

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
FINANCE & ADMINISTRATION COMMITTEE

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

TUESDAY, FEBRUARY 17, 2026

11:30 A.M.

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

APPEARANCES

COMMITTEE MEMBERS:

Lisa Middleton, Chair

David Miller, Vice Chair

Michael Detoy

Kevin Palkki

Ramón Rubalcava

Mullissa Willette

Yvonne Walker

BOARD MEMBERS:

Theresa Taylor, President

Monica Erickson

Troy Johnson

STAFF:

Marcie Frost, Chief Executive Officer

Michele Nix, Chief Financial Officer

Robert Carlin, Senior Attorney

Renee Salazar, Deputy General Counsel

Dallas Stone, Chief, Operations Support Services Division

INDEX

	<u>PAGE</u>
1. Call to Order and Roll Call	1
2. Election of the Finance and Administration Committee Chair and Vice Chair	1
3. Executive Report - Michele Nix	4
4. Action Consent Items - Michele Nix	5
a. Approval of the February 17, 2026, Finance & Administration Timed Agenda	
b. Approval of the November 18, 2025, Finance & Administration Meeting Minutes	
c. Review of Finance & Administration Committee Delegation	
5. Information Consent Items - Michele Nix	6
a. Annual Calendar Review	
b. Draft Agenda for the April 13, 2026, Finance & Administration Committee Meeting	
c. Treasury Analysis and Liquidity Status Report	
d. Pension Contracts Management Program Report	
6. Action Agenda Items	
a. 2026 CalPERS Board of Administration State, School, and Public Agency Notice of Election - Dallas Stone	7
7. Information Agenda Items	
a. 2025 CalPERS Board of Administration Member-at-Large Election Results - Dallas Stone	11
b. Summary of Committee Direction - Michele Nix	18
c. Public Comment	18
8. Adjournment of Meeting	18
Reporter's Certificate	20

PROCEEDINGS

1
2 CHAIR PALKKI: Thank you, everyone. I'd like to
3 call the Finance and Administration Committee to order.
4 Can we start with a roll call.

5 BOARD CLERK ANDERSON: Kevin Palkki.

6 CHAIR PALKKI: Good morning.

7 BOARD CLERK ANDERSON: Mullissa Willette.

8 VICE CHAIR WILLETTE: Here.

9 BOARD CLERK ANDERSON: Michael Detoy.

10 COMMITTEE MEMBER DETOY: Here.

11 BOARD CLERK ANDERSON: Lisa Middleton.

12 COMMITTEE MEMBER MIDDLETON: Present.

13 BOARD CLERK ANDERSON: David Miller.

14 COMMITTEE MEMBER MILLER: Here.

15 BOARD CLERK ANDERSON: Ramón Rubalcava.

16 COMMITTEE MEMBER RUBALCAVA: Present.

17 BOARD CLERK ANDERSON: Yvonne Walker.

18 COMMITTEE MEMBER WALKER: Here.

19 CHAIR PALKKI: Great. So the next order of
20 business is the election of the Chair and Vice Chair of
21 the Finance and Administration Committee. And for this,
22 I'll hand the gavel over to Mullissa Willette and turn on
23 your mic.

24 VICE CHAIR WILLETTE: Thank you. Thank you,
25 Committee. I will now take nominations for Chair of the

1 Finance and Administration Committee.

2 Kevin Palkki.

3 CHAIR PALKKI: I would like to nominate Lisa
4 Middleton.

5 VICE CHAIR WILLETTE: The nomination is made for
6 Lisa Middleton.

7 Are there any other nominations?

8 Are there any other nominations?

9 Are there any other nominations?

10 And seeing none, I have a nomination to approve
11 Lisa Middleton as Chair of Finance and Administration.
12 Please do the roll call vote.

