

**Minutes of the Finance and Member and Participant Services Committee
Meeting**

September 19, 2023

**30 N. Third Street, Harrisburg, PA 17101-1716 and Microsoft Teams
SERS LIVESTREAM ACCESS: <https://www.pacast.com/live/sers>**

Attendees*:

Mr. David R. Fillman (In person)
Senator John DiSanto
Mr. Charles Erdman (Designee for Senator John DiSanto)
Mr. Dan Ocko (Designee for Representative Dan Frankel)
Secretary Uri Monson
Mr. Seamus Dubbs (Designee for Acting Secretary Wendy Spicher) (In person)
Mr. Eric Pistilli (Designee for Acting Secretary Wendy Spicher)
Mr. Jeffrey Soderstedt (Designee for Acting Secretary Wendy Spicher) (In person)

Other Board Members and Designees:

Mr. Glenn Becker (In person)
Treasurer Stacy Garrity (In person)
Mr. Lloyd Ebright (Designee for Treasurer Stacy Garrity)
Mr. Christopher Craig (Designee for Treasurer Stacy Garrity)
Mr. Thomas Waters (Designee for Treasurer Stacy Garrity) (In person)
Mr. Matt Lindsay (Designee for Senator Vincent J. Hughes)
Mr. Greg Jordan (In person)
Ms. Jill Vecchio (Designee for Representative Brett Miller)
Mr. Gregory Thall (In person)

Executive Staff:

Joseph A. Torta, Executive Director
Sara McSurdy, Chief Financial Officer
James Nolan, Chief Investment Officer
N. Joseph Marcucci, Chief Counsel
Catherine Nolan, Committee Counsel
Steven Skoff, Committee Counsel
Brenda Cunard, Deputy Executive Director for the Office of Member and Participant Services
Cindy Collins, Director Governance & Strategic Initiatives

**Committee members, other Board members, and their designees attended via Microsoft Teams unless otherwise noted.*

1. Call to Order

Seamus Dubbs, designee for Acting Secretary of Banking and Securities Wendy Spicher, called the meeting to order at 11:00 A.M.

2. Welcome and Roll Call

Brenda Cunard, Deputy Executive Director for the Office of Member and Participant Services, conducted a roll call of the Committee members and designees.

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 June 6, 2023 Finance and Member and Participant Services Committee Meeting.

4. Old Business**a. Appointment of Assistant Chair**

- Sara McSurdy, Chief Financial Officer, announced that Acting Secretary Spicher was appointed to the Assistant Chair position by outgoing Committee Chair Mary Soderberg between the June Committee meeting and the current meeting. Committee members consented to the appointment via notational ballot process. Ms. McSurdy explained that a permanent Committee Chair will be elected in January 2024. Ms. McSurdy also welcomed new Committee member Secretary of the Budget Uri Monson. She explained that the Assistant Committee Chair, or her designee, will be responsible for facilitating this meeting and the December meeting.

5. Special Presentations**a. Stress Testing and Risk Assessment Report (Korn Ferry)**

- Ms. McSurdy announced that Craig Graby, actuary from Korn Ferry, was on site to present the Stress Testing and Risk Assessment Report. The purpose of the report is to provide "What if?" scenarios, which are referred to as "Stress Tests" or "Scenario Tests" and the availability of assets to pay future benefits. Mr. Graby provided key highlights of these three scenarios for the Committee: Simulation of Future Investment Performance; Granting a Cost of Living Adjustment (COLA); and Providing an Early Retirement Incentive (ERI). He concluded the presentation by noting that SERS is well positioned to adjust to potentially unfavorable circumstances such as those experienced during the global pandemic.
- The Committee voted to approve the 2023 Stress Testing and Risk Assessment Report. By motion that was moved, seconded, and unanimously approved, it was RESOLVED that this Committee recommends that the State Employees' Retirement Board approve the 2023 Stress Testing and Risk Assessment Report by SERS' Actuary, Korn Ferry.

