

**Board Governance and Personnel Committee Minutes**  
**December 3, 2024**

**Attendance at Committee Meeting:**

**Board Governance and Personnel Committee:**

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

**Other Board Members:**

- Senator John DiSanto
  - Charles Erdman, Designee for Senator DiSanto
- Donald Enders
- W. Russell Faber
- Rep. Dan Frankel
  - Anne Baloga, Designee for Rep. Frankel
  - Daniel Ocko, Designee for Rep. Frankel
  - Jordan Laslett, Designee for Rep. Frankel
  - Matt McCarry, Designee for Rep. Frankel
- Rep. Brett Miller
  - Michael Heckmann, Designee for Rep. Miller
  - Jill Vecchio, Designee for Rep. Miller
- Secretary Uri Munson

**SERS Senior Leadership**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> <b>Elizabeth Christian</b><br><i>Deputy Executive Director for Administration<br/>(Acting, HR Director, Cmte. Staff)</i> | <input type="checkbox"/> _____<br><i>HR Director - Vacant</i>   |
| <input checked="" type="checkbox"/> <b>Cynthia Collins (Cmte. Staff)</b><br><i>Director of Governance &amp; Strategic<br/>Initiatives</i>                    | <input checked="" type="checkbox"/> <b>Ryan McCoy</b><br><i>Internal Audit Director</i>               |
| <input checked="" type="checkbox"/> <b>Jo Ann Collins</b><br><i>Chief Compliance Officer</i>   | <input checked="" type="checkbox"/> <b>Michael McGeoy</b><br><i>Assistant Chief Financial Officer</i> |
| <input checked="" type="checkbox"/> <b>Brenda Cunard</b><br><i>Deputy Executive Director for Member &amp;<br/>Participant Services</i>                       | <input checked="" type="checkbox"/> <b>Sara McSurdy</b><br><i>Chief Financial Officer</i>             |
| <input checked="" type="checkbox"/> <b>Thomas Derr</b><br><i>Director of Communications &amp; Policy</i>   | <input checked="" type="checkbox"/> <b>Catherine Nolan</b><br><i>Deputy Chief Counsel</i>             |
| <input checked="" type="checkbox"/> <b>Pamela Hile</b><br><i>Press Secretary</i>   | <input checked="" type="checkbox"/> <b>James Nolan</b><br><i>Chief Investment Officer</i>             |
| <input checked="" type="checkbox"/> <b>Daniel Krautheim</b><br><i>Chief Information Officer</i>  | <input checked="" type="checkbox"/> <b>Steven Skoff</b><br><i>Deputy Chief Counsel</i>                |
| <input checked="" type="checkbox"/> <b>N. Joseph Marcucci (Cmte. Counsel)</b><br><i>Chief Counsel</i>  | <input checked="" type="checkbox"/> <b>Joseph Torta</b><br><i>Executive Director</i>                  |
|  | <input checked="" type="checkbox"/> <b>William Truong</b><br><i>Deputy Chief Investment Officer</i>   |

**SERS Board Committee Support**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> <b>Kelly Bernhard</b><br><i>Administrative Assistant</i>          | <input checked="" type="checkbox"/> <b>Jonathan Ryan</b><br><i>IT Generalist</i>                          |
| <input type="checkbox"/> _____<br><i>Information Security Specialist - Vacant</i>                     | <input type="checkbox"/> <b>Brett Shaffer</b><br><i>IT Generalist</i>                                     |
| <input checked="" type="checkbox"/> <b>Courtney Yurovich</b><br><i>Executive Secretary</i>            | <input checked="" type="checkbox"/> <b>Matthew Soule</b><br><i>IT Generalist</i>                          |
| <input checked="" type="checkbox"/> <b>Taylor Frey</b><br><i>Administrative Officer</i>               | <input type="checkbox"/> <b>Mark Walter</b><br><i>IT Administrator</i>                                    |
| <input checked="" type="checkbox"/> <b>Randy Gilson</b><br><i>Technical Support Division Director</i> | <input checked="" type="checkbox"/> <b>Sheila Willrich</b><br><i>Executive Assistant, Board Education</i> |
|   | <input checked="" type="checkbox"/> <b>Shannon Zimmerman</b><br><i>Executive Assistant</i>                |

**Other SERS Staff**

[None]

**Other Attendees**

- Brian Kimmett, *Rock the Capital*

**Narrative/Issues:**

**1. Call to Order**

The meeting was called to order at 1:33 p.m. by Gregory Thall, Chair of the Board Governance and Personnel Committee.

**2. Welcome and Introductions**

**3. Approval of the Minutes**

The Committee approved the minutes from the September 17, 2024, Board Governance and Personnel Committee meeting.

