



## Regular Meeting

### Item Number 7b – Open Session

**Subject:** Approval of Minutes of the June 9 & 11, 2021 Regular Meeting –  
Teachers’ Retirement Board – Open Session

**Presenter(s):** Chairperson

**Item Type:** Consent Action

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

---

**Attachment(s):** None

**PowerPoint(s):** None

---

#### PROPOSED MINUTES

#### Teachers’ Retirement Board – Regular Meeting

JUNE 9 & 11, 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**

Jennifer Whitaker, representing the Director of Finance, Keely Bosler

Matthew Saha, representing the State Treasurer, Fiona Ma

Lynn Paquin, representing the State Controller, Betty Yee

**STAFF PRESENT**

Jack Ehnes, Chief Executive Officer  
Christopher Ailman, Chief Investment Officer  
Brian J. Bartow, General Counsel  
Lisa Blatnick, Chief of Administrative Services  
Ashish Jain, Chief Technology Officer  
Cassandra Lichnock, Chief Operating Officer  
Bill Perez, Chief Benefits Officer  
Teresa Schilling, Public Affairs Executive Officer  
Julie Underwood, Chief Financial Officer  
Melissa Norcia, Director, Human Resources  
David Lamoureux, System Actuary  
Rick Reed, System Actuary  
Prashant Mittal, Director, Pension Solution Project  
Joycelyn Martinez-Wade, Director, Public Affairs  
Jennifer Yamane, Senior Counsel

**OTHER PRESENT**

Amy McDuffee, Mosaic Governance Advisors, LLC  
Mark Olleman, Milliman  
Nick Collier, Milliman  
Luis Navas, Global Governance Advisors  
Peter Landers, Global Governance Advisors  
Stephen McCourt, Meketa Investment Group  
Allan Emkin, Meketa Investment Group  
Michael Oak, McLagan  
Melanie Myers, AFT  
Peter Morse, FACCC  
Graeme Finley, Grant Thornton LLP  
Michelle McKay Underwood, School Services of California, Inc.  
Jennifer Baker, CalRTA  
Richard Hansen, CCCI (California Community College Independents)  
Doug Orr, CFT  
Virginia Williams, CGI  
Derick Lennox, Capital Advisors Group  
Susie Chow, UTLA  
Sandy Keaton, UTLA  
Leonard Goldberg, CTA & UTLA  
Orval Garrison, CTA Retired President  
Kevin Welch, CTA  
MaryKay Scheid, CTA  
Joe Bartell, CTA

Phyllis Hall, CTA

Ed Foglia, CTA/NEA Retired

Pat Geyer

A quorum being present, Chairperson Keiley called the Open Session meeting of the Teacher’s Retirement Board to order at 8:30 a.m. on June 9, 2021.

**I. APPROVAL OF BOARD AGENDA (Item 1)**

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

Members Voting	Aye	Nay	Abstain
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		

**RECESS**

The Open Session of the board meeting recessed at 8:31 a.m. on June 9, 2021 and the board went into Closed Session. The board meeting reconvened in Open Session at 9:45 a.m. on June 9, 2021.

Chairperson Keiley reported there was nothing to report from Closed Session.

Ms. Hendricks joined the meeting. Ms. Miller was not at the meeting.

**II. ANNUAL BOARD CHAIR AND VICE-CHAIR ELECTIONS AND COMMITTEE COMPOSITION FOR FY 2021-22 (Item 5)**

Chairperson Keiley turned the meeting over to Mr. Ehnes to conduct the annual Board Chair and Vice-Chair elections.

Mr. Ehnes called for nominations for the position of Board Chair.

**NOMINATION** duly made by Ms. Higa, seconded by Ms. Yamamoto to elect Mr. Keiley to the position of Board Chair.

No other nominations were made.

**ELECTION** called, all members present voted to elect Mr. Keiley to the position of Board Chair.

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

Mr. Ehnes called for nominations for the position of Board Vice-Chair.

**NOMINATION** duly made by Ms. Bradford, seconded by Ms. Higa to elect Ms. Hendricks to the position of Board Vice-Chair.

