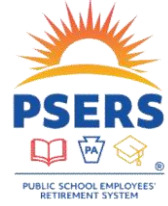


# March 22, 2024 PSERB Board Meeting

PSERS Board Room 5 North 5<sup>th</sup> Street, Harrisburg, PA 17101 and via MS Teams [Sunshine]



Chairperson Mr. Richard Vague  
Vice Chairperson Ms. Susan Lemmo  
Board Secretary Terrill J. Sanchez

## 1. **Call to Order**

The Board met on March 22, 2024 virtually and in-person at 5 North 5<sup>th</sup> Street in Harrisburg, PA. Chairperson Richard Vague called the meeting to order at 9:00 A.M. Terrill Sanchez took roll call and confirmed Board quorum.

### **Board Member Attendance:**

Chairperson Richard Vague In Person  
Vice Chairperson Susan Lemmo In Person  
Jordan Laslett for Rep. Matthew Bradford In Person  
Dr. Pamela Brown In Person  
Jason Davis In Person  
Eric DiTullio In Person  
Rep. Torren Ecker Virtual  
Treas. Stacy Garrity Virtual  
Ann Monaghan In Person  
Patrick Lord for Sec. Khalid Mumin In Person  
Jeffrey Cavanaugh for Sen. Katie Muth Virtual  
Brian Reiser In Person  
Sen. Greg Rothman Virtual  
Sec. Wendy Spicher In Person  
*Absent Nathan Mains*

### **Additional Board Designee Attendance:**

Christopher Craig Virtual	Eric Pistilli Virtual
Lloyd Ebright Virtual	Jill Vecchio Virtual
Michael Heckmann Virtual	Morgan Wagner Virtual
Veronica Hoof Virtual	

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

Jason Davis moved to approve the published agenda with Brian Reiser seconding. The motion passed with one (1) absent being Nathan Mains.

## 3. **Approval of February 1, 2024 Minutes**

Jason Davis moved to approve the minutes with Dr. Pamela Brown seconding. The motion passed with one (1) absent being Nathan Mains.

## 4. **Public Comment**

Terrill Sanchez confirmed there was a request for public comment from Michael Angulo, Worker Power Institute, who provided comments regarding potential ESG risks, and from Crystal Padilla who provided comments regarding labor disputes with Blackstone owned hotels.

## 5. **Unfinished Business**

### 5.1 **Account of Musser, B. [Docket No. 2021-03]**

Sen. Greg Rothman moved to postpone discussion for the August Board meeting. Jeffrey Cavanaugh seconded. The motion passed with one (1) absent being Nathan Mains.

6. **New Business**

6.1 **Committee Reports**

6.1.1 **Audit, Compliance and Risk Committee Report**

Chair Treas. Stacy Garrity reported on the activities, findings, recommendations, and other relevant issues from the Audit, Compliance and Risk Committee meeting held on March 13, 2024.

Under New Business, the Committee:

- received a presentation from Mei Gentry, Chief Audit Officer, on the Audit, Compliance and Risk Committee 2024 Work Plan,
- reviewed the Audit, Compliance and Risk Committee charter, the Enterprise Risk Management Program (ERM) Charter, the Compliance Charter, and the Internal Audit Office Charter,
- received an update from Elizabeth Goldstein on Chief Compliance Officer activities, and
- held an Executive Session to discuss the Investment Compliance Review Report, Financial Statement Audit Plan, Internal Audit Plan Updates, HOP/PDP Compliance Updates, HOP Risk and Controls Assessment Results, Wire Transfers Audit Results, Management Action Plan Updates, and Compliance Legal Update.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee to approve the Audit, Compliance and Risk Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Ann Monaghan seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-03**.

Sen. Greg Rothman moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board hereby accepts the recommendation of the Audit, Compliance and Risk Committee and adopts the changes to the Audit, Compliance and Risk Committee Charter.

Richard Vague seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-04**.

Sec. Wendy Spicher moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee to adopt the Enterprise Risk Management Program Charter.

Dr. Pamela Brown seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-05**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee to adopt the Compliance Program Charter.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-06**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee to adopt the changes to the Internal Audit Office Charter.

Sec. Wendy Spicher seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-07**.

