

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

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

TUESDAY, MARCH 17, 2026
3:07 P.M.

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

APPEARANCES

COMMITTEE MEMBERS:

David Miller, Chair

Theresa Taylor, Vice Chair

Monica Erickson

Fiona Ma, represented by Patrick Henning

Lisa Middleton

Ramon Rubalcava

Yvonne Walker

BOARD MEMBERS:

Troy Johnson

Kevin Palkki

STAFF:

Marcie Frost, Chief Executive Officer

Robert Carlin, Senior Attorney

Renee Salazar, Deputy General Counsel

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PROCEEDINGS

1
2 CHAIRPERSON TAYLOR: All right, everybody. All
3 right. Welcome to the Board of Administration[SIC]. I'm
4 calling the meeting to order. First order of business is
5 roll call.

6 BOARD CLERK LEMUS: Theresa Taylor?

7 CHAIR TAYLOR: Here.

8 BOARD CLERK LEMUS: David Miller.

9 VICE CHAIR MILLER: Here.

10 BOARD CLERK LEMUS: Monica Erickson.

11 COMMITTEE MEMBER ERICKSON: Here.

12 BOARD CLERK LEMUS: Patrick Henning.

13 ACTING COMMITTEE MEMBER HENNING: Here.

14 BOARD CLERK LEMUS: Lisa Middleton.

15 COMMITTEE MEMBER MIDDLETON: Present.

16 BOARD CLERK LEMUS: Ramon Rubalcava.

17 COMMITTEE MEMBER RUBALCAVA: Present

18 BOARD CLERK LEMUS: Yvonne Walker.

19 COMMITTEE MEMBER WALKER: Here.

20 CHAIR TAYLOR: All right. With that, I'm going
21 to hand the gavel over -- oh, no, I'm going to do the
22 gavel. And we're doing the election of the Chair and the
23 Vice Chair. And with that, I would like to nominate David
24 as Chair of the Board of Administration[SIC] Committee.

25 No, I have to do it for you.

1 Are there any other nominations?

2 Any other nominations?

3 Any other nominations?

4 Hearing none, all this in favor say aye?

5 (Ayes.)

6 CHAIR TAYLOR: All those opposed?

7 And any abstentions?

8 All right. With that, I'll hand it over to you.

9 If you want to switch, we can switch.

10 There you go.

11 CHAIR MILLER: I will now take nominations for
12 the Vice Chair of the Board Governance Committee.

13 COMMITTEE MEMBER TAYLOR: Oh, hold on.

14 CHAIR MILLER: I'll call on Director Rubalcava.

15 COMMITTEE MEMBER TAYLOR: It went away.

16 CHAIR MILLER: It went away.

17 COMMITTEE MEMBER TAYLOR: Can we have it again?

18 There we go.

19 CHAIR MILLER: There you go.

20 COMMITTEE MEMBER RUBALCAVA: Thank you. I
21 nominate President Theresa Taylor for Vice Chair of the
22 Governance Committee.

23 CHAIR MILLER: Are there any other nominations?

24 Any other nominations?

25 Any other nominations?

1 I have a motion to approve President Theresa
2 Taylor as Vice Chair of the Committee.

3 Do we have a roll call vote or do we just --

4 COMMITTEE MEMBER TAYLOR: I think you can just --

5 CHAIR MILLER: All in favor?

6 (Ayes.)

7 CHAIR MILLER: Any nays?

8 Any abstentions?

9 This ayes have it. The motion passes.

10 Congratulations. And now I am going to pass the gavel
11 back for this session.

12 VICE CHAIR TAYLOR: Session. We can still switch
13 places. You could just cal on me.

14 CHAIR MILLER: We can switch places and I'll
15 just call -- be calling on Theresa. The microphone phone
16 is on

17 VICE CHAIR TAYLOR: Names. That's all right.

18 CHAIR MILLER: Make it very confusing to
19 everyone. I am not Theresa Taylor. Okay. And Theresa is
20 just going to run this part of the meeting, so I can learn
21 how to do it.

22 VICE CHAIR TAYLOR: Okay. As I close everything
23 and shut it down.

24 One second. With that, we're going to go on to
25 the Executive Report.

1 DEPUTY GENERAL COUNSEL SALAZAR: Good
2 afternoon --

3 CHAIR MILLER: Hi, Renee.

4 DEPUTY GENERAL COUNSEL SALAZAR: -- Mr. Chair,
5 Madam Chair. Renee Salazar, CalPERS team member.
6 Congratulations Chair and Vice Chair. With the vote to
7 electric the Chair and Vice Chair, I think you've done the
8 Lion's share of the work on the agenda today. But more
9 specifically with respect to the agenda, besides the
10 approval of the consent items, which include the biennial
11 review of the Board Governance Committee delegation that
12 has no changes, we just have one information item to
13 present to the Committee for discussion. That concludes
14 my report. I'm happy to take any questions.

15 VICE CHAIR TAYLOR: That's just me.

16 CHAIR MILLER: Okay. Seeing none, we'll move on
17 to action consent items. I don't have any questions.

18 VICE CHAIR TAYLOR: Move approval.

19 ACTING COMMITTEE MEMBER HENNING: Second.

20 CHAIR MILLER: Moved and seconded.

21 Any discussion on the items?

22 Okay. All in favor?

23 (Ayes.)

24 CHAIR MILLER: Any nays?

25 Any abstentions?

1 None. Those items all pass.

2 We move to information consent items. I am not
3 aware of anyone that wants this pulled, so we'll move on
4 now to our information agenda items. And for this, we'll
5 go back to Theresa has the floor.

6 VICE CHAIR TAYLOR: Do I have it? There we go.

7 CHAIR MILLER: Yeah.

8 VICE CHAIR TAYLOR: I know what I'm doing.

9 So for the Board skills matrix discussion, I'm
10 going to let Renee and Robert start the discussion. And
11 then what I'd like for everybody as we look at the skills
12 matrix that they've proposed, if you guys have
13 suggestions. And also, this is for us -- for our own
14 learning benefit. It's not like, oh, gee, I don't have
15 this or anything like that. If you want to learn
16 something that you -- that you don't think you have or,
17 you know, you have enough and you're good, whatever. It's
18 just -- it's just for us personally and for the Board as
19 kind of a whole. So we kind of know what holes to plug in
20 terms of training and all that stuff.