**ELECTION** called, all members present voted to elect Ms. Hendricks to the position of Board Vice-Chair.

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

Ms. Miller joined the meeting at 9:50 a.m. on June 9, 2021.

### **III. ACTUARIAL VALUATIONS (Item 6)**

#### **a. Valuation of the Defined Benefit Program as of June 30, 2020**

The board received an overview of the actuarial valuation recommendations from Mr. Reed and Mr. Lamoureux. The board received a presentation of the Actuarial Valuation of the Defined Benefit Program as of June 30, 2020 from Mr. Reed, Mr. Lamoureux, and Mr. Collier. The board discussed the recommendations, including how the investment returns impact the employer contributions, the ongoing engagements to keep current, and the continued monitoring of employment trends in between studies.

Mr. Lennox, Capital Advisors Group, provided public comment expressing appreciation for the outreach on this matter, and noted that while normally an increase to employer contribution would not be supported, this proposed conservative increase is reasonable and supported.

Mr. Saha replaced Mr. Ruffino at the meeting at 10:20 a.m. on June 9, 2021.

**MOTION** duly made by Mr. Prezant, seconded by Controller Yee, and carried to adopt the State Supplemental Contribution rate of 6.311%, Employer Supplemental Contribution Rate of 10.850%, and a Normal Cost for 2% at 62 Members of 18.086%.

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

**b. Valuation of the Defined Benefit Supplement Program as of June 30, 2020**

This item was discussed in combination with Item 6(c).

**c. Valuation of the Cash Balance Benefit Program as of June 30, 2020**

The board received an overview of the Actuarial Valuation of the Defined Benefit Supplement Program and Cash Balance Benefit Program as of June 30, 2020 from Mr. Reed, Mr. Lamoureux, and Mr. Olleman. The board discussed the policy to grant an Additional Earnings Credit, how it may affect the funding ratio, who is impacted by this credit, and how this type of credit is a good representation of the three parts of the funding working together.

**MOTION** duly made by Ms. Miller, seconded by Ms. Hendricks, and carried to award an Additional Earnings Credit of 3.88% for the Defined Benefit Supplement Program and 3.38% for the Cash Balance Benefit Program.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Ms. Higa	X		

Mr. Prezant	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Saha, for the State Treasurer	X		
Mr. Yamanaka, for the Superintendent of Public Instruction	X		
Controller Yee	X		
Chairperson Keiley	X		

**IV. REVIEW OF LUMP SUM DEATH BENEFIT (Item 7)**

The board received an update on the Lump Sum Death Benefit from Mr. Reed, Mr. Lamoureux, Mr. Olleman, and Mr. Collier. The board discussed the need to be a fiduciary to all members, noting that all members should be heard and considered.

**MOTION** duly made by Ms. Yamamoto, seconded by Ms. Higa, to increase the death benefit payments by 5%.

The board discussed the desire to increase the Lump Sum Death Benefit paid, and how it may compare to other costs approved by the board in comparison to the cost of increasing the benefit. The board discussed that other costs are intended to benefit the fund and members, whereas an increase of this type may be a state contribution increase, and how this type of increase needs to be balanced. The board considered whether the 5% may be an arbitrary increase and is not tied to another measure such as inflation, and whether the 1.7% increase linked to COLA may be a more incremental and appropriate increase.

Ms. Bradford made a friendly amendment to increase the death benefit payments by 1.7%. Ms. Yamamoto accepted the amendment.

**MOTION** duly amended Ms. Yamamoto, seconded by Ms. Higa, and carried to increase the lump-sum death benefits by 1.7% for eligible members under Coverage A, eligible members under Coverage B, and eligible retired members.

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

Chairperson Keiley	X		
--------------------	---	--	--

**V. STATE AND FEDERAL LEGISLATION (Item 8)**

The board heard from Ms. Martinez-Wade on AB 845, creating a rebuttable presumption for disability retirement due to a COVID-19 related illness. The board discussed the potential costs, and Mr. Yamanaka noted the Superintendent of Public Instruction would support this bill.

**MOTION** duly made by Ms. Hendricks, seconded by Mr. Prezant, and carried to adopt the staff recommendation to take a Neutral position, if amended.