13 BOARD CLERK ANDERSON: Mullissa Willette?

14 VICE CHAIR WILLETTE: Yes.

15 BOARD CLERK ANDERSON: Michael Detoy?

16 COMMITTEE MEMBER DETOY: Aye.

17 BOARD CLERK ANDERSON: Lisa Middleton?

18 COMMITTEE MEMBER MIDDLETON: Aye.

19 BOARD CLERK ANDERSON: David Miller?

20 COMMITTEE MEMBER MILLER: Aye.

21 BOARD CLERK ANDERSON: Ramón Rubalcava?

22 COMMITTEE MEMBER RUBALCAVA: Aye.

23 BOARD CLERK ANDERSON: Yvonne Walker?

24 COMMITTEE MEMBER WALKER: Aye.

25 BOARD CLERK ANDERSON: Kevin Palkki?

1 COMMITTEE MEMBER PALKKI: Aye.

2 VICE CHAIR WILLETTE: The motion does pass.
3 Congratulations. I will now pass it over to Lisa
4 Middleton to Chair the meeting.

5 CHAIR MIDDLETON: I will now take nominations for
6 Vice Chair of the Finance and Administration Committee.
7 And I would like to nominate David Miller.

8 Are there any other nominations?

9 Are there any other nominations?

10 Are there any other nominations?

11 I have a motion to approve David Miller as Vice
12 Chair. Please do a roll call vote.

13 BOARD CLERK ANDERSON: Mullissa Willette?

14 VICE CHAIR WILLETTE: Yes.

15 BOARD CLERK ANDERSON: Kevin Palkki?

16 COMMITTEE MEMBER PALKKI: Aye.

17 BOARD CLERK ANDERSON: Michael Detoy?

18 COMMITTEE MEMBER DETOY: Aye.

19 BOARD CLERK ANDERSON: Lisa Middleton?

20 CHAIR MIDDLETON: Aye.

21 BOARD CLERK ANDERSON: David Miller?

22 COMMITTEE MEMBER MILLER: Aye.

23 BOARD CLERK ANDERSON: Ramón Rubalcava?

24 COMMITTEE MEMBER RUBALCAVA: Aye.

25 BOARD CLERK ANDERSON: Yvonne Walker?

1 COMMITTEE MEMBER WALKER: Aye.

2 CHAIR MIDDLETON: All right. I think we need to
3 rearrange the deck chairs, so give us just a couple of
4 minutes to do that and we will proceed with the meeting.

5 Thank you. So with that, the next item is the
6 Executive Report. And I'll ask Michele Nix to provide
7 that.

8 CHIEF FINANCIAL OFFICER NIX: Good morning, Madam
9 Chair and Committee members. Michele Nix, CalPERS team
10 member.

11 First, let me congratulate you Lisa and David on
12 your election to Chair and Vice Chair. I would like to
13 report that as of February 1st, 2026, the California
14 Employers' Pension Prefunding Trust - we also call it the
15 CEPPT - is -- the balance is 356.3 million with 104
16 contracted employers.

17 The agenda today consists of the review of the
18 Finance and Administration Committee delegation, which has
19 no changes, treasury analysis and liquidity status report,
20 and pension contracts management program report.

21 The agenda has one action item seeking your
22 direction, the 2026 CalPERS Board of Administration State,
23 school and public agency notice of election presented by
24 Dallas Stone. Additionally, Dallas will present one
25 information item. This will be related to the 2025

1 CalPERS Board of Administration member-at-large election
2 results.

3 You can look forward to hearing more about the
4 ALM cycle for the affiliate trust in the March Investment
5 Committee, as well as the actuarial aspects of the ALM in
6 April's Finance and Administration Committee.

7 The Next Finance and Administration Committee is
8 scheduled for April 13th, 2026 and will include semiannual
9 contracting prospective report, various actuarial
10 valuation reports for State and schools, as well as the
11 1959 Survivor Benefit Program and Legislators' Retirement
12 System, the semiannual financial report for the PERF,
13 semiannual health plan financial report, an update of the
14 Investment Data and Technology Initiative, the 2026-27
15 annual budget proposal, and last but not least, the ALM
16 management first reading Judges', Judges' II and
17 Legislators' actuarial assumptions.

