

# Public School Employees' Retirement Board

## Special Board Meeting Minutes

Monday, January 31, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 8:13 P.M. via MS TEAMS.

### Board Members Present:

Christopher Santa Maria, Chair  
Rep. Frank Ryan, Vice-Chair  
Patrick Shaughnessy for Rep.  
Matt Bradford  
Stacey Connors for Sen. Patrick  
Browne

Jason Davis  
Treas. Stacy Garrity  
Susan Lemmo  
Nathan Mains  
Ann Monaghan  
Sen. Katie Muth

Patrick Lord for Sec. Noe Ortega  
Joe Torsella  
Sec. Richard Vague  
Melva Vogler

### Board Members Absent:

Eric DiTullio

### Others Present:

Meredith Auten, MorganLewis  
James Bloom  
Thomas Clancy  
Christopher Craig  
Lloyd Ebright

Alan Flannigan  
Zane Memeger, MorganLewis  
Claire Rauscher,  
WombleBondDickinson

Sarah Stone,  
WombleBondDickinson  
William Sullivan, Pillsbury

### Staff Present:

Tivia Danner  
Terri Sanchez

Charles Serine

## 1. Acceptance of Published Agenda or Amendments

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

## 2. Public Comment – none

## 3. Consultation with Counsel in Connection with Potential or Current Litigation

At 8:15 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 consultation with counsel in connection with potential or current 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 Treas. Stacy Garrity seconding the motion. The motion passed unanimously.

The Regular session resumed at 10:52 P.M.

## 4. Action Items

### **Resolution 2022-08 Re: Issuance of the Womble Bond Report Concerning the Investigation of the Shared Risk Calculation and the Harrisburg Real Estate**

**WHEREAS**, pursuant to Resolution 2021-11 (A/C), the Audit/Compliance Committee of the Public School Employees’ Retirement Board (the “Board”) authorized the engagement of Womble Bond Dickinson (“Womble Bond”) to conduct a special independent investigation surrounding the circumstances of the misstatement of the 9-year investment performance used for the shared risk calculation in December 2020 (the “Shared Risk Calculation”);

**WHEREAS**, pursuant to Resolution 2021-27 (A/C), the Public School Employees' Retirement Board (the "Board") expanded the scope of the special independent investigation to be conducted by Womble Bond, to include facts and circumstances surrounding the purchase and valuation of the following properties in Harrisburg, Pennsylvania by PSERS: 1) former Harrisburg, Patriot News facilities on Market, Ninth and Tenth Streets; 2) former Department of General Services Building on Market Street; 3) three additional Tenth Street Parcels; 4) 1000 Market Street; and 5) the use in 2019 of \$5 Million for these purchases (collectively the “Harrisburg Real Estate”);

**WHEREAS**, Womble Bond has submitted its written report dated January 31, 2022 on its investigation of the Shared Risk Calculation and the Harrisburg Real Estate (the “Report”);

**RESOLVED**, that the Board hereby authorizes the public issuance of the Womble Bond Report, including all of its appendices, with exhibits to follow, by posting the Report on its website at the conclusion of the meeting.

Rep. Frank Ryan moved the resolution, and Joe Torsella seconded.

#### **Comments:**

Sen. Katie Muth stated the following, *“For the public, if they even knew to listen because of the late hour and also the massive delay in the Sunshine Board meeting, for those who are listening and hopefully the meeting minutes will correctly reflect my comments, that despite my immense support for making all reports and findings public, that this report did not give any sort of recommendation, that this public report will be redacted for privilege, and that also there was debate over what was redacted versus what was not. I think that is an important thing to note because this is a tax-payer funded report and I hope that the questions raised today will be answered and followed up on thoroughly and urgently as they are imperative to actually determining how to take the appropriate steps moving forward to make sure this never happens again.”*

Treas. Stacy Garrity expressed she was *“very pleased that the Board has chosen to release the complete Womble Bond report. This is an issue of great public interest, the public deserves to have access to the report, of Womble Bond’s independent investigation. As the Board moves forward this is the kind of transparency that will give the public confidence in our actions.”*