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

The board heard from Ms. Martinez-Wade on AB 890, requiring the CalSTRS board to submit a report on the status of initiatives concerning emerging or diverse asset managers in the system’s portfolio.

**MOTION** duly made by Ms. Hendricks, seconded by Ms. Bradford, and carried to adopt the staff recommendation to take a Neutral position.

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

The board heard from Ms. Martinez-Wade on AJR 9, to repeal the GPO and WEP from the Social Security Act.

**MOTION** duly made by Ms. Hendricks, seconded by Mr. Prezant, and carried to adopt the staff recommendation to take a Support position.

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

The board heard from Ms. Martinez-Wade on S588/HR1549 to establish a permanent Climate Risk Advisory Committee on the Financial Stability Oversight Council.

**MOTION** duly made by Mr. Prezant, seconded by Ms. Hendricks, and carried to adopt the staff recommendation to take a support position.

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

Ms. Martinez-Wade reminded the board that due to the timing of AB 1019 and SB 457 (both relating to the restriction of investments involving Turkey) the Chair and Vice-Chair took the staff recommended opposed positions on those two pieces of legislation. Last, Ms. Martinez-Wade updated the board on the CalSTRS sponsored legislation, noting AB 539 (Investment Procurements) and SB 634 (Housekeeping) have moved to their second houses



and are awaiting policy committee hearings, and that AB 551 (CalSTRS IRA) is now a two-year bill that can be taken up in January.

**RECESS**

The board meeting recessed at 11:15 a.m. on June 9, 2021 and reconvened at 1:01 p.m. on June 9, 2021.

Mr. Ruffino replaced Mr. Saha at the meeting.

**VI. LABOR MARKET BENCHMARKING FOR STATUTORY POSITIONS UNDER THE BOARD’S COMPENSATION SETTING AUTHORITY (Item 9)**

The board received an overview of this item from Ms. Norcia, and a presentation on the Compensation Review and Recommendations: Executive and Investment Positions Presentation from Mr. Navas and Mr. Landers. The board discussed the recommended salary increases, and how the DCIO and Senior Investment Director positions related to the peer group. The board heard from Mr. Oak concerning the commonality of the Senior Investment Director positions, and the less common DCIO position, and that the data is normalized to account for balancing peer data. The board discussed the order of this item in relation to the next agenda item concerning the LTIP, and potential concerns about decisions regarding salary ranges and incentives based on a LTIP that has not yet been adopted by the board. The board further discussed recruitment and retainment of CalSTRS personnel, and how the presentation may not sufficiently address the details specific to CalSTRS, including relevant collaborative model analysis, quality of working at CalSTRS, civil service and civil service benefits, as well as the recent CEO search performed by the board. The board discussed the complexity of this issue, and the desire to remain competitive with a representative peer group, but with a greater understanding for the rationale. The board further discussed the order of this item in relation to the LTIP agenda item and heard from Mr. Navas the details of the report concerning the recommendations with and without the LTIP. The board agreed to defer the matter of the recommended increase to the DCIO to item 10, in connection with the LTIP discussion.

**MOTION** duly made by Ms. Miller, seconded by Ms. Hendricks, and carried to approve the recommended salary ranges for the new Senior Investment Director and Senior Portfolio Manager positions, effective July 1, 2021.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		
Chairperson Keiley	X		

**MOTION** duly made by Ms. Hendricks, seconded by Ms. Bradford, and carried to approve the recommended increase to the salary range for the General Counsel, effective July 1, 2021.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		
Chairperson Keiley	X		

Chairperson Keiley noted the General Counsel position does not include an incentive opportunity, and acknowledged and commended the work of Mr. Bartow, especially his outstanding service to the board and dedication to the mission at CalSTRS.

