

PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD
5 North Fifth Street
Harrisburg, Pennsylvania

Regular Meeting
Minutes
Thursday, January 14, 2021
12:54 P.M.

Board Members Present – (In-Person, Via MS Teams and/or Telephonically)

Mr. Christopher SantaMaria, Chairman
Representative Francis X. Ryan, Vice Chairman
Ms. Deborah J. Beck
Ms. Stacey Connors for
 Senator Patrick M. Browne
Mr. Jason M. Davis
Mr. Eric O. DiTullio
Ms. Susan C. Lemmo
Mr. Nathan Mains
Mr. Patrick Lord for
 Acting Secretary Noe Ortega
Mr. Patrick Shaughnessy for
 Representative Matthew Bradford
Mr. Lloyd Ebright for
 Treasurer Joseph M. Torsella
Mr. Alan Flannigan for
 Secretary Richard Vague (Left at 2:16 P.M.)
Secretary Richard Vague (Joined at 2:16 P.M.)
Ms. Melva S. Vogler

Others Present

Ms. Anne Baloga
Mr. James Bloom
Ms. Susan Boyle
Mr. Thomas Clancy
Ms. Suzanne Dugan, Cohen Milstein
Mr. Harry East, Unite Here
Mr. Rick Funston, Funston Advisory Services
Mr. Randall Miller, Funston Advisory Services
Mr. Justin Mitchell, Buyouts Insider
Mr. John Nixon, Duane Morris
Ms. Claire Shaughnessy, AON
Ms. Mackenzie Smith, Unite Here
Ms. Jill Vecchio

Staff Members Present

Ms. Megan Alley
Mr. Michael Benson
Mr. Jeffrey Burton
Mr. Peter Camacci
Mr. Brian Carl
Ms. Angela Chen
Ms. Sharon Christ
Ms. Melanie Cubias
Mr. Dwight A. Decker, Jr.
Ms. Lenann T. Engler
Mr. Steven Esack
Ms. Mercedes Evans
Mr. Dennis Filipovich
Mr. Andrew Fiscus
Ms. Kristina Goodling
Mr. Glen R. Grell
Mr. James H. Grossman, Jr.
Mr. Wilhelm Gruszecki
Ms. Carolyn Harley
Ms. Cayla B. Jakubowitz
Ms. Jill Johns
Mr. Michael Kondas
Mr. Jason Kuntz
Mr. Bradley Lamb
Ms. Patricia Lorenz
Ms. Jackie Lutz
Mr. Gene Meadows
Ms. Rachel Miller
Ms. Jennifer Mills
Ms. Kristin Packer
Mr. Antonio Parisi
Mr. Christopher Parks
Mr. Troy Peechatka
Mr. Larry Shank
Mr. Steven Skoff
Ms. Kathrin Smith
Mr. Charles Spiller
Mr. Benjamin Thomas
Mr. Andrew Turner
Mr. Philip VanGraafeiland
Ms. Laura Vitale

Mr. Grell as Board Secretary and Acting Chairman called the meeting to order at 12:54 P.M. via MS Teams.

CALL TO ORDER

Mr. Grell reported that all Board Members and Designees had completed the Board Education requirements for 2020

2020 BOARD EDUCATION COMPLIANCE

ELECTIONS COMMITTEE REPORT

Mr. Lord reported on the meeting held on January 14, 2021.

Mr. Lord stated that the Committee approved the minutes of the December 2, 2020 meeting.

MINUTES

Mr. Lord notified the Board Pursuant to the Board Elections Policy, as Chairman of the Elections Committee, I present the results of the School Board Member election conducted by our independent election vendor, Election-America, Inc.

ELECTION

Balloting was conducted from December 11, 2020, through 5:00 PM on December 31, 2020. Approximately 4,500 ballots were sent by the election vendor, with instructions allowing voting by Internet, Telephone, and Mail.

