

MINUTES

Board Governance and Personnel Committee

December 2, 2025 ~ Scheduled Start:12:45 p.m. Actual Start: 12:47 p.m.

ATTENDANCE AT COMMITTEE MEETING:

Board Members:

*Committee Members noted with * behind their name*

- | | |
|---|--|
| <input type="checkbox"/> Donald Enders, Jr. | <input checked="" type="checkbox"/> Rep. Brett Miller |
| <input type="checkbox"/> W. Russell Faber | <input type="checkbox"/> Michael Heckmann, Designee |
| <input type="checkbox"/> Rep. Dan Frankel | <input checked="" type="checkbox"/> Jill Vecchio, Designee |
| <input type="checkbox"/> Anne Baloga, Designee | <input type="checkbox"/> Sec. Uri Monson |
| <input type="checkbox"/> Jordan Laslett, Designee | <input type="checkbox"/> Sen. Devlin Robinson |
| <input checked="" type="checkbox"/> Matthew McCarry, Designee | <input checked="" type="checkbox"/> Kevin Battle, Designee |
| <input type="checkbox"/> Devin Mercado, Designee | <input type="checkbox"/> Stephanie Buchanan, Designee |
| <input checked="" type="checkbox"/> John Galuska | <input type="checkbox"/> Allison Dutrey, Designee |
| <input type="checkbox"/> Tr. Stacy Garrity | <input type="checkbox"/> Sec. Wendy Spicher |
| <input checked="" type="checkbox"/> Christopher Craig, Designee | <input checked="" type="checkbox"/> Seamus Dubbs, Designee |
| <input type="checkbox"/> Lloyd Ebright, Designee | <input type="checkbox"/> Eric Pistilli, Designee |
| <input type="checkbox"/> Tom Waters, Designee | <input checked="" type="checkbox"/> Jeffrey Soderstedt, Designee |
| <input type="checkbox"/> Sen. Vincent Hughes | <input checked="" type="checkbox"/> Gregory Thall (Board Chair) |
| <input checked="" type="checkbox"/> Matthew Lindsay, Designee | |
| <input type="checkbox"/> Antoinette Marchowsky, Designee | |

SERS Leadership:

*Committee Liaisons and Committee Counsel noted with * behind their job title*

- | | |
|---|--|
| <input checked="" type="checkbox"/> Chief Compliance Officer
<i>Jo Ann Collins</i> | <i>Sara McSurdy</i> |
| <input checked="" type="checkbox"/> Chief Counsel
<i>N. Joseph Marcucci</i> | <input checked="" type="checkbox"/> Chief Information Officer
<i>Daniel Krautheim</i> |
| <input checked="" type="checkbox"/> Chief Financial Officer | <input checked="" type="checkbox"/> Chief Investment Officer
<i>James Nolan</i> |

- Comm. Director & Press Secretary
Pamela Hile
- Deputy Chief Counsel (Benefits)
Catherine Nolan
- Deputy Chief Counsel (Business)
Steven Skoff
- Deputy Chief Financial Officer
Michael McGeoy
- Deputy Chief Investment Officer
William Truong
- Deputy Executive Director for Admin.
Beth Christian
- Deputy Executive Director for OMPS

SERS Board Committee Support:

- Administrative Assistant, OA
Kelly Bernhard
- Executive Assistant, OA
Shannon Zimmerman
- Executive Assistant, Board Ed.
Sheila Willrich
- Executive Secretary
Courtney Yurovich
- IT Administrator
Mark Walter

Other SERS Staff:

- Cathy Gusler, *SERS Issuing Officer, Operations Office*
- Taylor Clark, *Attorney, Chief Counsel's Office*

Other Attendees:

- Brad Kelly, *Global Governance Advisors*
- Peter Landers, *Global Governance Advisors*

- Brenda Cunard*
- Director of Gov. & Strategic Initiatives
Cynthia Collins
- Executive Director
Joseph Torta
- HR Director
Michele Shaner
- Internal Audit Director
Ryan McCoy
- Legislative Affairs & Policy Director
Thomas Derr

- IT Generalist
Jonathan Ryan
- IT Generalist
Brett Shaffer
- IT Generalist
Matthew Soule
- Technical Support Director
Randy Gilson

NARRATIVE/ISSUES:

1. Call to Order and Roll Call

The meeting was called to order at 12:47 p.m. by Gregory Thall, Chair of the Board Governance and Personnel Committee (Committee).