**RECESS**

The board meeting recessed at 2:06 p.m. on June 9, 2021 and reconvened at 2:15 p.m. on June 9, 2021. The board discussed the timing of GGA’s report and the updates suggested by GGA after input from Mr. Ailman, as well as the uncertainty as to the amount of information provided addressing the proposed changes. The board considered the timing of making changes to the incentive opportunities and heard from Mr. Ailman concerning the impacts of the proposed incentive opportunities changes and whether the changes may impact potential hiring of candidates or the collaborative model. The board also heard from Mr. Bartow concerning the potential legal implications of making changes to incentive opportunities after the start of the fiscal year. **MOTION** duly made by Mr. Prezant to approve the incentive opportunities as proposed by GGA but modified after discussion with Mr. Ailman. The motion did not receive a second. The board discussed obtaining additional information on the roles of investment services to have a more granular analysis of the proposed changes.

**MOTION** duly made by Controller Yee, seconded by Ms. Hendricks, and carried to defer changes to the existing annual incentive opportunities for one year.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		
Chairperson Keiley	X		

The board heard more detailed information from Mr. Ailman about the new Senior Investment Director and Senior Portfolio Manager positions, and how these positions will need to be created through CalHR in the state system, as well as the proposed hierarchy of these positions relative to the existing organizational structure.

**MOTION** duly made by Ms. Miller, seconded by Mr. Prezant, and carried to adopt the recommendation for the annual incentive opportunity for the new Senior Investment Director and Senior Portfolio Manager positions.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		
Chairperson Keiley	X		

**VII. LONG-TERM INCENTIVE PLAN PROPOSAL REVIEW (Item 10)**

The board heard from Mr. Navas and Mr. McCourt on the proposed LTIP designs, stress testing, and cost analysis. The board expressed support for a five-year long period, the support for seeing the results of the collaborative model and how it can be measured, as well as a possible checks and balance system to ensure no excessive risk is taken. The board discussed the need to look at the overview of what the LTIP is intended to reward,

how it can be integrated with existing benefits of civil service, and the attraction of working at CalSTRS. The board discussed how this type of proposal might simplify the way compensation works generally within the investment area, and how this can be used to decrease risk by tying compensation to long-term value. The board discussed what additional information can be provided to the board for further review and analysis, and Chairperson Keiley encouraged the board members to reach out to the consultants to provide their input and thoughts to better guide the consultants in providing the next proposal.

Chairperson Keiley brought back the remaining issue from item 9 addressing the DCIO salary range. The board discussed the market data and the DCIO salary, as provided in the report.

Ms. Higa left the meeting at 3:20 p.m. on June 9, 2021.

**MOTION** duly made by Mr. Prezant, seconded by Ms. Hendricks, and carried to approve the recommended salary range increase to the Deputy Chief Investment Officer position to \$300,000 Min - \$370,000 Mid - \$440,000 Max.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		
Chairperson Keiley	X		

**RECESS**

The board meeting recessed at 3:30 p.m. on June 9, 2021 and reconvened at 3:40 p.m. on June 9, 2021.

Ms. Higa returned to the meeting.

**VIII. PENSION SOLUTION PROJECT UPDATE (Item 11)**

The board received an update from Mr. Mittal, Ms. Lichnock, and Mr. Finley, noting there are going to be delays to the project but nothing indicating a systemic quality issue. The board discussed how the remote work environment has delayed the progress and heard from Ms. Williams regarding CGI's plans regarding staffing and returning from a remote environment. The board requested specific updates on how CGI is addressing the concerns regarding staffing and retention of employees, the projected changes to the budget that will be obtained after negotiations later this year and obtaining a new timeline for completion of the project.

**IX. INPUT ON WORK PLANS FOR FISCAL YEAR 2021-22 (Item 12)**

The board received an overview of the work plan from Mr. Ehnes, noting that staff will begin working on testing alternative video sharing capabilities for future board meetings. The board received details of the strategic plan timing from Ms. Lichnock and an update on the Compensation Committee work plan from Ms. Norcia. The board discussed addressing the benchmark issue by creating a two-member board work group to bring recommendations to the board not only for compensation but to address measuring other matters such as sustainability and diversity, and provide education to the board on these types of compensation models. The board further discussed addressing not just the benchmark policies, but other aspects of the compensation policy, including those that are delegated to better ensure board and committee actions flow through and see how they are addressed.

