both are crucial in our

1 efforts to recruit and retain top talent, and to form
2 partnerships that support our strategic priorities. The
3 employee engagement survey is one that we do on an annual
4 basis. We did take a pause during the pandemic, but we
5 did offer that employee engagement survey again last
6 October. It is completely aligned to the human capital
7 work that we do at CalPERS to make sure that we're
8 delivering on our mission and that we have the talent --
9 the important talent that we need to serve our members
10 well.

11 We also want our team members to recommend
12 CalPERS as a destination employer. I know when I'm
13 attending new employee orientation or I'm attending a
14 midday, one of the questions I do ask is what brought you
15 to CalPERS if you're a newer employee, what keeps you at
16 CalPERS if you're a later careered employee. And I always
17 receive a lot of positive feedback there. And
18 "destination employer" is a term that comes up every
19 single time.

20 This -- you know, the engagement survey and the
21 work that we're doing around human capital, there is much
22 data to support its importance. McKinsey does a report
23 and that talks about the importance of employees having a
24 positive experience are 16 times more likely to be highly
25 engaged and eight times more likely to remain on the job.

1 And we know that a lot of employee have decisions today
2 about where they work. We call that the war on talent.
3 It is around us. And we want our team members who are
4 here to choose us over any other option that may be
5 available to them. We want new employees to choose us
6 when they're looking at, you know, their options or their
7 offers and other, whether that's State departments here in
8 Sacramento or whether that would be private industry.

9 So this is an area where we spend a lot of our
10 time as the executive team, as the senior leadership
11 council, our team leaders spend much time on going through
12 our employee engagement results and identifying the one or
13 two actions that we believe would improve a team member's
14 experience with CalPERS, whether that's at the team level
15 or whether that's at the enterprise level.

16 The executive team has identified two areas where
17 we will be more actively involved in creating some focus
18 groups to identify the difference between our pre-pandemic
19 engagement survey, our post-pandemic engagement survey,
20 and where we saw some scores drop. There are two primary
21 areas where we saw that, one was in recognition and two
22 was having a sense of belonging. And so we will be
23 spending some time with our employees understanding a
24 little bit more fully about the actions that would be
25 necessary to bring those scores back to those pre-pandemic

1 levels. So we're looking forward to doing that and each
2 of the executive team will be involved in facilitating one
3 of those focus groups.

4 So of the five pillars in the DEI framework, a
5 great deal of work has been done in the areas of culture
6 and talent management to foster the core values that
7 define who we are, while also providing team members with
8 the resources and the leadership to really make them feel
9 connected to this organization. And that connection
10 allows us to retain our really excellent team members.

11 So one last thing before I close. I do want to
12 mention the State employees' food drive that ran from
13 November 7th through January 6th. This is an annual food
14 drive among the State departments, State agencies that
15 includes food and monetary donations, in addition to
16 volunteer service hours at local food banks.

17 CalPERS did rate first in the category of most
18 money raised with more than 25 percent of the overall
19 total. It's wonderful to see the compassion that our team
20 has in addressing the needs that others may have. I'd
21 like to take a moment to thank Hilda Torres of our Member
22 Account Management Division for leading this year's
23 efforts.

24 And so that does conclude my report, President
25 Taylor, but I am happy to take questions.

1 PRESIDENT TAYLOR: Thank you, Ms. Frost. I'm not
2 seeing any questions right now from the Board.

3 So I guess that means we'll move on to our action
4 consent items. I've been asked to pull a couple of items,
5 so we're going to vote separately on each one.

6 So first, we need to consider 5a, approval of the
7 November 16 -- hold on a second -- and 30, 2022, and
8 January 17, 2022 minutes of meeting. So I need a motion.

9 BOARD MEMBER PACHECO: I'll move it.

10 VICE PRESIDENT MILLER: Second.

11 PRESIDENT TAYLOR: It's been moved by Mr. Pacheco
12 and seconded by Mr. Miller.

13 This will take a roll call vote. So all those in
14 favor please go ahead.

15 BOARD CLERK TRAN: David Miller?

16 VICE PRESIDENT MILLER: Aye.

17 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

18 ACTING BOARD MEMBER PAQUIN: Abstain.

19 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

20 ACTING BOARD MEMBER RUFFINO: Aye.

21 BOARD CLERK TRAN: Lisa Middleton?

22 BOARD MEMBER MIDDLETON: Aye.

23 BOARD CLERK TRAN: Nicole Griffith for Eraina
24 Ortega?

25 ACTING BOARD MEMBER GRIFFITH: Aye.

1 BOARD CLERK TRAN: Jose Luis Pacheco?

2 BOARD MEMBER PACHECO: Aye.

3 BOARD CLERK TRAN: Kevin Palkki?

4 BOARD MEMBER PALKKI: Aye.

5 BOARD CLERK TRAN: Ramón Rubalcava?

6 BOARD MEMBER RUBALCAVA: Aye.

7 BOARD CLERK TRAN. Yvonne Walker?

8 BOARD MEMBER WALKER: Aye.

9 BOARD CLERK TRAN: Mullissa Willette?

10 BOARD MEMBER WILLETTE: Aye.

11 PRESIDENT TAYLOR: Okay. Motion carries with one
12 abstention for Treasurer -- I'm sorry, Controller Cohen's
13 office.

14 Our next is 5b, Board travel approvals. And I
15 need to add to the current that's listed for Ramón --
16 let's see. Let me make sure it's only the one. Ramón
17 Rubalcava for March 3rd through 9th Washington D.C.
18 Council of Institutional Investors spring conference. So
19 I need a motion for that.

20 VICE PRESIDENT MILLER: Move approval.

21 PRESIDENT TAYLOR: It's been moved by Mr. Miller.

22 BOARD MEMBER PACHECO: Second.

23 PRESIDENT TAYLOR: Seconded by Mr. Pacheco.

24 I need a roll call vote. All those in favor.

25 BOARD CLERK TRAN: David Miller?

1 VICE PRESIDENT MILLER: Aye.

2 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

3 ACTING BOARD MEMBER PAQUIN: Aye.

4 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

5 ACTING BOARD MEMBER RUFFINO: Aye.

6 BOARD CLERK TRAN: Lisa Middleton?

7 BOARD MEMBER MIDDLETON: Aye.

8 BOARD CLERK TRAN: Nicole Griffith for Eraina

9 Ortega?

10 ACTING BOARD MEMBER GRIFFITH: Aye.

11 BOARD CLERK TRAN: Jose Luis Pacheco?

12 BOARD MEMBER PACHECO: Aye.

13 BOARD CLERK TRAN: Kevin Palkki?

14 BOARD MEMBER PALKKI: Aye.

15 BOARD CLERK TRAN: Ramón Rubalcava?

16 BOARD MEMBER RUBALCAVA: A grateful aye.

17 BOARD CLERK TRAN: Yvonne Walker?

18 BOARD MEMBER WALKER: Aye.

19 BOARD CLERK TRAN: Mullissa Willette?

20 BOARD MEMBER WILLETTE: Aye.

21 PRESIDENT TAYLOR: Okay. Motion carries. I

22 appreciate it.

23 And then finally, we're going to -- I need a
24 motion for 5c, approval of the February 14th, 2023 Board
25 of Administration meeting agenda.

1 VICE PRESIDENT MILLER: So moved.

2 PRESIDENT TAYLOR: Moved by Mr. Miller.

3 BOARD MEMBER PACHECO: (Hand raised).

4 PRESIDENT TAYLOR: Seconded by Mr. Pacheco.

5 I need a roll call vote on that, please.

6 BOARD CLERK TRAN: David Miller?

7 VICE PRESIDENT MILLER: Aye.

8 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

9 ACTING BOARD MEMBER PAQUIN: Aye.

10 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

11 ACTING BOARD MEMBER RUFFINO: Aye.

12 BOARD CLERK TRAN: Lisa Middleton?

13 BOARD MEMBER MIDDLETON: Aye.

14 BOARD CLERK TRAN: Nicole Griffith for Eraina

15 Ortega?

16 ACTING BOARD MEMBER GRIFFITH: Aye.

17 BOARD CLERK TRAN: Jose Luis Pacheco?

18 BOARD MEMBER PACHECO: Aye.

19 BOARD CLERK TRAN: Kevin Palkki.

20 BOARD MEMBER PALKKI: Aye.

21 BOARD CLERK TRAN: Ramón Rubalcava?

22 BOARD MEMBER RUBALCAVA: Aye.

23 BOARD CLERK TRAN: Yvonne Walker?

24 BOARD MEMBER WALKER: Aye.

25 BOARD CLERK TRAN: Mullissa Willette?

1 BOARD MEMBER WILLETTE: Aye.

2 PRESIDENT TAYLOR: All right. Motion carries.

3 All three items in 5 action consent items carried. Thank
4 you very much.

5 We will move on to number 6, information consent
6 items. I have not had a request to pull any items.

7 So with that, we will move on to Agenda Item 7,
8 Committee Reports and Actions. Hold on one second. Let
9 me start with Finance and Administration Committee. And
10 with that, Lisa -- oh, I'm sorry. You have a question.

