



Public School Employees' Retirement Board

Board Meeting Minutes

June 17, 2022

Call to Order: Christopher Santa Maria, Board Chair, called the meeting to order at 11:32 A.M. from the PSERS Board Room and via MS Teams.

Board Members Present:

Christopher Santa Maria, Chair
Rep. Frank Ryan, Vice-Chair
Rep. Matt Bradford (in @ 1:39)
Stacey Connors for Sen. Patrick Browne
Jason Davis

Eric DiTullio
Treas. Stacy Garrity (out @ 2:00)
Sec. Eric Hagarty (out @ 12:45)
Susan Lemmo
John Callahan for Nathan Mains (in @ 3:08/out @ 3:49)

Sen. Katie Muth
Joe Torsella (out @ 2:10)
Sec. Richard Vague
Melva Vogler

Others Present:

Anne Baloga
James Bloom
Susan Boyle
Christopher Craig

Lloyd Ebright
Alan Flannigan
Jonathan Goldman, Blank Rome
Patrick Lord

Charles Marion, Blank Rome
Patrick Shaughnessy
William Sullivan, Pillsbury
Jill Vecchio

Staff Present:

Michael Benson
Peter Camacci
Brian Carl
Tivia Danner
Bob Devine
Mercedes Evans
Andrew Fiscus
Mei Gentry
Elizabeth Goldstein

Rachel Groves
Bev Hudson
Richard Ko
James Kuntz
Stephanie Lanius
Carl Lantz
Gene Meadows
Jennifer Mills
Kristin Petrosky

Melissa Quackenbush
Jarrett Richards
Terri Sanchez
Chuck Serine
Michael Severance
Joseph Sheva
David Shissler
William Stalter
Laura Vitale

8.1 Acceptance of Published Agenda or Amendments

Chair Santa Maria moved to amend the published agenda to include a personnel Matter and requested a motion to accept the amended agenda with flexibility. Susan Lemmo moved with Rep. Frank Ryan seconding. The motion passed unanimously.

8.2 Approval of Minutes from March 11 and 15, 2022

8.3 Minutes from Special Board Meetings April 4 and May 9, 2022

Rep. Frank Ryan moved to approve the minutes from the previous meetings Board Meetings. Jason Davis seconded the motion, which passed unanimously.

8.4 Public Comment – African Communities Together (ACT)

Sosseh Prom, African Communities Together, and Sammy Borma, provided comments regarding CIM Group's Southern Towers Ownership. Presentation located in Diligent Board Book. A discussion followed.

Executive Session

At 12:03 P.M., Terri Sanchez, Executive Director, stated “In Accordance with Section 5.13 of the Bylaws of the Public School Employees’ Retirement Board and Section 708(a) of the Sunshine Act, we are going into Executive Session to discuss confidential provisions of proposed action items, which if, conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law.”

Susan Lemmo moved, and Rep. Frank Ryan seconded the motion, which passed unanimously.
Regular session resumed at 12:40 P.M.

8.5 Introduction of New Employees – Terri Sanchez

Terri Sanchez welcomed new employees, Jessica Gutierrez, heather Searle, Tina Mayberry, Stacey Albright, Daniel Barrick, Jeremiah Bennett, Betsy Beverlin, Kean Jennings, Audra Landis, Stephanie Woolley, Anne Moore, Clinton Webb, Arlene Hernandez, Lisa Filipczak, Laura Schaffer, David Shissler, Brady Renn, and Joseph Stec to PSERS, and introduced them to the Board. Presentation located in Diligent Board Book.

8.6 Old Business

Executive Session

At 12:43 P.M., Terri Sanchez, Executive Director, stated “In Accordance with Section 5.13 of the Bylaws of the Public School Employees’ Retirement Board and Section 708(a) of the Sunshine Act, we are going into Executive Session to discuss confidential matters an update from Blank Rome on the Status of Litigation, which if, conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law.”

