

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

Regular Meeting

Minutes

January 17, 2019

9:32 A.M.

Board Members Present

Ms. Melva S. Vogler, Chairman
Mr. Nathan G. Mains, Vice Chairman
Ms. Deborah J. Beck
Mr. Luc Miron for
 Senator John P. Blake
Mr. Bernard Gallagher for
 Representative Matt Bradford
Ms. Stacey Connors for
 Senator Patrick M. Browne
Mr. Jason M. Davis
Mr. Eric O. DiTullio
Ms. Lisa Taglang for
 Representative Fred Keller
Ms. Susan C. Lemmo
Ms. Lori Graham for
 Secretary Pedro A. Rivera
Mr. Christopher SantaMaria
Mr. Christopher Craig
 for Treasurer Joseph M. Torsella
Secretary Robin L. Wiessmann

Others Present

Mr. Thomas Clancy
Mr. Russ Diesinger, PASR
Ms. Judy Guise, PASR
Representative Fred Keller
Ms. Michele Kreisler
Representative Brett Miller
Mr. Steven Nickol, PSEA
Mr. Tom Weeter, PSEA-R

Staff Members Present

Mr. Thomas Bauer
Mr. Brian S. Carl
Mr. Dwight Decker
Ms. Kathleen Doyle
Mr. Dennis Filipovich
Mr. Andrew Fiscus
Mr. Darren Foreman
Mr. Glen R. Grell
Mr. James H. Grossman, Jr.
Ms. Alicia James

Mr. Patrick Knapp
Ms. Jennifer Mills
Ms. Susan Oh
Mr. Eugene Robison
Ms. Letitia Schubauer
Mr. Charles K. Serine
Mr. Charles J. Spiller
Mr. Joseph E. Wasiak, Jr.
Ms. Evelyn Tatkovski Williams

CALL TO ORDER

Chairman Vogler called the meeting to order at 9:32 A.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 2019. Mr. Mains nominated Ms. Vogler as Chairman. Mr. SantaMaria seconded the motion. No additional nominations were made. After a brief discussion. The motion passed with two abstentions, being Mr. Craig on behalf of Treasurer Torsella and Secretary Wiessmann.

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 2019. Ms. Vogler nominated Mr. Mains as Vice-Chairman. Mr. DiTullio seconded the motion. No additional nominations were made. The motion passed unanimously.

Mr. Grell turned the meeting over to Chairman Vogler.

WELCOME GUESTS

Mr. Grell welcomed guests, Mr. Diesinger, Ms. Guise, Ms. Kreisler, Representative Miller, Mr. Nickol and Mr. Weeter.

MINUTES APPROVED

Mr. Mains moved to approve the minutes of the December 7, 2018 Board meeting. Ms. Lemmo seconded the motion, which passed unanimously.

UNFINISHED BUSINESS

EXECUTIVE SESSION

At 9:57 A.M. Mr. Grell stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into an executive Session to discuss the item listed on today's agenda, namely the Fiduciary Counsel RFP.

According to Section 708(a) of the Sunshine Act, 65 Pa. C.S. 708(a), we are going into Executive Session to discuss: Agency business which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of law. Mr. DiTullio moved that we enter Executive Session, Mr. Davis seconded the motion which, passed unanimously.

The Executive Session adjourned at 10:27 A.M. and the regular session resumed.

Ms. Vogler moved, that the Public School Employees' Retirement Board (the "Board"), in accordance with the recommendation of the Fiduciary Counsel Request for Proposals Evaluation Committee retains Cohen Milstein Sellers & Toll, PLLC as the Fiduciary Counsel to the Board for a contract term not to exceed five years. The final terms and conditions of the contract must be satisfactory to the Office of Chief Counsel, the Office of Executive Director, and the Chairman of the Board as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing contract. Mr. DiTullio seconded the motion which, passed with four recusals, being Mr. Miron on behalf of Senator Blake, Ms. Connors on behalf of Senator Browne, Mr. Gallagher on behalf of Representative Bradford and Mr. Craig on behalf of Treasurer Torsella.

