



## **SERS Board Meeting MINUTES - Wednesday, July 31, 2019**

### **ATTENDEES:**

#### **Members and Designees**

David R. Fillman – Chair

Glenn E. Becker

John M. DiSanto

Mary A. Soderberg

Gregory C. Thall

Michael G. Tobash

Robin L. Wiessmann

James Bloom - Designee for Secretary Robin L. Wiessmann

Susan Boyle - Designee for Representative Michael G. Tobash

Thomas Clancy – Designee for Treasurer Joseph M. Torsella

Charles Duncan – Designee for Senator Vincent J. Hughes

Lloyd Ebright - Designee for Treasurer Joseph M. Torsella

Charles Erdman - Designee for Senator John M. DiSanto

Alan Flannigan - Designee for Secretary Robin L. Wiessmann

Bernie Gallagher – Designee for Representative Dan B. Frankel

Dan Ocko – Designee for Representative Dan B. Frankel

Leo Pandeladis - Designee for Secretary Robin L. Wiessmann

#### **Consultants**

Brent Mowery, Korn Ferry Hay Group

Britt Murdoch, Callan LLC

Kris Seets, Korn Ferry Hay Group

Tom Shingler, Callan, LLC

Christopher Waddell, Olson Hagel & Fishburn LLP via telephone

#### **Executive Staff**

Alicia James

Bryan Lewis

N. Joseph Marcucci

Terrill Sanchez

#### **Staff**

Rose Agnew

Randy Albright

Stephen Balucha  
Anbria Bates  
Don Bell  
Jason Burger  
Dhanashree Chitnis  
Tom Corbin  
Thomas Derr  
Myisha Ebersole  
Jacob Fahnestock  
Marianna Fazylova  
Jonathan Ferrar  
Brian Gilroy  
Randy Gilson  
Jason Giurintano  
Phillip Greenberg  
Suzanne Hansel  
Whitney Harlow  
Pamela Hile  
Christopher Houston  
Kevin Kiehl  
Khalfani King  
Dan Krautheim  
Alan Lin  
Karen Lynn  
Katie Mathews  
Jeffrey McCormick  
Ryan McCoy  
Sara McSurdy  
Matthew Meads  
Jeffrey Meyer  
Ryan Morse  
M. Catherine Nolan  
Kara O'Donnell  
Joel Rimby  
David Sedlak  
Melissa Seiders  
Dana Shettel  
Sharon Smith  
Sarah Souder  
Bruce Thomas  
Joseph Torta  
William Truong

**Visitors**

Nick Rossmiller, Office of the Budget

1. CALL TO ORDER

Chair Fillman called the meeting to order at 9:15 a.m.

2. WELCOME AND INTRODUCTIONS

A-B. Introductions of New Board Member Gregory C. Thall and New Chief Financial Officer Alicia James

Executive Director Sanchez introduced new board member Gregory C. Thall and Chief Financial Officer Alicia James to their first board meeting. Board member Mary A. Soderberg wished Ms. James "good luck" and acknowledged the Office of Finance and Administration transition team lead by Sara McSurdy for their outstanding work performance during the period before Ms. James' arrival.

C. Board Resolution for Board Member Stephen S. Aichele

Executive Director Sanchez acknowledged and thanked Mr. Aichele for the time he served on the SERS Board.

**MOTION: 2019-49**

By motion of Chair Fillman, the board unanimously agrees to recognize Stephen S. Aichele with a board resolution, presented by Executive Director Terrill J. Sanchez, a copy of which shall be filed with the minutes of this meeting (ATTACHMENT A).

D. Board Resolution for Chief Investment Officer Bryan Lewis

Executive Director Sanchez thanked Mr. Lewis for the time he served as the SERS Chief Investment Officer.

**MOTION: 2019-50**

By motion of Chair Fillman, the board unanimously agrees to recognize Bryan Lewis with a board resolution, read by Executive Director Terrill J. Sanchez, a copy of which shall be filed with the minutes of this meeting (ATTACHMENT B).

Mr. Lewis addressed the board thanking them for their support and stated that the Investment Office is in a good hands with the current IO staff and will continue on the "quest for excellence" while ultimately keeping the SERS members in mind.