#### 6.1.2 **Governance and Administration Committee Report**

Jordan Laslett for Committee Chair Rep. Matthew Bradford reported on the activities, findings, recommendations, and other relevant issues from the Governance and Administration Committee meeting held on March 21, 2024.

Under Unfinished Business, the Committee:

- held an Executive Session to discuss the Chief Investment Officer Evaluation Review,
- received an update from Bevely Hudson, Deputy Executive Director of Administration, on the Policy Manual for Investment Professional (PMIP), and
- heard from Jordan Laslett regarding the Contract Log.

Under New Business, the Committee:

- received a presentation from Evelyn Williams, Board Information Officer, on the 2024 Board Education Plan, and
- received a presentation from Eric Decker, Director of Governance and Administration, on the Governance and Administration Committee 2024 Work Plan.

Jordan Laslett moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board ("the Board) accepts the recommendation of the Governance and Administration Committee and adopts the 2024 Board Education Plan and authorizes the Executive Director, in consultation with the Board Chairperson, to alter the schedule or topic or provide for additional presentations as a result of changing priorities.

Sec. Wendy Spicher seconded.

The motion passed with one (1) absent being Nathan Mains, as **Resolution 2024-08**.

Jordan Laslett moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Governance and Administration Committee to approve the Governance and Administration Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Dr. Pamela Brown seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains, as **Resolution 2024-09**.

### 6.1.3 Defined Contribution Committee Report

Committee Chair Rep. Torren Ecker reported on the activities, findings, recommendations, and other relevant issues from the Defined Contribution Committee meeting held on March 21, 2024.

Under New Business, the Committee:

- received a presentation from Jennifer Mills, Deputy Executive Director and Director of Defined Contribution Investments, on the Defined Contribution Committee 2024 Work Plan,
- held an Executive Session to discuss the CEM Benchmarking Inc., for Pension Administration Benchmarking Subscription Services, and
- received a presentation from Jennifer Mills on the Q3 2023 Review of the Defined Contribution Plan.

Jill Vecchio moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Defined Contribution Committee to approve the Defined Contribution Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Jason Davis seconded.

The motion passed with one (1) absent being Nathan Mains as **Resolution 2024-10**.

Jill Vecchio moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Defined Contribution Committee of the Board and moves to recommend that the Board engages CEM Benchmarking Inc. for Defined Contribution Benchmarking Subscription Services at a base cost of \$87,000 for a three-year term.

The final terms and conditions of the contract are subject to legal due diligence and must be satisfactory to the Deputy Executive Director and Director of Defined Contribution Investments, 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 contract.

Dr. Pamela Brown seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-11**.

### 6.1.4 Health Care Committee Report

Committee Chair Susan Lemmo reported on the activities, findings, recommendations, and other relevant issues from the Health Care Committee meeting held on March 21, 2024.

Under New Business, the Committee:

- received a presentation from Jennifer Mills on the Health Care Committee 2024 Work Plan,
- received a presentation from Sonya Charlesworth, Deputy Director of the Health Care Office, on the Enrollment Experience Board Report for March 2024,
- received a presentation from Melanie Clark, Segal, on the Market Comparison Board Report for March 2024, and
- was informed by Jennifer Mills of the addition of an August 2024 Committee meeting.

Susan Lemmo moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Health Care Committee to approve the Health Care Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Ann Monaghan seconded.

The motion passed with one (1) absent being Nathan Mains, as **Resolution 2024-12**.

#### 6.1.5 Finance and Actuarial Committee Report

Committee Chair Eric DiTullio reported on the activities, findings, recommendations, and other relevant issues from the Finance and Actuarial Committee meeting held on March 21, 2024.

Under New Business, the Committee:

- was introduced by Terrill Sanchez, to Brian Lyman, the new PSERS Chief Financial Officer,
- received a presentation from Andrew Fiscus, Acting Chief Financial Officer, on the Finance and Actuarial Committee 2024 Work Plan, as well as the December 31, 2023 Financial Statements and Budget Updates.

Eric DiTullio moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Finance and Actuarial Committee to approve the Finance and Actuarial Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Brian Reiser seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-13**.

#### 6.1.6 Benefits and Appeals Committee Report

Committee Chair Ann Monaghan reported on the activities, findings, recommendations, and other relevant issues from the Benefits and Appeals Committee meeting held on March 21, 2024.