The roll call tabulation was as follows:

Board Member	Vote
DISANTO	Yes
FILLMAN	Yes
FRANKEL	
Designee: Ocko	Yes
MONSON	Yes
SPICHER	
Designee: Dubbs	Yes

6. New Business

a. Authorized Securities Signatories

- Assistant Chief Financial Officer Michael McGeoy spoke to the Committee about the Authorized Securities Signatories. The Committee unanimously voted to adopt a resolution to establish a new list of SERS signatories, which adds the title of Director of Governance & Strategic Initiatives and provides that all prior authorized securities signature lists established by the Board are no longer effective, including, but not limited to, those established by Resolution Number 2012-03. By motion that was moved, seconded, and unanimously approved, it was RESOLVED that this Committee recommends that the State Employees' Retirement Board:

authorize any two or more of the following representatives of the Board, from at least two of the following offices within the State Employees' Retirement System (SERS):

- *Executive Office*
 - Executive Director*
 - Director of Governance & Strategic Initiatives*
- *Office of Administration*
 - Deputy Executive Director for Administration*
- *Office of Member and Participant Services*
 - Deputy Executive Director for Member and Participant Services*
- *Investment Office*
 - Chief Investment Officer*
 - Deputy Chief Investment Officer*
 - Investment Portfolio Managers*
- *Office of Financial Management*
 - Chief Financial Officer*
 - Assistant Chief Financial Officer*
 - Investment Accountants*

and such other titles as may be adopted from time to time, acting together with two representatives designated by the Pennsylvania Department of Treasury, to serve as signatories for the following purposes:

*(1) to sell, transfer or request payment of any obligation of the United States of America or of any other security registered in the name of or held by the Board in any capacity, including the SERS, the State Employees' Defined Contribution Plan, the Benefits Completion Plan, or the Deferred Compensation Plan; and
(2) to appoint one or more attorneys-in-fact to effect any such sale, transfer, or request for payment.*

Furthermore, each such Board representative hereby is authorized:

*(1) to make certifications in relation to any such sale, transfer, or request for payment to warrant propriety of same; and
(2) to agree, in any case where the Uniform Fiduciaries Act may not afford full protection for any such disposition, to reimburse the issuer of such obligation or security and its transfer agent the reasonable costs, including counsel fees, which either may bear in connection with such disposition of any obligation or security held in the name of SERS & CO. or any other name.*

Further, that all prior authorized securities signature lists established by the Board will no longer be effective, including, but not limited to, those established by Resolution Number 2012-03.

The roll call tabulation was as follows:

Board Member	Vote
DISANTO	Yes
FILLMAN	Yes
FRANKEL	
Designee: Ocko	Yes
MONSON	Yes
SPICHER	
Designee: Dubbs	Yes

b. TPA RFP Update

- Director of Governance and Strategic Initiatives Cindy Collins provided an update on the status of the search for a Third-Party Administrator (TPA) for SERS' Defined Contribution Plan and Deferred Compensation Plan, as the current contract is set to expire December 31, 2024. SERS Investment Consultant Callan is assisting with the RFP process, and the next step is for an RFP evaluation Committee to be formed prior to the next meeting. Ms. Collins noted that Treasurer Garrity has expressed interest in serving on the Committee; and, if anyone else is interested in serving on the Committee, they should contact Ms. Collins via email.

c. FY 2024-2025 Budget Presentation

- Ms. McSurdy presented the proposed FY 2024-2025 budgets for SERS' Defined Benefit Plan Administrative Fund and Investment Fund; the Defined Contribution Plan; and the voluntary Deferred Compensation Plan. The Committee unanimously voted to approve the budgets. By motion that was moved, seconded, and approved, it was RESOLVED that this Committee recommends that the State Employees' Retirement Board:

approve, for Fiscal Year 2024-2025, the following proposed budgets:
(1) SERS Administrative Budget;
(2) SERS Investment Budget;
(3) State Employees' Defined Contribution Plan Budget; and
(4) Commonwealth's State Employees Deferred Compensation Plan Budget, each substantially in the same form as presented in the Chief Financial Officer's SERS FY 2024-2025 Budget Report in BoardDocs at Agenda Item 6.c., and each as amended and/or ultimately approved by the Office of the Budget.

The roll call tabulation was as follows:

Board Member	Vote
DISANTO	Yes
FILLMAN	Yes
FRANKEL	
Designee: Ocko	Yes
MONSON	Yes
SPICHER	
Designee: Dubbs	Yes

d. Benefits and Membership Lists (May, June, July 2023)

- Ms. Cunard provided a summary of the OMPS lists that are uploaded to the BoardDocs portal each meeting.

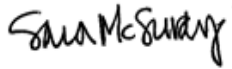
7. Comments/Concerns/Questions

None

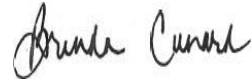
8. Motion to Adjourn

By motion that was moved, seconded, and unanimously approved by Committee members, it was RESOLVED that this meeting be adjourned at 12:02 P.M.

Respectfully submitted,



Sara McSurdy
Chief Financial Officer



Brenda Cunard
Deputy Executive Director
Member and Participant Services