Rep. Frank Ryan stated *"I want to thank everyone that participated in this, but I will also concur with the Treasurer's comment. This is a level of transparency, a level of thoroughness, a level of accuracy, and the vast majority of folks relative to the cooperation to provide an accurate and full report relating to what transpired for the shared risk issue in the Harrisburg property calculation, and I recognize that as we move forward from this and as well as with the Funston report that we will be making recommendations for additional changes to governance and the implementation of some of those changes that have already been enacted by statute to include the project that's already been working underway relative to the SOC1 Type2 engagement, we will find an additional set of internal controls that we will be able to affect. Again, this is a good step and the Board has been doing this for quite some time now, to be able to make sure that level of overall supervision controls that continue to reflect that the assets have been fully protected have clearly been identified."*

Nathan Mains comments, *"I just want to thank the folks from Womble. It was a long and difficult process and long and difficult day. While they are sitting right now, they've actually been able to stand for 15 hours and keep going. Kudos to them. Secondly, to thank the Audit Committee and specifically Frank Ryan who has driven the Audit Committee as they've led this, and then Chris to you as well. I know you and Frank have been busier with this than any other Board member and given up more hours than just about anybody else, and hopefully you can start to reclaim some of your time, both of you, so my thanks."*

Sec. Richard Vague stated, *"I would heartily endorse what Nathan Mains said. I would absolutely concur with what Treasurer Garrity said. This is a document that will bring great benefit to us, we have learned a lot in the process, and I think the organization will be greatly improved as we consider the matters in this document and implement the necessary things to make this a better organization. And lastly, I'd like to thank Chairman Santa Maria for his terrific leadership over the last year to get us to this point. I'm very excited about the things that are going on inside PSERS now and very optimistic about the future."*

Sen. Katie Muth responded with, *"I would like to add for the public's records that the documents that we were privy to were those presented to us, of all those collected, the Board has still not seen them all in their hard copy format to verify the findings in this complete report, which I would say complete is an operational definition for each Board member to define for themselves, so thank you."*

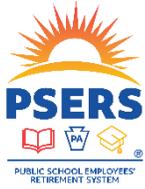
Chairman Santa Maria thanked everyone.

The resolution passed, with one absence being Eric DiTullio.

## 5. Other Business - none

Without objection, Christopher Santa Maria adjourned the meeting at 11:00 P.M.

DocuSigned by:  
  
DD466AF9D85D441...  
2/3/2022



# Public School Employees' Retirement Board

## Special Board Meeting Minutes

Thursday, February 24, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 4:00 P.M. via MS TEAMS.

### Board Members Present:

Christopher Santa Maria, Chair	Treas. Stacy Garrity	Joe Torsella
Rep. Frank Ryan, Vice-Chair	Susan Lemmo	Sec. Richard Vague
Patrick Shaughnessy for Rep. Matt Bradford	John Callahan for Nathan Mains	
Stacey Connors for Sen. Patrick Browne	Ann Monaghan	
	Sen. Katie Muth	
	Patrick Lord for Sec. Noe Ortega	

### Board Members Absent:

Jason Davis	Eric DiTullio	Melva Vogler
-------------	---------------	--------------

### Others Present:

James Bloom	Christopher Craig	Jill Vecchio
Susan Boyle	Lloyd Ebright	
Thomas Clancy	Alan Flannigan	

### Staff Present:

Tivia Danner	Bev Hudson
Elizabeth Goldstein	Terri Sanchez
Steve Hocker	Charles Serine

## 1. Acceptance of Published Agenda or Amendments

Christopher Santa Maria motioned for acceptance of the published agenda with flexibility, meaning items may be moved around. Rep. Frank Ryan motioned, with Susan Lemmo seconding. The motion passed unanimously.

