

MINUTES of SERS Board Meeting – Tuesday, July 30, 2024

CALLED TO ORDER: 1:30 p.m. by Chair Gregory C. Thall

IN-PERSON/MICROSOFT TEAMS MEETING/LIVESTREAM

ATTENDEES:

Members and Designees

Gregory C. Thall – Chair	in Person
John M. DiSanto	in Person
Donald Enders Jr.	in Person
W. Russell Faber	in Person
Dan B. Frankel	in Person
Stacy Garrity	in Person
J. David Henderson	in Person
Vincent J. Hughes	Absent
Brett R. Miller	Absent
Uri Monson	in Person
Wendy Spicher	in Person
Seamus Dubbs – Designee for Secretary Wendy Spicher	in Person
Charles Erdman – Designee for Senator John M. DiSanto	in Person
Michael Heckmann – Designee for Representative Brett R. Miller	in Person
Matt Lindsay – Designee for Senator Vincent J. Hughes	in Person
Jordan Laslett – Designee for Representative Dan B. Frankel	in Person
Toni Marchowsky – Designee for Senator Vincent J. Hughes	in Person
Matt McCarry – Designee for Representative Dan B. Frankel	in Person
Dan Ocko – Designee for Representative Dan B. Frankel	in Person
Eric Pistilli – Designee for Secretary Wendy Spicher	via Teams
Jeffrey Soderstedt – Designee for Secretary Wendy Spicher	in Person
Jill Vecchio – Designee for Brett R. Miller	via Teams
Thomas Waters – Designee for Treasurer Stacy Garrity	in Person

Executive Staff

N. Joseph Marcucci	in Person
Sara McSurdy	in Person
James Nolan	via Teams
Joseph Torta	in Person

CMS

Raymond Bressler	in Person
Kyle Heiser	in Person

Rock the Capital
Brian Kimmett

in Person

SERS Staff

Beth Christian
RaChelle Coleman
Cindy Collins
Jo Ann Collins
Brenda Cunard
Thomas Derr
Jonathan Ferrar
Randy Gilson
Pam Hile
Dan Krautheim
Katie Mathews
Ryan McCoy
Michael McGeoy
M. Catherine Nolan
Kyle Reinfeld
Steven Skoff
Matthew Soule
Rae Ann Tronetti
William Truong
Sheila Willrich
Shannon Zimmerman

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MINUTES of the SERS Board Meeting TUESDAY, July 30, 2024

1. CALL TO ORDER

Chair Gregory Thall called the meeting to order at 1:30 p.m.

2. WELCOME AND ROLL CALL

A. Executive Director Joseph Torta conducted a roll call of board members and designees. A quorum was met.
B. Recognition for Counsel Salvatore A. Darigo, Jr. - Chair Thall recognized in memoriam Counsel Salvatore A. Darigo, Jr. by reading a board resolution detailing his long-time service to the SERS Board, the agency, and its staff, and his profound and personal commitment to serving the citizens and taxpayers of the Commonwealth of Pennsylvania (**ATTACHMENT A**). Along with heartfelt condolences, the originals of the resolution will be transmitted to Mr. Darigo's surviving fiancée and to his sister.

3. ADOPTION OF THE AGENDA

MOTION: 2024-39

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the board adopt the agenda for the July 30, 2024, board meeting.

4. APPROVAL OF CONSENT CALENDAR

MOTION: 2024-40

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the board approve the Consent Calendar items, as listed, for the July 30, 2024, board meeting.

- A. Approving Board Meeting Minutes – June 18, 2024, Regular Meeting
- B. Defined Benefit Plan Statement of Changes in Fiduciary Net Position for the Period Ending – March 31, 2024, April 30, 2024
- C. Deferred Compensation Plan (DCP) Statement of Changes in Net Position Available for Benefits for the Period Ending – March 31, 2024, April 30, 2024
- D. Defined Contribution Plan Statement of Changes in Fiduciary Net Position for the Period Ending – March 31, 2024, April 30, 2024

5. COMMITTEE REPORTS/ACTION ITEMS

A. Investment Committee

Committee Chair Uri Monson presented a report of the Investment Committee meeting of July 23, 2024, to the board. The following actions were taken:

HARBOURVEST CO. PRIVATE EQUITY RECOMMENDATION

MOTION: 2024-41

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Investment Committee to commit up to \$200 million to HarbourVest PA Co-investment Fund Tranche II L.P. (name TBD), capped at \$50 million for calendar year 2024 and \$80 million per calendar year thereafter, plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as a follow on investment within the Private Equity asset class, subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals, within 12 months.

