

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 BOARD OF ADMINISTRATION  
 MINUTES OF MEETING  
 OPEN SESSION  
 Tuesday, June 20, 2023**

The Board of Administration met on Tuesday, June 20, 2023, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

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

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

Board of Administration Members excused: Dr. Gail Willis

**AGENDA ITEM 2a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES**

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 2a1 through 2a12 as the Board's own decisions with the following minor modifications argued by staff to Agenda Items 2a2 and 2a4 through 2a7 and 2a12.

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

The Public meeting recessed into closed session at approximately 9:03 a.m.

The Public meeting reconvened into open session at approximately 9:19 a.m.

President Taylor reported out that no action was taken in closed session.

The Public meeting adjourned open session at approximately 9:19 a.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

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MARCIE FROST  
Chief Executive Officer

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
MINUTES OF MEETING  
OPEN SESSION  
Thursday, June 22, 2023**

The Board of Administration met on Thursday, June 22, 2023, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:49 a.m. and the following members were present:

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

Board of Administration Members excused: None

The Public meeting recessed into closed session at approximately 9:50 a.m.

The Public meeting reconvened into open session at approximately 10:35 a.m.

The meeting was called to order at approximately 10:35 a.m. and the following members were present:

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

Board of Administration Members excused: None

### AGENDA ITEM 3 – PRESIDENT’S REPORT

President Taylor recognized June being the month of celebrating the voices, lives, and contributions of our friends, family, and colleagues in the LGBTQ+ community.

President Taylor also recognized the holiday, Juneteenth.

### AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost reported on the following:

- PBI Berwyn Data breach
- CalPERS Upcoming Diverse Investment Manager Forum, now known as “Catalyst”
- Third Annual Pathways for Women event
- APEX Recipients
- Senate Bill 252

### AGENDA ITEM 5 – CONSENT ITEMS

#### Action Consent Items

- Approval of the April 18, 2023, Board of Administration Meeting Minutes
- Board Travel Approvals
- Approval of the June 22, 2023, Board of Administration Timed Agenda

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

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

## **AGENDA ITEM 6 – CONSENT ITEMS**

### **Information Consent Items:**

- a. Board Meeting Calendar
- b. Draft Agenda for the September 20, 2023, Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

## **AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS**

### a. Investment Committee

David Miller, Chair, Investment Committee presented the Committee Summary report to the Board. The Committee met on June 20, 2023.

Additional information may be found in the June 20, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for September 18, 2023 in Sacramento, California.

### **PUBLIC COMMENT:**

Al Darby, representing RPEA spoke about the behaviors of private equity companies.

### b. Pension and Health Benefits Committee

Ramon Rubalcava, Chair, Pension and Health Benefits Committee presented the Committee Summary report to the Board. The Committee met on June 21, 2023.

Additional information may be found in the June 21, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for September 19, 2023 in Sacramento, California.

### c. Finance and Administration Committee

Lisa Middleton, Chair, Finance and Administration Committee presented the Committee Summary report to the Board. The Committee met on June 21, 2023.

Additional information may be found in the June 21, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for September 19, 2023 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Jose Luis Pacheco, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on June 22, 2023.

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

- The incentive metrics for fiscal year 2023-24 as presented by the board’s compensation consultant, Global Governance Advisors. (PCTM Item 5a)
- The fiscal year 2023-24 incentive plan for the Chief Executive Officer as proposed by the board’s compensation consultant, Global Governance Advisors. (PCTM Item 5b)
- Revisions to the Board’s Compensation Policy for Executive and Investment Management Positions as presented by Global Governance Advisors , the Board’s Primary Executive and Investment Compensation Consultant. (PCTM Item 5c)

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

Additional information may be found in the June 22, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for September 19, 2023 in Sacramento, California.

e. Risk and Audit Committee

David Miller, Vice Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on June 21, 2023.

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

- The proposed 2023-24 Enterprise Compliance and Risk Management Plans. (RAC Item 5a)
- The proposed 2023-24 Office of Audit Services Plan. (RAC Item 5b)
- The proposed Independent Auditor’s Annual Plan. (RAC Item 5c)

- Staff's recommendation to amend the CalPERS Conflict of Interest Code followed by submission to the Office of Administrative Law upon conclusion of the comment periods if no public comments are received. (RAC Item 5d)

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

Additional information may be found in the June 21, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for September 19, 2023 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

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

**AGENDA ITEM 8a – STATE AND FEDERAL LEGISLATION UPDATE**

Danny Brown, Chief of Legislative Affairs, provided the State Legislation update. Dan Crowley of K&L Gates provided a Federal Legislation update.

**PUBLIC COMMENT:**

Linda Evans, Mayor of the City of La Quinta spoke in support of Senate Bill 839.

**AGENDA ITEM 8b – SUMMARY OF BOARD DIRECTION**

The Board directed the team to bring back Senate Bill 839 to the Board for a position.

## **AGENDA ITEM 8c – PUBLIC COMMENT**

The Public meeting recessed into closed session at approximately 11:47 a.m.

The Public meeting reconvened into open session at approximately 12:42 p.m.