2. Welcome and Introductions [none].

3. Approval of the Minutes

The Committee approved the minutes from the September 30, 2025, Board Governance and Personnel Committee meeting by a unanimous voice vote.

4. Old Business

A. Fiduciary Review Update

Due to technical difficulties the Fiduciary Review Update and discussion was tabled and will be moved to the December 9, 2025, Board meeting.

B. Board Self-Assessment Report and Recommendations.

Brad Kelly and Peter Landers of Global Governance Advisors (GGA) presented the Board Self-Assessment Final Report to the Committee. During the presentation they discussed the results of the submitted questionnaires, board skills assessment, and individual interviews. During the meeting GGA shared its observations, assessments, and recommendations with the Committee. The recommendations included a broad range of topics and were categorized as short-term, medium-term, and long-term action items.

After a discussion, the Committee voted to recommend to the State Employees' Retirement Board that it accept the Board Self-Assessment Final Report and Skills Assessment, as located in BoardDocs at Agenda Item 4.B, and direct staff and the Committee to review the recommendations and make recommendations to the Board as appropriate.

The roll call vote tabulation was as follows:

Board Member	Vote
Thall, Committee Chair	Yes
Garrity, Assistant Chair)
Designee: Craig	Yes
Galuska	Yes
Hughes	
Designee: Lindsay	Yes
Spicher	
Designee: Dubbs	Yes

C. Updated Listing of On-Demand Board Educational Offerings.

Sheila Willrich presented a brief update on the On-Demand Board Educational Offerings list to the Committee. She also mentioned her current outreach to Board members and designees related to the status of their annual mandatory education. Sheila is coordinating with PSERS for those Board members and designees who serve on both boards to ensure that all educational credits are applied whether taken through SERS or PSERS.

5. Special Presentations [none]

6. New Business

A. Performance Evaluations for Select Key SERS Positions

Beth Christian described the process for Performance Evaluations for Select Key SERS Positions as outlined in the SERS Board Governance Policy Manual for the Executive Director, Chief Investment Officer, Chief Counsel, Chief Compliance Officer and the Internal Audit Director. These roles are evaluated on a calendar-year cycle, covering the period from January 1st through December 31st in accordance with policy, the Board plays a collaborative role in providing performance feedback and offering goal-setting suggestions for each of these positions. Board members are asked to provide feedback on the 2025 performance and to suggest goals for the 2026 calendar year.

B. Compensation Policy for Investment Professionals

i. Salary Band Adjustments

Beth Christian described the process for the Salary Band Adjustments contained in the SERS Investment Professional Compensation Policy which provides for an annual review of relevant market data to determine whether adjustments should be made to salary pay bands for investment professional positions. SERS recommends an adjustment for the investment pay bands upward by 2.6% effective January 1, 2026. This recommendation reflects the salary structure adjustment suggested by CBIZ Compensation Consulting. CBIZ based its recommendation on data from the U.S. Bureau of Labor Statistics Employment Cost Index and the World at Work Salary Budget Survey. This salary band adjustment requires a motion from the Committee, with a recommendation forwarded to the full Board.

After a discussion, the Committee voted to recommend to the State Employees' Retirement Board to:

- (i) approve a 2.6% upward adjustment, actual values may vary slightly in accordance with standard calculations for commonwealth pay

to the salary bands for investment professionals, to be effective January 1, 2026; and

(ii) that the values in the Compensation Policy for Investment Professional Staff – State Employees’ Retirement System be updated accordingly.