E. Recognition for SERS Employee, Tom Corbin

Executive Director Sanchez recognized Mr. Corbin, a 15-year SERS employee, before the board meeting for his quick action for coming to the aid of a colleague who was choking. She described the situation which had Mr. Corbin administer the Heimlich maneuver and it proved to be a very successful act. Ms. Sanchez thanked Mr. Corbin for his efforts and bringing skills he learned during his basic training days of his military career to his fellow employee. SERS is proud that he is part of the SERS team.

3. ADOPTION OF THE AGENDA

**MOTION: 2019-51**

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

**RESOLVED:** That the board adopts the agenda for the July 31, 2019, board meeting.

4. APPROVAL OF CONSENT CALENDAR

A. Approving Board Meeting Minutes - June 14, 2019

B. Approving Statement of Changes in Fiduciary Net Position for the Periods Ending - April 30 and May 31, 2019

**MOTION: 2019-52**

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

**RESOLVED:** That the board approves the Consent Calendar items, as listed, for the July 31, 2019, board meeting.

5. COMMITTEE REPORTS AND ACTION ITEMS

A. Board Governance and Personnel Committee

Chair Fillman provided a report of the Board Governance and Personnel Committee to the board (SERS Board Handout). The report was accepted by the board along with the following motions.

STRATEGIC PLANNING PROCESS

**MOTION 2019-53**

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

**RESOLVED:** That the board accepts the recommendation of the Board Governance and Personnel Committee to adopt the Strategic Planning Process, as set forth in the attachment (ATTACHMENT C), effective immediately.

COMPENSATION OF MANAGEMENT-CLASSIFIED JOB TITLES AND NON-REPRESENTED JOB TITLES

**MOTION 2019-54**

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

**RESOLVED:** That the board, in order to retain pay parity with other commonwealth positions, accepts the recommendation of the Board Governance and Personnel Committee to grant salary increases to management-classified and non-represented positions, excluding those positions in the XH pay scale group, investment professionals, and legal counsel, at the time, in the amount, and in the same manner as established by the Executive Board of the commonwealth for the period of July 1, 2019 through June 30, 2023.

B. Defined Contribution Committee

Chair Soderberg provided a report of the Defined Contribution Committee to the board (SERS Board Handout). The report was accepted by the board along with the following motions.

ADDING GLOBAL NON-U.S. STOCK INDEX FUND TO THE 457(b) DEFERRED COMPENSATION PLAN

**MOTION 2019-55**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to add the Global Non-U.S. Stock Index Fund, which is already in place in the 401(a) Defined Contribution Plan, to the stable of investment options in the 457(b) Deferred Compensation Plan under the same or more favorable contract terms and conditions as are currently in place for the 401 (a) Defined Contribution Plan.

ADDING THE SERIES OF BLACKROCK LIFEPATH TARGET DATE FUNDS TO THE 457(b) DEFERRED COMPENSATION PLAN

**MOTION 2019-56**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to add the series of BlackRock LifePath Target Date Funds that are already in place in the 401(a) Defined Contribution Plan to the stable of investment options in the 457(b) Deferred Compensation Plan with the same or more favorable contract terms and conditions as are currently in place for the 401(a) Defined Contribution Plan.

CHANGING THE DEFAULT INVESTMENT OPTION IN THE 457(b) DEFERRED COMPENSATION PLAN FROM THE MONEY MARKET FUND TO THE SERIES OF BLACKROCK LIFEPATH TARGET DATE FUNDS

**MOTION 2019-57**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to replace the Money Market Fund as the default investment option in the 457(b) Deferred Compensation Plan with the appropriate BlackRock LifePath Target Date Fund that corresponds with a particular participant's age, and to provide participants with the required notification.

REMOVING PROFILE FUNDS AND INTERNATIONAL COMPANY STOCK INDEX FUND FROM 457(b) DEFERRED COMPENSATION PLAN AND TRANSFERRING ASSETS TO THE DEFAULT INVESTMENT OPTION

**MOTION 2019-58**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to: (i) terminate the Profile Fund options; (ii) terminate the International Company Stock Index Fund from the stable of investment options in the 457(b) Deferred Compensation Plan, effective January 3, 2020; and (iii) direct the transfer of all remaining assets in those funds to the appropriate default investment option.

