

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD
5 North Fifth Street
Harrisburg, Pennsylvania**

Regular Meeting

Minutes

January 18, 2018

12:53 P.M.

Board Members Present

Ms. Melva S. Vogler, Chairman
Mr. Nathan G. Mains, Vice Chairman
Ms. Deborah J. Beck
Senator John P. Blake
Representative Stephen Bloom
Ms. Stacey Connors for Senator Patrick M. Browne
Mr. Jason M. Davis
Mr. Eric O. DiTullio
Ms. Susan C. Lemmo
Representative Joseph F. Markosek (out at 2:05pm)
Mr. Bernard Gallagher (in at 2:05pm) for
Representative Joseph F. Markosek
Ms. Lori Graham for Secretary Pedro A. Rivera
Mr. Christopher SantaMaria
Ambassador Martin J. Silverstein (telephonically)
Mr. Thomas Clancy for Treasurer Joseph M. Torsella
Treasurer Joseph M. Torsella (arrived at 1:00 P.M.)
Mr. Leo Pandeladis for Secretary Robin L. Wiessmann
Secretary Robin L. Wiessmann (arrived at 1:00 P.M.)

Others Present

Mr. Bernard Gallagher
Ms. Michele Kreisler
Mr. Luc Miron
Mr. Ethan Rupp
Mr. Tom Weeter

Staff Members Present

Mr. Thomas Bauer
Ms. Barbara Book
Mr. Brian S. Carl
Ms. Marla Cattermole
Ms. Angela Chen
Mr. Dwight Decker
Mr. Andrew Fiscus
Mr. Frank Ford
Mr. Glen R. Grell

Mr. James H. Grossman, Jr.
Ms. Alicia E. James
Ms. Patricia Lorenz
Mr. Tony Parisi
Mr. Eugene Robison
Ms. Terrill J. Sanchez
Mr. Charles K. Serine
Mr. Charles J. Spiller
Mr. Joseph E. Wasiak, Jr.
Ms. Evelyn Tatkovski Williams

CALL TO ORDER

Mr. Grell called the meeting to order at 12:53 P.M. in the fourth floor Boardroom at PSERS Headquarters.

ELECTION OF BOARD CHAIRMAN

Mr. Grell called for nominations for Chairman of the Board of the Public School Employees' Retirement Board for the year 2018. Mr. Mains moved to elect Ms. Vogler as Chairman. Mr. Davis seconded the motion. No additional nominations were made. The motion passed unanimously.

ELECTION OF BOARD VICE-CHAIRMAN

Mr. Grell called for nominations for Vice-Chairman of the Board of the Public School Employees' Retirement Board for the year 2018. Ms. Vogler moved to elect Mr. Mains as Vice-Chairman. Mr. Davis seconded the motion. No additional nominations were made. The motion passed unanimously.

Mr. Grell turned the meeting over to Chairman Vogler.

WELCOME GUESTS AND NEW EMPLOYEES

Mr. Grell welcomed guests, Ms. Kreisler, Mr. Rupp and Mr. Weeter; and new employees, Ms. Chen, Mr. Decker and Mr. Ford.

MINUTES APPROVED

Mr. Mains moved to approve the minutes of the December 8, 2017 Board meeting. Ms. Lemmo seconded the motion, which passed unanimously.

NEW BUSINESS

POLICY REVIEW

Mr. Grossman, Mr. Serine and Mr. Wasiak certified that the annual review of PSERS' policies has been performed and all policies are current and accurate.

APPEALS AND MEMBER/EMPLOYER SERVICES COMMITTEE REPORT

Ms. Beck reported on the meeting held on January 18, 2018.

Ms. Beck stated that the Committee approved the minutes of the December 7, 2017 meeting.

MINUTES

Ms. Beck moved in the case of Raymond F. Medice, that the Board grant PSERS' Motion for Summary Judgment and dismiss Claimant's appeal. Mr. SantaMaria seconded the motion, which passed unanimously.

ACCOUNT OF
RAYMOND F. MEDICE

Ms. Beck moved in the case of Elijah B. Skinner, that the Board grant PSERS' Motion for Summary Judgment and dismiss Claimant's appeal. Mr. Davis seconded the motion, which passed unanimously.

