

MINUTES of SERS Finance & Member Services Committee Meeting – Wednesday, February 27, 2019

Attendees:

Committee Members and Designees

Stephen S. Aichele

David R. Fillman

Mary A. Soderberg

Other Board Members and Designees

Dan B. Frankel

Michael G. Tobash

Joseph M. Torsella

Robin L. Wiessmann

Thomas Clancy – Designee for Treasurer Joseph M. Torsella

Dan Ocko – Designee for Representative Dan B. Frankel

Charles Duncan – Designee for Senator Vincent J. Hughes

Brian LaForme – Designee for Secretary Robin Wiessmann

Leo Pandeladis – Designee for Secretary Robin Wiessmann

State Officials and Visitors

Alan Flannigan

Staff

Rose Agnew

Randy Albright

N. Joseph Marcucci

Terrill Sanchez

Anthony Faiola

Joseph Torta

Don Bell

Thomas Derr

Karen Lynn

Linda Engle

Randy Gilson

Suzi Hansel

Pam Hile

Kevin Kiehl

Christopher Houston

Dan Krautheim

Barbara Kiral

Jeffrey McCormick

Ryan McCoy

Sara McSurdy

James Nolan

Jason Gurintano

M. Catherine Nolan

David Sedlak

Sharon Smith

Brian Gilroy
Dhanashree Chitnis

1. **Call to Order**

8:30 a.m. by Chairperson of the Committee, Mary A. Soderberg

2. **Welcome and Introductions**

3. **Approval of Minutes**

By motion that was moved, seconded, and approved by committee members, it was
RESOLVED: That the committee approves the minutes of the February 11, 2019, Finance and Member Services Committee meeting.

4. **Old Business (none)**

5. **Special Presentation (none)**

6. **New Business**

a. **Election of Assistant Chairman**

Upon action by Mary Soderberg to appoint Steven Achiele as Assistant Chair, the committee consents to the appointment of Steven Aichele as Assistant Chair.

b. **Statement of Changes**

By motion that was moved, seconded, and approved by committee members, it was
RESOLVED: That the committee recommends that the State Employees' Retirement Board accept the State Employees' Retirement System's Statement of Changes in Fiduciary Net Position for the periods ending October 31, November 30 and December 31, 2018.

c. **Deferred Compensation 4th Quarter Statement of Changes**

By motion that was moved, seconded, and approved by committee members, it was
RESOLVED: That the committee recommends that the State Employees' Retirement Board accept the Commonwealth of Pennsylvania 457 Deferred Compensation Program Statement of Changes in Plan Net Position Available for Benefits for the Fourth Quarter and Year ended December 31, 2018.

d. **Review Committee Charter**

e. **PPMAIRC Recommendations**

The committee was given the initial staff comments on most of the recommendations applicable to the Finance and Member Services Committee and SERS actuary consultant's comments on the stress testing recommendations. The committee began the process of reviewing and prioritizing the PPMAIRC Recommendations.

f. **Other Items**

Committee was also provided with the following information:

- Mid-Year Budget Update for fiscal year 2018/19
- A briefing on GASB 75

- A yearly calendar
- An overview of the State Employees Retirement Information System
- A look ahead to the next two meetings

7. Formal Motions to the Board

The Finance and Member Services Committee Chair makes the following motions:

That the State Employees' Retirement Board accept the recommendation of the Finance and Member Services Committee to accept the State Employees' Retirement System's Statement of Changes in Fiduciary Net Position for the periods ending October 31, November 30 and December 31, 2018. (reports attached)

That the State Employees' Retirement Board accept the recommendation of the Finance and Member Services Committee to accept the Commonwealth of Pennsylvania 457 Deferred Compensation Program Statement of Changes in Plan Net Position Available for Benefits for the Fourth Quarter and Year ended December 31, 2018. (report attached)

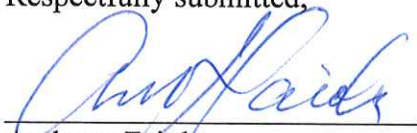
8. Confirmation of Next Steps

- Committee agreed to place the financial statements on the Consent Calendar for future Board meetings.
- Committee agreed to recommend to the Board to move forward with the recommendations on the Commission Report under Full Funding items 1 to 4. The Committee directed staff to come up with an action plan.
- Committee has agreed to ask Korn Ferry to present at the Board Retreat a high-level presentation on stress testing and provide input on Commission's recommendations to SERS. It was requested that the Investment Committee also sit in on this presentation since they are the secondary committee on this topic.
- Committee asked staff to investigate calendar year versus fiscal year, recommendation number 48 on the Commission report, and come back with additional information.

9. Motion to Adjourn

By motion that was moved by Mary Soderberg and approved unanimously by committee members, it was; RESOLVED: That this meeting is adjourned at 9:30 a.m.

Respectfully submitted,



Anthony Faiola
Chief Financial Officer

Joseph Torta
Director of Member Services