



## Regular Meeting

### Item Number 13b – Open Session

**Subject:** Approval of Minutes of the March 5, 2021, Regular Meeting – Teachers’ Retirement Board – Open Session - Revised

**Presenter(s):** Chairperson

**Item Type:** Consent Action

**Date & Time:** June 9, 2021 – 0 minutes

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**Attachment(s):** None

**PowerPoint(s):** None

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#### **PROPOSED MINUTES**

#### **Teachers’ Retirement Board – Regular Meeting**

**March 5, 2021**

#### **OPEN SESSION**

**LOCATION: Web Conference**

#### **BOARD MEMBERS PRESENT**

Harry Keiley, Chairperson

Sharon Hendricks, Vice Chairperson

Denise Bradford

Joy Higa

William Prezant

Jennifer Urdan

Karen Yamamoto

Gayle Miller, representing the Director of Finance, Keely Bosler

Frank Ruffino, representing the State Treasurer, Fiona Ma

Keith Yamanaka, representing the State Superintendent of Public Instruction, Tony Thurmond

Betty Yee, State Controller

#### **OTHER BOARD MEMBERS PRESENT**

Matthew Saha, representing the State Treasurer, Fiona Ma

Lynn Paquin, representing the State Controller, Betty Yee

Jennifer Whitaker, representing the Director of Finance, Keely Bosler

**STAFF PRESENT**

Jack Ehnes, Chief Executive Officer  
Christopher Ailman, Chief Investment Officer  
Brian J. Bartow, General Counsel  
Lisa Blatnick, Chief of Administrative Services  
Teresa Schilling, Public Affairs Executive Officer  
Ashish Jain, Chief Technology Officer  
Cassandra Lichnock, Chief Operating Officer  
Bill Perez, Chief Benefits Officer  
Julie Underwood, Chief Financial Officer  
Joycelyn Martinez-Wade, Director, Public Affairs  
Melissa Norcia,  
April Wilcox, Director, Investment Services  
Shifat Hasan, Director, Investment Performance & Compliance  
Prashant Mittal, Director, Pension Solution Project  
Phillip Burkholder, Senior Financial Accountant  
David Lamoureux, System Actuary, Financial Services  
Roslyn Bell, Senior Counsel

**OTHER PRESENT**

Luis Navas, Global Governance Advisors  
Graeme Finley, Grant Thornton, LLP  
Chriss Cabodi, Grant Thornton LLP, Consultant  
Amy McDuffee, Mosaic Governance Advisors, LLC, Consultant  
Dave Delgado, President, CGI, Consultant  
Megan Parson, Vice President, CGI, Consultant  
Steven Papke, Director, CGI, Consultant  
Stephen McCourt, Meketa Investment Group, Consultant  
Sandy Keaton

A quorum being present, Chairperson Keiley called the Open Session meeting of the Teacher's Retirement Board to order at 9:01 a.m. The board acknowledged that it has been a year since California schools were closed due to COVID-19. The board thanked CalSTRS staff and all educators for their work during this time.

**I. APPROVAL OF BOARD AGENDA/WORK PLAN (Item 1)**

**MOTION** duly made by Ms. Miller, seconded by Ms. Bradford/Mr. Yamanaka, and carried to approve the Board Agenda/Work Plan.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	X		
Ms. Bradford	X		
Mr. Prezant	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino for the State Treasurer	X		
Mr. Yamanaka, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		

**II. STATE AND FEDERAL LEGISLATION (Item 2)**

The board received an update from Ms. Martinez-Wade regarding current state and federal legislation, including SB 294 and HR 82.

**MOTION** duly made by Ms. Hendricks, seconded by Ms. Bradford, and carried to take a neutral position on Senate Bill 294.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	X		
Ms. Bradford	X		
Mr. Prezant	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance			X
Mr. Ruffino for the State Treasurer	X		
Mr. Yamanaka, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Keiley	X		

**MOTION** duly made by Ms. Hendricks, seconded by Mr. Yamanaka, and carried to support House Resolution 82.

Members Voting	Aye	Nay	Abstain
Mr. Sharon Hendricks	X		
Ms. Bradford	X		
Mr. Prezant	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino for the State Treasurer	X		
Mr. Yamanaka, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Mr. Keiley	X		

Controller Yee replaced Ms. Paquin for the duration of the meeting, at 9:45 a.m.