11 BOARD MEMBER PACHECO: No, I don't have a
12 question. I didn't know if you were turning the mic or
13 later on.

14 PRESIDENT TAYLOR: Yeah, later on.

15 BOARD MEMBER PACHECO: Okay.

16 PRESIDENT TAYLOR: Thank you.

17 Ms. Middleton, I need your mic. And you have
18 your report.

19 BOARD MEMBER MIDDLETON: Yes.

20 PRESIDENT TAYLOR: Okay. There you go.

21 BOARD MEMBER MIDDLETON: Sorry.

22 The Finance and Administration Committee met on
23 February 13, 2023. The Committee held an election for
24 Finance and Administration Committee Chair and Vice Chair.
25 Lisa Middleton was elected Chair. David Miller was

1 elected Vice Chair.

2 The Committee recommends and I move the Board
3 approve the following.

4 Item 4c, approve the June 30 Judges' Retirement
5 System actuarial valuation report. Adopt an employer
6 contribution schedule that includes advanced funding of
7 the Judges' Retirement System.

8 PRESIDENT TAYLOR: Okay. On -- recommended from
9 the Committee action.

10 All -- any discussion on the motion?

11 All right. All those in favor?

12 Oh, we have to take a roll call vote. My bad.
13 Sorry. Go ahead.

14 BOARD CLERK TRAN: David Miller?

15 VICE PRESIDENT MILLER: Aye.

16 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

17 ACTING BOARD MEMBER PAQUIN: Aye.

18 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

19 ACTING BOARD MEMBER RUFFINO: Aye.

20 BOARD CLERK TRAN: Lisa Middleton?

21 BOARD MEMBER MIDDLETON: Aye.

22 BOARD CLERK TRAN: Nicole Griffith for Eraina
23 Ortega?

24 ACTING BOARD MEMBER GRIFFITH: Aye.

25 BOARD CLERK TRAN: Jose Luis Pacheco?

1 BOARD MEMBER PACHECO: Aye.

2 BOARD CLERK TRAN: Kevin Palkki?

3 BOARD MEMBER PALKKI: Aye.

4 BOARD CLERK TRAN: Ramón Rubalcava?

5 BOARD MEMBER RUBALCAVA: Aye.

6 BOARD CLERK TRAN: Yvonne Walker?

7 BOARD MEMBER WALKER: Aye.

8 BOARD CLERK TRAN: Mullissa Willette?

9 BOARD MEMBER WILLETTE: Aye.

10 PRESIDENT TAYLOR: Unless there is questions from
11 the Committee and one -- can Ms. Middleton read them all
12 and then we can did to roll call vote at the end? All the
13 motions.

14 GENERAL COUNSEL JACOBS: (Nods head).

15 PRESIDENT TAYLOR: Thank you.

16 BOARD MEMBER MIDDLETON: Thank you.

17 Approve Agenda Item 4d, the Judges' Retirement
18 System II actuarial valuation report as of June 30, 2022.
19 Adopt the employer contribution rate of 23.58 percent and
20 a member contribution rate of 16 percent of salary for
21 members subject to the Public Employees' Pension Reform
22 Act of 2013 for the period of July 1, 2023 through June
23 30, 2021 for the Judges' Retirement System II.

24 Agenda Item 4e, approve the June 30, 2022
25 Legislators' Retirement System actuarial valuation report.

1 Adopt the employer contribution rate of 0 percent for the
2 period July 1, 2023 through June 30, 2024 for the
3 Legislators' Retirement System.

4 Agenda Item 6a, terminate the contract between
5 the agency formerly known as the Samoa Peninsula Fire
6 Protection District and CalPERS in accordance with
7 Government Code section 20572. In addition, declare the
8 Samoa Peninsula Fire Protection District in default on the
9 effective date of the termination if the Samoa Peninsula
10 Fire Protection District has not paid the amounts required
11 under Government Code section 20577.

12 The Committee received a report on -- excuse me.
13 We will stop there --

14 PRESIDENT TAYLOR: Yeah, please.

15 BOARD MEMBER MIDDLETON: -- and ask for approval.
16 I will note that Michele Nix spoke with Peninsula Fire
17 Protection District and did not receive an affirmative
18 answer to the apparent offer to pay the balance that was
19 due, and therefore is, in fact, in default.

20 PRESIDENT TAYLOR: So we've got these motions on
21 the table. Hold on. I'm going to recognize Michele Nix,
22 please.

23 ACTING CHIEF FINANCIAL OFFICER NIX: Good
24 morning, Madam Chair and members of the Board. Michele
25 Nix, Acting CFO.

1 I wanted to follow up on Committee direction
2 yesterday for the FAC and I wanted to report that I called
3 Troy Nicolini from Samoa yesterday and discussed options
4 to continue the contract with Samoa Peninsula Fire
5 Protection District. I believe we left the conversation
6 in a place where he was giving consider -- serious
7 consideration to paying CalPERS.

8 After the phone call, I followed it up with an
9 email offering the following. "CalPERS will accept a wire
10 of \$300,000 to be paid towards the arrears amount by the
11 time the Board meets to discuss tomorrow". Today. "The
12 distribute will be responsible for paying \$15,231 by June
13 30th, 2023, which would clear the principal amount of the
14 arrears. On July first, 2023, the District will be
15 responsible for paying a revised monthly amount of
16 \$6,935.58. This was calculated using an amortization
17 period of 15 years".

18 We would also give them the option to handle any
19 interest outstanding by rolling it into the 15-year
20 amortization or paying it off by June 30th, 2025. We had
21 some back and forth last night and he had some questions
22 about some ongoing payments for the 2024-2025 period. I
23 answered those. And then this morning I received an email
24 from Troy stating that he could not persuade his governing
25 committee to say in the contract. He asked me to relay

1 that the situation is challenging for a small group of
2 volunteers and that they will -- they intend on covering
3 their retirees' benefits on their own.

4 That concludes my summary.

5 PRESIDENT TAYLOR: All right. Thank you.

6 So as to the motions, any discussion on the
7 motion?

8 Seeing none.

9 I need a roll call vote for items -- it was 4d
10 through 6a.

11 BOARD CLERK TRAN: David Miller?

12 VICE PRESIDENT MILLER: Aye.

13 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

14 ACTING BOARD MEMBER PAQUIN: Aye.

15 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

16 ACTING BOARD MEMBER RUFFINO: Aye.

17 BOARD CLERK TRAN: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD CLERK TRAN: Nicole Griffith for Eraina
20 Ortega?

21 ACTING BOARD MEMBER GRIFFITH: Aye.

22 BOARD CLERK TRAN: Jose Luis Pacheco?

23 BOARD MEMBER PACHECO: Aye.

24 BOARD CLERK TRAN: Kevin Palkki?

25 BOARD MEMBER PALKKI: Aye.

1 BOARD CLERK TRAN: Ramón Rubalcava?

2 BOARD MEMBER RUBALCAVA: Aye.

3 BOARD CLERK TRAN: Yvonne Walker?

4 BOARD MEMBER WALKER: Aye.

5 BOARD CLERK TRAN: Mullissa Willette?

6 BOARD MEMBER WILLETTE: Aye.

7 PRESIDENT TAYLOR: Okay. Ms. Middleton, if you
8 want to continue your report.

9 BOARD MEMBER MIDDLETON: Certainly. The
10 Committee received a report on the 2022 CalPERS Board of
11 Administration State, school, and special retired member
12 election results.

