

Minutes of Board Governance and Personnel Committee Meeting

Tuesday, February 25, 2020 and Wednesday, February 26, 2020

Attendees:

Board Governance and Personnel Committee:

David Fillman, Chair
Charles Duncan (designee for Sen. Vincent Hughes, Assistant Chair)
Gregory Jordan
Gregory Thall
Lloyd Ebright (designee for Treasurer Joseph Torsella)

Other Board Members:

Glenn Becker
Jim Bloom (designee for Acting Secretary Vague)
Charles Erdman (designee for Sen. DiSanto)
Alan Flannigan (designee for Acting Secretary Vague)
Rep. Dan Frankel
Daniel Ocko (designee for Rep. Frankel)
Patrick Shaughnessy (designee for Rep. Frankel)
Mary Soderberg

SERS Staff:

Christopher Houston, Committee Senior Staff (Compliance)
Katie Mathews, Committee Senior Staff (HR)
Randy Albright, Special Assistant
N. Joseph Marcucci, Chief Counsel
Alicia James, Chief Financial Officer
James Nolan, Acting Chief Investment Officer
Terrill Sanchez, Executive Director

1. Call to Order

At 2:28 P.M., Executive Director Sanchez called the meeting to order.

2. Election of Committee Chair

The Committee was given an opportunity to nominate a Committee Chair. David Fillman was nominated and elected as Committee Chair.

3. Welcome and Introduction

Chair David Fillman welcomed Committee members, designees, and other non-Committee Board members.

4. Approval of Minutes

Minutes of meeting of December 3, 2019, Board Governance and Personnel Committee meeting.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That this Committee approves the meeting minutes of the December 3, 2019, Board Governance and Personnel Committee meeting.

5. Old Business

a. CIO Search Update

Staff reviewed with the Committee a timeline for the CIO search. Committee members were advised that the Board would be receiving draft Position Specifications and Advertising Plan for review, with any comments to be provided to the Executive Director by March 4, 2020.

6. Special Presentations

There were no special presentations.

7. New Business

a. Appointment of Assistant Chair

Upon unanimous consent of the Committee, Sen. Vincent Hughes was appointed as Assistant Chair.

b. Investment Committee Charter

The Committee reviewed proposed amendments to the Investment Committee Charter, which are necessary in order to provide consistency between the Investment Policy Statement and the Investment Committee Charter.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board concur with the recommendation of the Investment Committee to adopt the amendments to the Investment Committee Charter, as set forth in the attachment, to be effective immediately upon adoption.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Duncan	Yes
JORDAN	Yes
THALL	Yes
TORSELLA	
Designee: Ebright	Yes

c. Review of 2020 Board Governance and Personnel Committee Work Plan

Staff reviewed the 2020 Board Governance and Personnel Committee Work Plan with the Committee.

8. Executive Session

At 2:43 P.M., the Committee entered into executive session to discuss personnel matters, including: (i) Executive Director Salary Adjustment; (ii) Annual Salary Adjustments for Investment Professionals, excluding CIO; and (iii) Acting CIO Salary Adjustment.

9. Public Session Resumes

At 4:00 P.M., the public meeting resumed.

a. Executive Director Salary Adjustment

Following discussion in executive session regarding salary adjustments for the Executive Director, the Committee took action regarding a salary adjustment for the Executive Director.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board request the Commonwealth's Executive Board authorize a 12% increase to \$115.61 an hour for Terrill J. Sanchez, Executive Director, with an effective date of January 1, 2020.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Duncan	Yes
JORDAN	Yes
THALL	Yes
TORSELLA	
Designee: Ebright	Yes

At 4:04 P.M., the Committee meeting was recessed until immediately following the Audit, Risk, and Compliance Committee meeting, on February 26, 2020.

Wednesday, February 26, 2020

Meeting Reconvened

At 11:04 A.M., on February 26, 2020, the Chair reconvened the Committee meeting.