18 Thank you, Madam Chair. This concludes my report
19 and I would be please to take questions at this time.

20 CHAIR MIDDLETON: All right. Are there any
21 questions?

22 I am seeing none. And so we will move on to Item
23 4, action consent items. What is the pleasure of the
24 Committee?

25 COMMITTEE MEMBER PALKKI: Move to approve.

1 VICE CHAIR MILLER: Second.

2 CHAIR MIDDLETON: We have a motion from Mr.
3 Palkki, a second from Mr. Miller.

4 All those in favor, please say aye?

5 (Ayes.)

6 CHAIR MIDDLETON: Any opposed?

7 Any abstentions?

8 Item 4 is -- A through C is approve.

9 Next, we have Item 5, information consent items.
10 5a through 5d, what is the pleasure of the Committee?

11 COMMITTEE MEMBER RUBALCAVA: I have a question on
12 an item.

13 CHAIR MIDDLETON: Mr. Rubalcava.

14 COMMITTEE MEMBER RUBALCAVA: Thank you. On the
15 Treasury Analysis and Liquidity Status Report, 5c, very
16 good report. It's good to know that under all these
17 stress scenarios, we do not have to sell public assets.
18 But I noticed that in one of the -- on the Health Care
19 Fund and the Long-Term Care Fund, there isn't a level two
20 test. Is that because of the investment mix? I think
21 that's the answer. I just want to --

22 CHIEF FINANCIAL OFFICER NIX: That's the answer,
23 yes. They're more conservatively invested based upon the
24 need of the trust.

25 COMMITTEE MEMBER RUBALCAVA: Thank you very much.

1 Appreciate it. Very good report. Thank you.

2 CHAIR MIDDLETON: Thank you.

3 Are there any other questions?

4 Then we had a motion.

5 COMMITTEE MEMBER RUBALCAVA: Move.

6 CHAIR MIDDLETON: Motion to approve.

7 Second?

8 It's an information. Excuse me.

9 (Laughter).

10 CHAIR MIDDLETON: All right. Getting back in the
11 swing of this.

12 Action -- Item 6, action agenda items. 6a.

13 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

14 Good morning, members of the CalPERS Board.

15 Dallas Stone, CalPERS team member.

16 This is an action item seeking the Finance and
17 Administration Committee's approval to initiate the 2026
18 State, school and public agency elections by adopting the
19 respective notice of elections, which were provided to you
20 in attachments 1, 2 and 3 of this agenda item. These
21 elections are to fill three seats, the State, school and
22 public agency members on the CalPERS Board.

23 The State position is held by Theresa Taylor, who
24 does not intend to run for reelection. The school and
25 public agency members are held by Kevin Palkki and

1 Mullissa Willette respectively, who have both declared
2 their intentions to run for reelection. If approved, we
3 will release the notice elections on March 16th, 2026,
4 which will mark the beginning of the nomination period.
5 At that time, the NOEs will be distributed electronically
6 to employers for distribution to all active members who
7 will receive them from CalPERS VA circular letter.

8 Nomination petitions with a minimum of 250
9 eligible original signatures will need to be submitted to
10 the CalPERS by potential candidates no later than 5 PM on
11 May 14th, 2026. All forms related to the nomination
12 requirements will be posted on the CalPERS Board elections
13 webpage. Interested candidates may also request a copy of
14 the forms directly by contacting the Board elections
15 office. I'm happy to answer any questions at this time.
16 Thank you.

17 CHAIR MIDDLETON: Are there any questions from
18 the Committee?

19 COMMITTEE MEMBER TAYLOR: Just one.

20 CHAIR MIDDLETON: Ms. Taylor.

21 COMMITTEE MEMBER TAYLOR: All right. Thank you.
22 So March 16th you're releasing the notice, and the
23 petitions, and everything else. And it's due May 14th?
24 It seems like a long time. I don't remember it being that
25 long. It could just be me.