The Public meeting adjourned at approximately 12:43 p.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

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MARCIE FROST  
Chief Executive Officer



# Board of Administration Agenda Item 5b

# REVISED

June 22, 2023

**Item Name:** Board Travel Approvals

**Program:** Board of Administration

**Item Type:** Action Consent

### Recommendation

Approve travel requests as required under the Board of Administration’s travel policy.  
Over \$500/Out of State/Country Travel Requests Approved by Board President:

Board Member	Date	Destination	Purpose	Estimated Costs
Mullissa Willette	June 1, 5 & 8, 2023	Virtual	International Corporate Governance Network – Governance, Stewardship & Sustainability Course	\$562.19
Mullissa Willette	July 12-15, 2023	Tigard, OR	ICPM Board Education on Sustainable Investing	\$4,500.00
Jose Luis Pacheco	July 24-26, 2023	Reno, NV	CA School Employee Association Annual Conference	\$550.00
Kevin Palkki	August 28-31, 2023	Malibu, CA	CALAPRS – Principles of Pension Governance for Trustees	\$3,850.00
Theresa Taylor	September 25-28, 2023	Toronto, ON, Canada	ICPM– Rotman Pension Governance Education Program	\$8,950.00
Mullissa Willette	September 25-28, 2023	Toronto, ON, Canada	ICPM– Rotman Pension Governance Education Program	\$8,950.00
Frank Ruffino	September 29-October 5, 2023	Boston, MA	IFEBCP – Trustees Master Program and the 69 <sup>th</sup> Annual Conference	\$6,090.00

There are Board Member Travel Reports attached.

Attachment 1

Attachment 2

Attachment 3

Attachment 4

Attachment 5

Attachment 6

Attachment 7

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Theresa Taylor  
President  
Board of Administration



# Investment Committee

## Meeting Summary

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**June 22, 2023**

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

The Investment Committee met on June 20, 2023.

- AGENDA ITEM 5a – Revisions to the CalPERS Investment Policy for Insider Trading

The Committee voted to postpone approval of the revisions to the statement of Investment Policy for Insider Trading until the September 2023 Investment Committee meeting and to provide a copy of the proposed Policy to the Union and Supervisors prior to the September meeting.

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

- Current Trends in Investing and Sustainability,
- Investment Office 2022-23 Strategic Initiatives Update,
- Quarterly Chief Investment Officer Report,
- Private Equity Annual Program Review,
- Real Assets Annual Program Review, and
- Introduction to Risk Budgeting Strategy.
- The Chair Directed Staff to:
  - Provide the Investment Policy for Insider Trading to the Union and Supervisors prior to approval in September,
  - Provide a review and refresh of the Real Estate Responsible Contractor Policy (RCP) as soon as feasible,
  - Provide a discussion of ESG Principles at the July Offsite, and
  - Provide updates to the Board regarding steps taken in response to the labor dispute in public comment.

**The Committee heard public comment on the following topics:**

- Climate change and labor disputes.

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

- CalPERS Trust Level Review,
- CalPERS Trust Level Review Consultant Report,
- Global Fixed Income Annual Program Review and,
- Global Public Equity Annual Program Review.

The next meeting of the Investment Committee is scheduled for September 18, 2023, in Sacramento, California.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 BOARD OF ADMINISTRATION  
 MINUTES OF MEETING  
 OPEN SESSION  
 Tuesday, July 18, 2023**

The Board of Administration met on Tuesday, July 18, 2023, at the Portola Hotel and Spa in Monterey, California.

The meeting was called to order at approximately 9:07 a.m. and the following members were present:

Theresa Taylor, President  
 David Miller, Vice President  
 Malia Cohen  
 Frank Ruffino for Fiona Ma  
 Lisa Middleton  
 Eraina Ortega  
 Jose Luis Pacheco  
 Kevin Palkki  
 Ramon Rubalcava  
 Yvonne Walker  
 Mullissa Willette  
 Dr. Gail Willis

Board of Administration Members excused: None

**ACTION ITEM – APPROVAL OF 2024 HEALTH MAINTENANCE ORGANIZATION PREMIUMS AND APPROVAL OF 2024 PREFERRED PROVIDER ORGANIZATION PREMIUMS**

On **MOTION** by Jose Luis Pacheco, **SECONDED** by Ramon Rubalcava, and **CARRIED**, with a roll call vote, with five no votes, the Board approved the 2024 Health Maintenance Organization Premiums and the 2024 Preferred Provider Organization Premiums, and transition to one risk pool over a three-year phase in while adopting the PPO benefit design changes.

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
David Miller	X		
Malia Cohen		X	
Frank Ruffino for Fiona Ma		X	
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker		X	
Mullissa Willette		X	
Theresa Taylor			X
Gail Willis		X	

The Public meeting adjourned at approximately 10:32 a.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

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MARCIE FROST  
Chief Executive Officer

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
MINUTES OF MEETING  
OPEN SESSION  
Wednesday, July 19, 2023**

The Board of Administration met on Wednesday, July 19, 2023, at the Portola Hotel and Spa, De Anza Ballroom, Two Portola Plaza in Monterey, California.

The meeting was called to order at approximately 9:07 a.m. and the following members were present:

Theresa Taylor, President  
David Miller, Vice President  
Frank Ruffino for Fiona Ma  
Lisa Middleton  
Eraina Ortega  
Jose Luis Pacheco  
Kevin Palkki  
Ramon Rubalcava  
Yvonne Walker  
Mullissa Willette  
Dr. Gail Willis

Board of Administration Members excused: Malia Cohen

**ACTION ITEM – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES**

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items A through D as the Board's own decisions with minor modifications argued by staff.

**ACTION ITEM – PETITIONS FOR RECONSIDERATION**

On **MOTION** by David Miller, **SECONDED** by Kevin Palkki, and **CARRIED**, the Board moved to deny the petitions at Agenda items A through E.

**ACTION ITEM – BOARD TRAVEL APPROVALS**

On **MOTION** by David Miller, **SECONDED** by Kevin Palkki, and **CARRIED**, the Board moved to deny the petitions at Agenda items A through E.

The Public meeting continued with the remaining items on the agenda at 9:09 a.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

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MARCIE FROST  
Chief Executive Officer