

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

Wednesday, September 18, 2024

The Board of Administration met on Wednesday, September 18, 2024, 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
Deborah Gallegos 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

Board Members Deborah Gallegos and Dr. Gail Willis participated remotely and attested to being alone.

AGENDA ITEM 3 – PRESIDENT’S REPORT

President Taylor recognized Labor Day and the Open Enrollment period.

AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost thanked the CalPERS team members who worked to help make the Pathways Event such a success!

Ms. Frost reported on the following:

- Upcoming CalPERS Employer Education Forum
- Climate Data Reporting

PUBLIC COMMENT:

JJ Jelincic representing RPEA spoke against the CalPERS Pathways for Women event.

AGENDA ITEM 5 – CONSENT ITEMS

Action Consent Items

- a. Approval of the June 12, 2024, and July 16 and 17, 2024 Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of the September 18, 2024, Board of Administration Timed Agenda
- d. Board and Committee Meeting Schedule – 2025

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

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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 November 20, 2024, 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 September 16, 2024.

Additional information may be found in the September 16, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for November 18, 2024, in Sacramento, California.

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 September 17, 2024.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the recommendation of the implementation of two annual 10 percent rate increases for the CalPERS Long-Term Care Program, excluding partnership plans. The first increase will be effective in January 2025 and the second will be effective approximately one year later in 2026. The Board approved the implementation of three annual 6.7 percent rate increases for Long-Term Care Program Partnership plans beginning in 2025. (PHBC item 5a)

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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 September 17, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for November 19, 2024 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 September 17, 2024.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved making no changes to the discount rate and expected rate of return since the formal Asset Liability Management (ALM) process will occur in 2025.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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
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Additional information may be found in the September 17, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Finance and Administration Committee is scheduled for November 19, 2024 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Mullissa Willette, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on September 17, 2024.

PUBLIC COMMENT:

Al Darby Representing RPEA spoke in opposition of the compensation increase for the Chief Executive Officer.

Additional information may be found in the September 17, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for September 2024 in Sacramento, California.

e. Risk and Audit Committee

David Miller, Chair, Risk & Audit Committee presented the Committee Summary report to the Board. The Committee met on June 12, 2024.

Additional information may be found in the September 17, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for November 20, 2024 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is tentatively scheduled for November 2024 in Sacramento.

AGENDA ITEM 8a – 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 8a1 through 8a5 with the minor modifications argued by staff to agenda items 8a1, 8a4, and 8a5.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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		
Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 8b – PETITIONS FOR RECONSIDERATION

On **MOTION** by David Miller, **SECONDED** by, Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board moved to deny the petitions at Agenda Item 8b1.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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		
Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 8c – CHIEF EXECUTIVE OFFICERS 2023-24 INCENTIVE AWARD AND 2024-25 BASE SALARY

PUBLIC COMMENT:

JJ Jelincic representing himself spoke in opposition to agenda item 8c.

On **MOTION** by Lisa Middleton, **SECONDED** by Kevin Palkki and **CARRIED**, with a roll call vote, the Board approved the CEO’s fiscal year 2023-24 performance incentive award in the amount of \$667,320.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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		
Dr. Gail Willis	X		
Theresa Taylor			X

On **MOTION** by David Miller, **SECONDED** by Kevin Palkki and **CARRIED**, with a roll call vote, the Board approved the CEO’s 2024-25 base salary of \$601,398.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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		
Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE

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

AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION

No direction was given.

AGENDA ITEM 9c – PUBLIC COMMENT

AGENDA ITEM 10 – APPROVAL TO MEET IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 11126(C)(18)(A)

On **MOTION** by Kevin Palkki, **SECONDED** by David Miller and **CARRIED**, with a roll call vote, the Board approved to meet in Closed Session.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos 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		
Dr. Gail Willis	X		
Theresa Taylor			X

The Public meeting recessed into closed session at approximately 10:11 a.m.

The Public meeting reconvened into open session at approximately 12:22 p.m.

AGENDA ITEM 11 – REPORT OUT ON FRAUD SECURITY ROADMAP AND VENDOR MANAGEMENT

The Board reported there was no action taken.

The Public meeting adjourned at approximately 12:23 p.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 5b

REVISED

September 18, 2024

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
Frank Ruffino	September 2-5, 2024	Laguna Beach, CA	2024 Public Funds Forum	\$2,197.69
Malia Cohen	September 8-11, 2024	Brooklyn, NY	Council of Institutional Investors 2024 Fall Conference	\$2,266.46
Malia Cohen	October 5-9, 2024	Washington D.C.	National Association of Corporate Directors - Directors Summit	\$6,978.32
Mullissa Willette	October 6-8, 2024	Toronto, ON, Canada	Committee on Workers' Capital Conference 2024	\$1,545.01
Deborah Gallegos	October 26-27, 2024	Palm Springs, CA	2024 Program for Advanced Trustee Studies	\$2,296.52
Jose Luis Pacheco	November 8-10, 2024	San Diego, CA	International Foundation of Employee Benefit Plans Certificate of Achievement in Public Plan Policy Part 2 - Pensions	\$2,147.93

Mullissa Willette	December 10-12, 2024	Las Vegas, NV	CORPATH Crystal Globe Awards and Summit	\$2,638.98
Kevin Palkki	December 10-12, 2024	Las Vegas, NV	CORPATH Crystal Globe Awards and Summit	\$2,630.90
Ramon Rubalcava	September 24-29, 2024	Mexico City, Mexico	New America Alliance International Symposium	\$1,414.94
Deborah Gallegos	Self-Paced	Virtual	National Association of Corporate Directors - Certification	\$3,750.00
Jose Luis Pacheco	October 2-4, 2024	New York City, NY	Tide NYC Pop-Up Event	\$1,797.66
Jose Luis Pacheco	October 5-9, 2024	Washington D.C.	National Association of Corporate Directors - Directors Summit	\$6,422.60
Jose Luis Pacheco	November 10-13, 2024	San Diego, CA	International Foundation of Employee Benefit Plans 70 th Annual Employee Benefits Conference	\$2,881.75

There are Board Member Travel Reports attached.

- Attachment 1
- Attachment 2
- Attachment 3
- Attachment 4
- Attachment 5
- Attachment 6
- Attachment 7
- Attachment 8
- Attachment 9
- Attachment 10
- Attachment 11

Theresa Taylor
 President
 Board of Administration



Investment Committee Meeting Summary

September 18, 2024

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 September 16, 2024.

THE COMMITTEE approved the following:

- AGENDA ITEM 5a
The Committee approved staff's recommendation to adopt the recommended Policy Portfolio, Candidate B, for the Mid-Cycle Asset Liability Management Review: Long Term Care.

The Committee received reports on the following topics:

- CalPERS Trust Level Review,
- CalPERS Trust Level Review Consultant Report,
- Global Fixed Income Annual Program Review,
- Global Public Equity Annual Program Review, and the
- Investment Office Strategic Initiatives.

The Committee heard public comment on the following topics:

- Climate change, the housing crisis, labor principles, management of the total portfolio, and the Responsible Contractor Policy.

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

- Quarterly Chief Investment Officer Report,
- Total Fund Portfolio Management Annual Program Review,
- Sustainable Investments Annual Program Review,
- Diversity in the Management of Investments,
- Asset Liability Management, and
- Consultant Review of CalPERS Divestments.

The next meeting of the Investment Committee is scheduled for November 18, 2024, in Sacramento, California.