

DRAFT

Minutes of Board Governance and Personnel Committee Meeting

Tuesday, September 24, 2019

Attendees:

Board Governance and Personnel Committee:

David Fillman, Chair
Antoinette Marchowsky (designee for Sen. Hughes) – **via telephone**
Treasurer Joseph Torsella
Secretary Robin Wiessmann

Other Board Members:

Glenn Becker
Jim Bloom (designee for Secretary Wiessmann)
Thomas Clancy (designee for Treasurer Torsella)
Charles Erdman (designee for Sen. DiSanto)
Lloyd Ebright (designee for Treasurer Torsella)
Alan Flannigan (designee for Secretary Wiessmann)
Bernie Gallagher (designee for Rep. Frankel)
Daniel Ocko (designee for Rep. Frankel)
Mary Soderberg
Rep. Mike Tobash

SERS Staff:

Christopher Houston
N. Joseph Marcucci
Katie Mathews
Jim Nolan
Terrill Sanchez
Alicia James
Don Bell
Rose Agnew
Pamela Hile
Thomas Derr
Daniel Krautheim
Randall Albright
Joseph Torta

Outside Counsel:

Christopher Waddell, Olson, Hagel & Fishburn, LLP

1. Call to Order

At 3:40 p.m., Chair David Fillman called the meeting to order.

2. Welcome and Introduction

Chair David Fillman welcomed Committee members, designees, and other non-Committee Board members.

3. Approval of Minutes

Minutes of meeting of July 30, 2019, Board Governance and Personnel Committee meeting.

Motion:

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

RESOLVED: That this Committee approves the meeting minutes of the July 30, 2019, Board Governance and Personnel Committee meeting.

4. Old Business

a. Strategic Planning Process

Don Bell provided an overview on the Strategic Planning session and potential retreat dates, in addition to giving an update on the survey responses and the themes of the responses. There was also a reminder that Liz Weber, of Weber Consulting, is going to present at the September 25 Board meeting.

b. PPMAIRC Recommendations

Staff provided an update on the recommendations. It was noted that with regard to PPMAIRC recommendation #14, sample documents including staff memo, consultant memo and recommended template for future manager presentations to be publicly posted on SERS' public website will be presented at the September 25 Board meeting for approval. With regard to PPMAIRC recommendation #16, the Investment Office continues to work on the development of a standard checklist for transparency in collaboration with PSERS. Finally, regarding PPMAIRC recommendation #73, the Investment Office will address this recommendation in the Asset Allocation and Investment Plan process.

5. Special Presentations

There were no special presentations.

6. New Business

a. Securities Litigation Committee Charter

Staff reviewed the provisions of the amended Securities Litigation Committee Charter with the committee. After discussion, the committee took action to concur with the recommendation from the Securities Litigation Committee to the Board to adopt the amended charter.

Motion:

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

RESOLVED: That the Board Governance and Personnel Committee concur with the recommendation of the Securities Litigation Committee to the State Employees' Retirement Board to adopt the amendments to the Securities Litigation Committee Charter, as set forth in the attachment, to be effective immediately upon adoption.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Marchowsky	Yes
TORSELLA	Yes
Designee:	
WIESSMANN	Yes
Designee:	

7. Committee Comments/Concerns/Questions

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

8. Motion to Adjourn

Motion:

By motion that was moved by Committee Chair David Fillman and approved unanimously by Committee members, it was;

RESOLVED: That this meeting be adjourned at 3:53 p.m.

Respectfully Submitted,



Katie Mathews
Director of Human Resources



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

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM
SECURITIES LITIGATION COMMITTEE CHARTER

I. PURPOSE.

The Securities Litigation Committee's (the "SLC") purpose is to assist the board (the "Board") of the Pennsylvania State Employees' Retirement System ("SERS") in fulfilling its oversight responsibilities in the area of securities litigation, including but not limited to class actions involving securities fraud, antitrust, appraisal and/or common law-based causes of action. This Charter is supplemental to the authority previously granted by the Board to the SLC in Resolution 2019-____ adopting the Third Amended Securities Litigation Policy ("SLP"), and/or in any preceding or subsequent amending Board resolutions (collectively, the "Board Resolutions"), and does not in any way amend those Board Resolutions and SLP duly adopted by the Board. In case of conflict between this Charter and any Board Resolutions or SLP, the duly adopted Board Resolutions or SLP shall control.