John M. DiSanto	Yes	
Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
Stacy Garrity	Yes	
J. David Henderson	Yes	
Vincent J. Hughes	Designee Toni Marchowsky	Yes
Brett R. Miller	Designee Michael Heckman	Yes
Uri Monson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

PROXY VOTING CONSULTANT SEARCH

MOTION: 2024-42

By motion that was moved, seconded, and approved by board members, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Investment Committee to hire Institutional Shareholder Services Inc. to act as its proxy voting consultant in connection with the SERS Defined Benefit Plan's investment portfolio for a five-year term commencing at the conclusion of the current contract for proxy voting consulting services (currently scheduled to expire as of February 13, 2025), subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals, within 12 months.

John M. DiSanto	Yes	
Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
Stacy Garrity	Yes	
J. David Henderson	Yes	
Vincent J. Hughes	Designee Toni Marchowsky	Yes
Brett R. Miller	Designee Michael Heckman	Yes
Uri Monson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

B. Board Governance and Personnel Committee

Committee Chair Gregory Thall presented a report of the Board Governance and Personnel Committee meeting of July 23, 2024, to the board. The following actions were taken:

SERS PUBLIC COMMENT IN BOARD MEETINGS POLICY

MOTION: 2024-43

By motion that was moved, seconded, and approved unanimously by board members, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to adopt the *Public Comment in Board Meetings Policy (2024-POL-BD-01)*, as amended to include two additions to section 2 by Mr. Faber and the additional deletion of the word "mobile" by Mr. Heckmann, as attached (**ATTACHMENT B**).

John M. DiSanto	Yes	
Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
Stacy Garrity	Yes	
J. David Henderson	Yes	
Vincent J. Hughes	Designee Toni Marchowsky	Yes
Brett R. Miller	Designee Michael Heckman	Yes
Uri Monson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

EXECUTIVE DIRECTOR SALARY

MOTION: 2024-44

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to request the Commonwealth's Executive Board authorize a 3% increase to \$117.51 an hour for Joseph A. Torta, Executive Director, to be effective upon approval by the Executive Board.

John M. DiSanto	Yes	
Donald Enders Jr.	Yes	
W. Russell Faber	Yes	
Dan B. Frankel	Yes	
Stacy Garrity	Yes	
J. David Henderson	Yes	
Vincent J. Hughes	Designee Toni Marchowsky	Yes
Brett R. Miller	Designee Michael Heckman	Yes
Uri Monson	Yes	
Wendy Spicher	Yes	
Gregory C. Thall	Yes	

C. Audit, Risk and Compliance Committee

Committee Chair Stacy Garrity presented a report of the Audit, Risk, and Compliance Committee meeting of July 23, 2024, to the board. No action was taken.

6. OLD BUSINESS – NONE

7. NEW BUSINESS - NONE

8. SPECIAL PRESENTATION - NONE

9. REPORTS OF EXECUTIVE DIRECTOR AND AGENCY STAFF

A. Executive Director Torta provided the following updates:

(i) Legislative Update: We did not see significant movement at the conclusion of the budget cycle on pertinent SERS-related matters. We remain open to the members of the General Assembly, including the members of this board that are in the General Assembly, to provide any assistance, as we always do, on legislative items.

(ii) Executive Director Torta briefly recapped the 2024 Mid-Year Performance Report presented at the Board Governance and Personnel Committee.

10. EXECUTIVE SESSION

- A. Chief Compliance Officer Report on Board Referrals
- B. Benefits Administration and Appellate Litigation Update

At 1:52 p.m. the board recessed and entered the executive session to receive reports and legal advice on executive session agenda items. The public meeting resumed at 2:05 p.m.

11. BOARD COMMENTS/ANNOUNCEMENTS/DATES TO REMEMBER

- September 17, 2024 – next regularly scheduled committee meetings
- September 24, 2024 – next regularly scheduled board meeting

12. MOTION TO ADJOURN

MOTION: 2024-45

By motion of Chair Thall, the board unanimously agreed to adjourn the meeting at 2:06 p.m.

Respectfully submitted,



Joseph A. Torta
Executive Director