Chris Santa Maria explained the agenda was to discuss time sensitive items otherwise the items would have been included in the regular Board meeting in March. He confirmed with Chuck Serine, Chief Counsel, that outside consultants were present so out of courtesy the agenda item related to their attendance be moved up so they are not required to remain through the full call.

## 2. Consultation with Counsel in Connection with Potential or Current Litigation

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 **Cyber Insurance Policy, Indemnification Counsel, Steinke-Subpoena, and tentatively Glen Grell's Settlement Agreement**. 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."

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

The Regular session resumed at 5:21 P.M.

### 3. Action Items

#### **Resolution 2022-09 Re: Cyber Insurance Renewal**

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") hereby approves the renewal of cyber insurance through Lockton Insurance, an insurance broker, with an aggregate insurance limit and retention within ranges as outlined in the Lockton Cyber insurance proposal. The final terms and conditions of the insurance policy must be satisfactory to the Office of Chief Counsel, Chief Information Security Officer, and the Office of the Executive Director.

Christopher Santa Maria moved the resolution, and Susan Lemmo seconded.

The resolution passed, with four absences being Jason Davis, Eric DiTullio, Joe Torsella, and Melva Vogler.

#### **Resolution 2022-10 Re: Legal Service Contract – Stradley Ronon, LLP**

**RESOLVED**, that, the Public School Employees' Retirement Board (Board) hereby retains the law firm of Stradley Ronon, LLP to serve as one of its indemnification counsel, pursuant to Section 7.1(b) of the PSERS Board Bylaws, with a contract term of March 1, 2022 through June 30, 2022.

Christopher Santa Maria moved the resolution, and Sec. Richard Vague seconded.

Stacey Connors asked PSERS Chief Counsel, Chuck Serine, what the look back time period is in order to opt for abstention. The look back period is two (2) years.

The resolution passed, with four absences being Jason Davis, Eric DiTullio, Joe Torsella, and Melva Vogler; and with two abstentions being Stacey Connors on behalf of Sen. Patrick Browne, and Sen. Katie Muth.

#### **Resolution 2022-11 Re: Legal Services Contract - Blank Rome, LLP**

**RESOLVED**, that, the Public School Employees' Retirement Board (Board) hereby retains the law firm of Blank Rome, LLP to represent the Board and the Public School Employees' Retirement System (PSERS) in matters relating to a subpoena issued to PSERS in the case of Steinke v. AON, Hamilton Lane, and 812 Market, Inc., and any collateral issues related thereto.

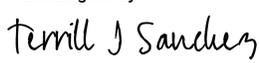
Christopher Santa Maria moved the resolution, and Susan Lemmo seconded.

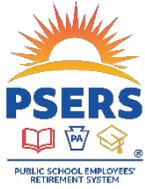
The resolution passed, with four absences being Jason Davis, Eric DiTullio, Joe Torsella, and Melva Vogler; and with four opposed being Rep. Frank Ryan, Treas. Stacy Garrity, Sen. Katie Muth, and John Callahan on behalf of Nathan Mains.

### 4. Other Business

Christopher Santa Maria announced the next regular Board meeting is scheduled for March 10-11, 2022.

Without objection, Christopher Santa Maria adjourned the meeting at 5:28 P.M.

DocuSigned by:  
  
DD466AF9D85D441...  
3/1/2022



# Public School Employees' Retirement Board

## Emergency Board Meeting Minutes

Thursday, March 3, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 4:00 P.M. via MS TEAMS.