21 So go ahead, Robert.

22 DEPUTY GENERAL COUNSEL SALAZAR: I'll start with
23 an introduction.

24 VICE CHAIR TAYLOR: Oh, Renee, sorry.

25 DEPUTY GENERAL COUNSEL SALAZAR: No problem.

1 Once again, good afternoon, Chair, Vice Chair, Committee
2 members.

3 The Board president asked staff to prepare this
4 item, to provide members of the Committee with an
5 opportunity to discuss the prospective merits of creating
6 and implementing a skills matrix for the Board of
7 Administration.

8 So there's no recommendation provided. The
9 agenda item is truly for Committee discussion. With that
10 in mind, I'll turn it over to Robert for a few general
11 comments to kick the discussion off.

12 SENIOR ATTORNEY CARLIN: Good afternoon,
13 Committee members. Robert Carlin, CalPERS team member
14 from the Legal Office. Yeah, Renee is right, we have no
15 recommendation here. This is really a governance
16 discussion for the Board to decide whether this will be
17 additive or provide something that you would all find
18 helpful in carrying out your responsibilities.

19 The Board skill matrix itself as a concept really
20 has its origin kind of in corporate America. It was
21 originally a tool that was designed for -- like for proxy
22 statements to help better disclose the identity of the
23 Directors, what skill sets they had. It oftentimes was
24 used as something to assist in additional recruitments for
25 members of the Board to broadcast and formalize the kind

1 of qualities that they were looking for.

2 That sort of a utility is not probably as present
3 with us, because the nature of this Board is already set
4 by statute and protected by the Constitution. So we don't
5 have the same need for it in that respect, but it's also
6 been used in terms of assessing how the Board is
7 performing, looking to see what areas, again from an
8 individual perspective, where there's maybe need for
9 education, so it can be a helpful tool.

10 We provided a very plain, vanilla sort of
11 example. There's much more colorful, and creative, and
12 complicated examples out there as well, but we didn't want
13 to, in any way, prejudge for the Board. We just wanted to
14 sort of conceptualize and give you just enough to have a
15 discussion, and whet your appetite, and see if you needed
16 anything further, so that you could discuss it.

17 So, we're happy to take any questions you might
18 have, but otherwise we'll turn the floor over to you all
19 to discuss.

20 VICE CHAIR TAYLOR: There's nothing here.

21 SENIOR ATTORNEY CARLIN: We don't have any
22 PowerPoint presentation or anything. There is sort of an
23 exemplar of

24 VICE CHAIR TAYLOR: Yeah. They gave the handout.

25 SENIOR ATTORNEY CARLIN: In the agenda item,

1 there's a very sort of simplified table that sort of shows
2 like --

3 COMMITTEE MEMBER WALKER: I was just wondering if
4 you were going to show it on the big screen.

5 COURT REPORTER: Microphone, please.

6 COMMITTEE MEMBER WALKER: I was just wondering
7 whether you were going to show it on the big screen or
8 should I pull out my computer?

9 SENIOR ATTORNEY CARLIN: Pull it on -- yourself.
10 Apologies.

11 COMMITTEE MEMBER WALKER: Okay. That's right.

12 CHAIR MILLER: Okay. I've got Patrick Henning.

13 ACTING COMMITTEE MEMBER HENNING: Was this done
14 out of a request from the Committee in the past or was
15 this -- I apologize. We've gone through a little
16 transition in the Treasurer's office.

17 SENIOR ATTORNEY CARLIN: No. No. Great
18 questions. I meant to mention the Board President asked
19 us. And, in fact, I think she has -- maybe you want to
20 mention the event that you went to that sort of put this
21 on here.

22 VICE CHAIR TAYLOR: Oh, well, so I was on the
23 ICGN Board, to start it off, and we did it, not
24 necessarily to put people in places on committees, but it
25 did help identify people, because we actually have a

1 marketing committee for the ICGN Board, and people had
2 marketing experience. The minute I was on there and I
3 started talking about our Board Governance, then they were
4 like, good, you're on the Board Governance Committee,
5 right?

6 (Laughter).

7 COMMITTEE MEMBER WALKER: Better than kids.

8 VICE CHAIR TAYLOR: So it's sort of that, but
9 it's also -- if you look at the -- on the thing, it talks
10 about -- it gives us a bunch of things that we are
11 supposed to have, like -- not really supposed to have,
12 but, you know, should be familiar with, fiduciary and
13 ethics, investments, pension and health, risk management,
14 financial reporting. But one of the things I was also
15 thinking that maybe we should have softer skills, such as
16 leadership skills, communication skills. I don't know
17 how -- I mean, we're a fairly political board, so, you
18 know, we could --

19 ACTING COMMITTEE MEMBER HENNING: The only thing,
20 Madam Chair, that I worry about is that a matrix like this
21 may not include everything, and then may give the public
22 the false impression that we don't have any skills.

23 VICE CHAIR TAYLOR: Well, I -- and I think we
24 should -- if we have an idea of what is in here, and I
25 think we want to report it as a whole. We don't -- and if

1 we report it singly, it would have to be anonymously. I
2 don't think we should point to the public and have them
3 say, oh, well this person doesn't have anything, you know,
4 or something like that. So I don't -- I don't want this
5 to be, in any way, outing us for something that we don't
6 know or anything like that. I -- so again, I want -- we
7 can take it for ourselves, right?

