

Board Governance and Personnel Committee Minutes Tuesday, June 6, 2023

Attendees:

Board Governance and Personnel Committee:

Board Governance and Personnel Committee:

- David Fillman, Chair
- Treasurer Stacy Garrity
 - Christopher Craig, Designee for Treasurer Garrity
 - Llyod Ebright, Designee for Treasurer Garrity
 - Thomas Waters, Designee for Treasurer Garrity
- Senator Vincent Hughes, Assistant Chair
 - Matthew Lindsay, Designee for Senator Hughes
 - Antoinette Marchowsky, Designee for Senator Hughes
- Interim Acting Secretary Wendy Spicher
 - Seamus Dubbs, Designee for Secretary Spicher
 - Eric Pistilli, Designee for Secretary Spicher
 - Jeffrey Soderstedt, Designee for Secretary Spicher
- Gregory Thall

Other Board Members:

- Glenn Becker
- Senator John DiSanto
 - Charles Erdman, Designee for Senator DiSanto
- Rep. Dan Frankel
 - Anne Baloga, Designee for Rep. Frankel
 - Daniel Ocko, Designee for Rep. Frankel
- Gregory Jordan
- Rep. Brett Miller
 - Susan Boyle, Designee for Rep. Miller
 - Jill Vecchio, Designee for Rep. Miller
- Mary Soderberg

SERS Senior Leadership:

- Elizabeth Christian
Deputy Executive Director for Administration
- Cynthia Collins (Committee Staff)**
Director of Governance & Strategic Initiatives
- Jo Ann Collins
Chief Compliance Officer
- Brenda Cunard
Deputy Executive Director for Member & Participant Services
- Thomas Derr
Director of Communications & Policy
- Pamela Hile
Press Secretary
- Daniel Krautheim
Chief Information Officer
- Karen Lynn
Internal Audit Director

- Katie Mathews (Committee Staff)**
HR Director
- N. Joseph Marcucci (Committee Counsel)**
Chief Counsel
- Michael McGeoy
Assistant Chief Financial Officer
- Sara McSurdy
Chief Financial Officer
- Catherine Nolan
Deputy Chief Counsel
- James Nolan
Chief Investment Officer
- Steven Skoff
Deputy Chief Counsel
- Joseph Torta
Executive Director
- William Truong
Deputy Chief Investment Officer

SERS Board Committee Support:

- Rose Agnew
Executive Secretary
- Kathrine Bates
Administrative Officer
- Kelly Bernhard
Administrative Assistant
- Joel Burgo
Information Security Specialist
- Randy Gilson
Technical Support Division Director
- Jonathan Ryan
IT Generalist
- Brett Shaffer
IT Generalist
- Matthew Soule
IT Generalist
- Mark Walter
IT Administrator

Other SERS Staff:

- Robert Borski, *Investment Analyst*
- Peter Bosco, *Legal Intern*
- Meredith Jones, *Portfolio Manager*
- Jeffrey McCormick, *Portfolio Manager*
- Jeffrey Meyer, *Managing Director of Investment Operations*
- Vinanti Pandya, *Legal Intern*

Other Attendees:

- Eric Epstein, *Rock the Capitol*
- Brian Kimmetz, *Rock the Capitol*
- Joe Rice, *CBIZ*

1. Call to Order

At 9:30 A.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 April 25, 2023, 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 April 25, 2023, 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 2021-2023 strategic goals.

b. Investment Professionals and Attorneys Compensation Plan Discussion

At the April 25, 2023, Committee meeting, the compensation and classification consultant, CBIZ, presented to the Committee. After discussion, the Committee requested information on turnover data and alternate peer comparator groups.

At the June 6, 2023, Committee meeting, the Committee received Commonwealth and SERS turnover data. The Committee was also provided with market quartile data for base pay and total cash compensation pay structure approaches for both the original 36 U.S. plans peer comparator group as well as a revised peer comparator group of 20 U.S. plans that only use external investment managers. The Committee discussed the new information and asked questions of Joe Rice from CBIZ and Katie Mathews, HR Director.

The Committee did not act on the plan.

5. Special Presentations (None)

6. New Business

a. Compensation of Management-Classified and Non-Represented Job Titles

Issue #1: The Committee was informed that the motion authorizing pay increases for management-classified and non-represented job titles expires June 30, 2023, and that a new motion is required. The Retirement Code assigns compensation authority to the Retirement Board for positions not represented by a collective bargaining agreement and consistent with the standards of compensation established by the Executive Board of the Commonwealth.

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 State Employees' Retirement Board, in order to retain pay parity with other commonwealth positions, to authorize salary increases and other payments 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 starting July 1, 2023 and ending June 30, 2024.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
HUGHES	
Designee: Lindsay	Yes
SPICHER	
Designee: Pistilli	Yes
THALL	Yes

Issue #2: The Committee was made aware of differences in the maximum salaries between the Commonwealth's standard (ST) pay schedule and the attorney (AT) pay schedule used by the Office of General Counsel. The attorney positions in SERS-Chief Counsel's Office are on the standard (ST) pay schedule.

When SERS transitioned to an independent legal office, the intent was to grant salary increases at the time and in the amounts that match the salary increases granted by the General Counsel that the lawyers would have received had the Board not established an independent legal office. The Committee was asked to consider recommending the use of salaries consistent with the pay ranges on the attorney (AT) pay schedule.

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 State Employees' Retirement Board, until such time as legal counsel is covered under a SERS-specific compensation policy, to authorize salaries for legal counsel in accordance with Motions 2018-75 and 2018-99 with legal counsel salaries being consistent with the pay range values on the Attorney (AT) pay schedule or other pay provisions that may be applicable to the Office of General Counsel although SERS legal counsel positions sit on the Standard (ST) pay schedule.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
HUGHES	
Designee: Lindsay	Yes
SPICHER	
Designee: Pistilli	Yes
THALL	Yes

7. **Executive Session (None)**

8. **Committee Comments/Concerns/Questions**

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

9. **Motion to Adjourn**

Motion:

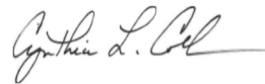
By motion that was moved by Chair David Fillman and approved unanimously by Committee members, it was;

RESOLVED: That this meeting be adjourned at 10:00 a.m.

Respectfully Submitted,



Katie Mathews
Director of Human Resources



Cynthia L. Collins
Director Governance and Strategic
Initiatives