### Board Members Present:

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

### Others Present:

Anne Baloga	John Donovan, BlackRock	Patrick Shaughnessy
James Bloom	Suzanne Dugan, CohenMilstein	Jill Vecchio
Susan Boyle	Lloyd Ebright	Scott Williamson, BlackRock
John Callahan	Alan Flannigan	
Thomas Clancy	Christopher Milken, BlackRock	

### Staff Present:

Thomas Bauer	Bev Hudson	Chuck Serine
Brian Carl	Christopher Jones	Joe Sheva
Tivia Danner	Mike Kondas	Steve Skoff
Bob Devine	Bob Little	Charlie Spiller
Mei Gentry	Jennifer Mills	Evelyn Williams
Jim Grossman	Terri Sanchez	

## 1. Acceptance of Published Agenda or Amendments

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

Chair Santa Maria provided the following statement:

*Good afternoon, everyone.*

*I have a brief statement.*

*On Monday I expressed my deepest concern, on behalf of the System, for the people of Ukraine who are suffering under the terrible military campaign being inflicted upon them by Russia with the cooperation of Belarus.*

*Last week I asked our investment staff to research the direct investment we have with firms doing business in Russia and Belarus. They estimate that our exposure in those two Countries is between \$270 – 300 million, or less than one half of one percent of our entire portfolio. That being said, any amount of investment in these two countries now poses an unacceptable risk, in my opinion. In my statement I said that our investment staff would continue to monitor the situation closely ahead of our regularly scheduled March 11 Board meeting, and that at that meeting we would make a decision on these investments.*

*Over the past three days I have been contacted by Board members who questioned whether it was necessary or prudent to wait another week to address this issue given that the situation over in the Ukraine has only gotten worse each day, and that many state and local governments, along with private sector firms, have already begun to take action. Waiting until March 11 may be a matter of scheduling convenience, but it most certainly doesn't reflect the sense of urgency the Board feels at this moment.*

*After a discussion involving the Vice Chair, the Investment Committee Chair, the Executive Director, our Interim Chief Investment Officer, and our Fiduciary Counsel along with our Chief Counsel, I have exercised my authority under the ByLaws to call for this emergency meeting of the Board so that we can take action now on behalf of our members. I have asked our Chief Counsel to prepare a resolution for consideration that would direct the Investment Office to begin the divestment of PSERS from Russia and Belarus in an expedited manner consistent with our fiduciary responsibility of prudence. The resolution will also halt any future consideration of direct investments in Russia or Belarus, including firms based in those two countries, until such time as the Board changes that order. Bob Devine, our interim chief investment officer is here along with Suzanne Dugan, our fiduciary counsel. Bob, I will ask you to let me know if there is a need to take us into executive session for you to respond to a question. And, finally, I want to acknowledge the receipt of a letter today from Governor Wolf asking the Board to take action now to divest from Russia. I will now open up the meeting up for discussion.*

A discussion followed. Board members stated their support for the Ukrainians, condemnation of the Russia invasion of Ukraine, observance of the need for prudent and swift financial decisions, appreciation for fellow Board members in working with PSERS staff to schedule the meeting, and recognition of Governor Wolf's support in the form his letter to PSERS to make the decision of divesting Russian and Belarus investments.

## 2. Executive Session – none

## 3. Action Items

### **Resolution 2022-12 Divestment of Russian and Belarus Investment Holdings**

**RESOLVED**, that the Public School Employees' Retirement Board hereby authorizes the Interim Chief Investment Officer to take all necessary action to divest PSERS from investments in Russian and Belarus as expeditiously as possible, consistent with the Board's fiduciary duty of prudence.

Further resolved, no future investments involving Russia or Belarus shall be made or brought before the Board, until such time as the Board directs otherwise.

Melva Vogler moved the resolution, and Rep. Frank Ryan seconded.

The resolution passed unanimously.

## 4. Board Comments

Christopher Santa Maria requested the Investment Office provide an update to this divestment process during the Board meeting scheduled in June. Bob Devine, Interim Chief Investment Officer, agreed and offered a cursory progress report at the March 11, 2022, Board meeting.

Rep. Frank Ryan expressed his appreciation to the Board, and in reflection of his military service, applauded the strength of Ukrainians during this difficult time. He commended the Board for making the stand against the events happening in Europe.

Christopher Santa Maria echoed all comments made in the meeting regarding the support the Board is showing in making the decision and thanked everyone for attending the meeting on short notice. He was proud to be part of PSERS and hoped that PSERS' actions during the meeting and actions by investors around the world, would send a clear message and have a strong impact to end the conflict.