8 ACTING COMMITTEE MEMBER HENNING: And I would
9 actually take it to a different perspective of just
10 because a box isn't checked, doesn't necessarily mean --
11 just because we didn't receive the information here --

12 VICE CHAIR TAYLOR: Yes.

13 ACTING COMMITTEE MEMBER HENNING: -- doesn't mean
14 that we didn't receive it in some other part of our life.
15 And that's just my concern is that --

16 VICE CHAIR TAYLOR: And we can make that as a --
17 as statement, right, a disclaimer?

18 Go ahead, Marcie.

19 CHIEF EXECUTIVE OFFICER FROST: I was just going
20 to mention that when you brought this concept forward,
21 that this would be self-assessed. So it wouldn't be the
22 training and development that you only received at
23 CalPERS. This would include your entire career and
24 history of development and skills. And so the idea would
25 be to identify all of the skill sets. And we could help

1 create a standardized list. And if we miss something,
2 then you could obviously add to it, but you would then go
3 in and self-assess what you have and obviously, would not
4 check box for what you don't, but it would not be
5 something that you only received at CalPERS.

6 VICE CHAIR TAYLOR: And you -- and even you might
7 have the skill, but you don't like doing it, so don't
8 check --

9 ACTING COMMITTEE MEMBER HENNING: There's a lot
10 of that.

11 (Laughter).

12 ACTING COMMITTEE MEMBER HENNING: There is a lot
13 of that for sure.

14 CHAIR MILLER: Hang on. Hang on. Let me get
15 you.

16 VICE CHAIR TAYLOR: There you are.

17 COMMITTEE MEMBER WALKER: Explain to me again,
18 because I'm a little fuzzy now, having listened, how we're
19 going to use it. I mean, because on the one hand, it
20 sounds like if we're filling it out ourselves and it's
21 whatever, is it something that just sits with us? I mean,
22 what is the purpose and function?

23 VICE CHAIR TAYLOR: So it does --

24 CHAIR MILLER: Or is it a public document?

25 VICE CHAIR TAYLOR: Yeah, it's a -- it can be a

1 public document, but not with our names. Okay. I don't
2 think that we should --

3 CHAIR MILLER: I don't know how that works.

4 COMMITTEE MEMBER WALKER: Then what's the
5 purpose?

6 VICE CHAIR TAYLOR: So but it sits with us for us
7 to decide if we need additional -- if we want additional
8 classes that, okay, we've got all these list of things,
9 maybe I want a legal and regulatory class.

10 COMMITTEE MEMBER WALKER: Okay. But if we did
11 want legal or regulatory training, couldn't we just ask
12 for it?

13 VICE CHAIR TAYLOR: Sure. But if you're
14 identifying stuff off a list, wouldn't you -- you know,
15 what I'm trying to set here is not just that, but also
16 soft skills, right?

17 COMMITTEE MEMBER WALKER: No, I get that. But
18 again, that could be something that we could identify.
19 Maybe, you know, I don't -- and maybe I'm just missing it,
20 but I don't see the purpose.

21 VICE CHAIR TAYLOR: Okay.

22 CHAIR MILLER: Okay. Director Middleton.

23 COMMITTEE MEMBER MIDDLETON: All right. Thank
24 you. I think it is important that this be a
25 self-assessment, but I would believe that as a part of the

1 onboarding process for any Board member, getting a laundry
2 list of skills that are going to be important would be
3 helpful to new members in their first couple of years as
4 they're trying to assess what do I need to do, where --
5 what classes should I be taking. For new members, also to
6 get a list of what other -- what trainings other Board
7 members had gone to in their first few years of being on
8 the CalPERS Board. It's a public record and it would give
9 that new member then an opportunity to check with their
10 colleagues as to what they thought of various courses and
11 programs, and try to figure out what's the best training
12 for me to get where I need the training the most.

13 VICE CHAIR TAYLOR: And I think -- so if we start
14 with a sitting Board, right, as we onboard new Board
15 members -- for example, we're going to have a new Board
16 member when I retire -- then, yes, you could do a skills
17 matrix for them as well. But I think it should be ongoing
18 for us as well, maybe not all the time, but -- and Robert,
19 I want you to chime in on this. The reason I want us to
20 do this is there are times you sit in positions of
21 leadership and your -- you know, there are things that you
22 just need to learn, everybody has to learn. We're -- I
23 believe in life-long learning. And we can't always assume
24 that because we've been in leadership in other places,
25 that we know everything.

1 But also, I thought that you, me and Renee talked
2 about that we were going to try to make it a anonymous to
3 the public, am I incorrect in that? I swear that's what I
4 heard.

5 SENIOR ATTORNEY CARLIN: Well --

6 VICE CHAIR TAYLOR: I mean overall, right? Like
7 it's -- these are the skills the Board has.

8 CHAIR MILLER: In the HR realm or --

9 SENIOR ATTORNEY CARLIN: I think there's a couple
10 different ways this is done. In some cases, like in many
11 corporate proxies you'll see the name of each individual,
12 the categories, and then either they'll just have a check,
13 yes, they have it or they can -- for example, they might
14 have a scale 1 to 3, like beginner, intermediate, expert.

15 There's also other instances where it's a
16 anonymized in the sense that you have entries, but there's
17 no identification on who the person is. I think there's
18 probably a way we could do that. We'd need to probably do
19 it similar to how we've done some of the synonymous things
20 with the Board. But that -- so that's one thing, but that
21 has a little bit -- that gives you more of a holistic view
22 of the Board.

23 VICE CHAIR TAYLOR: That's kind of what I was
24 looking at, but we also still should be able to sit with
25 our own self-assessment, right?

1 SENIOR ATTORNEY CARLIN: Correct. You would know
2 the responses you gave. And, I mean -- you know, I
3 think -- well, let me put it this way as well, from
4 staff's perspective, I don't think we think there's
5 anything that has to be done here. This is for the Board
6 to decide what needs to be done. But it certainly could
7 be a useful tool, for example, in terms of each person
8 formally thinking about, oh, yeah, well, you know - legal
9 and regulatory for your example - like when was the last
10 time I actually had that at an educational sort of thing,
11 as opposed to you just see the different events that are
12 posted, and there's the trainings that come before the
13 Board. Our goal is always to provide the Board with a
14 very fulsome and wide-ranging set of topics so that you're
15 getting educated on all the important things, but...