1 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

2 Yeah. We typically give a month for -- or two
3 months for folks to collect signatures. So, yeah, that's
4 our typical runtime.

5 COMMITTEE MEMBER TAYLOR: Oh, two months to
6 collect signatures. The election is the one month thing,
7 right, I think?

8 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
9 The election is one month, correct --

10 COMMITTEE MEMBER TAYLOR: Yeah. Okay.

11 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
12 -- which starts in the fall.

13 COMMITTEE MEMBER TAYLOR: I just didn't remember
14 that. All right. Thank you.

15 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
16 You're welcome.

17 CHAIR MIDDLETON: Mr. Palkki.

18 COMMITTEE MEMBER PALKKI: Thank you, Madam Chair.
19 Out of respect for us being fourth in
20 transparency worldwide, I'm going to abstain my vote from
21 this action item.

22 CHAIR MIDDLETON: All right. Thank you.

23 COMMITTEE MEMBER PALKKI: Thank you.

24 CHAIR MIDDLETON: Any other questions?

25 We will call for the question. Is there a motion

1 to approve?

2 COMMITTEE MEMBER RUBALCAVA: Hand raised.

3 VICE CHAIR MILLER: Second.

4 CHAIR MIDDLETON: Mr. Rubalcava, second Mr.
5 Miller.

6 Roll call, please.

7 BOARD CLERK ANDERSON: David Miller?

8 VICE CHAIR MILLER: Aye.

9 BOARD CLERK ANDERSON: Michael Detoy?

10 COMMITTEE MEMBER DETOY: Aye.

11 BOARD CLERK ANDERSON: Kevin Palkki?

12 COMMITTEE MEMBER PALKKI: Abstain.

13 BOARD CLERK ANDERSON: Mullissa Willette?

14 VICE CHAIR WILLETTE: Abstain.

15 BOARD CLERK ANDERSON: Ramón Rubalcava?

16 COMMITTEE MEMBER RUBALCAVA: Aye.

17 BOARD CLERK ANDERSON: Yvonne Walker?

18 COMMITTEE MEMBER WALKER: Aye.

19 CHAIR MIDDLETON: Motion is approved. And we
20 look forward no this election and for your updates, and
21 thank our members who are attempting return to this Board.
22 And we want to thank President Taylor for her incredible
23 work over a number of years.

24 With that, we move to information agenda item 7.

25 Mr. Stone.

1 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

2 Yep. Good morning, members of the CalPERS Board.
3 Dallas Stone, CalPERS team member. This is an information
4 item on the results of the 2025 member-at-large election.
5 They were two seats available for this election.

6 The Position A seat C was decided by a majority
7 vote. And the primary election in David Miller was
8 reelected with 53.93 percent of the votes. The Position B
9 seat was decided by majority vote in the primary election
10 and Troy Johnson was elected with 52.25 percent of the
11 votes. Congratulations to Mr. Miller and Mr. Johnson.

12 The following is a summary of the results. The
13 term of office for the elected Board members is January
14 16th, 2026 through January 15th, 2030. Voter turnout for
15 the election was 8.88 percent. We continue to partner
16 with the Office of Public Affairs and Stakeholder
17 Relations in an effort to increase voter engagement and
18 participation. Some of those outreach efforts included
19 candidate statement videos, toolkits for the employers,
20 spotlight adds, banners on inside CalPERS, press releases,
21 social media via Facebook, X, and LinkedIn messages,
22 hosting a candidate forum held in person and livestreamed,
23 and placing on CalPERS website for future viewing.

24 Attachment 1 provides a breakdown on voter
25 participation demographics, including age group, gender,

1 participation by voting method and the top 10 cities that
2 voted. There were a total of over 1.6 million members and
3 retirees eligible to vote in this election. A total of
4 147,848 total votes were received based on all valid and
5 invalid votes submitted through all voting channels.

