

MINUTES of SERS Board Meeting – Tuesday, June 13, 2023

CALLED TO ORDER: 9:30 a.m. by Chair David R. Fillman

IN-PERSON/MICROSOFT TEAMS MEETING/LIVESTREAM

ATTENDEES:

Members and Designees

David R. Fillman – Chair	In-person
Glenn E. Becker – Assistant Chair	Absent
John M. DiSanto	
Dan B. Frankel	
Stacy Garrity	Absent
Vincent J. Hughes	Absent
Gregory K. Jordan	
Brett R. Miller	In-person
Mary A. Soderberg	In-person
Wendy Spicher	In-person
Gregory C. Thall	In-person
Christopher Craig – Designee for Treasurer Stacy Garrity	In-person
Seamus Dubbs – Designee for Acting Secretary Wendy Spicher	
Lloyd Ebright – Designee for Treasurer Stacy Garrity	
Charles Erdman – Designee for Senator John M. DiSanto	
Matt Lindsay – Designee for Senator Vincent J. Hughes	
Toni Marchowsky – Designee for Senator Vincent J. Hughes	In-person
Dan Ocko – Designee for Representative Dan B. Frankel	
Eric Pistilli – Designee for Acting Secretary Wendy Spicher	In-person
Jeffrey Soderstedt – Designee for Acting Secretary Wendy Spicher	
Jill Vecchio – Designee for Representative Brett R. Miller	
Thomas Waters – Designee for Treasurer Stacy Garrity	

Executive Staff

N. Joseph Marcucci	In-person
Sara McSurdy	In-person
James Nolan	In-person
Joseph Torta	In-person

Consultants

Britt Murdoch, Callan LLC
 Matt Roche, StepStone Group, LP
 Tom Shingler, Callan LLC

SERS Staff

Rose Agnew	In-person
Katie Bates	
Kelly Bernhard	In-person
Peter Bosco	In-person
Beth Christian	In-person

Cindy Collins	In-person
Jo Ann Collins	In-person
Brenda Cunard	In-person
Thomas Derr	In-person
Randy Gilson	In-person
Pam Hile	
Dan Krautheim	
Karen Lynn	
Katie Mathews	In-person
Ryan McCoy	In-person
Catherine Nolan	In-person
Vinanti Pandya	In-person
Jon Ryan	In-person
Brett Shaffer	In-person
Steven Skoff	In-person
Dawn Smith	
Matthew Soule	In-person
Bill Truong	In-person
Mark Walter	In-person

Visitors

Brian Kimmetz, Rock the Capital	In-person
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MINUTES of the SERS Board Meeting TUESDAY, June 13, 2023

1. CALL TO ORDER

Chair Fillman called the meeting to order at 9:30 a.m.

2. WELCOME AND ROLL CALL

Executive Director Joseph Torta conducted a roll call of board members and designees. A quorum was met. Chair Fillman introduced and welcomed Interim Acting Secretary for Banking and Securities Wendy Spicher to the SERS board. Secretary Spicher gave a brief bio on herself.

3. ADOPTION OF THE AGENDA

MOTION: 2023-24

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED**: That the board adopts the agenda for the June 13, 2023, board meeting.

4. APPROVAL OF CONSENT CALENDAR

A. Approving Board Meeting Minutes – May 2, 2023

B. Approving Defined Benefit Plan Statement of Changes in Fiduciary Net Position for the Periods Ending – December 31, 2022, January 31, 2023, and February 28, 2023

C. Approving Deferred Compensation Plan (DCP) Statement of Changes in Net Position Available for Benefits for the Periods Ending – December 31, 2022, January 31, 2023, and February 28, 2023

D. Approving Defined Contribution Plan Statement of Changes in Fiduciary Net Position for the Periods Ending – December 31, 2022, January 31, 2023, and February 28, 2023

MOTION: 2023-25

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED**: That the board approves the Consent Calendar item, as listed, for the June 13, 2023, board meeting.

5. COMMITTEE REPORTS/ACTION ITEMS

A. Board Governance and Personnel Committee

Committee Chair Fillman presented a report of the Board Governance and Personnel Committee meeting of June 6, 2023, to the board. The following actions were taken:

MANAGEMENT-CLASSIFIED AND NON-REPRESENTED POSITIONS RETAIN PAY PARITY

MOTION: 2023-26

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED**: That the State Employees' Retirement Board accepts the recommendation of the Board Governance and Personnel Committee 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.

Glenn E. Becker
John M. DiSanto
David R. Fillman

ABSENT
YES
YES

Dan B. Frankel		YES
Stacy Garrity	Designee Christopher Craig	YES
Vincent J. Hughes	Designee Matt Lindsay	YES
Gregory K. Jordan		YES
Brett R. Miller		YES
Mary A. Soderberg		YES
Wendy Spicher		YES
Gregory C. Thall		YES

LEGAL COUNSEL SERS-SPECIFIC COMPENSATION

MOTION: 2023-27

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the State Employees' Retirement Board accepts the recommendation of the Board Governance and Personnel Committee, 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.