16 VICE CHAIR TAYLOR: And I think that -- Lisa is
17 not wrong that that -- this would be advantageous for any
18 onboarding Board member. But also, I think when -- once
19 we have the current Board read in, right, and have done a
20 skills assessment, and then also participated in whether
21 or not they want to do more education, and we can go out
22 and look for educational sources for whatever it is they
23 want to do, but also again -- and I am taking suggestions
24 for not just this list here, right, because this is
25 everything that we do on this Board, anything in your

1 life, right, that you've been doing. Lisa has got a long
2 history. Patrick has got a long history. Yvonne has got
3 a long history of being leadership positions. Some of us
4 do, some of us don't, right?

5 SENIOR ATTORNEY CARLIN: And the list we provided
6 was just by way illustration, again to sort of help move
7 the conversation forward.

8 VICE CHAIR TAYLOR: There we go.

9 SENIOR ATTORNEY CARLIN: Different organizations
10 will have very different skill sets, so they're not all
11 the same. Some will be kind of common, but others will
12 be, you know, quite specific to the type of enterprise
13 you're dealing with. Technology companies would be very
14 different from like a consumer Staple's company. There
15 would be some overlap on some things, but like leadership,
16 for example, maybe, but other things one might be more
17 technologically focused, another might be more about
18 supply chains, logistics, and things like that.

19 VICE CHAIR TAYLOR: Right. And I can -- I can
20 check off financial reporting and audit, because I was
21 taxed, but it doesn't fit within this necessarily, right?

22 DEPUTY GENERAL COUNSEL SALAZAR: Well, I think
23 you do want to identify the skill sets that the members
24 bring that help support the mission.

25 VICE CHAIR TAYLOR: Correct.

1 DEPUTY GENERAL COUNSEL SALAZAR: And then it also
2 helps identify gaps. I think that's how retirement
3 systems that have done these have used them. That would
4 be the idea I think generally.

5 VICE CHAIR TAYLOR: So what I -- what I'd like
6 for the Board members to do right now is make some
7 suggestions, so that staff can bring it back on a list.
8 And if you see -- they did finally put this up. If you
9 see, they put this together where you would put the member
10 and then the one, two, three, four skills. But also, we
11 could have, like Robert said, you know, well, I'm medium
12 at that. I'm not -- you know, I don't know that real
13 well, but I'm medium. Oh I'm a -- you, know one, two,
14 three. I'm an expert. So that matrix could look
15 different as well. So the expectations are that we are
16 just kind of -- it was really helpful in ICGN, which was a
17 corporate board on governance, because it was a private
18 board that it really helped us identify what we could fill
19 spots in. But that's not the job of this Board, but this
20 matrix is for us, for ourselves, right?

21 I think everybody could go with a little bit more
22 leadership classes. We do a lot of classes that have to
23 do with pensions and stuff and I don't think we do enough
24 leadership, collaboration, communication classes, and I
25 think we -- I think -- I think we need that. I think that

1 should be included. I think everybody here has some sort
2 of leadership experience. But, you know, what does that
3 mean and how does that breakdown?

4 Anybody have ideas they want to pitch in?

5 CHAIR MILLER: Some people want to speak.

6 VICE CHAIR TAYLOR: Okay.

7 CHAIR MILLER: So we'll go to Ms. Erickson first.

8 COMMITTEE MEMBER ERICKSON: Hello. Well, with me
9 being a new Board member, I'm still trying to figure out
10 the lay of the land. And, of course, CalPERS has done an
11 incredible job of, you know, onboarding me as much as
12 possible. I can easily see where I'm deficient and where
13 I would need to kind of take training. A lot of the
14 resources that are out there already on the resources
15 side, gives me some insight as to where to go get those
16 classes, which thank you very much.

17 But I think for me what I would like to know is
18 what the Board and maybe the public expects the Board to
19 have specific training. So if there was a list of some
20 bare minimum requirements of training that we should have.
21 I mean, we're making investment decisions here, and I
22 think that's very critical to have that type of
23 background. Some of us don't, some of us do. Some of us
24 are better at it.

25 So I'm thinking maybe it might be more beneficial

1 to know what a bare minimum standard is of training, and
2 whether that's leadership or not, that could be a
3 discussion.

4 CHAIR MILLER: Okay. Director Walker.

5 COMMITTEE MEMBER WALKER: Yeah. I think -- I get
6 where you're going and what you're thinking, but we don't
7 even have a issue of -- a baseline, right? What are the
8 things that you think a Board member needs to know to be
9 and effective Board member, right? And it is more than
10 just these classes. Like Theresa said, there is, you
11 know, different skills, leadership kills, and everything
12 else, but how would we prioritize them, you know? And I
13 think that that is a bigger discussion for the Board to
14 figure out what it is that we're looking for, because the
15 reality is not everybody, and I will just use myself as an
16 example, is going to be, you know, the expert or even the
17 non-expert on investments. Like that was never my thing,
18 and I will be on honest with you, it will never be my
19 thing, okay?

20 But there are some things that, you know, some
21 skills that you can have and things that you can know, so
22 it's not outside the realm of possibility. I don't think
23 you have to be a financial person to sit in this seat and
24 be effective Board member. That is not -- that is not one
25 of the criteria, right?

1 VICE CHAIR TAYLOR: Correct.

2 COMMITTEE MEMBER WALKER: And so how are we
3 defining and effective Board member. If it means going to
4 all those classes and everything else, then, you know, I
5 just -- I just think it's a bigger discussion than just
6 putting this out here and say, hey, let's do this --
7 this -- what is it, a skills matrix.

8 VICE CHAIR TAYLOR: Skills assessment.

9 COMMITTEE MEMBER WALKER: Oh, skills assessment
10 matrix. And then on -- and also, we're a public agency.
11 If we're putting something down on a piece of papers, it
12 then becomes a PRA request, if asked, right? Could we
13 keep it out of the public?