Under New Business, the Committee:

- received a presentation from Jennifer Mills on the Benefits and Appeals Committee 2024 Work Plan,
- held an Executive Session to discuss the CEM Benchmarking Inc. for Pension Administration Benchmarking Subscription Services, and Adjudications, and
- discussed the Executive Staff Review Committee (ESRC) Minutes from December 4, 2023, February 1, 2024, and February 27, 2024.

Ann Monaghan moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Benefits and Appeals Committee to approve the Benefits and Appeals Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Brian Reiser seconded.

The motion passed with one (1) absent being Nathan Mains as **Resolution 2024-14**.

Ann Monaghan moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Benefits and Appeals Committee of the Board and moves to recommend that the Board engages CEM Benchmarking Inc. for Pension Administration Benchmarking Subscription Services at a base cost of \$177,000 for a three-year term.

The final terms and conditions of the contract are subject to legal due diligence and must be satisfactory to the Deputy Executive Director and Director of Defined Contribution Investments, 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 contract.

Jason Davis seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-15**.

Ann Monaghan moved the following:

**RESOLVED**, that in the matter of Allen M. Hofknecht (Deceased) under claim of Thomas Hofknecht, Docket No. 2021-18, the Public School Employees' Retirement Board hereby accepts the recommendation of the Benefits and Appeals Committee and adopts the proposed Opinion and Order of the Board and dismisses Claimant's appeal with prejudice.

Dr. Pamela Brown seconded.

The motion passed with two (2) opposed being Rep. Torren Ecker and Sen. Greg Rothman, one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-16**.

Ann Monaghan moved the following:

**RESOLVED**, that in the matter of Deborah K. Capizzi (Deceased) under claim of Thomas Capizzi, Docket No. 2020-07, the Public School Employees' Retirement Board hereby accepts the recommendation of the Benefits and Appeals Committee and adopts the Opinion and Recommendation of the Hearing Examiner and dismisses Claimant's appeal with prejudice.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-17**.

#### 6.1.7 Investment Committee Report

Committee Chair Jason Davis reported on the activities, findings, recommendations, and other relevant issues from the Investment Committee meeting held on March 14, 2024 and on March 21, 2024.

At the March 14, 2024 meeting, under New Business, the Committee:

- received a presentation from Carl Lantz on J.P. Morgan Asset management, L.P., and Garcia Hamilton & Associates, L.P., and
- held an Executive Session to discuss confidential provisions of the discussion items.

At the March 21, 2024 meeting, under New Business, the Committee:

- received a presentation from Robert Devine on the Investment Office Dashboard and the Investment Committee 2024 Work Plan,

- received a presentation from Joseph Sheva on the Investment Related Policies,
- received a presentation from Andrew Debnar and Tarun Mehta, from Glass Lewis, on the Proxy Voting Guidelines,
- received a presentation from Ian Toner and Mark Brubaker, from Verus Investments, on the Capital Markets Update and 3Q 2023 PSERS Fund Performance Summary,
- received a presentation from Thomas Bauer on the PSERS Watchlist for Public Markets External Managers,
- received a presentation from Christopher Doll, from CEM, on the CEM Benchmarking Report,
- received a presentation from Carl Lantz on JP Morgan Asset Management, L.P., and Garcia Hamilton & Associates, L.P., and
- held an Executive Session to discuss confidential provisions of the discussion items.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Investment Committee to approve the Investment Committee Work Plan for 2024, as set forth in the attachment, to be used as a guide in the development of agendas.

Ann Monaghan seconded.

The motion passed with one (1) absent being Nathan Mains as **Resolution 2024-18**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board accepts the recommendation of the Investment Committee and adopts the changes to the following investment policies attached:

- Investment Policy Statement
- Consolidation of the Private Equity, Private Credit, Private Commodities, Private Infrastructure, Private Real Estate Policies into the Private Markets Asset Class Policy.
- Consolidation of the Public Equity, Public Fixed Income, Public Commodities, Public Real Estate, Public Infrastructure and Absolute Return Policies into the Public Markets Asset Class Policy.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-19**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and authorizes the Investment Office to amend or replace the U.S. Proxy Voting Policy and the Non-U.S. Proxy Voting Policy for the Public School Employees' Retirement System, subject to review by the Office of Chief Counsel, to reflect the adoption of the attached Glass Lewis Corporate Governance Focused Thematic Voting Policy Guidelines with the following overrides:

#### REINCORPORATION PROPOSALS

PSERS will vote FOR all reincorporation proposals to reincorporate in Pennsylvania.  
PSERS will vote AGAINST all reincorporation proposals to reincorporate Pennsylvania companies outside of Pennsylvania.

