

Minutes of the Finance and Member & Participant Services Committee Meeting
February 25, 2022
30 N. Third Street, Harrisburg, PA 17101-1716 & Microsoft TEAMS
SERS LIVESTREAM ACCESS: <https://www.pacast.com/live/sers>

Attendees:

Committee Members and Designees:

Ms. Mary Soderberg (Committee Chair)
Mr. Charles Erdman (Designee for Senator John DiSanto)
Mr. David Fillman
Mr. Dan Ocko (Designee for Representative Dan Frankel)
Secretary Richard Vague

Others Board Members and Designees:

Mr. Glenn Becker
Mr. Christopher Craig (Designee for Treasurer Stacy Garrity)
Mr. Matt Lindsay (Designee for Senator Vincent J. Hughes)
Mr. Greg Jordan
Ms. Jill Vecchio (Designee for Representative Paul Schemel)
Mr. Gregory Thall
Mr. James Bloom (Designee for Secretary Richard Vague)
Mr. Alan Flannigan (Designee and formally voting for Secretary Richard Vague)

Executive Staff:

Joseph Torta, Board Secretary
Christopher Houston, Deputy Executive Director for Administration
N. Joseph Marcucci, Chief Counsel
Sara McSurdy, Chief Financial Officer
James Nolan, Chief Investment Officer
Catherine Nolan, Committee Counsel
Jeffrey McCormick, Committee Counsel

1. Call to Order

Chair Soderberg called the meeting to order at 10:22 A.M.

2. Welcome and Roll Call

Chief Financial Officer Sara McSurdy conducted a roll call of the Committee members and designees, all of whom were present via Microsoft Teams.

3. Approval of Minutes

By motion that was moved, seconded, and approved unanimously by Committee members, it was RESOLVED that this Committee approves the minutes of the September 8, 2021 and January 14, 2022 Finance and Member & Participant Services Committee Meetings.

4. Old Business

None

5. Special Presentations

None

6. New Business/Discussion Items**a. Review of Committee Work Plan**

- Ms. McSurdy reviewed the proposed Committee Work Plan for the current year and provided highlights of each item identified on the plan. Committee Chair Soderberg also spoke regarding some key highlights that were discussed in response to recommendations from the Funston Report, emphasizing that the plan is to continue having SERS' actuaries make recommendations to the Committee. They would also be available to entertain questions from Board members at the full Board meeting, in addition to meeting with the Board on other occasions.
- By motion that was moved, seconded, and approved unanimously by Committee members, it was: RESOLVED that this Committee recommend that the State Employees' Retirement Board approve the Finance and Member & Participant Services Work Plan, as set forth in the attachment.

6. New Business/Informational Items Only

- a. Brokerage Commissions Reports (July, August, September, October, and November)
- b. Membership and Benefits Lists (July, August, September, October, and November)

7. Executive Session

None

8. Board Comments/Concerns/Questions

None

9. Motion to Adjourn

By motion that was moved, seconded, and approved unanimously by Committee members, it was RESOLVED that this meeting be adjourned at 10:30 A.M.

Respectfully submitted,



Sara McSurdy
Chief Financial Officer



Joseph A. Torta
Board Secretary

<u>SERS Committee Work Plan Items</u>	January	February	April	June	July	September	December	Special Notes
Finance and Member & Participant Services								
2022								
Board Chairperson appoints Committee members. Committee members elect Committee Chair and the Committee Chair appoints Assistant Chair.	X							2022 - In the first committee meeting in even numbered years, conduct the election of committee Chairs and appoint Assistant Chairs. Also, in January of even numbered years, the Board Chairperson appoints committee members.
Recommend to the Board to approve the Committee work plan.		X						2022 - Annually, staff liaisons, with input from the Executive Director, prepare draft work plans for review by the Committee in advance of the first meeting. The Committee shall recommend to the Board to approve the work plan. NOTE: The establishment of expectations and criteria for an annual performance review of the Actuary and Third Party Administrator overseen by the committee will be developed with Board input.
Actuary presents key actuarial valuation results and Committee recommends that the Board certify the annual employer contribution rate to the Defined Benefit Plan for the upcoming fiscal year.			X					
Actuary and Investment Consultant present on the actuarial assumed rate of return assumption. Committee recommends that the Board approve any changes to the rate, which will be effective with the next upcoming valuation.				X				
Office of Financial Management Update				X			X	
Office of Member and Participant Services Update						X	X	
Agency budgets are presented. Committee recommends that the Board approve the budgets that are being requested.						X		
Actuary presents key results from the Stress Testing and Risk Assessment on SERS Defined Benefit Plan. Committee recommends that the Board accept the report.						X		
Annual review of external advisors and consultants.							X	Education on this topic will be provided at the Board Retreat in March.
2023								
Review Committee Charter, including a review of Board delegations of authority, in collaboration with the Executive Director and Chief Counsel's Office.		X						2023 - Must be completed every two years. Next review would be 2/2023.
Review policies, and procedures described in the Committee's charter or otherwise overseen by the committee, in collaboration with the Executive Director and Chief Counsel's Office.		X						2023 - Must be completed every two years. Next review would be 2/2023.

Recommend to the Board to approve the Committee work plan.		X					
Actuary presents key actuarial valuation results and Committee recommends that the Board certify the annual employer contribution rate to the Defined Benefit Plan for the upcoming fiscal year.			X				
Actuary and Investment Consultant present on the actuarial assumed rate of return assumption. Committee recommends that the Board approve any changes to the rate, which will be effective with the next upcoming valuation.				X			
Office of Financial Management Update				X		X	
Office of Member and Participant Services Update					X	X	
Agency budgets are presented. Committee recommends that the Board approve the budgets that are being requested.					X		
Actuary presents key results from the Stress Testing and Risk Assessment on SERS Defined Benefit Plan. Committee recommends that the Board accept the report.					X		
Annual review of external advisors and consultants.						X	
2024							
Board Chairperson appoints Committee members. Committee members elect Committee Chair and the Committee Chair appoints Assistant Chair.	X						2024 - In the first committee meeting in even numbered years, conduct the election of committee Chairs and appoint Assistant Chairs. Also, in January of even numbered years, the Board Chairperson appoints committee members.
Recommend to the Board to approve the Committee work plan.		X					
Actuary presents key actuarial valuation results and Committee recommends that the Board certify the annual employer contribution rate to the Defined Benefit Plan for the upcoming fiscal year.			X				
Actuary and Investment Consultant present on the actuarial assumed rate of return assumption. Committee recommends that the Board approve any changes to the rate, which will be effective with the next upcoming valuation.				X			
Office of Financial Management Update				X		X	
Office of Member and Participant Services Update					X	X	
Agency budgets are presented. Committee recommends that the Board approve the budgets that are being requested.					X		
Actuary presents key results from the Stress Testing and Risk Assessment on SERS Defined Benefit Plan. Committee recommends that the Board accept the report.					X		
Annual review of external advisors and consultants.						X	

NOTE:

Actuary presents the results of the investigation of Actuarial Experience Study in July every 5th year. The next year this will be completed is 2025.