Melva Vogler moved, and Rep. Frank Ryan seconded the motion, which passed unanimously.
Regular session resumed at 1:39 P.M.

8.7 Committee Reports

8.7.1 Audit, Compliance & Risk Committee Report

Rep. Frank Ryan reported on the Committee meeting held on June 16, 2022.

Rep. Frank Ryan stated that the Committee approved the minutes of the March 10, March 23, April 13, and May 18, 2022 Committee meetings.

Rep. Frank Ryan Davis reported on the following:

Mei Gentry with Mark Brubaker, Verus, provided an update on the Internal Audit Plan Progress.

Alicia James provided an overview of the Investment Compliance Program.

Discussion related to the Internal Audit Office charter.

Action Items –

Resolution 2022-36 Re: Global Investment Performance Standards for Asset Owners

RESOLVED, that Public School Employees’ Retirement Board (the “Board”) hereby adopts policies, procedures and systems to ensure that the Public School Employees’ Retirement System complies with all requirements of the 2020 edition of the Global Investment Performance Standards for Asset Owners promulgated by the Investment Council of the CFA Institute, and that, no later than 36 months after the board adopts a resolution pursuant to the recommendations contained in this resolution, the Board adopt a plan for annually attaining compliance with the 2020 edition of the Global Investment Performance Standards for Asset Owners commencing with the first fiscal year beginning after the board adopts the plan.

Eric DiTullio moved as presented, with Patrick Lord seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Action Item –

Resolution 2022-37 Re: FY 22-23 Audit Plan

RESOLVED, that the Public School Employees’ Retirement Board (the “Board”) hereby adopts the Audit Plan for FY 22-23 pursuant to the recommendation of Mei Gentry, Chief Audit Officer, dated June 16, 2022.

Eric DiTullio moved as presented, with Patrick Lord seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Action Item –

Resolution 2022-38 Re: WombleBondDickinson Contract Extension

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby authorizes staff, pursuant to paragraph 9 on the Contract for Legal Services between Womble Bond Dickinson, (US), LLP (Womble Bond) and the Board, dated April 13, 2021, to execute a letter of consent with Womble Bond Dickinson to extend the length of the contract from June 30, 2022 to December 31, 2022.

Further **Resolved**, that the Board hereby authorizes Womble Bond to provide access to Board members, as requested by the Office of the Executive Director, through the Womble Bond platform, relating to the ongoing Muth litigation which were previously uploaded to Diligent Secure.

The documents shall be made searchable but not downloadable and printable.

Access is to be provided on a per person (user account) basis, with a cost no greater than \$200 per user per month. Access to the Womble Bond platform will cease at the termination of the Womble contract.

Further **Resolved**, that the Board hereby authorizes Womble Bond Dickinson, consistent with the provisions of Paragraph 7 of its Contract with the Board, to retain experts to work on projects resulting from potential updated policies and procedures, if necessary, as directed by the Chair of the ACR Committee of the Board. The hourly rates, fees, or other compensation for any such experts deemed necessary shall be in accordance with the Contract and shall not exceed \$45,000 without prior approval from the Chair and Vice-Chair of the ACR Committee.

Eric DiTullio moved as presented, with Sec. Richard Vague seconding.

Sen. Katie Muth moved to have the second and third paragraphs of the motion removed from the proposed motion and put into a separate motion. Treas. Stacy Garrity seconded the motion, which did not pass.

The motion as originally written passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one opposed being Sen. Katie Muth.

Action Item –

Resolution 2022-39 Re: Internal Audit Office Charter

RESOLVED, that the Public School Employees' Retirement Board ("the Board) hereby adopts the changes to the Internal Audit Office Charter pursuant to the Recommendation of Mei Gentry, Chief Audit Officer, dated June 16, 2022.

Eric DiTullio moved as presented, with Jason Davis seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

8.7.2 Ad Hoc Committee

Susan Lemmo reported on the Committee meeting held on June 16, 2022.