II. AUTHORITY.

The Board has delegated all necessary power and authority to the SLC for the SLC to perform the duties and responsibilities described in this Charter, as well as in the Board Resolutions and SLP, and as may otherwise be delegated by the Board from time to time. Except as expressly granted in Board Resolutions, SLP, and herein, nothing in this Charter shall be construed as giving the SLC the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board.

III. COMPOSITION.

The SLC shall consist of three (3) to five (5) current members of the Board, who may be the designees of Board members, as provided in the Bylaws (the "SLC Members").

The terms of appointment for SLC Members shall be as provided for in the Bylaws.

IV. MEETINGS.

The SLC shall meet upon request of the SLC Chair or a majority of the SLC Members. The SLC may invite members of SERS management, the SERS Office of Chief Counsel (the "OCC") and other SERS staff to attend meetings and provide pertinent information, as it deems necessary or desirable. The SLC Chair shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

V. RESPONSIBILITIES.

- A. The OCC shall keep the SLC informed concerning SERS securities litigation activity.

- B. The SLC shall determine whether SERS should: (i) seek lead or co-lead plaintiff status in a class action securities litigation or take any other active role, including but not limited to, serving as a class representative, (ii) initiate or join an "opt out" securities litigation, or object to any portion of a proposed settlement of a class action securities litigation as a putative/passive member of the class of claimant investors, (iii) initiate an independent, or join a group that has an established, opt-in securities litigation filed outside of the United States/Canada, and/or (iv) collaborate with Pennsylvania Public School Employees' Retirement System, other Commonwealth entities, and/or non-Commonwealth entities regarding securities litigation matters.
- C. The OCC shall have the SLC/Board's authority to: (a) select outside legal counsel in accordance with procedures established by the OCC, and (b) approve the amount of compensation to be paid to outside legal counsel (subject to court approval, where applicable).
- D. For securities litigation matters in which SERS has taken an active role, the SLC shall approve the amount and terms of any settlement of securities litigation claims (subject to Office of Attorney General and court approval).
- E. In making the decisions described in this Charter, the SLC shall comply with the SLP (and other applicable policies and procedures) and fully consider any evaluations provided by the OCC and other claim evaluators, including but not limited to evaluations by firms in the securities litigation pool and/or consultants retained by the Board. The OCC may coordinate with and seek input, from the SERS Investment Office in performing securities litigation evaluations for the SLC's consideration and/or assisting selected outside securities litigation counsel in an active case.
- F. The SLC shall collaborate with the OCC to review the SLP and related policies, resolutions and procedures on a biennial basis. The SLC shall recommend any changes to such policies and procedures to the Board.
- G. The SLC shall perform such other activities related to the SLC's functions and duties as requested by the Board from time to time.

VI. REPORTING.

- A. Following a Committee meeting, the SLC Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update the Board as to its activities, findings, recommendations and any other relevant issues. Subsequent to review by the SLC, SLC meeting minutes shall be distributed to the Board.
 - B. If a SLC meeting has been scheduled, the SLC Chair shall share the agenda for the upcoming Committee meeting with the entire Board at the Board meeting taking place immediately prior to the scheduled SLC meeting or, in the case of a special SLC meeting called without the opportunity to provide the agenda at the prior Board meeting, the agenda is to be shared with the Board as soon as practicable.
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VII. SELF-EVALUATION.

- A. The SLC shall collaborate with the OCC to review this SLC Charter and the policies and procedures described in this Charter or otherwise overseen by the SLC on a biennial basis. The SLC shall recommend any changes thereto to the Board.
- B. The SLC and each SLC Member shall comply with the Board's self-assessment policies and processes and participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.
