



Public School Employees' Retirement Board

Special Board Meeting Minutes

Monday, April 4, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 5:30 P.M. from the PSERS Board Room and via MS TEAMS.

Board Members Present:

Christopher Santa Maria, Chair	Stacey Connors for Sen. Patrick Browne	Ann Monaghan
Rep. Frank Ryan, Vice-Chair	Jason Davis	Sen. Katie Muth
Patrick Shaughnessy for Rep. Matt Bradford	Treas. Stacy Garrity	Patrick Lord for Sec. Noe Ortega
	Susan Lemmo	Sec. Richard Vague
		Melva Vogler

Board Members Absent:

Eric DiTullio	Nathan Mains	Joe Torsella
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Others Present:

Anne Baloga	Lloyd Ebright	Kim Kuntz, Post&Schell, P.C.
James Bloom	Alan Flannigan	Terri Sanchez
Susan Boyle	Mike Gehrig, Steve Harvey Law	Jill Vecchio
John Callahan	Steve Harvey, Steve Harvey Law	Michael Winfield, Post&Schell, P.C.
Kelly Conway, Steve Harvey Law	Erin Kawa, Post&Schell, P.C.	
Christopher Craig	Michael Kichline, MorganLewis	

Staff Present:

Tivia Danner	Charles Serine
Liz Goldstein	Steve Skoff
Terri Sanchez	

1. Acceptance of Published Agenda or Amendments

Rep. Frank Ryan motioned, with Jason Davis seconding. The motion passed unanimously.

2. Public Comment

Terri Sanchez, Board Secretary and Executive Director, confirmed her physical presence in the PSERS Board Room, and further confirmed no public attendees, nor any requests for Public Comment.

3. Executive Session for Outside Counsel

At 5:35 P.M., Terri Sanchez stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into Executive Session to discuss the item listed on today's agenda, namely to discuss retention of Outside Counsel to represent the Board in litigation. 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.”

Rep. Frank Ryan moved that the Board enter Executive Session, with Jason Davis seconding the motion. The motion passed unanimously.

Sen. Katie Muth recused herself from the Executive Session.

The Regular session resumed at 7:09 P.M.

Sen. Katie Muth returned to the meeting at 7:12 P.M.

4. Action Items

Resolution 2022-29 Re: Legal Services Post & Schell, P.C.

RESOLVED, that, the Public School Employees’ Retirement Board (Board) hereby retains the law firm of Post & Schell, P.C. to represent and provide guidance to the Board and to Christopher Santa Maria, in his Official Capacity as Chairman, in all matters relating to the litigation before Commonwealth Court captioned The Honorable Katie J. Muth v Public School Employees’ Retirement Board, Christopher Santa Maria, in his Official Capacity as Chairman, Glen R. Grell in his Official Capacity as Executive Director, and the Public School Employees’ Retirement System (Docket No. 182 MD 2021), and any collateral issues related hereto. The final terms and conditions of the legal services agreement must be satisfactory to the Office of Chief Counsel and the Executive Office as evidenced by their respective signatures on the contract amendments.

Christopher Santa Maria moved the resolution, and Rep. Frank Ryan seconded.

The resolution passed, with one abstention being Sen. Katie Muth, and three absent from vote being Eric DiTullio, Nathan Mains, and Joe Torsella.

5. Board Member Comments - none

Without objection, Christopher Santa Maria adjourned the meeting at 7:13 P.M.

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4/18/2022



Public School Employees' Retirement Board

Special Board Meeting Minutes

Monday, May 9, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 4:01 P.M. via MS TEAMS.

Board Members Present:

Christopher Santa Maria, Chair	Jason Davis	Ann Monaghan
Rep. Frank Ryan, Vice-Chair	Eric DiTullio	Sen. Katie Muth
Patrick Shaughnessy for Rep. Matt Bradford	Treas. Stacy Garrity	Joe Torsella
Stacey Connors for Sen. Patrick Browne	Patrick Lord for Sec. Hagarty	Sec. Richard Vague
	Susan Lemmo	Melva Vogler
	Nathan Mains	

Others Present:

Anne Baloga	John Callahan	Alan Flannigan
James Bloom	Christopher Craig	Jill Vecchio (out @5:52)
Susan Boyle	Lloyd Ebright	

Staff Present:

Brian Carl	Liz Goldstein	Charles Serine
Tivia Danner	Bev Hudson	David Shissler
Bob Devine	Stephanie Lanius	
Mercedes Evans	Terri Sanchez	

1. Acceptance of Published Agenda or Amendments

Susan Lemmo motioned to amend the agenda to add an update on the search for the Executive Director and Chief Counsel positions to the Executive Session, with Sec. Richard Vague seconding. Rep. Frank Ryan moved the agenda as amended, with Jason Davis seconding. The motion passed unanimously.