CHANGING THE 457(b) DEFERRED COMPENSATION PLAN'S STATEMENT OF INVESTMENT POLICY TO REFLECT CHANGES

**MOTION 2019-59**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to amend the 457(b) Deferred Compensation Plan's Statement of Investment Policy to: (i) reflect the addition of the BlackRock LifePath Target Date Fund series and the Global Non-U.S. Stock Index Fund to the Plan's stable of investment options; and (ii) reflect the change in Consultant to Callan.

CHANGING THE 457(b) DEFERRED COMPENSATION PLAN'S TRUST DOCUMENT TO REFLECT CHANGES TO THE DEFAULT INVESTMENT OPTION

**MOTION 2019-60**

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

**RESOLVED:** That the board accepts the recommendation of the Defined Contribution Committee to amend the Second Amended and Restated Trust Declaration for the Deferred Compensation Plan for Officers and Employees of the Commonwealth of Pennsylvania, known as the 457(b) Trust Document, to: (i) reflect the decision to change the default investment option from the Processing Account to the appropriate BlackRock LifePath Target Date Fund; (ii) authorize the board to designate the appropriate BlackRock LifePath Target Date Fund as the default investment option for individual participants; and (iii) provide participants with the required notification.

C. Finance and Member Services Committee

Chair Soderberg provided a report of the Finance and Member Services Committee to the board (SERS Board Handout). The report was accepted by the board.

D. Investment Committee

Chair Becker provided a report of the Investment Committee to the board (SERS Board Handout). The report was accepted by the board along with the following motions.

APPOINTMENT OF ACTING CHIEF INVESTMENT OFFICER

**MOTION 2019-61**

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

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to appoint Deputy Chief Investment Officer James G. Nolan as Acting Chief Investment Officer, effective August 3, 2019, during the period of vacancy in the office of Chief Investment Officer, with all the powers and duties of the Chief Investment Officer, such appointment to continue until such time as the board appoints a new Chief Investment Officer.

PRIVATE EQUITY ASSET CLASS - KPS SPECIAL SITUATIONS FUND V, LP / KPS SPECIAL SITUATIONS MID-CAP FUND, LP

**MOTION 2019-62**

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

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to (i) commit up to \$75 million to KPS Special Situations Fund V, LP, plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as investments 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.

AND

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to (i) commit up to \$25 million to KPS Special Situations Mid-Cap Fund, LP, plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership

documents, as investments 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.

PRIVATE EQUITY ASSET CLASS - WIND POINT PARTNERS IX-A, L.P.

**MOTION 2019-63**

By motion presented by Chair Becker, that was moved, seconded, and approved by board members, except Mr. Ebright, designee to Treasurer Torsella, who abstained, it was

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to commit up to \$75 million to Wind Point Partners IX-A, L.P. plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as investments 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.

REAL ESTATE ASSET CLASS - ACTIVUM SG FUND VI L.P. / ACTIVUM SG FUND VI CO-INVESTMENTS L.P.

**MOTION 2019-64**

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

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to (i) commit up to €50 million to Activum SG Fund VI L.P., and (ii) commit €50 million to Activum SG Fund VI Co-Investments L.P., plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as investments within the Real Estate 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.

COMPENSATION OF ACTING CHIEF INVESTMENT OFFICER

**MOTION 2019-65**

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

**RESOLVED:** That the board accepts the recommendation of the Investment Committee to approve and grant James G. Nolan a temporary 4.5% hourly pay increase, effective the date of his appointment as Acting Chief Investment Officer, until such time as a permanent Chief Investment Officer begins employment.

**E. Securities Litigation Committee**

Chair Wiessmann provided a report of the Securities Litigation Committee to the board (SERS Board Handout). The report was accepted by the board along with the following motion to be taken up at the September 25, 2019, board meeting after a review by the Board Governance and Personnel Committee.