Susan Lemmo stated that the Committee approved the minutes of the April 11 and May 23, 2022 meetings.

Susan Lemmo announced the Committee held Executive Sessions for the purpose of preliminary interviews for Executive Director on June 1, June 2, and June 10.

Christopher Santa Maria thanked the Ad Hoc Committee for their work in identifying Executive Director candidates. Mr. Santa Maria reported that the full Board met in Executive Session on June 15 to interview final candidates. Mr. Santa Maria recommended Terrill J. Sanchez to the permanent position of Executive Director of PSERS.

Action Item –

Resolution 2022-40 Re: Appointment of Executive Director

RESOLVED, that the Public School Employees' Retirement Board hereby appoints Terrill J. Sanchez as Executive Director, effective June 19, 2022, at a salary of \$275,014, pending final approval of the Executive Board.

Christopher Santa Maria moved, with Rep. Frank Ryan seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one abstention being Sen. Katie Muth due to her outstanding litigation.

Terri Sanchez provided comments and her appreciation for the appointment to the position of Executive Director.

8.7.3 Benefits & Appeals Committee Report

Melva Vogler reported on the Committee meetings held on June 16, 2022.

Melva Vogler stated that the Committee approved the minutes of the March 10 and March 30, 2022, meetings.

Action Item –

Melva Vogler moved in the account of Kocis (Docket No. 2020-04), that the Board grant PSERS' motion for summary judgement and dismiss claimant's appeal, with Eric DiTullio seconding. The motion passed, three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Melva Vogler reported that the Committee reviewed the Executive Staff Review Committee reports for July 30, 2021, August 27, 2021, and September 27, 2021.

8.7.4 Defined Contribution Plan Committee Report

Rep. Frank Ryan reported on the Committee meeting held on June 16, 2021.

Rep. Frank Ryan stated that the Committee approved the minutes of the March 10, March 30, and May 18, 2022 meetings.

Rep. Frank Ryan reported on the following:

Emily Wrightson from CAPTRUST provided an educational session on the DC Plan Fund Lineup and Fee Structure.

Jennifer Mills provide key highlights of Q1 2022 on DC Plan administration and statistics, investment fees and performance, and communication activities.

Rep. Frank Ryan reported the Committee held an Executive Session to discuss proposed contractual amendments.

Action Item without Resolution –

Rep. Frank Ryan made a motion not to accept Voya's change in contract for the requested amendment, with Chris Santa Maria seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

8.7.5 Health Care Committee Report

Susan Lemmo reported on the Committee meeting held on June 16, 2022.

Susan Lemmo stated that the Committee approved the minutes of the March 10 and March 30, 2022 meetings.

Susan Lemmo reported on the following:

Peter Camacci provided relevant updates on the Health Options Program.

Melanie Clark from Segal presented 2023 Proposed Self-Insured Medical Plans and Rates, and 2023 Proposed Self-Insured Medicare Part D Prescription Drug Plan and Rates.

Action Items –

Resolution 2022-41 Re: 2023 HOP Medical Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following monthly premium rates of the HOP Medical Plan effective January 1, 2023 for calendar year 2023.

Eric DiTullio moved as presented, with Patrick Lord seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Resolution 2022-42 Re: 2023 HOP Value Medical Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following monthly premium rates of the Value Medical Plan effective January 1, 2023 for calendar year 2023.

Eric DiTullio moved as presented, with Rep. Frank Ryan seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Resolution 2022-43 Re: 2023 HOP Pre-65 Medical Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following monthly premium rates of the Pre-65 Medical Plan effective January 1, 2023 for calendar year 2023.

Eric DiTullio moved as presented, with Rep. Frank Ryan seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Resolution 2022-44 Re: 2023 HOP Enhanced Medicare Part D Rx Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Enhanced Medicare Rx Option effective January 1, 2023 for calendar year 2023.