6 Voting participation by voting stream in this
7 election was as follows: mail-in votes made up 70.61
8 percent of the total; online votes made up 25.46 percent;
9 telephone voting made up 3.93 percent. When looking at
10 participation by member type, retired members made up 75
11 percent of the total votes who participated. School
12 members made up 9.89 percent followed by State members
13 8.18 percent, and public agency members at 6.93 percent.

14 Attachment 2 provides a breakdown on voter
15 outreach statistics for this election. The candidate
16 forum attracted approximately 65 in-person attendees, 466
17 livestream views, and 4,757 YouTube replays. Candidates
18 received between 3,000 and 14,000 views of their candidate
19 statement recordings. And there were a total of 45 social
20 media posts and six news releases. Eight thousand one
21 hundred eighty-five eligible voters retrieved their pin
22 using the online recovery tool.

23 Attachment 3 provides a cost summary of this
24 election. The total cost to conduct this election was
25 approximately \$4 million. The cost per eligible voter was

1 approximately \$2.41.

2 This concludes my presentation and I'm happy to
3 answer any questions you may have at this time.

4 Thank you.

5 CHAIR MIDDLETON: Are there any questions for Mr.
6 Stone?

7 COMMITTEE MEMBER TAYLOR: I have one question.
8 Sorry.

9 CHAIR MIDDLETON: Ms. Taylor.

10 COMMITTEE MEMBER TAYLOR: I just wanted to know,
11 has this gone down from last time?

12 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
13 Yeah, when compared to the 2021 mail, I believe
14 the voter participation was 13.36 percent. This time
15 around it was 8.88.

16 COMMITTEE MEMBER TAYLOR: What happens? What's
17 wrong with people? Anyway, thank you.

18 (Laughter).

19 CHAIR MIDDLETON: Are there -- Mr. Stone, are
20 there strategies and -- that you think we should be
21 considering employing that we have not previously employed
22 to increase voter turnout?

23 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
24 At the end of each election, we meet obviously
25 with the Office of Public Affairs and Stakeholder

1 Relations and talk through the strategy. We try to
2 enhance our toolkits. We try to market those toolkits to
3 all of our stakeholder groups as well as employers to try
4 to drive participation. These are things that we're
5 constantly looking at to try to improve.

6 CHAIR MIDDLETON: All right. Any other
7 questions?

8 COMMITTEE MEMBER TAYLOR: I did have one more
9 thing.

10 CHAIR MIDDLETON: Okay. President Taylor.

11 COMMITTEE MEMBER TAYLOR: First, I found a typo.
12 There's -- under -- what is this? Member-at-large
13 elections voter outreach statistics under candidate forum.
14 There's 4,7575. I don't think that's a number for YouTube
15 replays. It's YouTube replays.

16 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
17 That's our mistake.

18 COMMITTEE MEMBER TAYLOR: I just wanted --

19 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
20 My apologies.

21 COMMITTEE MEMBER TAYLOR: Yeah. No. I just
22 wanted to make sure we corrected that.

23 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
24 Yep.

25 COMMITTEE MEMBER TAYLOR: And then I just want to

1 say it looks like we try -- we had a lot of engagement
2 that we tried to do. That's what some of these stats talk
3 about, social media posts, et cetera, board election
4 webpage. I know when I was still at work, they were not
5 telling us about the CalPERS Board elections. And if it
6 was, it was maybe on our FTBnet somewhere in the middle of
7 it. And people -- you know, you get to work, you're not
8 looking at FTBnet. And I don't know if we can make
9 employers be a little more pushy about that. I do know
10 that our work as trustees is to work with our members and
11 make sure they know. That's -- we have to try to do
12 better too, so...

13 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

14 I would just comment that in year's past our team
15 has actually ran reports on the 20 largest employer types.
16 You know, for State, schools, and public agency. We've
17 personally reached out to each of those employers and
18 talked to their comms staff to partner directly with them,
19 for them our toolkits for marketing the elections. And
20 even when we did do that, you know, trying to put that
21 personal touch and partner with each of those employers,
22 if we didn't seem to kind of move the needle in terms of
23 participation, but I agree.