Executive Session

At 11:07 A.M., the Committee entered into executive session to discuss personnel matters, including: (i) Executive Director Salary Adjustment; (ii) Annual Salary Adjustments for Investment Professionals, excluding CIO; and (iii) Acting CIO Salary Adjustment.

Public Session Resumes

At 11:35 A.M., the public meeting resumed.

Following discussion in executive session regarding salary adjustments for the Executive Director, the Committee took action to amend the effective date of the motion adopted by the Committee on February 25, 2020.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee amend the effective date from January 1, 2020 to February 26, 2020, of the motion adopted by the Governance and Personnel Committee on February 25, 2020, to recommend that the State Employees' Retirement Board request the Commonwealth's Executive Board authorize a 12% increase to \$115.61 an hour for Terrill J. Sanchez, Executive Director.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Duncan	Yes
JORDAN	Yes
THALL	Yes
TORSELLA	
Designee: Ebright	Yes

b. Annual Salary Adjustments for Investment Professionals, excluding CIO

Following discussion in executive session regarding salary adjustments for Investment Professionals, excluding the CIO, the Committee took action to approve salary adjustments.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee approve the following salary adjustments effective the first full pay period of March 2020: .

<u>Name</u>	<u>Title</u>	<u>New Hourly Rate</u>
Alicia James	Chief Financial Officer	\$70.44
Sara McSurdy	Assistant Chief Financial Officer	\$69.23
Dhanashree Chitnis	Senior Investment Accountant	\$47.16
David Kuntch	Senior Investment Accountant	\$43.77
David Felix	Portfolio Manager 2	\$137.75
Phillip Greenberg	Portfolio Manager 2	\$141.98
Jeffrey Meyer	Managing Director of Investment Operations	\$124.34
Bruce Thomas	Portfolio Manager 2	\$115.42
Ryan Morse	Portfolio Manager 1	\$70.87
Jason Burger	Portfolio Manager 1	\$68.70
Matthew Meads	Portfolio Manager 1	\$67.74
Marianna Fazylova	Investment Analyst 2	\$57.50
Stephen Balucha	Junior Investment Analyst	\$39.84

Khalfani King	Junior Investment Analyst	\$39.35
Jonathan Ferrar	Junior Investment Analyst	\$39.26
Alan Lin	Junior Investment Analyst	\$39.26
Brian Gilroy	Junior Investment Analyst Trainee	\$36.02

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Duncan	Yes
JORDAN	Yes
THALL	Yes
TORSELLA	
Designee: Ebright	Yes

c. Acting CIO Salary Adjustment

Following discussion in executive session regarding salary adjustments for the Acting CIO, the Committee took action regarding a salary adjustment for James G. Nolan.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board 1) approve a salary adjustment for James G. Nolan's Deputy Chief Investment Officer hourly rate to \$ 129.27 effective the first full pay period of March 2020 and 2) that the Board apply the temporary 4.5% hourly pay increase on the new Deputy Chief Investment Officer rate as authorized through Motion 2019-65 for his role as Acting Chief Investment Officer, until such time as a permanent Chief Investment Officer begins employment.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
HUGHES	
Designee: Duncan	Yes
JORDAN	Yes
THALL	Yes
TORSELLA	
Designee: Ebright	Yes

10. Committee Comments/Concerns/Questions

There were no additional comments, concerns, or other questions from committee members.

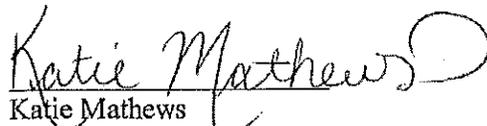
11. Motion to Adjourn

Motion:

By motion that was moved by Committee Chair David Fillman and approved unanimously by Committee members, it was;

RESOLVED: That this meeting be adjourned at 11:40 a.m.

Respectfully Submitted,


Katie Mathews
Director of Human Resources


Christopher C. Houston
Executive Deputy Chief Counsel
Acting Chief Compliance Officer