14 No, we couldn't, could we?

15 SENIOR ATTORNEY CARLIN: There might --

16 COMMITTEE MEMBER WALKER: That was rhetorical.

17 SENIOR ATTORNEY CARLIN: I would depend on the
18 manner. Yeah. I just want to add too, I think you raised
19 a great point, Ms. Walker that I think just to clarify for
20 the public as well, the nature of this Board, the fact
21 that many of the members come to this Board as laypersons
22 without prior training on investments is not something
23 that's unexpected. It's in the very nature of the way the
24 system is set up, and it's --

25 COMMITTEE MEMBER WALKER: Intentionally.

1 SENIOR ATTORNEY CARLIN: Intentionally. And
2 there's no -- there's no conflict between that and your
3 fiduciary duty as Board members.

4 COMMITTEE MEMBER WALKER: Absolutely.

5 SENIOR ATTORNEY CARLIN: The fiduciary duty
6 recognizes that you will, in many cases -- in most cases
7 with some of the areas here, be delegating your authority.
8 And you do so in a prudent fashion when you've evaluated
9 the folks that you're delegating it to, and delegated it
10 in a, you know, responsible fashion, which is how we've
11 done all these things here. So I just want to make that
12 clear, that there's not some kind of a problem as far as
13 that framework.

14 VICE CHAIR TAYLOR: So -- and I want to make it
15 clear that that is not what this is. Okay. We don't need
16 to know a bare minimum of what's required on the Board,
17 because that's not who we are. We were either appointed
18 or elected, and we are laypeople, so that's not what we're
19 asking for.

20 COMMITTEE MEMBER WALKER: Yeah, but it's a --
21 it's not necessarily a requirement for the job, but what
22 are the things that would be beneficial to a Board member?
23 Like, even if you served on a Board and you haven't
24 serviced on a Board, what are the skills necessary in
25 order to, you know, continue to work in a collaborative

1 fashion. You know, how do we have productive discussions?
2 And, I mean, everything doesn't have to be agreement. How
3 do we disagree, right, you know? Even if we do disagree
4 on the Board as we're going to this, then how do we say,
5 okay, while we were in discussion, I was not there. The
6 Board voted. I lost the discussion. This is the Board's
7 position. This is where I'm at kind of thing, you know.

8 And so there's a lot of different things. But I
9 don't think we've even had the bare conversation about
10 what --

11 VICE CHAIR TAYLOR: That's what this is for.
12 This is literally for that.

13 COMMITTEE MEMBER WALKER: But that's not what
14 we're doing, Theresa.

15 VICE CHAIR TAYLOR: That is what we're doing.
16 I'm asking everybody for their input.

17 COMMITTEE MEMBER WALKER: Okay. Okay.

18 CHAIR MILLER: Okay. Okay. I don't have anyone
19 in the queue, so I'm going to take my turn.

20 VICE CHAIR TAYLOR: Yeah. Go ahead, David.

21 CHAIR MILLER: I mean, a couple of things that
22 strike me. One, I'm a little unclear about what these
23 documents would be, whether -- I think if they were in the
24 context of a self-evaluation related to our performance as
25 a Board everything, they could kind of be like, you know,

1 HR stuff that we wouldn't have to share the individual
2 forms we've filled out with the whole world, if we didn't
3 want to.

4 But aside from that, I think what I hear that
5 really comes to the front when I listen to Yvonne and
6 listen to what Mr. Carlin say and others is this could be
7 something for us, but it's got to be in the context of our
8 Board and our overall --

9 VICE CHAIR TAYLOR: Correct.

10 CHAIR MILLER: -- oversight role. And individual
11 Board members, that's going to be very different. Being a
12 subject matter expert as a statewide elected official or a
13 delegate is very different than what I bring to the table
14 as a rank-and-file State employee. And so I think one
15 part of it is what do we need in terms of orientation and
16 what kind of information do we need to put down to be able
17 to help staff when we come on board or an ongoing basis to
18 know, oh, when I sit down with David Miller, I'd better be
19 prepared that he's probably going to know about this and
20 he will have no clue about this, and here's some of the
21 things I might recommend for orientation, or I might start
22 the discussion with him at a different level than I would
23 if I didn't know this, so that -- you know, but beyond
24 that, for us, with the constraints of open meeting law and
25 all that, it kind of changes the nature of, you know, how

1 do we exercise leadership on a board, when almost any
2 fulsome discussion with more than other two people on the
3 Board is going to happen in public. So there's a lot of
4 nuance to it.

5 I'm just a little unsure how I -- where I see
6 this being really helpful. And one of the things that
7 I've gone through with several election cycles is find
8 myself when talking to members and others saying, you
9 know, it really -- technical qualifications, you know,
10 having an MBA from a top 20 school or something really
11 doesn't matter a whole lot to me where we sit here,
12 because we're not here to substitute our special expertise
13 for staff's, again with exceptions, say ex officios
14 perhaps in cases.

15 But some of the best Board members that have ever
16 served here have not been people with technical formal
17 educations. They were people with integrity, who showed
18 up, did the job, listened to their constituents, listened
19 to people and really --

20 VICE CHAIR TAYLOR: Those are great skills,
21 aren't they?

22 CHAIR MILLER: Yeah, for fiduciaries.

23 VICE CHAIR TAYLOR: That's the skills assessment
24 right there.

25 CHAIR MILLER: And those are things that you

1 don't get from a training or a class.

2 VICE CHAIR TAYLOR: Exactly. Exactly.

3 CHAIR MILLER: Those are things you bring with
4 you. On the other hand, we've had a few people serving on
5 these Boards -- I mean we had one guy who was a bona fide
6 mathematical financial genius who was an awful Board
7 member, in my humble opinion.

8 So, I don't know. I don't know. I'm still a
9 little unclear how much it would be helpful to any given
10 one of us, but I think it could be helpful to staff in
11 understanding who we are and what we bring to the table in
12 terms of their ability to help us and interact with us,
13 but...

14 VICE CHAIR TAYLOR: So just before you talk Lisa,
15 I just -- David, you just mentioned a whole bunch of soft
16 skills that we absolutely would name for ourselves if we
17 have it, right, the integrity, the honesty, the show up do
18 your job, hard worker. Those are skills. Those are
19 actual skills. Those aren't taught skills by the way. So
20 those are identifiable.