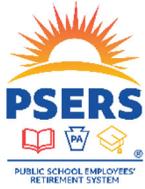
Without objection, Christopher Santa Maria adjourned the meeting at 4:25 P.M.

DocuSigned by:

*Terrell J Sanchez*

DD466AF9D85D441...

3/8/2022



# 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
---------------	--------------	--------------

### 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.

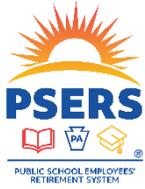
Christopher Santa Maria moved the resolution, and Rep. Frank Ryan seconded.

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.

DocuSigned by:  
  
DD466AF9D85D441...  
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  
Rep. Frank Ryan, Vice-Chair  
Patrick Shaughnessy for Rep. Matt  
Bradford  
Stacey Connors for Sen. Patrick  
Browne

Jason Davis  
Eric DiTullio  
Treas. Stacy Garrity  
Patrick Lord for Sec. Hagarty  
Susan Lemmo  
Nathan Mains

Ann Monaghan  
Sen. Katie Muth  
Joe Torsella  
Sec. Richard Vague  
Melva Vogler

### Others Present:

Anne Baloga  
James Bloom  
Susan Boyle

John Callahan  
Christopher Craig  
Lloyd Ebright

Alan Flannigan  
Jill Vecchio (out @5:52)

### Staff Present:

Brian Carl  
Tivia Danner  
Bob Devine  
Mercedes Evans

Liz Goldstein  
Bev Hudson  
Stephanie Lanius  
Terri Sanchez

Charles Serine  
David Shissler

### 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

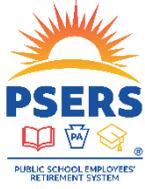
Without objection, Christopher Santa Maria adjourned the meeting at 7:36 P.M.

DocuSigned by:

*Terri J. Sanchez*

DD466AF9D85D441...

5/25/2022



# Public School Employees' Retirement Board

## Special Board Meeting Minutes

Tuesday, November 15, 2022 [Sunshine]

Call to Order: Chairperson Christopher Santa Maria called the meeting to order at 4:02 P.M. via MS TEAMS and the PERS Board Room.

### Board Members Present:

Christopher Santa Maria,  
Chairperson  
Rep. Frank Ryan, Vice-Chairperson  
Eric Dice for Rep. Matt Bradford  
Stacey Connors for Sen. Patrick  
Browne

Jason Davis  
Eric DiTullio  
Treas. Stacy Garrity  
Patrick Lord for Sec. Eric Hagarty  
Susan Lemmo  
Ann Monaghan

Sen. Katie Muth  
Sec. Richard Vague  
Melva Vogler  
*Absent – Nathan Mains*  
*Absent – Joe Torsella*

### Others Present:

James Bloom  
Susan Boyle  
Christopher Craig  
Lloyd Ebright

Alan Flannigan  
Jonathan Scott Goldman, Blank  
Rome  
Charles Marion, Blank Rome

Eric Pistilli  
Jill Vecchio

### Staff Present:

Brian Carl  
Tivia Danner  
Bob Devine  
Andy Fiscus

Mei Gentry  
Liz Goldstein  
Beverly Hudson  
Joe Indelicato

Jennifer Mills  
Terri Sanchez  
Letitia Schubauer  
Evelyn Williams

## 1.0 Roll Call

Terri Sanchez took roll and confirmed Board member quorum.

## 2.0 Acceptance of Published Agenda or Amendments

Christopher Santa Maria asked for a motion to accept the published agenda. Sec. Richard Vague moved to amend the agenda to include a discussion regarding FTX Exchange and Cryptocurrency, with Jason Davis seconding. The motion passed with two absent being Nathan Mains and Joe Torsella.