Eric DiTullio moved as presented, with Rep. Frank Ryan seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Resolution 2022-45 Re: 2023 HOP Basic Medicare Part D Rx Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Basic Medicare Rx Option effective January 1, 2023 for calendar year 2023.

Eric DiTullio moved as presented, with Jason Davis seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Resolution 2022-46 Re: 2023 HOP Value Medicare Part D Rx Plan & Rates

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Value Medicare Rx Option effective January 1, 2023 for calendar year 2023.

Rep. Frank Ryan moved as presented, with Eric DiTullio seconding. The motion passed, with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

8.7.6 Finance & Actuarial Committee Report

Stacey Connors reported on the Committee meeting held on June 16, 2022.

Stacey Connors stated that the Committee approved the minutes of the March 10 and March 30, 2022 meetings.

Stacey Connors reports on the following from the Committee meeting:

Brain Carl led a discussion on the Finance & Actuarial Committee Charter review and proposed changes. The Committee approved a motion to accept the edits to the charter and forward the revised the Finance & Actuarial Committee charter to the Governance & administration Committee for review and approval, and submission to the full Board.

Brian Carl, Chief Financial Officer, presented his report which included:

- March 31 2022 Financial Statements
- March 31, 2022 Administrative and Investment related Expense Budget Status
- Long-Term Actuarial Projections
- Other Finance-Related Activities

8.7.7 Investment Committee Report

Sec. Richard Vague reported on the Investment Committee meeting held on June 17, 2022.

Sec. Richard Vague stated that the Committee approved the minutes of the March 11, March 23, and May 19, 2022 meetings.

Sec. Richard Vague reported on the following from the Committee meetings:

Claire Shaughnessy, Aon, gave a presentation on the First Quarter Performance.

Robert Devine, Interim Chief Investment Officer, gave a PSERS Investment Dashboard overview.

Action Items –

Resolution 2022-47 Re: Greenoaks Capital Opportunities Fund V, L.P.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby commits an amount not to exceed \$100 million, plus reasonable normal investment expenses, in Greenoaks Capital Opportunities Fund V LP (and/or related investment vehicles), in accordance with the recommendation of Patrick G. Knapp, Portfolio Manager, dated May 27, 2022, and Hamilton Lane, dated May 17, 2022. 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.

Jason Davis moved as presented, with Eric DiTullio seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one opposed being Sen. Katie Muth.

Resolution 2022-48 Re: GCM US Partnership Opportunities, L.P.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby commits an amount not to exceed \$250,000,000, plus reasonable and normal investment expenses, to GCM US Partnership Opportunities, L.P., (and/or related investment vehicles), in accordance with the recommendation of William P. Stalter, Senior Portfolio Manager, and Hamilton Lane. 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.

Eric DiTullio moved as presented, with Jason Davis seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one abstention being Sen. Katie Muth.

8.7.8 Governance & Administration Committee Report

Rep. Matt Bradford reported on the Committee meeting held on May 27, 2022, which included the following agenda items:

- Discussion and consensus of the Board to table the question of external Fiduciary Counsel until permanent PSERS Chief Counsel was selected. The RFP for previous Fiduciary Counsel procurement was distributed to the Board.
- Committee discussion and approval of position descriptions for Trustees, Board Chair and Vice-Chair, and Committee Chairs and Vice-Chairs.
- Committee discussion of minor Governance & Administration Committee Charter edits related to clarify on direct reports and Fiduciary Counsel.
- Committee discussion and approval of Health Care Committee, Audit, Compliance & Risk Committee, and Investment Committee charter edits.

Action Items –

Resolution 2022-49 Re: Board Position Descriptions

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts position descriptions for the roles of Board Chairperson and Vice Chairperson; Committee Chair and Committee Vice Chair; and Board Member.

Sec. Richard Vague moved as presented, with Eric DiTullio seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one abstention being Sen. Katie Muth.