21 CHAIR MILLER: And they're difficult to
22 self-assess and identify accurately.

23 VICE CHAIR TAYLOR: Well, and you have to --
24 yeah, but if we put it on the matrix, if we add those
25 types of things to this list, then it becomes part of the

1 self-assessment, right? That's what I'm asking you guys
2 to participate in, is Identifying these things that you
3 value in yourself and throw it out there. And staff will
4 put a list together for us and get a good self-assessment
5 document. We're not looking at trying to say that this
6 Board needs to know a whole bunch stuff. We know that we
7 don't. We know that we come as laypeople. I came as a
8 layperson. I'm aware of that. I have to ask staff I --
9 still have to ask staff. I don't know what you mean by
10 that. Can you please explain it to me so I understand. I
11 get that. But being a leader on a Board of Directors, are
12 there things we need to know that we don't know? We don't
13 particularly practice Robert's Rules of Order here very
14 well, but that could be a skill. I know Robert's Rules of
15 Order.

16 VICE CHAIR MILLER: Robert.

17 CHAIR MILLER: We do have Robert.

18 (Laughter).

19 VICE CHAIR MILLER: You know, making sure that
20 you know how to do, you know, point of order and all that
21 stuff. I don't know that that's necessary on that Board,
22 but I have that experience. I think a bunch of us do. I
23 think we need folks -- I think -- David just gave you a
24 whole bunch of ideas. I gave you some ideas about
25 leadership, communication, collaboration, plus some of the

1 stuff we've got here. There's the soft skills side of
2 talking to our members, right?

3 ACTING COMMITTEE MEMBER HENNING: May I make a
4 suggestion --

5 CHAIR MILLER: I've got to --

6 ACTING COMMITTEE MEMBER HENNING: -- speaking of
7 Robert's Rules of Order.

8 CHAIR MILLER: I've got -- I've got -- I've got
9 Director Middleton, then I'll come to you, Patrick.

10 ACTING COMMITTEE MEMBER HENNING: Oh, I
11 apologize.

12 CHAIR MILLER: It's hard, because it -- it's kind
13 of --

14 COMMITTEE MEMBER MIDDLETON: Respectfully, I
15 think we may be overcomplicating this a bit for ourselves,
16 but I've enjoyed the con -- listening and participating in
17 this conversation.

18 Unless I'm living in an alternative universe,
19 every single year staff puts together all of the training
20 that we have participated in. --

21 VICE CHAIR TAYLOR: Correct.

22 COMMITTEE MEMBER MIDDLETON: -- over the course
23 of the last year, and that's a public record that gets
24 published, and should be. And any training that we are
25 going to attend is going to be a public record that our

1 members and everyone else would be aware of.

2 Board development is something that most good
3 boards try to do to make sure that the members of the
4 Board have a comfort level with a set of skills that are
5 appropriate and a set of trainings. And what I see as the
6 intent of this is very positive. It's just how can we
7 help our members both when they're onboarding and over the
8 course of their time to have a -- something they can check
9 against to ask themselves what do I need, and when do I
10 need it, and what resources are out there to help me with
11 that?

12 VICE CHAIR TAYLOR: Exactly. Exactly.

13 Pat.

14 CHAIR MILLER: Patrick.

15 COMMITTEE MEMBER MIDDLETON: And I don't see any
16 great controversy in that.

17 VICE CHAIR TAYLOR: I don't either, yeah.

18 ACTING COMMITTEE MEMBER HENNING: I was just -- I
19 think to Ms. Middleton's point, I think that maybe what we
20 could get back is some examples of what this looks like,
21 in other sections as you pointed out, Robert, and staff
22 pointed out, that may alleviate some questions.

23 VICE CHAIR TAYLOR: And make everybody feel a
24 little better too, that we're looking at something in
25 particular. And maybe it gives us more of a framework to

1 positively contribute.

2 ACTING COMMITTEE MEMBER HENNING: And at the risk
3 of a colloquy, I think that we really do want to show,
4 hey, where are going with this. I just want to make sure
5 that -- and I -- most of my job is worrying about what may
6 happen. I worry about what putting more information out
7 there --

8 VICE CHAIR TAYLOR: Unintended consequences, is
9 that what you're --

10 ACTING COMMITTEE MEMBER HENNING: That's a lot of
11 my job. That's a lot of my job unfortunately.

12 (Laughter).

13 SENIOR ATTORNEY CARLIN: We didn't mention
14 uncertainty. I just wanted to make that --

15 (Laughter).

16 CHAIR MILLER: That's good.

17 ACTING COMMITTEE MEMBER HENNING: Certainly did.

18 VICE CHAIR TAYLOR: But unintended consequence.

19 CHAIR MILLER: Uh-hmm.

20 VICE CHAIR TAYLOR: And I get that. I don't want
21 us to have unintended consequence either, but I also -- I
22 want us to be able to feel like we can do this without
23 feeling like -- we should never feel, because that's why
24 we were put on this Board. There's a specific reason
25 everybody who's on the Board got on the Board, and we

1 should never feel that we don't have what skills are
2 necessary to be on the board, because I just don't think
3 that's the case. I think every single one of us brings
4 something different to the Board, and it truly helps what
5 we do here, so -- and I think highlighting that and seeing
6 that for ourselves would be really good, because it
7 doesn't -- it doesn't have to be any of the stuff that you
8 listed Robert or whoever listed it, Renee.

9 It can be more of the soft skills. It can be
10 more of -- it -- I mean, when you look at our
11 backgrounds -- that's the other thing you can do is look
12 at our bios. Everybody has something a little bit
13 different, but it's -- in one way another, it's all kind
14 of a leadership journey. We went through some sort of
15 leadership journey. So that might help as well if you
16 look at our bios. Yeah. And I really think it's
17 important we include those soft skills that we talked
18 about.

19 DEPUTY GENERAL COUNSEL SALAZAR: We'll take that
20 as Committee direction.

21 VICE CHAIR TAYLOR: Yeah. I don't want to pound
22 this horse to death. Anybody else? You guys over there
23 that are all quiet. You guys are Board members too.

