

**DRAFT**

**Minutes of Board Governance and Personnel Committee Meeting**

**Friday, March 15, 2019**

**Attendees:**

**Board Governance and Personnel Committee:**

Stephen Aichele, Assistant Chair  
David Fillman  
Treasurer Joseph Torsella  
Secretary Robin Wiessmann

**Other Board Members:**

Glenn Becker  
Thomas Clancy (designee for Treasurer Torsella)  
Senator John DiSanto  
Charles Duncan (designee for Senator Hughes)  
Charles Erdman (designee for Senator DiSanto)  
Representative Dan Frankel  
Bernie Gallagher (designee for Representative Frankel)  
Brian LaForme (designee for Secretary Wiessmann)  
Toni Marchowsky (designee for Senator Hughes)  
Daniel Ocko (designee for Representative Frankel)  
Leonidas Pandeladis (designee for Secretary Wiessmann)  
Mary Soderberg  
Representative Michael Tobash

**SERS Staff:**

Randy Albright  
Christopher Houston  
N. Joseph Marcucci  
Katie Mathews  
Terrill Sanchez

**1. Call to Order**

At 12:24 p.m., Assistant Chair Aichele called the meeting to order.

**2. Welcome and Introduction**

Assistant Chair Aichele welcomed committee member, designees, and other non-committee Board members.

### 3. Approval of Minutes

There were no minutes presented for approval.

### 4. Special Presentations

There were no special presentations.

### 5. New Business

- Executive Session - At 12:26 p.m., the committee recessed and entered executive session to discuss personnel matters and to receive legal advice.
- Public Meeting Resumes – The public meeting resumed at 1:10 p.m.
- **Action 1: Salary Adjustment for Chief Investment Officer**

#### **Motion:**

By motion that was moved by Assistant Chair Aichele and approved unanimously by committee members, it was:

RESOLVED: That the committee recommends that the State Employees' Retirement Board approve an 8% pay increase to \$170.87 an hour for W. Bryan Lewis, Chief Investment Officer SERS, effective the first full pay period of March 2019.

### 6. Old Business

- Executive Session - At 1:25 p.m., the committee recessed and entered executive session to receive legal advice and to conduct a workshop to provide information to Board members on matters directly related to their official responsibilities.
- Public Meeting Resumes – The public meeting resumed at 2:10 p.m.
- Review of PPMAIRC Recommendations 95-99 (Consolidation of Pension Investment Operations)

#### **Action 1: Review of PPMAIRC Recommendations 95-99**

**Motion:**

By motion that was moved by Assistant Chair Aichele and approved unanimously by committee members, it was:

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the SERS Board Governance and Personnel Committee to direct staff to engage with McKinsey & Company, Inc. and other stakeholders to explore best practices and approaches for creating an operating structure pursuant to the recommendations of the Public Pension Management and Asset Investment Review Commission (PPMAIRC) to consolidate investment office operations with the Public School Employees' Retirement System that will serve the best interests of SERS members and to further engage with the Board Governance and Personnel Committee in reviewing the PPMAIRC recommendations.

- **Review of PPMAIRC Recommendations 5-6 (Other)**
  - The consensus was that staff should continue to research Recommendation 6.
- **Review of PPMAIRC Recommendations 14-17 (Transparency)**
  - With regard to Recommendations 14 and 16, the Investment Committee will provide input. Discussion on recommendation 15 was deferred.
- **Review of PPMAIRC Recommendation 73 (Cost Savings Analysis)**
  - The consensus was to have staff further research this recommendation.
- **Review of PPMAIRC Recommendations 108-113 (Diversity)**
  - The consensus was that staff is to continue to research the diversity recommendations. Item 109 was determined to be a priority for review by the Investment Office with careful consideration to be given regarding the Board's fiduciary duties and responsibilities.

**7. Committee Comments/Concerns/Questions**

There were no additional comments, concerns, or other questions from committee members.

**8. Motion to Adjourn****Action 1: Adjournment**


**Motion:**

By motion that was moved by Assistant Chair Aichele and approved unanimously by committee members, it was;

RESOLVED: That this meeting be adjourned at 3:20 p.m.

Respectfully Submitted,

  
Katie Mathews  
Director of Human Resources

  
Christopher C. Houston  
Executive Deputy Chief Counsel  
Acting Chief Compliance Officer