24 COMMITTEE MEMBER TAYLOR: Yeah. No, I don't see
25 it. I remember -- I've asked recently some people that

1 still are, you know, online and stuff, and, you know,
2 they're not seeing it either, so...

3 CHAIR MIDDLETON: One comment from me with regard
4 to turnout. I think it would be appropriate for us to
5 really dig into the data regarding who did vote and get a
6 sense of where is it that we need to be concentrating our
7 recruitment efforts, and who are the -- who are
8 individuals that have tended to vote in the past and did
9 not vote in the 2025 election.

10 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
11 We can look into that. Thank you.

12 CHAIR MIDDLETON: All right. Are there any other
13 questions or comments from the Committee?

14 Mr. Miller.

15 VICE CHAIR MILLER: Yeah. This has been
16 something that has been kind of baffling to me for a long
17 time. As some folks know, I first ran to try to sit on
18 this Board back in around '01. And, it's -- and so I kind
19 of come at it a little differently. I have a pretty good
20 sense of who does vote and why they vote. I think where
21 we I still feel, even as a candidate, this big information
22 gap is all these folks that do not vote and why don't they
23 vote?

24 We can say, oh, they don't vote because they're
25 just so happy with everything right now that they don't

1 even want to bother or the opposite, they're so
2 disgruntled or so apathetic that they don't think it
3 matters. I don't think we know. I think we need, at some
4 point, you know, even as a candidate as to how do we get
5 the kind of -- do we do focus groups, do we pull together
6 people and have small conversations, to try to get some
7 honest feedback from the people who are not engaged.

8 And it's one of the big challenges I have in
9 other parts of my professional life, how do you really
10 address engagement, not just in terms of satisfaction or
11 participation, but real engagement is much more
12 challenging to assess when it's relatively low. High
13 engagement gives you a lot of opportunities to assess
14 those key factors that contribute to engagement, but when
15 it's low, it's much tougher. What are the dissatisfiers,
16 what are the -- what's the, you know, aggravation index,
17 what are those factors that lead someone to sit an
18 election out? Is it that they don't appreciate that it
19 matters? Is it that they don't appreciate the
20 consequences of making wrong choices? Who knows?

21 And I think that's something that may be in
22 partnership with some of our stakeholders even, we could
23 work on a little bit of a strategy over the next however
24 how long to try to start -- rather than just kind of pro
25 forma survey type approaches, but maybe do some smaller

1 group interactions, some -- and to try to pull in -- and
2 that's the challenge, trying to pull in those who aren't
3 engaged to get, you know, useful intelligence from them
4 can be challenging. But I think it's probably maybe worth
5 the effort. So enough said.

6 CHAIR MIDDLETON: All right. Thank you.

7 Any other questions or comments from the
8 Committee?

9 Then let me conclude by thanking not only Mr.
10 Stone but congratulating again Mr. Johnson and Mr. Miller
11 on their successful campaigns.

12 So with that, we go to 7b, Summary of Committee
13 Direction, Ms. Nix.

14 CHIEF FINANCIAL OFFICER NIX: Yes. I noted a
15 comment to dig into the data for increased recruitment
16 efforts.

17 CHAIR MIDDLETON: Thank you.

18 Are there any public comments?

19 BOARD CLERK ANDERSON: (Shakes head).

20 CHAIR MIDDLETON: No public comments. So, this
21 is the adjournment of the meeting. And it is the
22 conclusion of our work for today. The Board of
23 Administration begins at 9 a.m. tomorrow morning back in
24 chambers and thank you all for being here today.

25 (Thereupon the California Public Employees'

1 Retirement System, Board of Administration,
2 Finance & Administration Committee meeting
3 adjourned at 11:52 a.m.)
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