13 The Chair directed the staff to: contact Troy
14 Nicolini, Board Chairman, of the Peninsula Community
15 Service District to discuss arranging a wire transfer of
16 \$300,000 to CalPERS before the full Board of
17 Administration meeting on February 14, 2023; obtain a list
18 of election services companies that include voter names
19 with the voting platform that they use -- that they
20 elected to use; explore the option to cure election
21 ballots; in the future, election reports expand data to
22 provide the top 10 to 20 cities.

23 At this time, I would like to share a highlight
24 of what to expect at the April 2023 Finance and
25 Administration Committee meeting. The 2023-24 annual

1 budget process, annual review of Board member employer
2 reimbursements, State and school valuation, and
3 employer/employee contribution rates, long-term care
4 valuation report, semi-annual health plan financial
5 report.

6 The next meeting of the Finance and
7 Administration Committee is scheduled for April 17, 2023.

8 Thank you.

9 PRESIDENT TAYLOR: Thank you, Ms. Middleton for
10 your report.

11 I'm -- and thank you, Ms. Nix, for following up
12 for the Board. I'm a little disappointed. I'm a little
13 questioning of whether or not -- I think you said that
14 they want to pay the benefits themselves. That's
15 interesting.

16 Okay. So that's -- yeah. Okay. In the -- our
17 next order of business up is Performance, Compensation and
18 Talent Management Committee report. And with that, I
19 recognize -- I need your -- thank you. Jose Luis Pacheco.
20 Thank you, Mr. Pacheco.

21 BOARD MEMBER PACHECO: Thank you, Madam President
22 Taylor. The Performance, and Compensation, and Talent
23 Management Committee met on February the 13th, 2023.

24 The Committee held an election of the
25 Performance, Compensation and Talent Management Committee

1 Chair and Vice Chair. Jose Luis Pacheco was elected Chair
2 and Mullissa Willette was elected Vice Chair.

3 The Committee recommends and I move the Board
4 approve the following:

5 Agenda Item 5c, revisions to implement previous
6 Board direction: Compensation Policy for executives and
7 investment management positions. Approve revisions to
8 reflect the recent changes approved by the Board in
9 November 2022 and January 2023.

10 PRESIDENT TAYLOR: On motion by the Committee.

11 Is there any discussion?

12 Hearing no discussion.

13 We need a roll call vote on that

14 BOARD CLERK TRAN: David Miller?

15 VICE PRESIDENT MILLER: Aye.

16 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

17 ACTING BOARD MEMBER PAQUIN: Aye.

18 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

19 ACTING BOARD MEMBER RUFFINO: Aye.

20 BOARD CLERK TRAN: Lisa Middleton?

21 BOARD MEMBER MIDDLETON: Aye.

22 BOARD CLERK TRAN: Nicole Griffith for Eraina

23 Ortega?

24 ACTING BOARD MEMBER GRIFFITH: Aye.

25 BOARD CLERK TRAN: Jose Luis Pacheco?

1 BOARD MEMBER PACHECO: Aye.

2 BOARD CLERK TRAN: Kevin Palkki?

3 BOARD MEMBER PALKKI: Aye.

4 BOARD CLERK TRAN: Ramón Rubalcava?

5 BOARD MEMBER RUBALCAVA: Aye.

6 BOARD CLERK TRAN: Yvonne Walker?

7 BOARD MEMBER WALKER: Aye.

8 BOARD CLERK TRAN: Mullissa Willette?

9 BOARD MEMBER WILLETTE: Aye.

10 PRESIDENT TAYLOR: Thank you. Motion carries.

11 Go on, Mr. Pacheco.

12 BOARD MEMBER PACHECO: Thank you. The Committee
13 received reports on the following topics: the compensation
14 review for statutory positions.

15 The Chair directed staff to: work with GGA to
16 bring back policy language related to regular
17 presentations of salary survey results to the Committee;
18 GGA to gather feedback from Committee members on
19 composition of peer comparable groups for statutory
20 positions; and GGA to bring back recommendations on
21 addressing gaps in compensation for statutory positions.

22 The Committee heard public comments on the
23 following topics: consideration to exclude private sector
24 data in the comparator group for statutory positions.

25 At this time, I would like to share some

1 highlights of what to expect at the April Performance,
2 Compensation and Talent Management Committee meeting. The
3 Committee will review the compensation recommendations for
4 statutory -- sorry. The Committee will review
5 compensation recommendations for statutory positions. The
6 Committee will receive a report on the 2023-2024 incentive
7 metrics for executives and investment management
8 positions.

9 The next meeting of the Performance, Compensation
10 and Talent Management Committee will be scheduled for
11 April 17th, 2023 in Sacramento, California.

12 Thank you.

13 PRESIDENT TAYLOR: Thank you, Mr. Pacheco.

14 The next Committee report is Risk and Audit. And
15 for that I will -- you have to push your button. Oh, I
16 could have pushed it for you. Recognize Mr. Miller. Go
17 ahead.

18 VICE PRESIDENT MILLER: There we go. Thank you,
19 Madam President. The Risk and Audit Committee met on
20 February 13th, 2023. The Committee held an election for
21 the Risk and Audit Committee Chair and Vice Chair. David
22 Miller was elected Chair and Lisa Middleton was elected
23 Vice Chair of the Committee.

24 The Committee received reports on the following
25 topics: an update on the 2022 to 2023 Enterprise

1 Compliance and Risk Management mid-year plan; and the
2 third-party valuation and certification of the 2021
3 CalPERS annual valuations of the State and schools pension
4 plans.

5 At this time, I would like to share some
6 highlights of what to expect at the June Risk and Audit
7 Committee meeting: external audit fees, the 2022 to '3
8 Annual Compliance report; and the first reading of the
9 Conflict of Interest Code amendment.

10 The next meeting of Risk and Audit Committee is
11 scheduled for June 20th, 2023 in Sacramento, California.

12 And Madam President, that concludes my report.

13 PRESIDENT TAYLOR: Thank you, Mr. Miller.

14 Our next Committee report is Board Governance.
15 And for that, I'm going to send that over to Mr. Miller,
16 the Vice Chair of Governance.

17 Do you need it? I have it.

18 VICE PRESIDENT MILLER: Okay. Let me make sure
19 I've got the right one in front of me.

20 PRESIDENT TAYLOR: There you go. Go ahead.

21 VICE PRESIDENT MILLER: Okay. The Committee --
22 Board Governance Committee met on February 13th, 2023.
23 The Committee held an election for the Board Governance
24 Committee Chair and Vice Chair. Theresa Taylor was
25 elected Chair and David Miller was elected Vice Chair.

1 The Committee recommends and I move the Board
2 approve the following:

3 Agenda Item 6a, approve the proposed revision to
4 the Board's scheduled review of Committee delegations and
5 the CEO's delegation from annually to biennially.

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

8 Any discussion on the motion?

9 Hearing none.

10 Can we have a roll call vote on it, please.

11 BOARD CLERK TRAN: David Miller?

12 VICE PRESIDENT MILLER: Aye.

13 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

14 ACTING BOARD MEMBER PAQUIN: Aye.

15 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

16 ACTING BOARD MEMBER RUFFINO: Aye.

17 BOARD CLERK TRAN: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD CLERK TRAN: Nicole Griffith for Eraina
20 Ortega?

21 ACTING BOARD MEMBER GRIFFITH: Aye.

22 BOARD CLERK TRAN: Jose Luis Pacheco?

23 BOARD MEMBER PACHECO: Aye.

24 BOARD CLERK TRAN: Kevin Palkki?

25 BOARD MEMBER PALKKI: Aye.

1 BOARD CLERK TRAN: Ramón Rubalcava?

2 BOARD MEMBER RUBALCAVA: Aye.

3 BOARD CLERK TRAN: Yvonne Walker?

4 BOARD MEMBER WALKER: Aye.

5 BOARD CLERK TRAN: Mullissa Willette?

6 BOARD MEMBER WILLETTE: Aye.

7 PRESIDENT TAYLOR: All right. Motion carries.

8 Thank you very much.

9 Mr. Miller.

10 VICE PRESIDENT MILLER: The next meeting of the
11 Board Governance Committee is tentatively scheduled for
12 June 22nd, 2023 in Sacramento, California. Madam
13 President, that concludes my report.

