

MINUTES of SERS Board Special Meeting – Monday, November 19, 2018

CALLED TO ORDER: 11:00 a.m. by Chairman David R. Fillman

ATTENDEES:

Members and Designees

David R. Fillman – Chairman

Stephen S. Aichele

Glenn E. Becker

Robert W. Godshall

Charles T. McIlhinney, Jr.

T. Terrance Reese

Mary A. Soderberg

Joseph M. Torsella

Robin L. Wiessmann

Thomas Clancy – Designee for Treasurer Joseph M. Torsella

Brian LaForme – Designee for Secretary Robin L. Wiessmann

Toni Marchowsky – Designee for Senator Vincent J. Hughes

Bernie Gallagher – Designee for Representative Dan B. Frankel

Dan Ocko – Designee for Representative Dan B. Frankel

Leo Pandeladis – Designee for Secretary Robin L. Wiessmann

Executive Staff

Anthony Faiola

Bryan Lewis

N. Joseph Marcucci

Terrill Sanchez

Staff

Rose Agnew

Stephen Balucha

Dhanashree Chitnis

Thomas Derr

Myisha Ebersole

Linda Engle

David Felix

Brian Gilroy

Jason Giurintano

Phillip Greenberg

Suzanne Hansel

Pamela Hile

Christopher Houston

Khalfani King

Barbara Kiral

Karen Lynn

Jeffrey McCormick
Ryan McCoy
Matthew Meads
Jeffrey Meyer
Ryan Morse
James Nolan
Joel Rimby
David Sedlak
Sharon Smith
Bruce Thomas
Joseph Torta

Visitors

Chris Ade, Lord, Abbett & Co. LLC
James Bloom, Public Pension Management and Asset Investment Review Commission
Suzanne Dugan, Cohen Milstein Sellers & Toll PLLC
Alan Flannigan, PA Dept. of Banking & Securities
Jessica Gitters, SEIU
Aaron Son, PA Dept. of Banking & Securities

Presenters

Ian Bray, RVK, Inc.
Anthony Johnson, RVK, Inc.
Jay Kloepfer, Callan LLC
Bud Pellecchia, Callan LLC
Thomas Shingler, Callan LLC
Jim Voytko, RVK, Inc.

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A. GOVERNANCE PROJECT AND 2019 BOARD CALENDAR

Action: 1. Board Structure – Committee Charters and Policy Discussion

Mr. Houston presented the material provided to the board (10/5/2018 Board material mailing).

MOTION: 2018-80

By motion that was moved, seconded, and approved by board members, it was

RESOLVED: That the board adopts the following Governance Policy Manual document, as set forth in the attachment, effective immediately:

- Policy on Referrals of Investment Opportunities and Service Provider Candidates; Related Communications; Undue Influence (ATTACHMENT A).

MOTION: 2018-81

By motion that was moved, seconded, and approved by board members, it was

RESOLVED: That the board adopts the Amended Bylaws, as set forth in the attachment, effective January 1, 2019 (ATTACHMENT B).

MOTION: 2018-82

By motion that was moved, seconded, and approved by board members, it was

RESOLVED: That the board adopts the following Governance Policy Manual documents, as set forth in the attachments, effective January 1, 2019:

- Actuarial Services Policy (ATTACHMENT C)
- Audit, Risk and Compliance Committee Charter (ATTACHMENT D)
- Board Governance and Personnel Committee Charter (ATTACHMENT E)
- Defined Contribution Committee Charter (ATTACHMENT F)
- Finance and Member Services Committee Charter (ATTACHMENT G)
- Investment Committee Charter (ATTACHMENT H)
- Securities Litigation Committee Charter (ATTACHMENT I)
- Board Chairperson and Assistant Chair Positions Description (ATTACHMENT J)
- Board Member Position Description (ATTACHMENT K)
- Committee Chair and Assistant Chair Positions Description (ATTACHMENT L)

MOTION: 2018-83

By motion that was moved, seconded, and approved by board members, it was

RESOLVED: That the board adopts a special rule of order establishing a consent calendar for the board meeting calendar and the following consent calendar process, as set forth in the attached resolution, effective January 1, 2019 (ATTACHMENT M):

1. The consent calendar shall be limited to items that are non-controversial and not normally requiring discussion, including:
 - Approving board meeting minutes;

- Accepting statement of Changes in Fiduciary Net Position;
 - Accepting written reports of board committees that do not contain recommendations or resolutions for board adoption; and
 - Accepting updates or background reports provided for information only.
2. Items may be removed from the consent calendar on the request of any one member. This request does not require a second and no vote is taken on removing it from the consent calendar. Once an item is extracted, a vote on the consent calendar is taken. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent calendar or placed later on the board meeting calendar at the discretion of the Chairperson.

Presentation: 1. 2019 Board Meeting Calendar Discussion

Ms. Sanchez presented the calendars provided to the board (10/24/2018 Board Package, Administrative Report, Tab 7). She noted that the board will start using a two-day schedule to conduct board business with committee meetings being held on day 1 and the regular meeting being held on day 2. The dates for the 2019 meetings are: February 27-28; March 11-12 (retreat); April 23-24; June 13-14; July 30-31; September 24-25 and December 3-4.

B. Investment Presentations and Reviews: SERS INVESTMENT OFFICE

Action: 1. General Consultant Interviews – RVK, Inc.

Messrs. Bray, Johnson and Voytko presented to the board (10/24/2018 Board Package, Investment Report, Tabs 9 and 10 and board handouts).

C. EXECUTIVE SESSION #1

Presentation: 1. Agenda

At 1:09 p.m., the board recessed and entered executive session to receive legal advice as provided in ATTACHMENT N.

D. LUNCH BREAK

E. PUBLIC MEETING RESUMES

The public meeting resumed at 2:09 p.m.

B. Investment Presentations and Reviews: SERS INVESTMENT OFFICE (continued)

Action: 1. General Consultant Interviews – Callan LLC

Messrs. Kloepfer, Pellecchia and Shingler presented to the board (10/24/2018 Board Package, Investment Report, Tabs 9 and 10 and board handouts).

This action was tabled and will be held at a future board meeting.

F. EXECUTIVE SESSION #2

At 3:05 p.m., the board recessed and entered executive session to discuss contractor qualifications.

G. PUBLIC MEETING RESUMES

The public meeting resumed at 3:50 p.m.

H. NEXT BOARD MEETING – December 5, 2018

Chairman Fillman noted that the next regular meeting of the SERS board is scheduled for December 5, 2018.

I. MOTION TO ADJOURN

Action: 1. Adjournment

MOTION: 2018-84

By motion of Chairman Fillman, the board unanimously agreed to adjourn the meeting at 3:55 p.m.

Respectfully submitted,



Terrill J. Sanchez
Executive Director