24 Kevin.

25 CHAIR MILLER: Kevin Palkki.

1 BOARD MEMBER PALKKI: So I will be honest, I'm my
2 world's worst critic, but I also, knowing that I'm my
3 world's worst critic, I'm also my world's best advocate.
4 And so what I feel like I am lacking in an area, I take
5 the step forward to find those avenues, in which I can
6 improve myself.

7 So I don't know who -- if there would be --
8 because I'm constantly that way, I don't know if there's
9 anybody that can help me in addition to myself.

10 VICE CHAIR TAYLOR: Well, that's why it's a
11 self-assessment.

12 BOARD MEMBER PALKKI: Right.

13 (Laughter).

14 BOARD MEMBER PALKKI: So -- but that's just who I
15 am. I was also thinking -- I always look at the past --
16 obviously, coming from education looking at the past. And
17 there was an article that came out sort of admonishing a
18 Board member because of their background. And it turns
19 out that that Board member turned out to be the longest
20 serving Board member in CalPERS history. So, something --

21 VICE CHAIR TAYLOR: Oh, I didn't know that.

22 BOARD MEMBER PALKKI: So something that was
23 thought of in the industry as possibly something not
24 acceptable turned out to be a very strong benefit for our
25 members here in CalPERS, so...

1 VICE CHAIR TAYLOR: Excellent. And that's what I
2 mean. We all have different skills and that -- I know who
3 you're talking about. I think this auditorium is named
4 after him. And I think he -- I still call him for advice,
5 right? So I think it's important that we share our own
6 skills, give it to -- you know, put it down on paper for
7 us to see, and go, hey, yeah, I didn't realize that, but
8 also share it.

9 BOARD MEMBER PALKKI: But to have a public
10 document, I don't know if we need a public document on
11 that.

12 VICE CHAIR TAYLOR: I don't either, if that's --

13 BOARD MEMBER PALKKI: Even though I just went in
14 public saying --

15 VICE CHAIR TAYLOR: -- going to be something that
16 we can get away with or not, but we -- that is something
17 to come back with as well, because you guys would have to
18 research that.

19 SENIOR ATTORNEY CARLIN: We can come back with
20 more information on that as well.

21 CHAIR MILLER: Yeah. And I think the real trick
22 for us is we look at in the context of our role here, you
23 know, whether it's actuarial, whether it's, you know,
24 technology and cybersecurity, we're not evaluating where
25 we are in terms of, you know, being a subject matter

1 expert in the field, but where are we in terms of what we
2 need to address those issues in the context of how they
3 come before us here on the Board and do we need to have
4 more or -- you know are -- do we feel comfortable that we
5 understand it to level that we can, you know, perform well
6 when those issues of cybersecurity here come to us for
7 Board decisions or feedback.

8 VICE CHAIR TAYLOR: Well, and things we want to
9 do. Kevin, you're really interested in AI, right, and
10 you've been taking classes?

11 BOARD MEMBER PALKKI: Right. And I made an
12 attempt to make sure that -- okay, if I'm interested in
13 AI, I made sure that I looked at my own education and
14 focused that into that field.

15 VICE CHAIR TAYLOR: Yeah. Yeah

16 BOARD MEMBER PALKKI: But I didn't need an
17 assessment to -- like a written assessment to say, hey,
18 this is what I need to do.

19 CHAIR MILLER: Okay. Director Rubalcava

20 COMMITTEE MEMBER RUBALCAVA: Thank you, Mr. Chair
21 I think we -- a couple things. One, this Board is, as the
22 memo lays out, is grounded in California history, the
23 Constitution, and everything else. And so it's different
24 than say most corporate or nonprofit boards.

25 I was mentioning before the meeting. I went to a

1 CII conference recently and they had some podcast. It was
2 very interesting and there were dealing with data. And
3 one of their -- for one of their exercises what they used
4 as a source document for data with a similar matrix. So,
5 the practice has been if you create these matrix, they're
6 public.

7 And so I think that's a little bit different and
8 that's for different reasons. So I would favorite it for
9 our self-assessment. So I don't know how to -- I would
10 separate them. I don't we need a matrix that could become
11 public to serve our purpose, which is the self-assessment.
12 So I would suggest maybe we do need a self-assessment
13 tool, and this might not be it. I'm sorry. I mean -- I
14 just don't want it -- I don't like the term "matrix".

15 VICE CHAIR TAYLOR: It's a skills assessment.

16 COMMITTEE MEMBER RUBALCAVA: Skills matrix.

17 Yeah, I don't know.

18 VICE CHAIR TAYLOR: You don't like the term.

19 COMMITTEE MEMBER RUBALCAVA: No.

20 (Laughter).

21 VICE CHAIR TAYLOR: What would you call it?

22 COMMITTEE MEMBER RUBALCAVA: I would just say
23 let's come up with a self-assessment tool and leave it at
24 that.

25 VICE CHAIR TAYLOR: A self-assessment. So we've

1 done -- you've been on the Board when we've done
2 self-assessments.

3 COMMITTEE MEMBER RUBALCAVA: Yes.

4 VICE CHAIR TAYLOR: And we get called by somebody
5 from NACD --

6 COMMITTEE MEMBER RUBALCAVA: Yes.

7 VICE CHAIR TAYLOR: -- we just do the interviews.

8 COMMITTEE MEMBER RUBALCAVA: And I thought that
9 was very helpful.

10 VICE CHAIR TAYLOR: And that's a self-assessment
11 of different things entirely than what I'm asking for
12 here. So you don't want your --

13 COMMITTEE MEMBER RUBALCAVA: Well, the other
14 thing -- well --

15 VICE CHAIR TAYLOR: -- skills out on -- in the
16 public.

17 COMMITTEE MEMBER RUBALCAVA: No, I don't mind
18 that, but I'm not sure that serves our structure. It's
19 not reflective of our structure. There's a reason we
20 heard the history, the genesis, that was they used this
21 for proxy voting, what have you. We don't do -- we don't
22 do that, so that's why I don't think it's quite the right
23 tool.