**X. CONSENT AGENDA – ACTION (Item 13)**

**a. Committee Reports**

**2. Appeals Committee** - The Appeals Committee met on Friday, April 2, 2021. The committee considered and adopted the proposed decision for *In the Matter of the Denial of Disability Benefits of: Ignacio Reynoso*, with technical and other minor changes. The committee also received an educational presentation on the appeal issues the Disability and Survivor Benefits division has administered over the last five calendar years. The committee also received the staff report.

**3. Audits and Risk Management Committee** - The Audits and Risk Management Committee met in Open Session on Friday, March 5, 2021. The committee received a Progress Report on the 2020 Independent Auditor's Report on Internal Control Over Financial Reporting and Management Letter. The committee also received and discussed the Financial Statement Audit Client Service Plan FY 2020-21, the 2020

Internal Audit Plan Final Progress Report, the 2020 Enterprise Compliance Services Plan Final Progress Report and Compliance Director Update, and the FY 2021-22 Proposed Meeting Work Plan. The committee then heard a presentation on Enterprise Compliance Risk Management – Achieving the Basics and Pathways to Best Practices.

- b. Approval of Minutes of the March 5, 2021, Regular Meeting – Open Session – Revised**
- c. Board Member Education – Revised**
- d. Contracts Requiring Board Approval**
- e. Adoption of Contribution Rates and Interest Rates for Fiscal Year 2021-22**

The Consent Agenda was adopted by consent.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	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		

**XI. ACTUARIAL VALUATION OF THE MEDICARE PREMIUM PAYMENT PROGRAM AS OF JUNE 30, 2020 (Item 14)**

There was no discussion on this information item.

**XII. ITEMS REFERRED BY COMMITTEE FOR BOARD DECISION (Item 15)**

There were no items referred by committee for board decision.

**XIII. NEW BUSINESS / REVIEW INFORMATION REQUESTS (Item 16)**

Pursuant to item 7, the board requested a way to measure proposed increases to the Lump Sum Death Benefit.

Pursuant to item 10, the board requested addressing a way to simplify compensation, and the possibility of creating a pool of incentive compensation for the DCIO to distribute to direct reports.

Pursuant to item 11, the board requested timely updates as addressed above.

**XIV. DRAFT AGENDA FOR NEXT REGULAR MEETING OF THE TEACHERS' RETIREMENT BOARD (Item 17)**

There were no changes to the draft agenda for the next regular meeting.

**XV. OPPORTUNITY FOR ADDITIONAL STATEMENTS FROM THE PUBLIC**

There were no additional statements from the public.

**XVI. CHIEF EXECUTIVE OFFICER RETIREMENT (Item 19)**

The board members commended Mr. Ehnes on his leadership and efforts to promote sustainability, thanked Mr. Ehnes for his dedication and service, and shared memories of their time with Mr. Ehnes. Members of the public, including Ms. Chow, Ms. Keaton, Mr. Garrison, and Mr. Foglia also expressed their thanks and appreciation of Mr. Ehnes.

Mr. Ehnes expressed his thoughts on his tenure at CalSTRS, noting the special nature of civil service and appreciation to have a real purpose and impact on the lives of California educators.

**XVII. CHIEF EXECUTIVE OFFICER REPORT (Item 20)**

Mr. Ehnes introduced the 2020 Virtuosos – Alex Reel, Daniel Moore, James Xiong, Lory Mercado, Mia Tannoia-Hill, and Stephanie Hill. The board heard from Mr. Ehnes on the path forward concerning plans for CalSTRS employees and the work environment, as well as an update on the HQE progress.

**RECESS**

The Open Session of the board meeting recessed at 1:53 p.m. on June 11, 2021 and the board went into Closed Session. The board meeting reconvened in Open Session at 2:23 p.m. on June 11, 2021.

Vice-Chairperson Hendricks reported that there was nothing to report from Closed Session.

**XVIII. ADJOURNMENT**

There being no further business to conduct, Vice-Chairperson Hendricks adjourned the meeting at 2:23 p.m. on June 11, 2021.

Regular Meeting – Item 7b  
July 9, 2021  
Page 16

---

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

---

Harry Keiley, Chairperson

Prepared by: Jennifer Yamane, Senior Counsel