14 PRESIDENT TAYLOR: Okay. Our next item is 8b,
15 regulation for the definition of limited duration
16 employment. And for that who am I? Who's coming up for
17 that one guys?

18 VICE PRESIDENT MILLER: Yeah, you jumped ahead.

19 PRESIDENT TAYLOR: Did we miss -- oh, the
20 proposed judge -- I'm sorry. I skipped right to that.

21 8a, proposed judge. Go ahead. Decisions of
22 administrative law judge. Go ahead.

23 VICE PRESIDENT MILLER: I have a motion. I move
24 to adopt the proposed decisions at Agenda Items 8a1
25 through 5 as the Board's own decisions with the minor

1 modifications argued by staff to Agenda Item 8a1.

2 PRESIDENT TAYLOR: Okay. On the motion, I will
3 need --

4 BOARD MEMBER PACHECO: I'll second.

5 PRESIDENT TAYLOR: Okay. I have a second on the
6 motion by Mr. Pacheco.

7 And all those in -- any discussion on the motions
8 first?

9 Okay. Seeing none.

10 I will need a roll call vote on that.

11 BOARD CLERK TRAN: David Miller?

12 VICE PRESIDENT MILLER: Aye.

13 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

14 ACTING BOARD MEMBER PAQUIN: Aye.

15 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

16 ACTING BOARD MEMBER RUFFINO: Aye.

17 BOARD CLERK TRAN: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD CLERK TRAN: Nicole Griffith for Eraina
20 Ortega?

21 ACTING BOARD MEMBER GRIFFITH: Aye.

22 BOARD CLERK TRAN: Jose Luis Pacheco?

23 BOARD MEMBER PACHECO: Aye.

24 BOARD CLERK TRAN: Kevin Palkki?

25 BOARD MEMBER PALKKI: Aye.

1 BOARD CLERK TRAN: Ramón Rubalcava?

2 BOARD MEMBER RUBALCAVA: Aye.

3 BOARD CLERK TRAN: Yvonne Walker?

4 BOARD MEMBER WALKER: Aye.

5 BOARD CLERK TRAN: Mullissa Willette?

6 BOARD MEMBER WILLETTE: Aye.

7 PRESIDENT TAYLOR: All right. Motion carries.

8 And with that, we are on 8b, which is proposed
9 regulations for definition of limited duration employment.
10 We have -- oh, there we go. Renee Ostrander -- Ostrander
11 or Anthony Suine or both.

12 Both. There you go.

13 DEPUTY EXECUTIVE OFFICER SUINE: Good morning,
14 President Taylor and members of the Board. Anthony Suine,
15 CalPERS team member.

16 Agenda Item 8b is an action item asking for your
17 approval to move forward with the regulations on defining
18 the term "limited duration" to the Office of
19 Administrative Law. And as has been customary during this
20 process, Renee Ostrander, Chief of our Employer Account
21 Management Division is with me here today to provide a
22 brief summary of the agenda item.

23 Before I turn it over to Renee, I did want to
24 mention that during our meeting in November when these
25 regulations were last presented, Board Member Feckner

1 requested we research the viability of charging employer
2 contributions on retired annuitant appointments. We
3 continue to conduct research on other pension systems'
4 policies surrounding retired annuitants. And we'll bring
5 information back to the Board separate from this
6 regulation to determine what might be the pleasure of the
7 Board. I just wanted to make sure we didn't lose track of
8 that item.

9 PRESIDENT TAYLOR: I appreciate it.

10 DEPUTY EXECUTIVE OFFICER SUINE: And not to drag
11 this on any further, but one more comment I'd like to make
12 before I pass this to Ms. Ostrander. As has been
13 discussed, this will be my last Board meeting after 30
14 plus years at CalPERS. I didn't plan this very well. We
15 didn't have a PHBC for me to give any comments so I have
16 to throw this in during the regular Board meeting, but
17 although many of you are new, I just wanted to express my
18 appreciation to the current and to past Board members for
19 always supporting me and our customer service mission, and
20 for always recognizing the team that delivers on that
21 mission.

22 The executive team that I get to work amongst
23 every day is fantastic. You have the right people working
24 on this effort day to day, especially behind Marcie's
25 leadership. I know you all know this, but she's fighting

1 the good fight for this organization every single day and
2 it's been an honor and pleasure to work for her. And then
3 to our CSS team of dedicated professionals starting with
4 the division chiefs I get to work alongside every day,
5 they're amazing and the leadership team. And not to
6 discount the contributions of everyone in this
7 organization, but these 800 some odd folks are out there
8 speaking to retirees, and members, and employers,
9 potential disability pensioners, beneficiaries, widows and
10 widowers, and other parties interested in our benefits
11 trying to help them through this complex yet most
12 rewarding benefit system. And our team truly deserves the
13 praise for the amazing customer service that's provided
14 day in and day out.

15 And I had the privilege to start here as a naive
16 18-year -- 18-year old not with a passion for customer
17 service, but because somebody owed my dad a favor to give
18 a student assistant job to.

19 (Laughter).

20 DEPUTY EXECUTIVE OFFICER SUINE: But through the
21 years, I've grown that passion for helping our membership
22 and providing excellent customer service. And it's been
23 an honor and privilege to work for this organization for
24 so long. So thank you for that opportunity.

25 PRESIDENT TAYLOR: Anthony, thank you. Anthony,

1 I want to also thank you myself because numerous times my
2 members have come to me for customer service issues that
3 they need resolved for their pension or their health care
4 or something and you have always just jumped right to it
5 and helped those member right out of the gate. And once I
6 hand it over to you, I know it's going to be taken care
7 of. And I'm really going to miss that and my members
8 really always appreciate your hard work, so...

9 DEPUTY EXECUTIVE OFFICER SUINE: Thanks, Theresa.

10 PRESIDENT TAYLOR: Thank you very much.

11 DEPUTY EXECUTIVE OFFICER SUINE: Thank you.

12 I'll turn it over to Renee to...

13 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

14 OSTRANDER: I'm not even sure how I'm supposed to follow
15 that, but here it goes.

16 As Anthony mentioned, before you today is Agenda
17 Item 8b requesting the Board to approve the proposed
18 language for submission to the Office of Administrative
19 Law to define limited duration.

20 The proposed language before you defines the term
21 limited duration in two situations. First for retired
22 annuitants, the statutes require the work to be of limited
23 duration. In these regulations, we have defined limited
24 duration to be 24 months with the same employer performing
25 the same duties. For those employers with needs

1 continuing beyond that time, they have the ability to
2 utilize two one-year extensions, or if still needed beyond
3 that an exemption process, or if an employer has a retired
4 annuitant time limit defined within their MOU, that will
5 define the limited duration up to 60 months.

6 The second case is for active classic members
7 receiving special compensation for working in an upgraded
8 position or classification of limited duration. We have
9 defined that limit in this situation to also be 24 months.

10 After this Board approved the modified language
11 in November, the CalPERS team released the language for
12 public comment for the first half of December. During the
13 public comment period, we received comments from 19
14 submitters. Those comments and our proposed responses can
15 be viewed in Attachment 2.

16 After reviewing the comments received, the
17 CalPERS team recommended moving forward with the language
18 originally approved in November with only non-substantive
19 changes. The minor changes proposed, which are displayed
20 in Attachment 1, are for readability purposes only and do
21 not require another round of public comment.

22 With your approval today, we will finalize the
23 remaining documentation and submit the package to the
24 Office of Administrative Law. We expect that to be in
25 early March. Once submitted to the Office of

1 Administrative Law, they have 30 days to respond to the
2 regulations. Should any changes be required at that time,
3 we would bring the revised regulations back to you for
4 review and approval prior to an additional public comment
5 period.

6 Once approved by the Office of Administrative Law
7 it is forwarded to the Secretary of State for publishing.
8 We anticipate it could be as early as summer, but more
9 likely this fall. As this process continues to move
10 forward, we are planning for additional educational
11 sessions for all of our employers, as well as written
12 materials and communications as we get closer.

13 This completes my presentation. I'd be happy to
14 answer any questions you might have.

15 PRESIDENT TAYLOR: Thank you.

16 Before we take a vote, we also have public
17 comment, but I want any comments from the Board first.

18 Okay. I'm seeing no comments from the Board.

19 I do have public comment on 8b, so I would like
20 Kory Honea to come up. And right over here. Yes, that's
21 fine. And you'll have three minutes as soon you --
22 introduce yourself too in the three minutes.