Upon the close of balloting on December 31, 2020, the election vendor tabulated the ballots and provided its certified results on January 4, 2021.

Eric DiTullio received 234 votes and Otto Voit III received 214 votes, making Eric DiTullio the winning candidate.

A copy of the Certified Results is submitted with this report for inclusion in the Minutes.

Both candidates were notified of the results in writing, by e-mail from the Executive Director on January 6, 2021.

Mr. DiTullio's three-year term begins immediately and ends December 31, 2023.

Mr. Grell, as Secretary of the Board, certified this to be true.

Mr. Grell called for nominations for Chairman of the Board of the Public School Employees' Retirement Board for the year 2020. Mr. Shaughnessy nominated Mr. SantaMaria as Chairman. Ms. Connors seconded the motion. No additional nominations were made. After a brief discussion. The motion passed unanimously.

ELECTION OF BOARD CHAIRMAN

Mr. Grell called for nominations for Vice-Chairman of the Board of the Public School Employees' Retirement Board for the year 2020.

ELECTION OF BOARD VICE CHAIRMAN

Chairman SantaMaria nominated Representative Ryan as Vice-Chairman. Ms. Lemmo seconded the motion. No additional nominations were made. The motion passed unanimously.

Mr. Grell turned the meeting over to Chairman SantaMaria. Chairman Santa Maria thanked the Board for their support.

WELCOME NEW EMPLOYEES

Mr. Grell informed the Board that we are continuing to fill vacancies throughout the Agency and welcomed the new Investment Office employees hired since August.

MINUTES APPROVED

Ms. Vogler moved to approve the minutes of the December 3, 2020 Board meeting. Mr. Davis seconded the motion, which passed unanimously.

PUBLIC COMMENT

Ms. Mackenzie Smith and Mr. Harry East of Unite Here commented on Brookfield Asset Management and their policy of no longer paying for health care during the pandemic. The presenters provided written materials to the Board and Investment Office, which will inquire with the manager.

UNFINISHED BUSINESS

BOARD GOVERNANCE

Mr. Grell noted that Rick Funston and Randy Miller from Funston Advisory Services will be providing a project update during a closed board workshop at the conclusion of the Board Meeting.

APPEALS AND MEMBER/EMPLOYER SERVICES COMMITTEE REPORT

Ms. Beck reported on the meeting held on January 14, 2021.

MINUTES

Ms. Beck stated that the Committee approved the minutes of the October 8, 2020 meeting.

ACCOUNT OF
LAURI A. WATKINS

Ms. Beck moved in the account of Lauri A. Watkins, that the Board adopt the Hearing Examiner's opinion and recommendation and deny Claimant's appeal with the five modifications noted in the draft Board order. Ms. Vogler seconded the motion, which passed unanimously.

ESRC REPORTS

Ms. Beck reported that the Committee reviewed the Executive Staff Review Committee Reports from November 20 and December 18, 2020.

HEALTH CARE COMMITTEE REPORT

Ms. Lemmo reported on the Health Care Committee meeting held on January 14, 2021.

MINUTES

Ms. Lemmo stated that the Committee approved the minutes of the December 2, 2020 meeting.

PRESENTATION

Ms. Lemmo stated that Mr. Camacci presented an overview of the HOP PDP Program. Mr. Camacci also gave a brief presentation on the new Pharmacy Manager RFP.

INVESTMENT COMMITTEE REPORT

Mr. Davis reported on the meeting held on January 14, 2021.

Mr. Davis stated that the Committee approved the minutes of the December 2, 2020 meeting.

MINUTES

PRESENTATIONS

Mr. Grossman gave a PSERS Fund and Market Overview presentation. Mr. Grossman gave a brief presentation on Oak HC/FT Partners IV, L.P. Mr. Grossman gave a brief presentation on the Investment Policy Statement, Objectives, and Guidelines. Mr. Grossman gave a preview of future Investment Committee meetings.