Resolution 2022-50 Re: Amendment to Bylaws, Article II: Sections 1-7, Committee Charters

WHEREAS, pursuant to Resolution 2022-5, the Board directed that each Committee review their review their Committee Charter and if applicable, make recommendations for changes to the Governance and Administration Committee.

WHEREAS, the various Committees reviewed their charters and made recommendations to the Governance and Administration Committee.

WHEREAS, on May 27, 2022, the Governance and Administration Committee met and reviewed both its own Charter and the recommended changes to the Committee Charters as recommended by the various Committees.

WHEREAS, on June 2, 2022, advance written notice of the proposed amendments to the various Committee Charters was provided to members of the Board pursuant to Article I: Bylaws, Section 8: Amendments of the Model Governance Manual Framework.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby adopts the proposed amendments to the various Committee Charters dated June 17, 2022 and attached hereto as Attachment A.

Eric DiTullio moved as presented, with Melva Vogler seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella, and one abstention being Sen. Katie Muth.

Executive Session

At 2:21 P.M., Terri Sanchez, Executive Director, stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board and Section 708(a) of the Sunshine Act, we are going into Executive Session to discuss a CyberSecurity Update. We are also going into Executive Session to discuss a Personnel Matter. Both matters, which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law."

Sec. Richard Vague moved, and Jason Davis seconded the motion, which passed unanimously.

Regular session resumed at 3:02 P.M.

8.8 New Business

8.8.1 Discussion on Governance Committee Composition

Sen. Katie Muth requested that the Board discuss and consider expanding the Governance & Administration Committee composition from five (5) members to full Board members. A discussion followed.

Rep. Matt Bradford moved to suspend the rule for fifteen-day notification of a Bylaw change in order to consider a motion, and Jason Davis seconded, which passed unanimously.

Sen. Katie Muth moved to amend the Governance & Administration Committee charter to expand the Governance & Administration Committee to include all Board members, with Treas. Stacy Garrity seconding. The motion did not pass needing the required two-thirds vote of present and voting Board members, with those opposed being Christopher Santa Maria, Rep. Matt Bradford, Stacey Connors, Jason Davis, Eric DiTullio, Patrick Lord, Sec. Richard Vague, and Melva Vogler, and two absences being Ann Monaghan and Joe Torsella.

8.8.2 Fiduciary Ethics training – rescheduled.

8.9 Office of Chief Counsel Report

Chuck Serine, Interim Chief Counsel, requested an Executive Session.

Executive Session

At 3:49 P.M., Terri Sanchez, Executive Director, stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board and Section 708(a) of the Sunshine Act, we are going into Executive Session to discuss Personnel Matters."

Jason Davis moved, and Rep. Frank Ryan seconded the motion, which passed unanimously.

Regular session resumed at 4:02 P.M.

Action Item –

Resolution 2022-51 Re: Office of Chief Counsel

RESOLVED, that the Public School Employees' Retirement Board hereby authorizes the appointment of Assistant Deputy Chief Counsel Letitia Schubauer to serve as Acting Chief Counsel, at the same salary and benefits as the prior Chief Counsel, pending posting and selection of a permanent Chief Counsel.

Christopher Santa Maria moved as presented, with Rep. Frank Ryan seconding. The motion passed with three absent being Nathan Mains, Ann Monaghan, and Joe Torsella.

Chuck Serine provided comments and his appreciation for being able to serve as Interim Chief Counsel.

8.10 Executive Director Report

Terri Sanchez presented the Executive Director's Report through a slide deck, which included:

- Legislative Updates
- Special Board Election
- Term End Clarifications

8.11 Board Members Comments – none

Adjournment

Without objection, the Board meeting adjourned at 4:13 P.M.

Next Meeting

The next regularly scheduled meeting of the Public School Employee's Retirement Board will be held August 5, 2022, via MS Teams and in-person at PSERS' Headquarters, 5 North 5th Street, Harrisburg, PA.

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Resigned with correction of June 15, 2022 in minute header.

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