23 MR. HONEA: Is this on?

24 Okay.

25 PRESIDENT TAYLOR: Yes.

1 MR. HONEA: Very good. Thank you.

2 Good morning, President Taylor, members of the
3 Board. Thank you for the opportunity to be here today.
4 And as a quick side note as a member of PERS and future
5 retirees, thank you for the work that you do.

6 As I said, good morning. My name is Kory Honea.
7 I'm the Sheriff of Butte County and the President of the
8 California State Sheriffs' Association. I'm here today to
9 speak to you on behalf of California's elected sheriffs.

10 And we're asking you to consider an exemption for
11 public safety personnel when it comes to the definition of
12 limited duration employment. This is a particularly
13 challenging topic for the State sheriffs, and for that
14 matter I would submit to you probably police departments
15 as well.

16 Many sheriffs' offices continue to experience
17 significant difficulties in recruiting and retaining
18 staff. Substantial vacancy rates and rising employment
19 costs make it particularly challenging to fill necessary
20 staff positions. In the interests of maintaining the
21 public trust, having qualified applicants and employees of
22 which there are currently a shortage around the state is
23 vital. Sheriffs' offices are seeing considerable numbers
24 of resignations and retirements. Significant limitations
25 on the ability to utilize retired annuitants to

1 appropriately staff vital positions, protect the public
2 safety, retain community trust, and conserve county
3 resources are ill-timed and should be -- should not
4 hamstring public safety agencies.

5 The flexibility that the use retired annuitants
6 provides us is vital. Using retired annuitants provides
7 the ability to have access to experience staff who have
8 already been trained in the disciplines in which they are
9 being asked to serve. Sheriffs' offices undertake many
10 roles and often use retired annuitants to work cold cases,
11 complete background investigations, serve in specialty
12 units that are intermittently staffed, like marine patrol,
13 but perhaps most commonly to provide vital court security
14 services. Given the dynamic nature of court proceedings,
15 the lack of control sheriffs have over court calendars,
16 and the statutory mandate that sheriffs provide court
17 security services, retired annuitants provide many, if not
18 most, counties with the ability to be as nimble as
19 possible to meet expected and unplanned security needs of
20 the courts.

21 Many counties have been experiencing widening
22 chasms between the funding that the State provides for
23 court security and the actual cost to providing those
24 services. And this is attributed to the rising labor
25 costs in addition to new judgeships, capital improvements

1 to court facilities, increased reliance on specialty
2 courts, and a case backlog created by COVID-19 has made it
3 particularly challenging for us. We again would urge you
4 to exempt public safety agencies from the scope of this
5 regulation.

6 And I'll just add quickly, it is very challenging
7 for us to try and find people who are trained to do these
8 jobs and it takes so long to get them there.

9 Flexibility to serve public safety and community
10 protection needs to be paramount and we are concerned that
11 the proposed definition of limited duration, even as
12 amended by the recent modifications, will
13 disproportionately impact the ability of county sheriffs'
14 offices to achieve those goals.

15 Thank you for your consideration.

16 PRESIDENT TAYLOR: Thank you. Appreciate it.

17 All right. With that, do I have any comments
18 from the Board before we take a vote?

19 Okay. Seeing -- I do. Hold on one second.

20 Ms. Middleton.

21 BOARD MEMBER MIDDLETON: Yes. Thank you. I
22 appreciate the comments of the County Sheriff and would
23 like to ask that staff be directed to consult with the
24 Sheriffs' Association and with law enforcement to
25 investigate whether or not some accommodation would be

1 appropriate. I'm don't believe we should act on that
2 without consultation with staff.

3 PRESIDENT TAYLOR: Thank you, Ms. Middleton. So
4 is -- either one of you, have public comments been made
5 during the comment period by the Sheriffs' Association or
6 law enforcement in general?

7 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
8 OSTRANDER: Yes, we have received in the packet that you
9 have in Attachment 1, I believe it is, we do have the
10 letter from the State Sheriffs' Association --

11 PRESIDENT TAYLOR: I thought I saw it.

12 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
13 OSTRANDER: -- expressing, you know, these same concerns.

14 PRESIDENT TAYLOR: Okay.

15 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
16 OSTRANDER: We do -- and then I can provide the feedback
17 on that. So --

18 PRESIDENT TAYLOR: Sure.

19 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
20 OSTRANDER: So we have been looking at those comments to
21 determine the possibility of reviewing it. The law does
22 not allow us to -- at this time, to review classifications
23 differently. But I think the primary response to it is
24 that we are understanding that employers can have issues
25 with staffing and can have those concerns. And that's the

1 reasons why those extensions and that exemption process is
2 built in. So it is adequate for counties that have
3 sheriffs that are a part of our system to be able to
4 express that through the exemption process. And then of
5 course after those two exemptions, that exemption does
6 come forward to you, so you as a Board would be able to
7 review those concerns.

8 PRESIDENT TAYLOR: Okay. And I appreciate that.
9 So that's four years and then -- for the opportunity for
10 hiring. And then in addition, you mentioned something
11 about the law does not allow it to treat classifications.
12 So is this an option for Sheriffs' Association maybe to
13 take it to the Legislature as well, right.

14 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
15 OSTRANDER: If the Leg -- if the statutes were changed
16 that treated different classifications differently, yes.
17 But our -- currently, the working-after-retirement
18 statutes apply to all CalPERS --

19 PRESIDENT TAYLOR: Employees.

20 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF
21 OSTRANDER: -- retirees that then go back to work for a
22 CalPERS covered employer.

23 PRESIDENT TAYLOR: Okay. And since we -- that
24 might not be a big stretch, Mr. Honea, because I'm
25 thinking we already have miscellaneous versus safety

1 retirement, so maybe that's something you guys can
2 consider, because our -- as I say in my profession, you
3 know, we don't write the laws. We just enforce the laws,
4 so --

5 MR. HONEA: I understand. Yeah, the same for me.
6 (Laughter).

7 MR. HONEA: Appreciate it.

8 PRESIDENT TAYLOR: There you go. So with that,
9 does that suffice, Ms. Middleton?

10 BOARD MEMBER MIDDLETON: It does.

11 PRESIDENT TAYLOR: Okay. So now I need a motion.

12 BOARD MEMBER PACHECO: I have a comment.

13 PRESIDENT TAYLOR: Oh, did I miss you? I'm
14 sorry, Mr. Pacheco.

15 BOARD MEMBER PACHECO: I just wanted to follow up
16 on something.

17 PRESIDENT TAYLOR: Go ahead.

18 BOARD MEMBER PACHECO: Thank you. Thank you,
19 sir, for your -- for -- first of all, thank you for your
20 service and your appreciate this. I just wanted to
21 understand this. So it's not in law right now the
22 exemptions, or this process, or whatever. We have -- they
23 have to be brought back to the legislation and so forth?
24 Just can you just elaborate on that, because I know that
25 after we take the item to the administrative judges and

1 they come back with either their blessing or whatever
2 needs to be done next, there will be another set of
3 comments. Will there be not another opportunity for that
4 to be addressed or we would have to address this again in,
5 you know --

6 PRESIDENT TAYLOR: No, this is it.

7 BOARD MEMBER PACHECO: This is it, right?

8 PRESIDENT TAYLOR: This is it.

9 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

10 OSTRANDER: This -- correct. This is -- this the last
11 time, assuming there are no comments from the Office of
12 Administrative Law.

13 BOARD MEMBER PACHECO: Right.

14 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

15 OSTRANDER: I would expect that they will have some
16 questions. But yeah, so how the structure is set up is
17 that the foundation of the movement that we're taking
18 today comes from the working-after-retirement statutes for
19 any of that post-retirement employment. And that's where
20 the term "limited duration" is used for post-retirement
21 employment. And so these regulations are defining that
22 and putting it into a regulation that all CalPERS-covered
23 employers would be able to follow. So it creates a
24 uniformity amongst all of our employers in the. System

25 BOARD MEMBER PACHECO: All the employers,

1 including -- so now I get it. Now, I understand.