## 3.0 Public Comment

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

## 4.0 FTX Exchange and Crypto Currency Update

Bob Devine, PSERS Chief Investment Officer, provided an update on the status of FTX Exchange and Cryptocurrency. Mr. Devine explained to the Board that FTX Exchange declared bankruptcy. PSERS has <\$5 million in exposure to FTX Exchange through two different fund managers. PSERS has around \$30 million invested in other cryptocurrency exposure in the form of technology related companies. In addition to the crypto related company exposure, PSERS has \$1.3 million cryptocurrencies exposure in the fund.

Sec. Vague commented the exposure of loss related to FTX was not the point of this topic but in order to provide transparency, it was decided to advise the Board on the totality of the investment for matter of perspective.

A discussion followed.

## 5.0 Executive Session for Litigation Update and FTX Exchange and Crypto Currency

At 4:08 P.M., Terri Sanchez stated "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board and Section 708(a) of the Sunshine Act, we are going into Executive Session for Updates on Pending and Potential Litigation, and for an Update on FTX Exchange and Cryptocurrency, which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law."

Eric DiTullio moved that the Board enter Executive Session, and Stacey Connors seconded. The motion passed with two absent being Nathan Mains and Joe Torsella.

The Regular session resumed at 5:25 P.M.

### 5.1 Action Items

#### **Resolution 2022-80 Re: General Investment Consultant**

**RESOLVED**, that the Public School Employees Retirement Board (the "Board"), authorizes staff of the Public School Employees' Retirement System ("PSERS") to engage, through an emergency procurement, an investment consultant to perform investment consulting services including all asset classes and investments of the Public School Employees' Retirement Fund and performance measurement, risk and attribution services. The final terms and conditions of the agreement must be satisfactory to the Office of Chief Counsel, the Investment Office and the Executive Office as evidenced by their respective signatures on the agreement.

Further **Resolved**, that the Board authorizes the staff of PSERS to initiate the request for proposal process for an investment consultant to perform investment consulting services including all asset classes and investments of the Public School Employees' Retirement Fund and performance measurement, risk and attribution services.

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

The resolution passed with two absent being Nathan Mains and Joe Torsella.

#### **Resolution 2022-81 Re: Blank Rome Litigation**

**RESOLVED**, that the Public School Employees Retirement Board (the "Board"), authorizes Blank Rome to commence litigation with respect to matters related to the 2020 risk share calculation error.

Susan Lemmo moved the resolution, and Treas. Stacy Garrity seconded.

The resolution passed with two absent being Nathan Mains and Joe Torsella.

#### **Resolution 2022-82 Re: Independent Investment Performance Measurement Service Provider**

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") directs staff to identify an independent investment performance measurement service provider to review the return components associated with the risk share measurement period ending June 30th 2023.

Further **Resolved**, that the Board, having determined that circumstances exist to warrant an emergency procurement of an independent investment performance measurement service provider, authorize staff of the Public School Employees' Retirement System to enter into an agreement for such services. The final terms and conditions of the agreement must be satisfactory to the Office of Chief Counsel, the Investment Office and the Executive Office as evidenced by their respective signatures on the agreement.

Rep. Frank Ryan moved the resolution, and Jason Davis seconded.

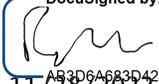
The resolution passed with two absent being Nathan Mains and Joe Torsella.

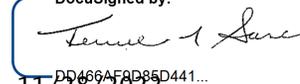
### Board Member Comments

Christopher Santa Maria recognized Rep. Frank Ryan and expressed appreciation for his contributions to PSERS, upon Rep. Ryan's last PSERB Board meeting. Rep. Ryan thanked the Board for the support over his tenure on the Public School Employees' Retirement Board.

As last official action as a Trustee, Rep. Frank Ryan moved to adjourn the meeting, and Sec. Richard Vague seconded. The motion passed unanimously.

Without objection, the Board adjourned the meeting at 5:32 P.M.

DocuSigned by:  
  
AB3D6A683D4249E...  
11/28/2022

DocuSigned by:  
  
DD466AF6D85D441...  
11/28/2022