Glenn E. Becker		ABSENT
John M. DiSanto		YES
David R. Fillman		YES
Dan B. Frankel		YES
Stacy Garrity	Designee Christopher Craig	YES
Vincent J. Hughes	Designee Matt Lindsay	YES
Gregory K. Jordan		YES
Brett R. Miller		YES
Mary A. Soderberg		YES
Wendy Spicher		YES
Gregory C. Thall		YES

B. Investment Committee

Assistant Committee Chair Fillman presented a report of the Investment Committee meeting of June 6, 2023, to the board.

C. Audit, Risk and Compliance Committee

Designee Christopher Craig on behalf of Committee Chair Garrity presented a report of the Audit, Risk and Compliance meeting of June 6, 2023, to the board. The following action was taken:

2022 FINANCIAL STATEMENTS

MOTION: 2023-28

By motion that was moved, seconded, and approved unanimously by board members, it was **RESOLVED:** That the State Employees' Retirement Board accepts the recommendation of the Audit, Risk and Compliance Committee to accept the audited 2022 Financial Statements with Required Supplementary Information With Independent Auditors' Report for Fiscal Years Ended December 31, 2022, and December 31, 2021 of the Commonwealth of Pennsylvania State Employees' Retirement System and State Employees' Defined Contribution Plan, and the audited 2022 Financial Statements with Required Supplementary Information With Independent Auditors' Report for Fiscal Years Ended

December 31, 2022, and December 31, 2021 of the Commonwealth of Pennsylvania Deferred Compensation Plan, as presented by our independent auditors, KPMG, LLP.

Glenn E. Becker		ABSENT
John M. DiSanto		YES
David R. Fillman		YES
Dan B. Frankel		YES
Stacy Garrity	Designee Christopher Craig	YES
Vincent J. Hughes	Designee Matt Lindsay	YES
Gregory K. Jordan		YES
Brett R. Miller		YES
Mary A. Soderberg		YES
Wendy Spicher		YES
Gregory C. Thall		YES

D. Finance and Member & Participant Services Committee

Committee Chair Soderberg presented a report of the Finance and Member & Participant Services Committee meeting of June 6, 2023, to the board. Chief Financial Officer Sara McSurdy added since the June 6, 2023, committee meeting, the GASB 68 report has been sent to all employers. The Annual Comprehensive Financial Report is finalized and is available on the SERS website under the Resource Section. This will be submitted to the GFOA and PPCC. CFO McSurdy thanked the team and staff for their teamwork and quality reporting on both reports.

6. OLD BUSINESS – NONE

7. NEW BUSINESS - NONE

8. SPECIAL PRESENTATIONS - NONE

9. REPORT OF EXECUTIVE DIRECTOR

A. Executive Director Torta provided the following Administrative and Legislative Updates:

- (i) Legislative outreach meetings continue, and SERS is making ourselves available to the general assembly especially those members in leadership. SERS met with Matt Bradford, House Democratic Majority Leader on May 3.
- (ii) Personnel updates included that the commendation for retiring Internal Audit Director Karen Lynn was presented at the June 6, 2023, committee meetings. Ryan McCoy will be in the acting director capacity when Ms. Lynn's retirement becomes effective June 30, 2023. Don Bell, Executive Assistant, submitted his letter of resignation effective close-of-business June 2, 2023. The new Deputy Executive Director for Administration Elizabeth Christian has started at SERS. He welcomed Beth and she offered a brief bio.
- (iii) The board retreat is scheduled for July 24 and 25 at the AFSCME headquarters. More information on the retreat will follow.
- (iv) Executive Director Torta has verbally accepted a position on the board of PAPERS (PA Association of Public Employee Retirement Systems) at the recommendation of Board Member Mary Soderberg.
- (v) The 100th year anniversary of SERS continues to be commemorated by acknowledging how SERS has served the Commonwealth's members and participants.
- (vi) SERS is awaiting approval of three new board members by the PA Senate.

(vii) A legislative update that directly impacts SERS:

H.B.778 will amend the date of the annual stress date from July 1 to October 1 and the Independent Fiscal Office's due date to issue a report of the summarized stress testing changed from September 1 to December 1.

(vii) The following Board Dismissal report regarding uncontested matters in which an Order was issued dismissing the following administrative appeals, as provided to the board:

Account of Kevin Davis
Docket No. 2023-02
Claim of Kevin Davis

10. EXECUTIVE SESSION

A. Benefits Administration and Appellate Litigation Update

B. INFORMATION ITEM ONLY - Chief Compliance Officer Report on Board Referrals:
Prospective Investment Opportunities and Service Provider Candidates

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 10:10 a.m.

11. BOARD COMMENTS/ANNOUNCEMENTS/DATES TO REMEMBER

Next Committee and Board Meeting Dates – July 18 and 25, 2023

Board Retreat Dates – July 24 and 25, 2023

12. MOTION TO ADJOURN

MOTION: 2023-29

By motion of Chair Fillman, the board unanimously agreed to adjourn the meeting at 10:12 a.m.

Respectfully submitted,



Joseph A. Torta
Executive Director