2 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

3 OSTRANDER: Yeah.

4 BOARD MEMBER PACHECO: But then if you -- I
5 understand now. Thank you very much for that
6 clarification.

7 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

8 OSTRANDER: You're welcome.

9 PRESIDENT TAYLOR: So and I just want to also add
10 to that I think, Mr. Pacheco, this -- we -- all we're
11 doing is defining it, right? The law is there. We're
12 just defining it, so -- because it's too general right
13 now.

14 I -- before we take a vote, I have one more
15 comment on the phone for this item. So can Mr. -- is it
16 Mr. Fox.

17 CHIEF EXECUTIVE OFFICER FROST: David Teykaerts.

18 PRESIDENT TAYLOR: Oh, Mr. Teykaerts.

19 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF

20 TEYKAERTS: Good morning, Madam President. Yes, we have
21 one call. We have Johnnie Pena from the League of
22 California Cities.

23 Go ahead Johnnie.

24 MR. PENA: Thank you. Good morning. Johnnie
25 Pena with the League of California Cities. Definitely

1 appreciate the opportunity to speak to you all regarding
2 the proposed regulation (inaudible) going back and forth
3 on these comments for us for some time now. So I
4 definitely appreciate all of the different opportunities
5 that are available to provide additional comment.

6 I want to thank CalPERS staff for taking the time
7 to speak directly to the League of California Cities and
8 to our folks who are interested in these regulations,
9 explaining the new rules here. Definitely going to be an
10 ongoing kind of effort. I know that it can be a little
11 complicated after the rules have changed. So definitely
12 appreciate working with CalPERS staff to educate going
13 forward.

14 I wanted to also thank staff again for listening
15 to public comment, taking our concerns into consideration,
16 and making amendments to this regulation throughout the
17 process

18 The regulations that we see before us today are
19 in fact a vast improvement to the previous version.
20 However, I must say that we are a little disappointed to
21 not see that additional changes weren't incorporated into
22 the latest version to address a lot of the issues that
23 were brought up by a large group of employers in the
24 latest round of the public comments period, included a few
25 that Cal Cities has requested, including moving the

1 12-month limit to the window following the expiration of
2 extensions to allow appointment exemptions to be requested
3 after the 48-months have elapsed, also including a
4 provision that states if the CalPERS Board fails to act
5 within the 60 days of the request, the exemption would --
6 is automatic deemed approved. Additionally, there were a
7 couple of other clarifying changes that we wanted to see
8 incorporated that were not.

9 We feel that additional flexibility, of course,
10 for retired annuitants would benefit local and State
11 agencies. But I want to make crystal clear that the
12 changes that we see here today from the original is a vast
13 improvement from the original.

14 So thanks again for the opportunity to make a
15 comment.

16 PRESIDENT TAYLOR: All right. Thank you.

17 I'm going to open it if anybody else has comment
18 on this.

19 All right. Ms. Ostrander, I heard that he had
20 several recommendations. It sounds to me like that was
21 all spoken about with him, is that correct, that all of
22 these extra things that they wanted was addressed?

23 EMPLOYER ACCOUNT MANAGEMENT DIVISION CHIEF

24 OSTRANDER: That is correct. So the League of California
25 Cities did send us a letter that acknowledged the

1 appreciation of the changes that we did make after
2 reviewing their initial comments and then provided three
3 additional items that they would like to have revisited.
4 And so we did speak with them. We did look at those. But
5 based on the totality of the regulations and the balance,
6 we are recommending to not move forward with those
7 changes.

8 PRESIDENT TAYLOR: So -- and I think we all have
9 to remember that there's a whole bunch of us from
10 different governing bodies. And everybody has a
11 difference of opinion on how this should be administered,
12 I think, but I do appreciate all the work you guys have
13 put in. I know it's a lot of work with talking to each
14 and every different stakeholder on this. So I appreciate
15 it.

16 Ms. Middleton.

17 BOARD MEMBER MIDDLETON: Thank you.

18 As in anything, for those who are municipal and
19 county employers, the crunch for trying to find the
20 necessary talent to carry out our public responsibilities
21 today is as challenging as it has ever been. And
22 annuitant employment has filled in critical gaps over and
23 over again. So I would like to thank Ms. Ostrander,
24 Anthony, and everyone for giving us greater flexibility
25 than we previously had. And that flexibility is very

1 necessary. Did we -- did those who are municipal and
2 county employers get everything that they hoped for? No.
3 But this is substantial progress over where we were
4 before, and I will be very proud to make the motion to
5 approve this amendment.

6 PRESIDENT TAYLOR: Thank you, Ms. Middleton.

7 BOARD MEMBER PACHECO: I'll second it.

8 PRESIDENT TAYLOR: It's been seconded by Jose
9 Luis Pacheco.

10 I -- all -- any discussion on the motion before I
11 go forward?

12 Okay. I'm not seeing any.

13 So could we have a roll call vote, please.

14 BOARD CLERK TRAN: David Miller?

15 VICE PRESIDENT MILLER: Aye.

16 BOARD CLERK TRAN: Lynn Paquin for Malia Cohen?

17 ACTING BOARD MEMBER PAQUIN: Aye.

18 BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

19 ACTING BOARD MEMBER RUFFINO: Aye.

20 BOARD CLERK TRAN: Lisa Middleton?

21 BOARD MEMBER MIDDLETON: Aye.

22 BOARD CLERK TRAN: Nicole Griffith for Eraina
23 Ortega?

24 ACTING BOARD MEMBER GRIFFITH: No.

25 BOARD CLERK TRAN: Jose Luis Pacheco?

1 BOARD MEMBER PACHECO: Aye.

2 BOARD CLERK TRAN: Kevin Palkki?

3 PRESIDENT TAYLOR: Did Kevin drop off?

4 BOARD MEMBER PALKKI: Aye.

5 PRESIDENT TAYLOR: There he is.

6 BOARD CLERK TRAN: Ramón Rubalcava?

7 BOARD MEMBER RUBALCAVA: Aye.

8 BOARD CLERK TRAN: Yvonne Walker?

9 BOARD MEMBER WALKER: Aye.

10 BOARD CLERK TRAN: Mullissa Willette?

11 BOARD MEMBER WILLETTE: Aye.

12 PRESIDENT TAYLOR: All right. Motion carries.

13 Thank you, everyone. And again thank you guys for the
14 hard work on this, because we've had this in front of us
15 for over a year, a little over a year. Thank you very
16 much.

17 All right. Moving on to Agenda Item 9, which is
18 our information agenda item. State and federal
19 legislation update. And for that, I'm going to recognize
20 Mr. Brown. Go ahead.

21 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good
22 morning, Madam President and Board members. Danny Brown
23 CalPERS staff.

24 The new State legislative session is ramping up
25 with the new bill introduction deadline this Friday. It's

1 likely that there will be over 2,000 bills introduced by
2 that deadline with at least half of them introduced this
3 week.

4 So far, the most impactful bill introduced is SB
5 252 by Senator Gonzalez of Long Beach. This bill proposes
6 to require CalPERS and CalSTRS to divest from the 200
7 fossil fuel companies with the highest estimated carbon
8 reserves. This is a reintroduction of the Senator's bill
9 from last year, SB 1173, which the Board did adopt an
10 oppose position on. Last year's bill died after failing
11 to get a hearing in the Assembly PERS Committee.

12 The new bill is nearly identical to last year's
13 bill and our team is working with the Investment Office to
14 update our analysis on the potential impacts of the bill.
15 We do know that the preliminary estimate of investment
16 exposure for this bill is 9.3 billion. This is up from
17 last year's estimate of 7.4 billion. We do plan to bring
18 the bill to the Board next month and we should also have a
19 much larger bill list to discuss.

20 And with that, I'll shift to the federal update.

21 On the federal side, it did take a while for
22 Congress to get things going, as we waited for the House
23 to elect their Speaker and to negotiate committee sizes.
24 Hearings did start this month with no surprise. There was
25 a bipartisan focus on China, especially with the recent

1 incident of downing the balloon. We can expect Congress
2 to continue to focus on China throughout the year. We
3 will be closely monitoring for any outbound investment
4 screening or restrictions that might impact our investment
5 program.