2. Public Comment

Terri Sanchez, Board Secretary and Executive Director, confirmed her physical presence in the PSERS Board Room, and further confirmed no public attendees, nor any requests for Public Comment.

3. Executive Session for Outside Counsel

At 4:04 P.M., Terri Sanchez stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into Executive Session to discuss the item listed on today's agenda, namely to discuss an ITQ for an Actuarial Audit Firm, an RFP for an Indemnification Counsel, Potential Litigation Matter, update on the Executive Director and Chief Counsel search, and an Appraisal Firm. 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."

Rep. Frank Ryan moved that the Board enter Executive Session, with Jason Davis seconding the motion. The motion passed unanimously.

The Regular session resumed at 7:08 P.M.

4. Action Items

Resolution 2022-32 Re: Actuarial Audit Contract - Cheiron

RESOLVED, the Public School Employees' Retirement Board (Board) hereby retains Cheiron, an actuarial consulting/auditing firm, to conduct a comprehensive actuarial audit for the primary purpose of independent verification and analysis of the assumptions, methods, results, and reporting used by the Board's consulting actuary for their actuarial valuation and the five-year experience review.

The terms and conditions of this engagement shall be accomplished by the execution of a Purchase Order, in accordance with the firm's existing Commonwealth contract.

The final terms and conditions shall be satisfactory to the Executive Director, Internal Audit Office, and the Office of Chief Counsel.

Rep. Frank Ryan moved the resolution, and Treas. Stacy Garrity seconded.

The resolution passed, with one opposed being Sen. Katie Muth.

Resolution 2022-33 Re: Indemnification Counsel

Whereas, Section 7.1(b) of the Public School Employees' Retirement Board (Board) Bylaws requires the board to retain two indemnification counsel under contract to provide advice for coverage of claims for indemnification; and

Whereas, the Board issued RFP 2022-1 to seek qualified candidates to represent the Board in this matter.

RESOLVED, the Board hereby retains the law firms of Stradley Ronon Stevens & Young, LLP and Clark Hill as its indemnification counsel for the next 5-year term, commencing July 1, 2022.

Final terms and conditions of each contract shall be acceptable to the Executive Director and the Office of Chief Counsel.

Jason Davis moved the resolution, and Sec. Richard Vague seconded.

The resolution passed, with one abstention being Sen. Katie Muth, and one recusal being Patrick Shaughnessy on behalf of Rep. matt Bradford.

Resolution 2022-34 Re: Outside Counsel – Litigation Support

RESOLVED, that the Public School Employees' Retirement Board hereby authorizes the law firm of Blank Rome to assist the office of Chief Counsel in analyzing, pursuing, and resolving potential litigation arising from the results of the risk share calculation error.

Rep. Rank Ryan moved the resolution, and Sec. Richard Vague seconded.

The resolution passed, with one abstention being Sen. Katie Muth.

Resolution 2022-35 Re: Harrisburg Properties – Appraisal

RESOLVED; that the Public School Employees' Retirement Board (Board) hereby retains the firm of Rittenhouse Appraisers to perform an appraisal of the property owned by the Board's holding companies, 812 Market, Inc. and Camcorr, LLC (collectively "812 Market"), as of June 30, 2022. The Office of Chief Counsel shall oversee the appraiser's work and be the point person for any questions raised by the appraiser. The appraisal will be developed in accordance with Uniform Standards of Professional Appraisal Practice and the Code of Ethics and Certification Standards of the Appraisal Institute.

In addition, the firm is retained to perform an appraisal of the following properties owned by 812 Market:

1. Patriot News Site, consisting of 8 parcels (810, 812, & 900 Market, 12, 21, & 23 N. 9th St.; 24 & 26 N. 10th St), as of December 31, 2017;
2. The Clay Lots, consisting of 3 parcels (23, 27, and 31 North 10th Street), as of December 4, 2018;
3. DGS Building located at 908 Market Street, as of August 28, 2019;
4. PHFA Building located at 1000 Market Street, as of May 7, 2019;

5. Second Clay Lots, consisting of 2 parcels (829 and 1001 Market Street) as of November 12, 2019.

The final terms and conditions of the contract must be satisfactory to the Internal Audit 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 contract.

Rep. Frank Ryan moved the resolution, and Treas. Stacy Garrity seconded. Discussion followed.