## NORTHERN IRELAND RESOLUTIONS

PSERS will vote FOR resolutions pertaining to Northern Ireland that advocate adoption of the affirmative action measures set forth in 24 Pa. C.S. §8527(b), including adopting or reporting on MacBride Principles. The MacBride principles are a set of nine equal opportunity/affirmative action principles aimed at fighting religious discrimination in employment in Northern Ireland.

The Board further authorizes:

- full delegation of PSERS' proxy vote implementation function to GlassLewis with continued oversight by PSERS' staff and the Board, and
- triennial review of PSERS' proxy voting policies to address governance issues to protect and enhance the value of PSERS' investments as a long-term shareholder.

Brian Reiser seconded.

The motion passed with one (1) opposed being Susan Lemmo, one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-20**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and (i) commits an initial amount of \$500 million plus reasonable normal investment expenses, to J.P. Morgan Asset Management and (ii), authorizes the Investment Office in its discretion to invest an additional sum up to \$1 billion unless this amount exceeds the single manager limits approved by the Board as found in the Investment Policy Statement.

The final terms and conditions of the engagement are subject to legal due diligence and 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 contracts.

Sec. Wendy Spicher seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, one (1) recusal being Dr. Pamela Brown, and one (1) absent being Nathan Mains as **Resolution 2024-21**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and (i) commits an initial amount \$500 million plus reasonable normal investment expenses, to Garcia Hamilton & Associates, L.P. and (ii), authorizes the Investment Office in its discretion to invest an additional sum up to \$1 billion unless this amount exceeds the single manager limits approved by the Board as found in the Investment Policy Statement.

The final terms and conditions of the engagement are subject to legal due diligence and 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 contracts.

Dr. Pamela Brown seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains as **Resolution 2024-22**.



Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and authorizes the disposition or transfer of the assets held by Commonwealth Holdings, Inc.

The final terms and conditions of the disposition or transfer are subject to legal due diligence and 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.

Jordan Laslett seconded.

The motion passed with four (4) opposed being Rep. Torren Ecker, Jeffrey Cavanaugh for Sen. Katie Muth, Brian Reiser, and Sen. Greg Rothman, and one (1) absent being Nathan Mains as **Resolution 2024-23**.

Jason Davis moved the following:

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and authorizes the disposition of the assets held by Keystone-Florida Property Holding Corp.

The final terms and conditions of the disposition are subject to legal due diligence and 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.

Dr. Pamela Brown seconded.

The motion passed with four (4) opposed being Rep. Torren Ecker, Jeffrey Cavanaugh for Sen. Katie Muth, Brian Reiser, and Sen. Greg Rothman, and one (1) absent being Nathan Mains as **Resolution 2024-24**.

7. **Office of Chief Counsel Report**

At 9:51 A.M., Ann Monaghan moved to enter **Executive Session** with Sec. Wendy Spicher seconding, to consult with counsel with respect to pending or expected litigation.

**The Board resumed public session at 10:16 A.M.**

8. **Office of Executive Director**

Terrill Sanchez welcomed new employees and interns, recognized retiring employees, provided an update on the Diligent contract, and provided dates for the 2024 Board member regular elections for one Active Certified seat and one Active Non-Certified seat. Mark Fetzko, Director of Government Affairs and Stakeholder Engagement, provided the legislative update.

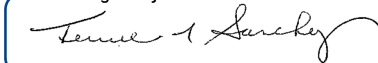
9. **Next Meeting Agenda Items**

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

10. **Motion to Adjourn**

At 10:41 A.M., Jason Davis moved to adjourn with Ann Monaghan seconding. The motion passed with one (1) absent being Nathan Mains.

DocuSigned by:



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