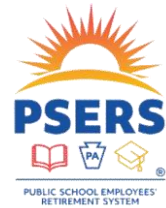


# March 31, 2023 PSERB Board Meeting

PSERS Board Room 5 North 5th Street, Harrisburg PA 17101 and via MS Teams [Sunshine], March 31, 2023



Chairperson Christopher Santa Maria  
Interim Vice Chairperson Susan Lemmo  
Board Secretary Terrill Sanchez

## 1. **Call to Order**

The Board met on March 31, 2023 virtually and in-person at 5 North 5<sup>th</sup> Street in Harrisburg and called the meeting to order at 9:01 A.M. Terrill Sanchez took roll and confirmed Board quorum.

### **Board Member Attendance:**

Eric Dice for Rep. Matt Bradford Virtual  
Jason Davis In Person  
Eric DiTullio In Person  
Rep. Torren Ecker Virtual  
Treas. Stacy Garrity In Person  
Sec. Sarah Hammer In Person  
Kevin Busher for Nathan Mains Virtual  
Ann Monaghan In Person

Patrick Lord for Sec. Khalid Mumin Virtual  
Jeffrey Cavanaugh for Sen. Katie Muth Virtual  
Brian Reiser In Person  
Christopher Santa Maria In Person  
Absent – Joseph Torsella  
Vacancy Senate Majority Seat

### **Board Designee Attendance:**

Susan Boyle Virtual  
Lloyd Ebright Virtual

Alan Flannigan In Person  
Eric Pistilli In Person

## 2. **Approval of Published Agenda or Requested Amendments**

Brian Reiser moved that the agenda be approved with flexibility with Susan Lemmo seconding. The motion passed unanimously.

## 3. **Approval of February 24, 2023 Minutes**

Eric Dice moved to approve the minutes with Ann Monaghan seconding. The motion passed unanimously.

## 4. **Public Comment**

Terrill Sanchez introduced Mr. Eric Epstein from Rock the Capital, who provided public comment regarding investments in private equity funds that have portfolio companies related to exonerated prisons' potential legal claims and asked the Board to consider any current investments in Florida companies escalating rents.

## 5. **New Business**

Christopher Santa Maria moved to change the dates of the August Board meetings from August 17 and 18, to August 9, 10, and 11, and to be located at the Public School Boards Association with Jason Davis seconding. The motion passed unanimously.

## 6. **Committee Reports**

### 6.1 **Audit, Compliance, and Risk Committee**

Committee Chair Treas. Stacy Garrity presented a report of the Audit, Compliance, and Risk Committee meeting held on March 22, 2023.

The Committee moved to recommend that the Governance and Administration Committee adopt the recommended changes to the Audit, Compliance and Risk Committee charter, as detailed in the 15-day notice, and recommend these changes to the full Board for consideration and adoption.

The Committee received for filing in the records of the Agency the Ethics Policies Review Report, as presented by the Internal Audit Office, with the understanding it will be assigned to the Governance and Administration Committee for further review.

The Committee moved to accept the Investment Compliance Review Report, Dated March 13, 2023 as presented by Alicia E. James, Investment Compliance Manager and Constellation Advisers, LLC.

## 6.2 **Finance and Actuarial Committee**

Committee Chair Eric DiTullio presented a report of the Finance and Actuarial Committee meeting held on March 30, 2023. The following actions were taken by the Board:

### RESOLUTION 2023-07

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation by the Finance and Actuarial Committee to adopt the proposed withdrawal liability interest rate for closed schools as recommended by Buck Global LLC:

- Use the 10-Year Treasury Constant Maturity Monthly Average Rate (Rate) as of the last actuarial valuation immediately preceding the closure of the employer to calculate the withdrawal liability. If the Rate has changed by more than 100 basis points as of the closure date of the employer, then the Rate in effect as of the first of the month coincident with or just preceding to the closure date will be used to calculate the withdrawal liability.

Eric DiTullio moved with Jason Davis seconding.

The motion passed with two abstentions being Kevin Busher for Nathan Mains and Jeffrey Cavanaugh for Sen. Katie Muth.

### RESOLUTION 2023-08

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Finance and Actuarial Committee to approve the Finance and Actuarial Committee Work Plan, as set forth in the attachment, to be used as a guide in the development of agendas.

Eric DiTullio moved with Brian Reiser seconding.

The motion passed unanimously.

## 6.3 **Governance and Administration Committee**

Committee Chair Designee Eric Dice for Rep. Matt Bradford presented a report of the Governance and Administration Committee meeting held on March 30, 2023. The following actions were taken by the Board:

### RESOLUTION 2023-09

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Governance and Administration Committee to approve the Governance and Administration Committee Work Plan, as set forth in the attachment, to be used as a guide in the development of agendas.

Eric Dice moved with Sec. Sarah Hammer seconding.

The motion passed unanimously.

**MOTION [RESOLUTION 2023-10]** Moved by Eric Dice and seconded by Sec. Sarah Hammer.

The Public School Employees' Retirement Board hereby approves the Executive Director Evaluation Process, as set forth in the attachment, to be used for the current rating period, ending June 30, 2023.

Eric Dice moved with Sec. Sarah Hammer seconding.

The motion passed unanimously.