THIRD AMENDED SECURITIES LITIGATION POLICY AND SECURITIES LITIGATION COMMITTEE CHARTER

It will be recommended that the board accept the recommendation of the Securities Litigation Committee to:

1. repeal Securities Litigation Policy (2018 POL-BD-03), and
2. adopt (a) the Third Amended Securities Litigation Policy (2019 POL-BD-02), and (b) amendments to the Securities Litigation Committee Charter, as set forth in the attachments, to be effective immediately upon adoption.

#### 6. EXECUTIVE SESSION/PUBLIC MEETING RESUMED

TOPIC 1 - Pending Benefits and Administration Litigation Update

TOPIC 2 - Report on Referrals of Prospective or Existing Investment Transaction or Contract

TOPIC 3 - Notational Ballots

Account of Anthony F. Eggleston

Docket No. 2017-12

Claim of Anthony F. Eggleston

Account of Norman J. Searfoss

Docket No. 2019-1

Claim of Norman J. Searfoss

Account of Anka Vilov

Docket No. 2018-05

Claim of Anka Vilov

Account of Joseph J. O'Neill

Docket No. 2016-06

Claim of Joseph J. O'Neill

TOPIC 4 - Administrative Hearing Training

At 10:00 a.m., the board recessed and entered executive session to receive legal advice on the above executive session agenda items. The public meeting resumed at 11:22 a.m.

#### 7. NEW BUSINESS

A. Korn Ferry Amortization Policy Discussion

Messrs. Mowery and Seets presented an education session on amortization.

#### 8. OLD BUSINESS (None)

#### 9. REPORTS OF EXECUTIVE DIRECTOR AND AGENCY STAFF

A. Executive Director - Social Media Discussion; Legislative Update

Executive Director Sanchez noted the Legislative Update report was provided to the board and introduced Ms. Pam Hile, SERS Press Secretary, and Mr. Tom Derr, SERS Director of Communications and Policy, to present how SERS is expanding into social media (SERS Board Handout). Mr. Derr provided link information to follow SERS on Twitter and Facebook. He added how and when information on these sites will be updated.

#### 10. BOARD COMMENTS/ANNOUNCEMENTS/DATES TO REMEMBER

A. Next Board Meeting - September 24 -25, 2019

#### 11. MOTION TO ADJOURN

**MOTION 2019-66**



By motion of Chair Fillman, it was

**RESOLVED:** That the board unanimously agrees to adjourn the meeting at 12:10 p.m.

Respectfully submitted,



Terrill J. Sanchez  
Executive Director

**Commonwealth of Pennsylvania  
State Employees' Retirement System**



**RESOLUTION**

**WHEREAS**, Stephen S. Aichele became a member of the State Employees' Retirement Board effective April 29, 2014, by appointment of Governor Corbett and confirmation by the State Senate; and

**WHEREAS**, Stephen S. Aichele has contributed significantly to Board deliberations by providing the State Employees' Retirement Board with perspectives derived from his deep professional legal, financial and public policy experience and acumen; and

**WHEREAS**, Stephen S. Aichele has served the Board as the Chair of the Audit, Risk and Compliance Committee, Assistant Chair of the Board Governance and Personnel Committee and Finance and Member Services Committee, and as a member of the Audit Committee, 2017 Real Estate Consultant Committee, Independent Counsel Committee and the Governance Oversight Group; now therefore be it

**RESOLVED**, That the Pennsylvania State Employees' Retirement Board expresses its sincere appreciation to Stephen S. Aichele for his professional excellence and dedication to the retirement system and its members, and wishes him the best of health, happiness and success in all his future endeavors; and be it further

**RESOLVED**, That the original resolution be transmitted to Stephen S. Aichele, and a copy included in the minutes.

July 31, 2019  
Harrisburg, Pennsylvania

  
\_\_\_\_\_  
David R. Fillman, Chairperson

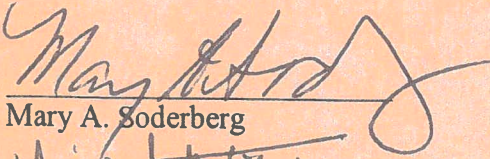
  
\_\_\_\_\_  
Glenn E. Becker

  
\_\_\_\_\_  
John M. DiSanto

  
\_\_\_\_\_  
Dan B. Frankel

  
\_\_\_\_\_  
Vincent J. Hughes



  
\_\_\_\_\_  
Mary A. Soderberg

  
\_\_\_\_\_  
Michael G. Tobash

  
\_\_\_\_\_  
Joseph M. Torsella

  
\_\_\_\_\_  
Robin E. Wiessmann

**Commonwealth of Pennsylvania  
State Employees' Retirement System**



**RESOLUTION**

*WHEREAS, W. Bryan Lewis is concluding a successful three-year tenure as Chief Investment Officer of the Pennsylvania State Employees' Retirement System, during which he has helped steer the organization through a host of changes and challenges; and*