**III. REVIEW LONG-TERM INCENTIVE PLAN FRAMEWORK (Item 3)**

The board discussed the long-term incentive plan framework to assist the board in its compensation program in alignment with the Collaborative Model with Ms. Norcia, Mr. Navas, Mr. Chan, and Mr. Ailman. The board considered independently verifying the savings from the Collaborative Model and other incentive models. The board expressed its support for the framework as linked to savings under the Collaborative Model and total fund position. The board noted that these are civil service positions and requested clarification of the details.

**IV. PENSION SOLUTION PROJECT UPDATE (Item 4)**

The board received an update on the Pension Solution Project from Ms. Lichnock, Mr. Jain, Mr. Mittal, Mr. Henderson, and Ms. Parson regarding the status of User Acceptance Testing. The board expressed gratitude to the project team for keeping this very complex project progressing during this extraordinarily difficult time. The board inquired about the types of defects found and potential impacts to the schedule and budget. The board discussed the importance of the quality of the system and requested the costs be managed in a fiscally responsible manner.

Ms. Higa joined the meeting at 10:25 a.m.

**V. ENTERPRISE RISK MANAGEMENT REPORT (Item 5)**

The board heard highlights from the report from Ms. Underwood, Mr. Burkholder, and Mr. Lamoureux, including the addition of third-party risks and actuarial impacts of teacher retirements. The board discussed the concerns raised.

**VI. ANNUAL GRI SUSTAINABILITY REPORT (Item 6)**

The board received the 2019-2020 Sustainability Report from Mr. Ehnes and Ms. Lichnock which included the COVID-19 pandemic. The board thanked the CalSTRS team for their work developing the report and the graphics. The board discussed that sustainability be considered on both the investment and internal organization sides.

**VII. CHIEF EXECUTIVE OFFICER REPORT (Item 7)**

The board heard highlights of the report from Mr. Ehnes, including an update on the HQE and the early retirements by teachers taken during COVID-19. The board commended the executive staff for improved employee engagement ratings.

**VIII. CONSENT AGENDA – ACTION (Item 8)**

**a. Committee Reports**

**1. Investment Committee**

The Investment Committee met in Open Session on Thursday, March 4, 2021. The committee heard and considered statements from the public. The committee considered and approved the proposed revisions to the Sustainable Investment & Stewardship Strategies Program & Portfolio Policy. The committee considered and discussed a first reading to the Risk Mitigating Strategies Policy. The committee received the semi-annual performance reports from the General Consultant, Real Estate Consultant, and Private Equity Consultant. The committee received the Chief Investment Officer’s Report. The committee also reviewed and considered the Agenda for the next committee meeting.

**b. Adoption of the 2021-22 and 2022-23 Board Meeting Calendar**

**c. Approval of Minutes of the January 28, 2021, Regular Meeting – Open Session**

**d. Board Member Education**

**e. Contracts Requiring Board Approval**

The Consent Agenda was adopted without objection.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	X		
Ms. Bradford	X		
Ms. Higa	X		
Mr. Prezant	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino for the State Treasurer	X		
Mr. Yamanaka, for the Superintendent of Public Instruction	X		
Controller Yee	X		

**IX. ITEMS REFERRED BY COMMITTEE FOR BOARD DECISION (Item 9)**

There were no items referred by the committee for board decision.

**X. NEW BUSINESS/REVIEW INFORMATION REQUESTS (Item 10)**

Pursuant to Item 4, Ms. Miller asked details about testing, timing, and costs and deferred to staff regarding the best method to respond.

**XI. DRAFT AGENDA FOR NEXT REGULAR MEETING OF THE TEACHERS' RETIREMENT BOARD (Item 11)**

There were no changes to the draft agenda. The board discussed the amount of time needed.

**XII. OPPORTUNITY FOR ADDITIONAL STATEMENTS FROM THE PUBLIC (Item 12)**

Ms. Keaton expressed appreciation for the board's COVID-19 acknowledgments and thanked board members for all they do for educators.

**RECESS**

The Open Session of the board meeting recessed at 11:37 a.m. and the board went into Closed Session. The board meeting reconvened in Open Session at 1:05 p.m.

Vice Chairperson Hendricks reported that no action was taken in Closed Session.

**XIII. ADJOURNMENT**

There being no further business to conduct, Vice Chairperson Hendricks adjourned the meeting at 1:05 p.m.

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Jack Ehnes, Chief Executive Officer  
And Secretary to the Teachers' Retirement Board

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Sharon Hendricks, Vice Chairperson

Prepared by: Roslyn Bell, Senior Counsel