Chair Santa Maria clarified the process by noting that the appraisal results would be provided to the Audit, Compliance & Risk Committee and then by the Committee report to the full Board.

Rep. Frank Ryan offered a friendly amendment to state the appraisals would be made public, with Treas. Stacy Garrity seconding the amendment.

RESOLVED; that the Public School Employees' Retirement Board (Board) hereby retains the firm of Rittenhouse Appraisers to perform an appraisal of the property owned by the Board's holding companies, 812 Market, Inc. and Camcorr, LLC (collectively "812 Market"), as of June 30, 2022. The Office of Chief Counsel shall oversee the appraiser's work and be the point person for any questions raised by the appraiser. The appraisal will be developed in accordance with Uniform Standards of Professional Appraisal Practice and the Code of Ethics and Certification Standards of the Appraisal Institute.

In addition, the firm is retained to perform an appraisal of the following properties owned by 812 Market:

1. Patriot News Site, consisting of 8 parcels (810, 812, & 900 Market, 12, 21, & 23 N. 9th St.; 24 & 26 N. 10th St), as of December 31, 2017;
2. The Clay Lots, consisting of 3 parcels (23, 27, and 31 North 10th Street), as of December 4, 2018;
3. DGS Building located at 908 Market Street, as of August 28, 2019;
4. PHFA Building located at 1000 Market Street, as of May 7, 2019;
5. Second Clay Lots, consisting of 2 parcels (829 and 1001 Market Street) as of November 12, 2019.

The final terms and conditions of the contract must be satisfactory to the Internal Audit 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 contract.

The results of these appraisals will be public on the PSERS website

The resolution as amended passed, with one opposed being Sen. Katie Muth.

5. Womble Bond Contract – Extension

Chuck Serine provide an update on the Womble Bond contract. A discussion followed. Chair Santa Maria requested the Audit, Compliance & Risk Committee discuss an extension date during the Special Audit, Compliance & Risk Committee meeting scheduled for May 18, and report back to the full Board during the June 17, 2022 Board meeting with a recommendation on the length of time to extend the Womble Bond contract.

6. Verus Contract – Amendment Update

Bev Hudson, Deputy Executive Director of Administration, provided an update on the Verus contract stating the first six-month incremental option resulted in a voluntary discount effective April 28, 2022 to reduce the fee from \$60,000 to \$55,000 per month, a savings of \$30,000 over the first six-months. If the contract continues with the second six-month increment, Verus will reduce the fee to \$50,000 per month.

7. Notational Ballots – Results

- 7.1 Terri Sanchez reported a notational ballot process for Oak HC/FT Partners V L.P. was commenced on 03/29/22, and ran through 04/04/22, upon which the votes were tabulated, by the Board Liaison and verified by me, as Executive Director. Ms. Sanchez confirmed that the votes were nine (9) in favor, four (4) opposed being Lloyd Ebright on behalf of Treas. Stacy Garrity, Sen. Katie Muth, Rep. Frank Ryan, and Joe Torsella, one (1) abstention being Nathan Mains, and one (1) recusal being Alan Flannigan on behalf of Sec. Richard Vague.

2022-30 PSERB Resolution Oak HC/FT Partners V, L.P.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby commits an amount not to exceed \$100 million, plus reasonable and normal investment expenses, in Oak HC/FT Partners V, L.P., (and/or related investment vehicles) in accordance with the recommendations of G. Anthony Meadows, Portfolio Manager, dated February 11, 2022, and Hamilton Lane, dated January 25, 2022. The final terms and conditions of the investment 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.

- 7.2 Terri Sanchez reported A notational ballot process for Clearlake Opportunities Partners III L.P. was commenced on 03/31/22, and ran through 04/22/22, upon which the votes were tabulated, by the Board Liaison and verified by me, as Executive Director. Ms. Sanchez confirmed that the votes were eleven (11) in favor, and four (4) opposed being Treas. Stacy Garrity, Sen. Katie Muth, Patrick Lord on behalf of Sec. Noe Ortega, and Joe Torsella.

2022-31 PSERB Resolution Clearlake Opportunities Partners III

RESOLVED, that the Investment Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board commit an amount not to exceed \$100 million, plus reasonable and normal investment expenses, to Clearlake Opportunity Partners III, L.P. and/or related investment vehicles, in accordance with the recommendation of James F. Del Gaudio, Director, dated March 29, 2022 and Hamilton Lane, dated February 23, 2022. The final terms and conditions of the investment 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.

8. Board Member Comments - none

Without objection, Christopher Santa Maria adjourned the meeting at 7:36 P.M.

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Terri J. Sanchez

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5/25/2022