*WHEREAS, During Mr. Lewis' time as Chief Investment Officer, he has introduced a range of innovations that brought significant fee reductions, cost savings and greater efficiencies to our investment operations; and*

*WHEREAS, Through his leadership and clear vision, Mr. Lewis has provided the SERS Investment Office and its investment professionals with the necessary building blocks to continue its growth and development into a world-class organization; and*

*WHEREAS, Mr. Lewis has worked diligently to train SERS' senior investment officers and professional staff to ensure they have the knowledge and skills to maintain the steady course he has laid out; and*

*WHEREAS, Mr. Lewis has demonstrated an unsurpassed level of diligence and commitment in working with the SERS' Board, investment professionals and administrative staff to review and move forward on many of the Act 5 Pension Reform Commission's recommendations, in particular on issues involving transparency, stress testing and cost savings; and*


*WHEREAS, Mr. Lewis has effectively represented SERS, the Investment Office and this Board before the General Assembly, Governor Wolf and other administrative leaders, and exhibited a high degree of dedication and commitment as a fiduciary by carrying out his duties prudently, and solely in the interest and for the exclusive purpose of SERS' members and participants, and in accordance with law and plan documents; now therefore be it*

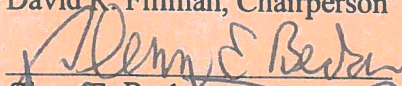
*RESOLVED, That the Pennsylvania State Employees' Retirement Board expresses its sincere appreciation to W. Bryan Lewis for his professional excellence and dedication to SERS and its members, and wishes him the best of health, happiness and success in all his future endeavors; and be it further*

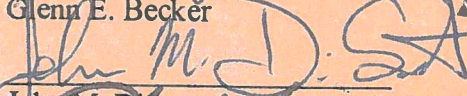
*RESOLVED, That the original resolution be transmitted to W. Bryan Lewis, and a copy included in the minutes.*

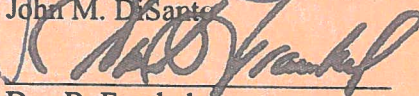
July 31, 2019

Harrisburg, Pennsylvania

  
\_\_\_\_\_  
David R. Fillman, Chairperson

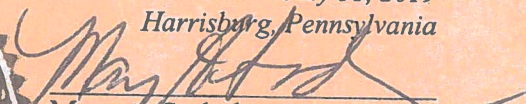
  
\_\_\_\_\_  
Glenn E. Becker

  
\_\_\_\_\_  
John M. DiSanto

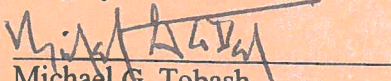
  
\_\_\_\_\_  
Dan B. Frankel

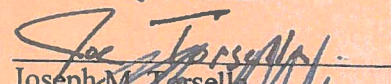
  
\_\_\_\_\_  
Vincent J. Hughes



  
\_\_\_\_\_  
Mary A. Soderberg

  
\_\_\_\_\_  
Gregory C. Thall

  
\_\_\_\_\_  
Michael G. Tobash

  
\_\_\_\_\_  
Joseph M. Torsella

  
\_\_\_\_\_  
Robin L. Wiessmann

---

**Policy Name:** Strategic Planning Process  
**Policy Number:** 2019 POL-BD-01  
**Effective Date:** July 31, 2019  
**Reviewed Date:** N/A  
**Applies To:** SERS Board  
**Contact Person:** SERS Legal Office

## Purpose

As fiduciaries, the Board of the Pennsylvania State Employees' Retirement System ("SERS") has obligations to active members and annuitants to systematically plan for SERS' challenges and needs. The Board and SERS staff must engage in a robust and forward-looking strategic planning process. This policy describes the procedure which the Board has established to guide SERS' development and renewal of strategic plans. For purposes of this policy, "Board" and "Board member(s)" include designee(s).