The roll call vote tabulation was as follows:

Board Member	Vote
Thall, Committee Chair	Yes
Garrity, Assistant Committee Chair	
Designee: Craig	Yes
Galuska	Yes
Hughes	
Designee: Lindsay	Yes
Spicher	
Designee: Dubbs	Yes

ii. Aggregate Pay Increase Budget

Beth Christian described the process for the Aggregate Pay Increase Budget. The SERS Compensation Policy for Investment Professional Staff provides for an annual, individual, merit-based pay adjustment. For 2026, these adjustments will be effective with the first full pay period in March, beginning March 7, 2026. For calendar year 2026, the recommended aggregate pay increase budget is 4.25% of aggregate salary for covered positions. The 4.25% recommendation reflects multiple data points including the CBIZ Salary Increase Budget of 4.0% and the AFSCME step/longevity and general pay increases for 2026. Additional market references include the planned 2026 Social Security COLA of 2.8% and the August 2025 Consumer Price Index for the Mid-Atlantic region at 3.3%.

The Board Governance and Personnel Committee voted to recommend to the State Employees’ Retirement Board to approve the annual aggregate pay increase budget for 2026 to be set at 4.25% 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, 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 as described in the attached, and as located at BoardDocs at agenda Item 6(B)(ii).

The roll call vote tabulation was as follows:

Board Member	Vote
Thall, Committee Chair	Yes
Garrity, Assistant Committee Chair	
Designee: Craig	Yes
Galuska	Yes
Hughes	
Designee: Lindsay	Yes
Spicher	
Designee: Dubbs	Yes

The Committee entered Executive Session at 1:36 p.m.

2. Executive Session

A. Board Self-Assessment Update [none]

B. Executive Director End of Year Performance Report

C. Executive Director Pay

During Executive Session the Committee received an End of Year Performance Report from the Executive Director and discussed the Executive Director's compensation.

3. Public Session Resumes

The Committee exited Executive Session at 1:57 p.m. and resumed the public session of the meeting.

Once in Public Session, the Committee took the following action.

The Committee discussed the proposed pay increase for Joseph A. Torta, SERS' Executive Director. During discussion, Mr. Craig explained that Treasurer Garrity intends to vote no but the vote is unrelated to the performance or quality of work of the Executive Director. Rather, it is a concern that combining the COLA and the merit pay increase begins to put SERS as an outlier among other state agencies.

After discussion the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board request the Commonwealth's Executive Board authorize a 7.8% increase for Joseph A. Torta, Executive Director, to be effective upon approval of the Executive Board, provided however, that if the cost-of-living adjustment granted to Cabinet officers for 2026 under Act 51 of 1995 is not 3.3%, then the

percentage increase requested for Joseph A. Torta shall be increased or decreased by the amount the cost-of-living adjustment granted to Cabinet officer is greater or lesser than 3.3%. Further the Board Governance Committee recommends a merit increase in the amount of 4.5%, for a total pay increase to \$130.99 an hour for to be effective January 1, 2026.

The roll call vote tabulation was as follows:

Board Member	Vote
Thall, Committee Chair	Yes
Garrity, Assistant Committee Chair	
Designee: Craig	No
Galuska	Yes
Hughes	
Designee: Lindsay	Yes
Spicher	
Designee: Dubbs	Yes

4. **Informational Items [none]**

5. **Comments, Concerns, Questions, and Reminders [none]**

6. **Motion to Adjourn**

By motion that was moved, seconded, and approved, it was RESOLVED that the meeting be adjourned at 2:01 p.m.

7. **Follow up / Next Steps**

- The next committee meeting is to be determined.

Respectfully Submitted,



Elizabeth N. Christian
Deputy Executive Director for Administration



Cynthia L. Collins
Director of Governance and
Strategic Initiatives