**4. Old Business**

Joe Torta and Cynthia Collins presented a Strategic Plan Update to the Committee and briefed the Committee on progress made during the last 18 months and adjustments made to the plan to accommodate business needs. No action was taken.

**5. Special Presentations**

None

**6. New Business**

**a. SERS 2023 SERS BG&PC Governance Review Phase 9**

Ms. Collins reviewed the status of the 2023 Governance Review and explained that the review would be extended into early 2025 to finalize the Compliance Office Charter, at which point the 2023 Review will be completed. The next comprehensive review will begin in 2027 (with the new four-year review cycle). The SERS' Bylaws were reviewed. After a review and discussion of the revised Bylaws, the Committee voted to recommend that the State Employees' Retirement Board approve the revised Bylaws as reflected at Agenda Item 6(A)(i). in BoardDocs.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
<b>THALL</b>	Yes
<b>GARRITY</b>	
Designee: Craig	Yes
<b>GALUSKA</b>	Abstain
<b>HUGHES</b>	
Designee: Lindsey	Yes
<b>SPICHER</b>	
Designee: Dubbs	Yes

**b. SERS Performance Evaluations for Select Key SERS Positions**

Ms. Christian explained the Board’s role in providing performance evaluations to be used in the evaluations for select key SERS positions pursuant to Board Policy, the policy covers the positions of Executive Director, Chief Investment Officer, Chief Counsel, Chief Compliance Officer, and Internal Audit Director. As detailed in the policy, and supported through the applicable Committee charters, members of the Board have a role in providing performance feedback and goal-setting suggestions for the identified positions. Ms. Christian advised the BG&PC that she would be sending an email to each Board member with links to an online survey form for each key position to collect the Board’s performance input.

**c. Compensation Policy for Investment Professionals**

The Committee addressed two annually occurring processes under the SERS’ Compensation Policy for Investment Professionals.

**(i) Pay Band Adjustments**

The compensation policy references annually reviewing market data to determine whether adjustments should be made to salary pay bands. Reviewing the pay bands annually and adjusting them when needed helps keep SERS’ pay structure relevant and competitive in between the periods of time when more extensive, tailored compensation studies are conducted.

After its review and discussion, the Committee voted to recommend that the State Employees’ Retirement Board approve a 3.3% upward adjustment to the pay band values.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
<b>THALL</b>	Yes
<b>GARRITY</b>	
Designee: Craig	No
<b>GALUSKA</b>	Abstain
<b>HUGHES</b>	
Designee: Linsay	Yes
<b>SPICHER</b>	
Designee: Dubbs	Yes

**(ii) Pay Increase Budget**

Employees covered under the investment compensation policy are eligible for an annual, individual, merit-based pay adjustment effective the first full pay period of March 2025. Before individual investment professional employee increases can be considered, a pay increase budget needs to be approved. The budget is the pool of money that the Chief Investment Officer and Chief Financial Officer allocate across their teams for individual pay increases based on merit, subject to Committee approvals. After considering market data and a discussion of the matter, the Committee voted to recommend that the State Employees' Retirement Board approve the annual aggregate pay increase budget for 2025 be set at 5% of the aggregate salary of covered staff below the positions of Chief Investment Officer and Chief Financial Officer, with the actual pay increases for all staff compensated on the investment professional pay schedule including 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.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
<b>THALL</b>	Yes
<b>GARRITY</b>	
Designee: Craig	No
<b>GALUSKA</b>	Abstain
<b>HUGHES</b>	
Designee: Lindsay	Yes
<b>SPICHER</b>	
Designee: Dubbs	Yes

**7. Executive Session**

The Committee entered Executive Session at 2:04 p.m.

During Executive Session the Committee discussed a Personnel Matter, received an end of Year Performance Report from the Executive Director and discussed a 2025 cost-of-living adjustment for the Executive Director position.

**8. Resume Public Session**

The Committee exited Executive Session at 2:23 p.m. and resumed the public session of the meeting.

Once in public session, the Committee took action to grant the Executive Director, Joseph Torta, a 2025 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.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
<b>THALL</b>	Yes
<b>GARRITY</b>	
Designee: Craig	Yes
<b>GALUSKA</b>	Yes
<b>HUGHES</b>	
Designee: Lindsay	Yes
<b>SPICHER</b>	
Designee: Dubbs	Yes

**Follow up / Next Steps:** Ms. Christian will send out the performance feedback email to the Board by December 5, 2024, and will be taking the necessary next steps to ensure that all approved pay-related actions are completed once approved by the Board

**Information Recommendation(s):**

[None]

The meeting adjourned at 2:27 p.m. on Tuesday, December 3, 2024.

Respectfully Submitted,




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Elizabeth N. Christian  
Deputy Executive Director for Administration  
*Acting Human Resources Director*




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Cynthia L. Collins  
Director of Governance and  
Strategic Initiatives