24 VICE CHAIR TAYLOR: No, but ICGN didn't use it
25 for that. ICGN is a corporate Board for sustainability,

1 right, and governance. It's called the International
2 Corporate Governance Network. We used it to just identify
3 our own skills, as we got on the Board, because they
4 always have a California fund on the Board. I was on that
5 Board -- I think the CEO from STRS is on that Board right
6 now to represent the United States. It's from all over
7 the world and basically what you're good at.

8 So we had -- like I said, because it's one of
9 those things like CII, they needed somebody who was good
10 at education, and somebody who was good at marketing, and
11 somebody that was good at being a CEO, or identifying the
12 CEOs, or hiring. That's it, we had to -- we had to hire
13 the CEO, governance stuff, that kind of stuff. I'm not --
14 our self-assessment -- and I'm trying to remember, Robert,
15 what was our self-assessment usually? It -- the
16 questions.

17 SENIOR ATTORNEY CARLIN: That I don't recall,
18 because the last two cycles we had Cari Dominguez from
19 NACD, who was the main focal point.

20 VICE CHAIR TAYLOR: That's right.

21 SENIOR ATTORNEY CARLIN: And the interviews were
22 not public documents they were done. And then it was
23 brought back as a holistic report to the Board if I'm
24 remembering correctly.

25 VICE CHAIR TAYLOR: Yeah, as a whole.

1 CHAIR MILLER: Yeah. And I think we're kind of
2 mixing a bunch of different things that are for very
3 different purposes.

4 VICE CHAIR TAYLOR: Correct.

5 CHAIR MILLER: I think for example with Cari
6 Dominguez and that, we were focused a lot on Board
7 performance, Board dynamics, plus delta on Board function,
8 and individuals. It was focused on performance of the
9 Board. I think some of this we're talking about here is,
10 you know, on one hand, we're talking about, you know,
11 skills, soft skills in the context of some other
12 organization that uses them for trying to optimize
13 assignments and resource allocation in terms of people.
14 We're also really talking about really knowledge
15 management, more tacit than --

16 VICE CHAIR TAYLOR: Yes.

17 CHAIR MILLER: -- codification. And how do we,
18 you know -- then turn that back to what our individual
19 needs are. I mean, I think we need to really focus on
20 what we want to use it for here in the context of our
21 Board, because I think we really have a pretty good system
22 in terms of orientation, training offerings, and filling
23 in those gaps where we see we need something. So I
24 think -- I like the overall concept. I think we just need
25 to narrow our focus in, so we're all looking at it as the

1 same tool for the same purpose.

2 VICE CHAIR TAYLOR: I agree. I agree. And I
3 think -- I think as we're doing this for ourselves, I
4 think things we'll come to us as well.

5 CHAIR MILLER: Lisa.

6 COMMITTEE MEMBER MIDDLETON: All right. Thank
7 you. Again, this is not new territory. And if I could, I
8 would suggest that we reach out to NACD and ask for some
9 examples of other programs that exist for organizations
10 that would be comparable to ours and get some ideas from
11 what has been -- where the wheel has been invented before,
12 as to what they have done, and then work off of that
13 coming back to us.

14 I do want to respectfully say everything we do is
15 in the public --

16 VICE CHAIR TAYLOR: Yep.

17 COMMITTEE MEMBER MIDDLETON: -- and we never will
18 have the intention of trying to keep something unavailable
19 to the public.

20 VICE CHAIR TAYLOR: So everybody has to feel
21 comfortable with that. And that's why these should be
22 just skills that you're identifying. It shouldn't be
23 personal for yourself, right?

24 I had met with Ron Funston -- where were we? Oh,
25 CALAPRS and he does this kind of thing for pensions. So

1 it's somebody we could tap to do this to help us with
2 this.

3 DEPUTY GENERAL COUNSEL SALAZAR: Yes. Ms. Malm
4 did provide some information. So we do -- we do know that
5 some of the other retirement systems are doing this. I
6 think San Diego had the most information around this.
7 There's was anonymized as well, but they had a matrix that
8 we could provide as an example.

9 VICE CHAIR TAYLOR: So maybe if we could see that
10 and it --

11 DEPUTY GENERAL COUNSEL SALAZAR: Sure.

12 VICE CHAIR TAYLOR: -- and it complies with
13 Bagley-Keene, then maybe we could do the same thing.

14 DEPUTY GENERAL COUNSEL SALAZAR: Sure. We can
15 include those in the examples.

16 VICE CHAIR TAYLOR: Okay.

17 DEPUTY GENERAL COUNSEL SALAZAR: Yep.

18 VICE CHAIR TAYLOR: Okay. Does that suffice for
19 everybody. Does everybody feel comfortable? I want to
20 make sure you all feel comfortable with this?

21 Okay. With that, go ahead.

22 CHAIR MILLER: Okay. I think that's our
23 information agenda item. So I guess that brings us to
24 Summary of Committee Direction. I guess we have a little
25 Committee direction here.

1 DEPUTY GENERAL COUNSEL SALAZAR: We do. We'll
2 bring back examples for you for this Board kills matrix or
3 whatever it is you would like to call it. We will include
4 the soft skills portion and you can decide from there
5 everything that you would like to put into it. We'll
6 bring some examples back.

7 VICE CHAIR TAYLOR: Great.

8 CHAIR MILLER: Knowledge, skills, and abilities.
9 Oh, no, I didn't say that, did I?

10 Okay. That brings us -- there's nothing else.
11 That brings us to public comment. Is there any public
12 comment on this?

13 BOARD CLERK LEMUS: (Shakes head).

14 CHAIR MILLER: Oh, man, I would welcome some
15 public comment on this subject. Okay. Not today.

16 So, okay, well, unless there's objective --
17 objection, I will adjourn the meeting.

18 Okay. We are adjourned. Thank you.

19 (Thereupon California Public Employees'
20 Retirement System, Board Governance Committee
21 meeting adjourned at 3:55 p.m.)

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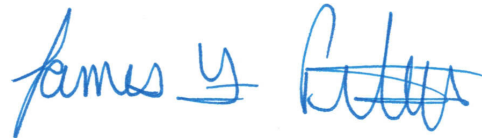
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That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Board Governance Committee meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter 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.

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