

Minutes of Board Governance and Personnel Committee Meeting

Wednesday, April 28, 2021

Attendees:

All Board Members, Designees, and SERS staff participated via Microsoft Teams, unless otherwise indicated.

Board Governance and Personnel Committee:

David Fillman, Chair (in person, SERS Board Room)
Treasurer Stacy Garrity
 Christopher Craig (designee for Treasurer Stacy Garrity)
 Lloyd Ebright (designee for Treasurer Stacy Garrity)
Sen. Vincent Hughes, Assistant Chair - **Absent**
 Charles Duncan (designee for Sen. Vincent Hughes)
 Matt Lindsay (designee for Sen. Vincent Hughes)
 Toni Marchowsky (designee for Sen. Vincent Hughes) - **Absent**
Gregory Thall
Secretary Richard Vague
 Alan Flannigan (designee for Secretary Richard Vague)
 James Bloom (designee for Secretary Richard Vague)

Other Board Members:

Glenn Becker
Susan Boyle (designee for Rep. Paul Schemel)
Sen. John DiSanto
Rep. Dan Frankel
Gregory Jordan
Dan Ocko (designee for Rep. Dan Frankel)
Rep. Paul Schemel
Patrick Shaughnessy (designee for Rep. Dan Frankel)
Mary Soderberg
Jill Vecchio (designee for Rep. Paul Schemel)

SERS Staff:

Rose Agnew, Executive Secretary (in person, SERS Board Room)
Katie Bates, Administrative Officer (in person, SERS Board Room)
Don Bell, Executive Assistant (in person, SERS Board Room)
Kelly Bernhard, Administrative Assistant (in person, SERS Board Room)
Tom Derr, Communications and Policy Director

Randy Gilson, Director, Technical Support Division (in person, SERS Board Room)
Mark Walter, IT Generalist Administrator (in person, SERS Board Room)
Pam Hile, Communications Director
Christopher Houston, Committee Senior Staff (Compliance)
Dan Krauthem, Chief Information Officer (in person, SERS Board Room)
Katie Mathews, Committee Senior Staff (HR)
N. Joseph Marcucci, Chief Counsel
Sara McSurdy, Chief Financial Officer
Jim Nolan, Deputy Chief Investment Officer
Terrill Sanchez, Executive Director
Joe Torta, Deputy Executive Director for Member and Participant Services
Karen Lynn, Internal Audit Director

Guests:

Flick Fornia, Funston Advisory Services LLC
Jon Lukomnik, Funston Advisory Services LLC
Lisa Morris, Funston Advisory Services LLC
Randall Miller, Funston Advisory Services LLC
Rick Funston, Funston Advisory Services LLC

1. Call to Order

At 1:12 P.M., Chair David Fillman called the meeting to order.

2. Welcome and Introduction

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

3. Approval of Minutes

Minutes of February 23, 2021, 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 February 23, 2021, Board Governance and Personnel Committee meeting.

4. Old Business

There was no old business.

5. Special Presentations

There were no special presentations.

6. New Business**a. SERS Fiduciary Review and Board Self-Assessment – Final Report**

Funston Advisory Services LLC

Representatives of Funston Advisory Services (Randall Miller, Rick Funston, Jon Lukomnik, Lisa Morris, and William Fornia) gave a presentation of the *SERS Fiduciary Review and Board Self-Assessment – Final Report*, which included reports and recommendations in the following areas:

1. A fiduciary and governance review of the Board’s performance of its duties in the following four task areas:

Non-Economic Investment Requirements
 The Asset Liability Matching Process
 Legislative Positioning: Reactive and Proactive
 Investment Manager Selection / Due Diligence / Monitoring / Termination

- 2: A self-assessment of the Board in ten areas of governance.

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) accept Funston Advisory Services LLC’s *SERS Fiduciary Review and Self-Assessment Final Report* dated April 19, 2021, and (2) direct staff to engage with the appropriate standing committees to: (a) review the Final Report’s recommendations, and (b) make recommendations to the Board for action, as appropriate.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Charles Duncan	Yes
THALL	Yes
VAGUE	Yes
Designee:	

7. **Committee Comments/Concerns/Questions**

Secretary Vague inquired as to the Executive Director search process and was advised that this topic is being addressed at the following Board meeting in executive session. The Secretary also asked that the committee review employee scheduling flexibility.

8. **Motion to Adjourn**

Motion:

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

RESOLVED: That this meeting be adjourned at 2:22 P.M.

Respectfully Submitted,


Katie Mathews
Director of Human Resources


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