Mr. Davis reported that an Executive Session was held to discuss Oak HC/FT Partners IV, L.P. No action was taken by the Committee following the Executive Session.

BOARD EDUCATION

Mr. Davis reported that Ms. Oh introduced Messrs. Matt Dey & Tom Walsh and Ms. Katherin Hamilton, Baillie Gifford, who then gave a one hour educational presentation on "ESG Part 2". Members and designees attending the educational presentation were noted in the Board Education Log.

Mr. Davis presented the following action items:

RESOLUTION 2021-01

Mr. Davis moved, that the Public School Employees' Retirement Board (the "Board") hereby commits an amount of up to a combined \$100 million plus reasonable normal investment expenses, in Oak HC/FT Partners IV, L.P., and/or related investment vehicles, in accordance with the recommendation of G. Anthony Meadows, Senior Investment Professional, and Darren C. Foreman, Director, dated December 18, 2020 and Hamilton Lane, dated December 14, 2020. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract. Ms. Vogler seconded the motion, which passed with two opposed, being Representative Ryan and Mr., Ebright on behalf of Treasurer Torsella and one recusal, being Mr. Flannigan on behalf of Secretary Vague. Secretary Vague provided the required recusal form to confirm the basis for his recusal.

RESOLUTION 2021-02

Mr. Davis moved, that the Public School Employees' Retirement Board (the "Board") hereby adopt the proposed reallocation of the Tail Risk Mitigation Budget for external mandates for the Public School Employees' Retirement System for the remainder of fiscal year 2021 pursuant to the recommendation of Thomas A. Bauer, Deputy Chief Investment Officer – Traditional Investments, dated December 18, 2020. Mr. Flannigan seconded the motion,

which passed with one abstention, being Mr. Ebright on behalf of Treasurer Torsella.

CHIEF FINANCIAL OFFICER'S REPORT

CFO REPORT

Mr. Carl presented his Chief Financial Officer's Report, which included: Preliminary Net Asset value growth for the first six months of FY 20/21, a midyear budget update, a member payroll update, Member/Employer service stats, the upcoming experience study and other finance-related activities.

CHIEF COUNSEL'S REPORT

EXECUTIVE SESSION

At 1:58 P.M. Mr. Grell stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into an Executive Session to discuss the items listed on today's agenda, namely a Withdrawal Liability. According to Section 708(a) of the Sunshine Act, 65 Pa. C.S. 708(a), we are going into Executive Session to discuss: Agency business which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of law, and Quasi-judicial matters.

Ms. Vogler moved that the Board enter Executive Session, Representative Ryan seconded the motion, which passed unanimously.

The regular session resumed at 2:34 P.M. No action was taken by the Board following Executive Session.

DEPUTY EXECUTIVE DIRECTOR'S REPORT

Ms. Mills gave her Deputy Executive Director's Report, which included: 2020 achievements, an update on the Bureau of Communications and Counseling, the Bureau of Benefits Administration and Health Insurance Office; an overview of the Executive Staff Review Committee Adjudications and an update on DC Plan Enrollment.

DED REPORT

EXECUTIVE DIRECTOR'S REPORT

Mr. Grell presented the Agency's 2021 Goals and his annual report for 2020.

ED REPORT

Mr. Grell stated that he attended the following:
January 6, NIRS member webinar on Pensionomics – Virtual
Mr. Grell reported that he will be a panelist or attend the following:
February 2-3, NCPERS Annual Conference – Virtual
February 22-24, NASRA Winter Meeting – Virtual
February 25, PASPA Conference - Presentation

ADJOURNMENT

Chairman SantaMaria adjourned the meeting at 3:32 P.M.

NEXT MEETING

The next regularly scheduled meeting of the Public School Employees' Retirement Board will be held on March 4-5, 2021, via MS Teams at PSERS' Headquarters, 5 N. 5th Street, Harrisburg, PA.

Date 2/17/2021

Approved 
Glen R. Grell Executive Director