RESOLUTION RFP 2018-3
FIDUCIARY COUNSEL

INVESTMENT COMMITTEE REPORT

Mr. Mains reported on the meeting held on January 17, 2019.

Mr. Mains stated that the Committee approved the minutes of the December 6, 2018 meeting.

MINUTES APPROVED

Mr. Mains stated that Mr. Grossman presented the PSERS Fund and Market Overview, Sante Health Ventures III and IV, L.P., Summit Partners Growth Equity Fund X, L.P. 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 invests an amount not to exceed \$150 million plus reasonable normal investment expenses, in Santé Health Ventures III, L.P. (\$75 million) and Santé Health Ventures

SANTÉ HEALTH
VENTURES III, L.P. &
SANTÉ HEALTH
VENTURES IV, L.P.

IV, L.P. (\$75 million) (and/or related investment vehicles), in accordance with the recommendation of Patrick G. Knapp, Senior Investment Professional, Private Markets, dated December 19, 2018 and Hamilton Lane, dated December 19, 2018. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract. Mr. DiTullio seconded the motion, which passed with two abstentions, being Mr. Craig on behalf of Treasurer Torsella and Mr. Pandaledis on behalf of Secretary Wiessmann.

SUMMIT PARTNERS
GROWTH EQUITY
FUND X, L.P.

Mr. Mains moved that the Public School Employees' Retirement Board (the "Board") hereby invests an amount not to exceed \$150 million plus reasonable normal investment expenses, in Summit Partners Growth Equity Fund X, L.P. (and/or related investment vehicles), in accordance with the recommendation of Darren C. Foreman, Senior Manager, Private Markets, and Patrick G. Knapp, Senior Investment Professional, dated December 19, 2018 and Hamilton Lane, dated December 19, 2018. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract. Mr. SantaMaria seconded the motion, which passed with one opposed, being Mr. Craig on behalf of Treasurer Torsella, and one abstention, being Mr. Pandeladis on behalf of Secretary Wiessmann.

812 MARKET, INC.

Mr. Mains moved that the Public School Employees' Retirement Board (Board) hereby invests an amount not to exceed \$200,000, via its interest in 812 Market, Inc., for the purpose of acquiring real property located at 1000 Market Street in Harrisburg, Pennsylvania, in accordance with the recommendation of Glen R. Grell, Executive Director, dated January 17, 2019. 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 contract. Mr. Davis seconded the motion, which passed with one abstention, being Mr. Craig on behalf of Treasurer Torsella, and one recusal, being Mr. Pandaledis on behalf of Secretary Wiessmann.

CHIEF FINANCIAL OFFICER'S REPORT

CFO REPORT

Mr. Carl presented his Chief Financial Officer's Report, which included: an update on the 1099 process, Negative Cash Flow, Act 5 Budget/Financial Activities, and Other Financial Management Activities.

DEPUTY EXECUTIVE DIRECTOR'S REPORT

DED REPORT

Ms. Mills presented her report, which included an Act 5 Update focusing on key dates and key decisions for the implementation of Act 5.

CHIEF COUNSEL REPORT

CC REPORT

Mr. Serine presented his Annual Report for calendar year 2018.

EXECUTIVE DIRECTOR'S REPORT

ED REPORT

Mr. Grell presented his annual report: A Year in Review and 2019 Agency Priorities.

BOARD MEMBER
COMMENTS

Ms. Vogler thanked the Board for reelecting her to the Chair, she pledged to be fair and impartial, and will set up the new Committee assignments between now and the next Board meeting.

Ms. Lemmo commented that she found the Agency Priorities presentation to be helpful.

Mr. Grell updated the Board on Ambassador Silverstein's resignation from the Board, and expressed appreciation for his years of dedicated service.

ADJOURNMENT

Chairman Vogler adjourned the meeting at 12:26 P.M.

NEXT MEETING

The next regularly scheduled meeting of the Public School Employees' Retirement Board will be held on March 8, 2019, at PSERS' Headquarters, 5 N. 5th Street, Harrisburg, PA.

2/22/2019
Date

Glen R. Grell
Glen R. Grell
Executive Director