

Board Governance and Personnel Committee

Monday, December 5, 2022

Attendees:

Board Governance and Personnel Committee:

David Fillman, Chair
Treasurer Stacy Garrity
Lloyd Ebright (designee for Treasurer Stacy Garrity)
Matt Lindsay (designee for Sen. Vincent Hughes)
Gregory Thall
James Bloom (designee for Secretary Richard Vague)
Eric Pistilli (designee for Secretary Richard Vague)

Other Board Members:

Glenn Becker
Sen. John DiSanto
Charles Erdman (designee for Sen. John DiSanto)
Gregory Jordan
Rep. Paul Schemel
Mary Soderberg

SERS Staff:

Rose Agnew, Executive Secretary
Katie Bates, Administrative Officer
Don Bell, Executive Assistant
Kelly Bernhard, Administrative Assistant
Cindy Collins, Committee Senior Staff (Executive)
Jo Ann Collins, Chief Compliance Officer
Brenda Cunard, Deputy Executive Director for Member and Participant Services
Thomas Derr, Director of Communications and Policy
Randy Gilson, Director, Technical Support Division
Pam Hile, Communications Director
Meredith Jones, Director ESG, Diversity & Inclusion, & Corporate Governance
Dan Krautheim, Chief Information Officer
Karen Lynn, Internal Audit Director
Katie Mathews, HR Director (Committee Senior Staff)
N. Joseph Marcucci, Chief Counsel
Sara McSurdy, Chief Financial Officer

Jeffrey Meyer, Managing Director of Investment Operations
Jim Nolan, Chief Investment Officer
Jonathan Ryan, IT Generalist
Brett Shaffer, IT Generalist
Matthew Soule, IT Generalist Administrator
Joe Torta, Executive Director
Bill Truong, Deputy Chief Investment Officer
Mark Walter, IT Generalist Administrator

1. Call to Order

At 2:34 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 September 22, 2022, Board Governance and Personnel Committee meetings

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 September 22, 2022, Board Governance and Personnel Committee meeting.

4. Old Business

a. SERS Strategic Plan Update

The Committee received as an information item an update on the FY 2021-2022 strategic goals.

5. Special Presentations (None)

6. New Business

a. SERS Strategic Plan FY 2024 (Collins)

The committee received an update about the first set of meetings for the new Strategic Planning Cycle beginning July of 2023 (FY 2024).

b. Compensation Policy for Investment Professionals: Aggregate Pay Increase Budget

The Committee took action to recommend to the Board to approve the annual aggregate pay increase budget for 2023 to be set at 7.4% of the aggregate salary of all staff compensated on the investment professional pay schedule for positions below that of the Chief Financial Officer and the Chief Investment Officer.

Once approved by the Board, the aggregate pay increase budget is what the SERS-Office of Financial Management and the SERS-Investment Office work within when making their recommendations for individual, merit-based employee pay increases.

Motion:

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

RESOLVED: That the Board Governance and Personnel Committee recommend to the Board to approve the annual aggregate pay increase budget for 2023 to be set at 7.4% of aggregate salary of all staff compensated on the investment professional pay schedule for positions below that of the Chief Financial Officer and the Chief Investment Officer to be determined in accordance with the Compensation Policy for Investment Professional Staff – State Employees’ Retirement System, as located in BoardDocs at Agenda Item 6.b.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	
Designee: James Bloom	Yes

7. Executive Session

At 2:44 P.M. the Committee entered into executive session to discuss the pay of the Special Assistant to the Executive Director, SERS position and the development of a process to evaluate and determine appropriate compensation adjustments and to discuss the Executive Director cost-of living pay increase.

At 3:04 P.M., the public session resumed with the Committee taking the following action.

A motion to approve the Performance and Pay Process for the Special Assistant to the Executive Director was moved and seconded.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
HUGHES	
Designee: Matt Lindsey	Yes
THALL	Yes
VAGUE	
Designee: James Bloom	Yes

Formal motion to the Board:

I move that the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to adopt the *Special Assistant Performance Review and Pay Process*, the provisions of which apply as long as the Special Assistant to the Executive Director, SERS, job remains assigned to pay scale type XH, and to authorize pay increases, subject to Commonwealth Executive Board approval, for the Special Assistant to the Executive Director, SERS, job in accordance with the procedures, as set forth in the attached document 2022-PRO-OA-HR-01.

A motion to grant the SERS Executive Director the same COLA adjustment as granted by the Governor to elected and appointed officials in Act 1995-51, was moved and seconded.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	
Designee: James Bloom	Yes

Formal motion to the Board:

I move that the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to grant the Executive Director, SERS, a cost-of-living increase of the same percentage and with the same effective date as the annual cost-of-living adjustment approved by the Governor pursuant to the Act of October 19, 1995, P.L.324, No. 51.

8. Committee Comments/Concerns/Questions

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

9. Motion to Adjourn

Motion:

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

RESOLVED: That this meeting be adjourned at 3:39 P.M.

Respectfully Submitted,



Katie Mathews
Director of Human Resources



Cynthia L. Collins
Director Governance and Strategic Initiatives