## Strategic Planning Objectives

The Board believes that effective strategic planning is critical to SERS' success in fulfilling its responsibilities. The objectives of this policy are:

- A. To ensure that strategic investment, operations and business planning occurs in a rigorous, systematic and coordinated manner across the agency;
- B. To keep the planning process roles of the Board and staff clearly delineated and appropriate;
- C. To help develop a road map that provides direction for both long-term and short-term strategies to achieve common goals and strategic initiatives; and
- D. To facilitate the communication of SERS' strategic direction throughout the organization and to SERS' stakeholders.

## Board, Committee and Staff Roles

The Executive Director and staff are responsible for initiating the strategic planning process, developing proposals and working with the Board Governance and Personnel Committee to develop recommendations that are brought to the Board. The Executive Director will oversee a unified plan development process and involve all agency functions through the heads of the respective offices. Outside advisors and consultants may be involved as appropriate. Each of the SERS office function heads shall also have the opportunity to participate in committee and Board strategic planning deliberations. Annually, the Executive Director and staff shall develop and provide to the Board Governance and Personnel Committee a review of the goals in

furtherance of the strategic initiatives, and provide input on the progress toward the goals and recommended changes.

The Board Governance and Personnel Committee will be responsible for:

- A. Providing SERS staff with input on the proposed strategic plan, including goals and strategic initiatives;
- B. Approving strategic plan recommendations for presentation to the Board, along with any related budget and other approvals needed to support the plan;
- C. Monitoring implementation of the strategic plan on an ongoing basis; and
- D. Reporting to the Board regarding progress toward goals and recommended changes.

#### Time Frames and the Planning Process

An updated strategic plan should be brought to the Board by the Executive Director and the Board Governance and Personnel Committee at least every four years. The planning cycle may be several years in duration, depending on the nature of the goals and initiatives involved in the strategic plan. To the extent practicable, the planning process should be coordinated with a Board retreat or workshop and development of the SERS budget.

The strategic plan should cover risks, uncertainties, challenges, opportunities, goals, initiatives, implementation designs and resource needs. The process should start with review of SERS' mission, vision statement, guiding principles and investment strategy. It should also include a critical evaluation of progress toward achieving existing goals and consideration of SERS' strengths and weaknesses.

#### Plan Components

The functional areas addressed in the plan should include, but are not limited to:

- A. Investments;
- B. Funding;
- C. Member services and benefit administration;
- D. Human resources;
- E. Operations and information systems;
- F. Governance; and
- G. Stakeholder relations.

Proposed new initiatives or projects should be presented with supporting information and planning parameters. For example, these may include:

- A. Reasons for undertaking the project;
- B. Timelines for completion;
- C. Assignment of responsibilities for implementation;
- D. Budget, personnel and back office implications;
- E. Criteria (including metrics) for assessing the success of the initiative;
- F. Risk management implications, including cons and what could go wrong; and
- G. Provisions for committee monitoring and reporting to the Board.

#### Approval and Monitoring

With support from the Executive Director, the Board Governance and Personnel Committee shall bring its strategic plan recommendations to the Board for approval. The committee report should include an executive summary that includes explanations of:

- A. Background on development of the report and the issues it addresses;
- B. Pros and cons, including any options provided;
- C. Risks involved, as well as the downside of inaction; and
- D. The committee's recommendations, with supporting explanations.

Strategic planning is intended to be a continuous process. The strategic plan is a living document and may be modified with approval of the Board as needed. Accordingly, the strategic plan should be revisited by the Executive Director and the Board Governance and Personnel Committee at least annually.

**Document Properties**

- a. **Document Owner:** Executive Office
- b. **Document Author:** SERS Legal Office
- c. **Summary of Changes:** N/A

<b>Date</b>	<b>Version</b>	<b>Author</b>	<b>Summary</b>
July 15, 2019	2019 POL- BD-01	SERS Legal Office	The procedure the Board has established to guide SERS' development and renewal of strategic plans.