6 We also expect partisan activity around ESG, the
7 House Financial Services Committee has announced a
8 Republican ESG Working Group, while the Democrats have
9 created a Congressional Sustainable Investment Caucus. We
10 will make ourselves available as a resource to both groups
11 that are interested into tapping into expertise.

12 On the regulatory side, we have submitted two
13 comment letters since our last Board meeting. Back in
14 December, we submitted a comment letter to FASB that
15 generally supports their proposed improvements to public
16 company disclosures. And then early this month, we wrote
17 to the federal reserve on their draft principles for
18 climate related financial risk management for large banks.
19 Both of these letters are on our website.

20 And with that, I will end my report and answer
21 any questions.

22 PRESIDENT TAYLOR: Thank you, Mr. Brown.

23 Any questions?

24 I know that we had some folks go to D.C. Any
25 questions or comments?

1 Mr. Pacheco.

2 BOARD MEMBER PACHECO: Yes, Mr. Brown. Thank
3 you. I'd like to ask you a question about the Federal
4 Reserve, the comment that -- when was that submitted
5 the -- for the climate change?

6 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:
7 February 6th.

8 BOARD MEMBER PACHECO: And is it -- is it -- are
9 we at the beginning of the comment period or is it
10 still -- is it still going on? I'm just --

11 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: The
12 comment period closed on February 6th, so now they're --
13 they'll be taking -- all those comments that they received
14 should be posted on their website and then our comment
15 letter is posted on our website. And then they'll start
16 the process of reviewing those.

17 BOARD MEMBER PACHECO: Oh, I see. And then --
18 and then at that -- and at that point, they'll --

19 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:
20 They'll put out --

21 BOARD MEMBER PACHECO: The regulations.

22 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah.

23 BOARD MEMBER PACHECO: Very good then. Thank you
24 very for that clarification.

25 PRESIDENT TAYLOR: Mr. Rubalcava, go ahead.

1 BOARD MEMBER RUBALCAVA: Thank you, Mr. Brown.
2 And I also want to thank you and your office for
3 coordinating the visit we did as part of the conference
4 with Mr. Frank Ruffino, and Mr. Pacheco, and myself. I
5 was very impressed with the lobbying firm that we have
6 over there and opportunity to meet with some of the
7 elected officials.

8 I also want to volunteer, Madam President, that
9 since we adjourned early yesterday, we had opportunity,
10 Ms. Willette and Mr. Pacheco to also walk the Capitol, and
11 we had an opportunity to at least talk to two of the
12 members of the Senate side who are on the Retirement
13 Committee.

14 PRESIDENT TAYLOR: Thank you.

15 BOARD MEMBER RUBALCAVA: So I just want to share
16 more information with you later. Thank you.

17 PRESIDENT TAYLOR: Thank you.

18 Mr. Brown.

19 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Well,
20 thank you. I'm glad you found the meetings in D.C.
21 productive. And I'm sorry that I wasn't able to join you,
22 but hopefully next time.

23 PRESIDENT TAYLOR: Thank you.

24 All right. Thank you, Mr. Brown. I don't see
25 any more questions from the Board.

1 We are now at summary of Board direction, because
2 we are at the end here.

3 CHIEF EXECUTIVE OFFICER FROST: I believe we
4 resolved Ms. Middleton's direction, but we can still have
5 the team reach out to the Sheriffs' Association and let
6 them now how to interact with the current regulatory
7 language. I think there --

8 PRESIDENT TAYLOR: That might be a good idea.

9 CHIEF EXECUTIVE OFFICER FROST: I think there are
10 some options there for them.

11 And then other than that, other than Committee
12 direction that was reported out through the various
13 committees, I didn't record any additional direction.

14 PRESIDENT TAYLOR: All right. Thank you, Ms.
15 Frost.

16 So at this time, we are now taking public
17 comment. And with that, I'm going to start -- I've got
18 three people in the room and one person on the phone.

19 So I'm going to start with Mr. Lawrence Grossman,
20 if you want to come down here. And we are going to allow
21 your requested time, okay? Just start By introducing
22 yourself and the time will go on. Thank you.

23 MR. GROSSMAN: President Taylor, members of the
24 Board --

25 PRESIDENT TAYLOR: Oh, hold on one second.

1 You're not on. She's running back there.

2 PRESIDENT TAYLOR: All right, now you're on. Go
3 ahead.

4 MR. GROSSMAN: Thank you. President Taylor,
5 members of the Board, good morning. Thank you for five
6 minutes. My name is Lawrence Grossman and I live in
7 Benicia, California. I'm here to comment on the CalPERS
8 long-term care insurance crisis.

9 Permit me to be perfectly frank. If the CalPERS
10 long-term care insurance program had honestly disclosed
11 what it is, I believe no reasonable person would bought --
12 would have bought a policy, but CalPERS has been extremely
13 dishonest by not disclosing material facts and it sold
14 about a quarter of a million policies. The program has
15 been implemented incompetently and is now a financial
16 disaster, primarily of CalPERS creation. Yet, CalPERS
17 wants policies holders to pay for its failings, and to
18 that end has broken contracts and risen premiums at times
19 10-fold, that's a thousand percent.

20 The ongoing class action lawsuit, which the Board
21 has fought for nine years addresses only part of the
22 problem. There remain earlier and later rate increases
23 that are inconsistent with policy contracts, as well as
24 damages caused by deceptive sales practices.

25 This is why a public audit of the program is

1 necessary. Likely, you notice that each candidate last
2 year for the CalPERS Board seat that Ms. Walker won
3 emphatically stated during their debate that the CalPERS
4 Long-Term Care Program is a failure or a debacle. This
5 Board has denied that with staff asserting publicly that
6 the CalPERS program simply has experienced problems which
7 all commercial long-term care insurance companies have
8 experienced.

9 This assertion seems quite inconsistent with the
10 facts and needs to be publicly examined. CalPERS has
11 failed to follow its enabling legislation, which requires
12 it to offer a commercial policy option in the CalPERS
13 program if there is a program at all. But CalPERS decided
14 to ignore the law because, as I have been told by former
15 Board members, staff asserted that the so-called
16 self-funded option was far superior.

17 Yet, even if one believes the commercial option
18 is less attractive, how is it possible to ignore the law.
19 Why did CalPERS not let consumers choose. CalPERS General
20 Counsel was asked that question in writing by a colleague
21 of mine. The General Counsel had an Associate respond who
22 simply wrote that this is how the long-term program has
23 always operated and there are no present plans to change
24 it.

25 Not offering a commercial long-term care

1 insurance option means that the self-funded program did
2 not have to compete with another policy that CalPERS
3 endorsed. Competition would have let buyers see the
4 crucial differences between a policy subject to Department
5 of Insurance oversight and a self-funded one without
6 oversight.

7 The self-funded option I submit is also
8 dangerously convenient to CalPERS. It means CalPERS is
9 not subject to Department of Insurance regulation.
10 Undoubtedly, the Department of Insurance would not have
11 permitted the 900 percent premium increases that CalPERS
12 has imposed. The Department of Insurance certainly has
13 not approved such rate increases for any commercial
14 carrier.

15 As President Biden said recently during the State
16 of the Union Address, capitalism without competition is
17 not capitalism, it's extortion. It's exploitation.
18 Effectively, that's what we have with the CalPERS
19 Long-Term Care Program. We have neither competition nor
20 effective regulation, just extortion and exploitation.

21 In just a few months, one of the largest class
22 action lawsuits in U.S. history will go to trial in Los
23 Angeles. CalPERS versus 80,000 or so if its long-term
24 care policyholders, the remaining ones. CalPERS
25 settled -- CalPERS settling the suit now with

1 policyholders on equitable terms is both necessary and the
2 ethical thing to do. Then CalPERS must turn to the
3 remainder of the long-term care mess. Until, it's cleaned
4 up, we agree policy -- aggrieved policy holders are not
5 going away.

6 And since I've got 42 seconds, thank you, permit
7 me a personal comment. I wonder if any of you have spoken
8 with a long-term care policyholder. It's heartbreaking to
9 do so. I have spoken with nearly 100 policyholders who
10 reached out to me for help after reading my articles about
11 this long-term care CalPERS crisis. Each one believes
12 that they have been cheated by CalPERS and that their
13 financial and physical security during their final days
14 has been stolen by CalPERS. As an 80-year old
15 policyholder wrote me just a few days ago, there is no
16 escaping the conclusion that the people we have totally
17 entrusted to look out for our interests have decided to
18 ride it out waiting for us to die.