ACCOUNT OF
ELIJAH B. SKINNER

Treasurer Torsella and Secretary Wiessmann arrived at this time.

INVESTMENT COMMITTEE REPORT

Mr. Mains reported on the meeting held on January 18, 2018.

Mr. Mains stated that the Committee approved the minutes of the December 7, 2017 meeting.

MINUTES APPROVED

Mr. Mains stated that Mr. Grossman presented the PSERS Overview of Investment Office 2018 Goals, and Mr. Grossman gave his Preview of Future Meetings.

PRESENTATIONS

Mr. Mains stated that the following action items were discussed.

Mr. Mains moved that the Public School Employees' Retirement Board (the "Board") hereby (i) commits to maintain its investment in PSERS Yes Holdings LP, and (ii) that the Investment Office shall have the discretion to invest additional sums within the target ranges approved by the Board, as it pertains to Section VI: Risk Management and Controls of the Investment Policy Statement, Objectives and Guidelines, as amended from time to time, provided that any investment of an additional sum by the Investment Office shall be reported to the Board in a timely manner, in accordance with the recommendation of William P. Stalter, Senior Portfolio Manager, dated January 3, 2018. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract. Mr. Davis seconded the motion, which passed with one abstention, being Ambassador Silverstein.

PSERS YES HOLDINGS,
L.P.

BLACKSTONE
INFRASTRUCTURE
PARTNERS, L.P.

Mr. Mains moved that the Public School Employees' Retirement Board (the "Board") hereby invests an amount not to exceed \$500 million plus reasonable normal investment expenses, in Blackstone Infrastructure Partners, L.P. (and/or related investment vehicles), in accordance with the recommendation of William P. Stalter, Senior Portfolio Manager, dated January 3, 2018 and Courtland Partners, Ltd., dated December 18, 2017, The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract. Mr. Davis seconded the motion, which passed unanimously.

INVESTMENT POLICY
STATEMENT,
OBJECTIVES AND
GUIDELINES

Mr. Mains moved that the Public School Employees' Retirement Board (the "Board") hereby adopts proposed changes to Section VI. Risk Management and Controls of the Investment Policy Statement, Objectives, and Guidelines, as amended, for the Public School Employees' Retirement System pursuant to the recommendation of Joseph W. Sheva, Senior Risk Manager, dated January 3, 2018. Representative Markosek seconded the motion, which passed with one NO vote, being Ambassador Silverstein.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Carl presented his Chief Financial Officer's Report, which included; the December 31, 2017 Preliminary Financial Results, December 31, 2017 Budget Update, Negative Cash Flow, Act 5 Budget/Financial Activities, and Other Financial Management Activities.

DEPUTY EXECUTIVE DIRECTOR'S REPORT

DED REPORT

Ms. Sanchez presented her report, which included; C2B Update, Introduction to Member Self-Service (MSS), and Act 5 Update. Mr. Robison explained the new Member Self-Service.

Representative Markosek left the meeting.

CHIEF COUNSEL REPORT

CC REPORT

Mr. Serine presented his Annual Report for calendar year 2017.

EXECUTIVE DIRECTOR'S REPORT

ED REPORT

Mr. Grell presented his report, A Year in Review.

Treasurer Torsella and Representative Bloom left the meeting.

Mr. Grell reported that two Board Education sessions were held during the Investment Committee meeting, being: Derivatives 102 and TIPS – Inflation Protected Securities. Board members present were credited with up to 1.5 hours of Education.

BOARD EDUCATION

Ms. Vogler stated that the new Committee member assignments will be given in February.

BOARD MEMBER
COMMENTS

Chairman Vogler adjourned the meeting at 2:44 P.M.

ADJOURNMENT

The next regularly scheduled meeting of the Public School Employees' Retirement Board will be held on March 8, 2018, at PSERS' Headquarters, 5 N. 5th Street, Harrisburg, PA.

NEXT MEETING

2/12/2018

Date



Glen R. Grell
Executive Director