

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD
5 North Fifth Street
Harrisburg, Pennsylvania**

Regular Meeting

Minutes

Thursday January 16, 2020

10:23 A.M.

Board Members Present

Ms. Melva S. Vogler, Chairman
Mr. Nathan G. Mains, Vice Chairman
Ms. Deborah J. Beck
Senator John P. Blake
Mr. Patrick Shaughnessy for
 Representative Matt Bradford
Ms. Stacey Connors for
 Senator Patrick M. Browne
Mr. Jason M. Davis
Mr. Eric O. DiTullio
Ms. Susan C. Lemmo
Mr. Patrick Lord for
 Secretary Pedro A. Rivera
Representative Francis X. Ryan
Mr. Christopher SantaMaria
Mr. Christopher Craig for
 Treasurer Joseph M. Torsella
Secretary Robin L. Wiessmann

Others Present

Ms. Anne Baloga
Mr. Chris Behrens, AON
Mr. James Bloom
Ms. Suzanne Dugan, Cohen Millstein
Mr. Alan Flannigan
Ms. Miriam Fox
Mr. Casey Martin
Mr. Luc Miron
Mr. Patrick Shaughnessy
Ms. Pilar Sorenson, PESP
Mr. William Ryan, AON

Staff Members Present

Mr. Thomas Bauer
Mr. Brian Carl
Mr. Dwight Decker
Mr. James Del Gaudio
Mr. Steven Esack
Mr. Dennis Filipovich
Mr. Andrew Fiscus
Mr. Todd Fulton
Mr. Glen R. Grell
Mr. James H. Grossman, Jr.
Ms. Elizabeth Goldstein
Mr. Steven Goldstein

Mr. Steven Hocker
Ms. Heather Jones
Mr. Carl Lantz
Ms. Patricia Lorenz
Ms. Jennifer Mills
Mr. Eugene Robison
Mr. Charles K. Serine
Ms. Kathrin Smith
Mr. Charles Spiller
Ms. Lisa Souther
Ms. Laura Vitale
Mr. Joseph E. Wasiak, Jr.
Ms. Evelyn Tatkovski Williams

CALL TO ORDER

Mr. Grell called the meeting to order at 10:23 A.M. in the fourth floor Board Room at PSERS' headquarters.

ELECTION OF BOARD CHAIRMAN

Mr. Grell called for nominations for Chairman of the Board of the Public School Employees' Retirement Board for the year 2020. Ms. Vogler nominated Mr. SantaMaria as Chairman. Ms. Lemmo seconded the motion. No additional nominations were made. After a brief discussion. The motion passed unanimously.

ELECTION OF BOARD VICE-CHAIRMAN

Mr. Grell called for nominations for Vice-Chairman of the Board of the Public School Employees' Retirement Board for the year 2020. Secretary Wiessmann nominated Representative Ryan as Vice-Chairman. Mr. Shaughnessy seconded the motion. No additional nominations were made. The motion passed unanimously.

Mr. Grell turned the meeting over to Chairman SantaMaria. Chairman Santa Maria thanked Ms. Vogler for her leadership and vision while Chairing the Board. Ms. Vogler thanked those who have supported her over the years.

RESOLUTION FOR MS. VOGLER

Chairman SantaMaria moved, WHEREAS, today the Board recognizes Ms. Melva S. Vogler for her outstanding chairmanship of the Public School Employees' Retirement System (PSERS) from 2007 through 2019, and as a member of the PSERS Board for over 25 years, and
WHEREAS, Ms. Vogler set a high standard as Board Chair by traveling over hill and dale from Hawley, never letting bad weather, Pennsylvania potholes, or traffic slow her down and keep her from her Chairman duties at PSERS Board meetings and functions, and

WHEREAS, Ms. Vogler strongly supported PSERS' staff, including taking part in PSERS Staff Recognition Program each year in Harrisburg, and
WHEREAS, Ms. Vogler deserves much credit for building a strong leadership foundation steeped in independence, fiduciary duty, and loyalty to members, and
WHEREAS, Ms. Vogler "spared the gavel," favoring a collegial meeting atmosphere that allowed all Board members to ask questions and raise issues, and
WHEREAS, Ms. Vogler championed the importance of continuing education and supported learning opportunities that allowed Board members to grow in their role, and
WHEREAS, Ms. Vogler participated in various national pension organizations, including serving as a past President of the National Council on Teacher Retirement (NCTR) and continues to actively serve on the NCTR Legislation Committee, and
THEREFORE, BE IT RESOLVED, that PSERS Board of Trustees hereby thanks Ms. Vogler for her dedicated service as PSERS Board Chairman, looks forward to her continuing service as the Annuitant Member of the Board, and will remain ever grateful for her commitment to the PSERS Board and its members.
Presented on behalf of the Board of the Trustees, this 16th day of January 2020. Mr. Davis seconded the motion, which passed unanimously.