19 Thank you very much.

20 Should I wait for questions, walk away?

21 PRESIDENT TAYLOR: No, that's fine. Thank you,
22 Mr. Grossman.

23 MR. GROSSMAN: Thank you.

24 PRESIDENT TAYLOR: And we have Susan Cohen and Al
25 Darby up next.

1 Go ahead.

2 MS. COHEN: Hi. Good morning. My name is Susan
3 Cohen. I'm a CalPERS retiree. I wanted to tell the Board
4 that in a recent clearing out of my garage, I located my
5 initial sign-up documents for CalPERS long-term care. And
6 I recall that day. I recall that meeting. There were two
7 plans presented to staff. CalPERS and General Electric,
8 that's what it was called at the time. After review, and
9 I read every single word in those brochures, I chose
10 CalPERS. Why? Because CalPERS has such a great
11 reputation.

12 Here I am 21 years later and I don't know how to
13 say it any other way, I feel like my trust was hugely in
14 error. I do understand why CalPERS kept the funds for the
15 Long-Term Care Program in a separate -- you know,
16 separated from CalPERS retiree funds. That makes total
17 sense. That's good governance.

18 However, the first rate increase that I really
19 noticed, and there were little ones along the way, about
20 10 years ago or so, was 85 percent. And my financial
21 advisor at the time said I'll look into and I'll get back
22 to you. And frankly what happened was I absorbed it.

23 Now, there's another rate increase of, I don't
24 know, 77 percent. And then if you compound things, okay.
25 Over 21 years, it's a 900 percent increase. I am lucky.

1 I am one of the few retirees - I hope there are others -
2 who went out shopping and found another policy, so I now
3 have two long-term care policies. It's very expensive to
4 have two long-term care policies. The reason I have two
5 is because on the CalPERS long-term care settlement
6 website, it doesn't say anything except you need to still
7 be in the system to be part of any settlement we might
8 come up with. It does not say you can't lower, or you
9 should lower, or you shouldn't lower. It's very unclear.

10 At the last settlement that was not -- did not go
11 through, my family was looking at \$90,000. Now, I'm in a
12 quandary. I don't know what's going to happen. I did
13 testify to the judge last fall. I am watching the clock
14 very carefully. I did testify briefly and I just said
15 nine years is a very long time. I was very nervous then.

16 Now, I'm more like, well, what's going on, and
17 what's going to happen, and is CalPERS going to treat its
18 retirees who bought the program that CalPERS offered with
19 respect and dignity that they deserve. Thank you very
20 much for your time and for listening so attentively. I
21 appreciate it.

22 PRESIDENT TAYLOR: Thank you, Ms. Cohen.

23 Mr. Darby, would you like to come down.

24 MR. DARBY: Madam Chair, Board members, Al Darby,
25 Vice President, Retired Public Employees Association.

1 I just want to make a quick comment about Mr.
2 Anthony Suine. He has served us so well over the years in
3 helping our members get their individual problems worked
4 out. And I have to say that RPEA has great gratitude for
5 all of the work that he did for us in the past.

6 One of the things he -- equally as helpful as Mr.
7 Suine, Mr. Teykaerts should also be recognized for his
8 wonderful work in helping our members.

9 Thank you.

10 PRESIDENT TAYLOR: Thank you, Mr. Darby. We
11 appreciate it.

12 We have one more public comment and I believe
13 that's on the phone, so Mr. Teykaerts.

14 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF
15 TEYKAERTS: Yes. Good morning, Madam President. We have
16 Cesar on the phone and he has a translator that will open
17 for us. So, John, go ahead please.

18 MR. OCAMPO: Yes, hi, everyone. John Ocampo
19 here. I'm a union organizer with the United Electrical
20 Radio and Machine Workers of America. I'm just here to
21 serve as an interpreter for Cesar Moreira. He only speaks
22 Spanish, so I'll pass it along to him, then I'll interpret
23 for him.

24 Cesar.

25 MR. MOREIRA (through interpreter): My name is

1 Cesar Moreira. I'm a workers at the Refresco Bottling
2 factory in Wharton, New Jersey, whose new owner now as of
3 last year is KKR. And CalPERS is a significant investor
4 in KKR, that's why we're speaking to you today. And we're
5 going through a tough situation at the plant. It's very
6 unsafe. We have abysmal working conditions. And about a
7 month and a half go, we had a work -- co-worker fall from
8 a ladder at least 10 feet high, fall back from it, and
9 could have died at the plant. And we're just in general
10 suffering from poor and unsafe working conditions.

11 PRESIDENT TAYLOR: Translator or did we lose him?

12 Uh-oh.

13 MR. OCAMPO: Can you hear me

14 PRESIDENT Taylor: Yes, there you go.

15 MR. OCAMPO: Hello.

16 Sorry so.

17 MR. MOREIRA (through interpreter): Basically,
18 we're in the midst of negotiating our first union contract
19 at the plant and there are three main issues that we would
20 like some support on from investors in KKR, since they own
21 the workplace where I work at. One is the issue of
22 schedules. So we've been obligated or for over two years
23 now to work 12-hour schedules. And it's leading to a lot
24 of stress, fatigue, and injuries at the workplace. We
25 also need pay increases. For where we live in New Jersey,

1 our pay is, you know, basically poverty wages or slightly
2 above that. And also, the medical benefits. Refresco
3 provides us with some health insurance, but it's not
4 accepted at any of the local hospitals. Coverage is very
5 poor. The network is deficient. And so we need your
6 support in order to get a first union contract that makes
7 progress and will help improve our working conditions as
8 I've just laid out here.

9 PRESIDENT TAYLOR: Okay. So do we have
10 information, Mr. Teykaerts, on -- we do have the
11 information on the caller?

12 Was that it or was there more that he wanted to
13 add?

14 MR. MOREIRA (through interpreter): So just to add
15 that, you know, KKR is a -- it's a worldwide entity. It's
16 got a lot of money. It now owns Refresco. And again,
17 calling just to express the perspective of how workers see
18 it from the level of the plant in New Jersey. All we do
19 is we work and we live off the wages that are paid to us,
20 because of our work at that plant. So we would just
21 appreciate any support that you can offer in terms of
22 helping us obtain better pay, better benefits, and better
23 working conditions overall.

24 Thank you.

25 PRESIDENT TAYLOR: Thank you. And we have the

1 name of the plants and the fund that's in and everything?

2 Okay. If there's nothing else, we appreciate the
3 call. And I have a comment from Mr. Rubalcava. Go ahead.

4 BOARD MEMBER RUBALCAVA: Thank you, Madam
5 President. I just want to follow up on your comments and
6 just want to make sure that staff follows up on the
7 Responsible Contracting Policy make sure it's being abide
8 by in this situation and thank the speakers for their
9 presentation, their comment. Thank you.

10 PRESIDENT TAYLOR: Thank you. I agree and I also
11 want to make sure that there's no -- we're following
12 through to make sure they're abiding by the union contract
13 and negotiations.

14 So I do appreciate that as well.

15 Anything else? Any other comments from anybody?

16 All right. So with that, I appreciate all our
17 hard work today. We are now going to adjourn and go into
18 closed session for items 1 through 3 from the closed
19 session agenda. This will include the following
20 litigation matters Wedding et al. versus CalPERS, and Liu
21 versus CalPERS. And we will also receive the General
22 Counsel's update on pending litigation. After the closed
23 session, the Board will reconvene in open session.

24 So thank you all for coming today. We will see
25 everyone next month.

1 Meeting adjourned.

2 (Off record: 10:22 a.m.)

3 (Thereupon the meeting recessed
4 into closed session.)

5 (Thereupon the meeting reconvened
6 open session.)

7 (On record: 11:45 a.m.)

8 PRESIDENT TAYLOR: Okay. Thank you very much.
9 Welcome back to open session. Appreciate it.

10 This adjourns this month's Board of
11 Administration and Committee meetings. Thank you for
12 joining us. We will see you all next month. We are
13 adjourned.

14 (Thereupon, the California Public Employees'
15 Retirement System, Board of Administration
16 meeting open session adjourned at 11:45 a.m.)

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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 21st day of February, 2023.



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