#### 6.4 **Investment Committee**

Committee Chair Jason Davis presented a report of the Investment Committee meeting held on March 30, 2023. The following actions were taken by the Board:

##### RESOLUTION 2023-11

**RESOLVED**, that the Public School Employees' Retirement Board hereby commits an amount not to exceed €200,000,000, plus reasonable and normal investment expenses, to DIF Infrastructure Fund VII SCSp, and/or related investment vehicles, in accordance with the recommendation of William P. Stalter, Senior Portfolio Manager, Cody Steele, Senior Investment Professional, and Aksia. 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.

Jason Davis moved with Treas. Stacy Garrity seconding.

The motion passed with one abstention being Jeffrey Cavanaugh for Sen. Katie Muth.

##### RESOLUTION 2023-12

**RESOLVED**, that the Public School Employees' Retirement Board hereby authorizes the disposition of the assets held by Commonwealth Holdings, Inc., in accordance with the recommendation of William P. Stalter, Senior Portfolio Manager. The final terms and conditions of the disposition 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.

Jason Davis moved with Eric DiTullio seconding.

The motion passed with one abstention being Jeffrey Cavanaugh for Sen. Katie Muth.

#### 6.5 **Health Care Committee**

Committee Chair Susan Lemmo presented a report of the Health Care Committee meeting held on March 30, 2023. The following actions were taken by the Board:

##### RESOLUTION 2023-13

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Health Care Committee to approve the Health Care Committee Work Plan, as set forth in the attachment, to be used as a guide in the development of agendas.

Susan Lemmo moved with Eric Dice seconding.

The motion passed unanimously.

6.6 **Defined Contribution Committee**

Committee Chair Rep. Torren Ecker presented a report of the Defined Contribution Committee meeting held on March 30, 2023. The following actions were taken by the Board:

RESOLUTION 2023-14

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Defined Contribution Committee to approve the Defined Contribution Committee Work Plan, as set forth in the attachment, to be used as a guide in the development of agendas.

Rep. Torren Ecker moved with Eric DiTullio seconding.

The motion passed unanimously.

6.7 **Benefits and Appeals Committee**

Committee Chair Ann Monaghan presented a report of the Benefits and Appeals Committee meeting held on March 30, 2023. The following actions were taken by the Board:

RESOLUTION 2023-15

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Benefits and Appeals Committee to approve the Benefits and Appeals Committee Work Plan, as set forth in the attachment, to be used as a guide in the development of agendas.

Ann Monaghan moved with Eric DiTullio seconding.

The motion passed unanimously.

7. **Office of Chief Counsel Report with Executive Session Updates on Pending and Potential Litigation**

At 9:35 A.M., Brian Reiser moved to enter Executive Session with Treas. Stacy Garrity seconding, for updates on pending and potential litigation. The Board resumed public session at 10:15 A.M.

8. **Executive Director Report**

Ms. Sanchez welcomed new employees and recognized retiring employees, provided an update on the Director of Government Affairs and Stakeholder Engagement position, and outlined some Legislative updates.

The following resolution was moved by Christopher Santa Maria with Jason Davis seconding.

RESOLUTION 2023-16

*Whereas* Joseph "Joe" M. Torsella is departing from the Board of Trustees of the Public School Employee's Retirement System (PSERS) after more than five years of dedicated service; and

*Whereas* Mr. Torsella has served with distinction and integrity on the Board as Pennsylvania's elected Treasurer (January 17, 2017- January 19, 2021) and as the Governor's Appointee (April 20, 2021-March 31, 2023); and

*Whereas* Mr. Torsella, as the Commonwealth's custodial watchdog, became the first Treasurer to partner with pension funds to negotiate a historic service level agreement with the Commonwealth's custodial bank; and

*Whereas* Mr. Torsella, through his advocacy for government transparency, commitment to fiscal responsibility and veracity for index investing, stood firm in his statutory Board duty to *stand in a fiduciary relationship to the members of the system ...*; and

*Whereas* Mr. Torsella strongly advocated for aligning and improving Board direction, bylaws and policies, and prudently delegating and overseeing the System; and

*Whereas* Mr. Torsella's commitment to refining governance and oversight was further evidenced by trustees' adopting the *Investment Transparency Policy* in December 2019 and the *Board and Staff Travel Policy* in July 2021; and

*Whereas* Mr. Torsella's deep commitment to the citizens of Pennsylvania is not only reflective of his time on the Board it is a continuation of his public service legacy, which includes creating Treasury's ABLE and Keystone Scholars and serving as U.S. Representative to the United Nations for U.S. Management and Reform, Chair of the Pennsylvania State Board of Education, founding President and CEO of the National Constitution Center, and a Deputy Mayor of Philadelphia.

Now therefore **RESOLVED**, that PSERS Board of Trustees hereby thanks and expresses their deep appreciation for his dedicated service to PSERS and offers best wishes.

The motion passed unanimously.


9. **Next Meeting Agenda Items**

The Board had no recommendations for agenda items to add to the next Board Meeting.

10. **Motion to Adjourn**

At 10:30 A.M., Eric DiTullio moved to adjourn with Ann Monaghan seconding. The motion passed unanimously.

DocuSigned by:



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5/23/2023