Mr. Grell welcomed new employees, Mr. Carl Lantz, Ms. Heather Jones and Ms. Lisa Souther to PSERS, and introduced them to the Board. Mr. Grell also welcomed Mr. William Ryan and Mr. Chris Behrens from AON and Mr. Casey Martin to the meeting. Mr. Grell also introduced Ms. Pilar Sorenson from Private Equity Stakeholders Project.

Mr. DiTullio moved to approve the minutes of the December 6, 2019 Board meeting. Mr. Shaughnessy seconded the motion, which passed unanimously.

Ms. Pilar Sorenson from Private Equity Stakeholders Project, made comments to the Board and presented materials raising objections to the System's investment in Cerberus, pertaining to the ongoing contract negotiations with Local 400 and Albertson's/Safeway employees.

WELCOME GUESTS AND
NEW EMPLOYEES

MINUTES APPROVED

VISITORS COMMENTS

UNFINISHED BUSINESS

AD HOC GOVERNANCE COMMITTEE

There was a discussion on Governance Consulting services. The Board was asked to submit comments to the draft RFP by the January Board Meeting. Secretary Wiessmann provided the Board with her comments and recommendations for the RFP. A discussion followed, with the direction for staff to revise the RFP for the March Board meeting.

POLICY REVIEW

Mr. Grossman, Mr. Serine and Mr. Wasiak certified that the annual review of PSERS' policies has been performed and all policies are current and accurate.

NEW BUSINESS

SUSTAINABLE INVESTING

Secretary Wiessmann presented information on sustainable investing. The environmental, the social aspect and governance are all part of sustainable investing and is proposing it for Board consideration. A discussion followed. No action was taken, but the Board directed staff to provide background information and education sessions on the subject at the June Board meeting for more education on sustainable investing.

EXECUTIVE SESSION

EXECUTIVE SESSION

At 1:59 P.M. Mr. Grell stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into an Executive Session to discuss the items listed on today's agenda, namely a Deep Executive Session of the Board and their Fiduciary Counsel.

According to Section 708(a) of the Sunshine Act, 65 Pa. C.S. 708(a), we are going into Executive Session to discuss: Agency business which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of law, and Quasi-judicial matters. Representative Ryan moved that the Board enter Executive Session, Mr. Shaughnessy seconded the motion which, passed unanimously.

The regular session resumed at 2:35 P.M.

INVESTMENT COMMITTEE REPORT

Mr. Mains reported on the meeting held on January 16, 2020.

Mr. Mains stated that the Committee approved the minutes of the December 5, 2019 meeting.

MINUTES APPROVED

Mr. Mains reported that the 90-minute Private Equity Educational Panel Discussion was held in the Rachel Carson Building Auditorium. Members and Designees attending the Educational Presentation were noted in the Board Education Log.

EDUCATION

Mr. Mains stated that Mr. Grossman presented the PSERS Fund and Market Overview. Mr. Spiller gave an update on Galleria Mall. Mr. Sheva gave a presentation on the Investment Policy Statement, Objectives, and Guidelines. A discussion followed. It was also announced that on February 27 there would be an IPS Workshop.

PRESENTATIONS

PERSONNEL COMMITTEE REPORT

Mr. Santa Maria reported on the Personnel Committee meeting held on January 16, 2020

Mr. Santa Maria reported that the Committee approved the minutes from August 9, 2019.

MINUTES APPROVED

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Carl presented his Chief Financial Officer's Report, which included: preliminary financial results for the first six months of FY19/20, a report on Sources of Unfunded Liability, Negative External Cash Flow, a Funded Ratio History and other financial management activities.

CFO REPORT

CHIEF COUNSEL'S REPORT

OCC REPORT

Mr. Serine presented his Annual Report for 2019.

DEPUTY EXECUTIVE DIRECTOR'S REPORT

DED REPORT

Ms. Mills gave her Deputy Executive Director's Report, which included: an update on the Bureau of Communications and Counseling, the Bureau of Benefits Administration and Health Insurance Office; an overview of the Executive Staff Review Committee Adjudications and an update on DC Plan Enrollment.

EXECUTIVE DIRECTOR'S REPORT

ED REPORT

Mr. Grell presented his annual report: A Year in Review and 2020 Agency Priorities.

BOARD MEMBER
COMMENTS

Ms. Vogler thanked the Board for their support during her tenure as Chair.

Chairman Santa Maria asked the Board to submit any Committee assignment requests by January 31, 2020.


ADJOURNMENT

Chairman Santa Maria accepted a motion to adjourn the meeting at 3:45 P.M.

NEXT MEETING

The next regularly scheduled meeting of the Public School Employees' Retirement Board will be held on March 6, 2020 at PSERS' Headquarters, 5 N. 5th Street, Harrisburg, PA.

2/19/2020
Date


Glen R. Grell
Executive Director