

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

The Board of Administration met on Tuesday, April 18, 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  
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

Board of Administration Members excused: Dr. Gail Willis

**AGENDA ITEM 3 – PRESIDENT’S REPORT**

President Taylor acknowledged the Board’s Subcommittee meeting the next day to select the Board’s Investment consultants.

**AGENDA ITEM 4 – EXECUTIVE REPORT**

a. Chief Executive Officer’s Report

Ms. Frost congratulated Ramon Rivera for receiving the Secretary’s special achievement award presented by Government Operations Agency.

Ms. Frost reported on the following:

- CalPERS Rapid Recruitment Events
- CalPERS Upcoming Diverse Investment Manager Forum, now known as “Catalyst”
- Sacramento Chapter of the Latinas in Technology panel discussion
- Inclusive Capitalism Steering Committee meeting

Ms. Frost reported CalPERS Investment performance as of March 31, 2023: fiscal year-to-date return is 3.3; the five-year projected return is 5.7; the ten-year return is 6.9; and the 20-year return is 7.5.

**AGENDA ITEM 5 – CONSENT ITEMS**

**Action Consent Items**

- a. Approval of the March 15, 2023 Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of the April 18, 2023, Board of Administration Timed Agenda

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

**AGENDA ITEM 6 – CONSENT ITEMS**

**Information Consent Items:**

- a. Board Meeting Calendar
- b. Draft Agenda for the June 21 and 22, 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

The Committee did not meet.

The next meeting of the Investment Committee is scheduled for June 20, 2023 in Sacramento, California.

- b. Pension and Health Benefits Committee

The Committee did not meet.

The next meeting of the Pension and Health Benefits Committee is scheduled for May, 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 April 17, 2023.

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

- Approve the April 2023 Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement. (FAC Item 3c)
- Approve the 1959 Survivor Benefit Program Actuarial Valuation Report as of June 30, 2022 and adopt the employer and employee monthly premiums for fiscal year 2023-24. (FAC Item 3d)
- Approve the 2023-24 Annual Budget in the amount of \$2.428 billion and 2,843 positions (FAC Item 5a)
- Approve the proposed elected board member percentages of time to be spent on board related duties based on board and committee selections held in January, February, and March 2023. (FAC Item 5b)
- Adopt the actuarially determined State Employer contribution rates and approve the member contribution rates for the period July 1, 2023 to June 30, 2024. (FAC Item 5c)
- Approve an employer contribution rate of 26.68% of payroll for the Schools' Pool. This rate is applicable for the period of July 1, 2023 to June 30, 2024. (FAC Item 5d)
- Approve option A: Status Quo and continue with online, telephone/IVR, and mail-in ballot options for all elections. (FAC Item 5f)

<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

Additional information may be found in the April 17, 2023, Agenda materials and transcripts of the Committee meeting.

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

On **MOTION**, by Committee and **CARRIED**, with a roll call vote and two no votes, the Board approved beginning July 1, 2023, the proposed base salary and incentive ranges proposed by Global Governance Advisors in Alternative #2 for all executive and investment management classifications, except the Chief Health Director classification. For the Chief Health Director classification, the Board approved the base salary range and removed annual incentive eligibility as proposed by Global Governance Advisors in Alternative #1.

<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

**PUBLIC COMMENT:**

JJ Jelincic representing himself as a retiree, provided comment on PCTM Agenda item 5a.

Additional information may be found in the April 17, 2023, Agenda materials and transcripts of the Committee meeting.

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

e. Risk and Audit Committee

The Committee did not meet.

The next meeting of the Risk and Audit Committee is scheduled for June 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 June 2023 in Sacramento.

**AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES**

On **MOTION** by David Miller, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 through 8a7 as the Board's own decisions with the following minor modifications argued by staff to Agenda Items 8a1 through 8a4, and 8a6 and 8a7.

<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

**AGENDA ITEM 8b – PETITIONS FOR RECONSIDERATION**

On **MOTION** by Davis Miller, and **CARRIED**, with a roll call vote, the Board moved to deny the petitions at Agenda items 8b1 and 8b2.

<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

**AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE**

Danny Brown, Chief of Legislative Affairs, provided the State and Federal Legislation update.

**AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION**

The Board directed the team to bring back draft legislation to allow CalPERS to disclose members who have voted in CalPERS elections.

**AGENDA ITEM 9e – PUBLIC COMMENT**

JJ Jelincic representing himself as a retiree, provided comment urging the Board to review and reconsider how they risk adjust the HMO's.

Earlene Stevenson representing herself as a retiree, spoke on the COLA's and wanting to understand the process better.

Mark Chekal, CalPERS Member called about Optum and urged the Board to review the Optum contract.

The Public meeting adjourned at approximately 9:52 a.m.

The Public meeting recessed into closed session

The Public meeting reconvened into open session at approximately 10:22 a.m.

The Public meeting adjourned at approximately 10:23 a.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

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MARCIE FROST  
Chief Executive Officer