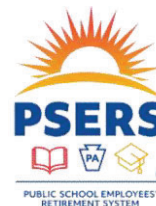


August 21, 2025 PSERB Board Meeting

PSERS Board Room 5 North 5th Street, Harrisburg, PA 17101 and via MS Teams
[Sunshine]



Chairperson Mr. Richard Vague
Vice Chairperson Ms. Susan Lemmo
Acting Board Secretary Benjamin Cotton

1. **Call to Order**

The Board met on August 21, 2025 virtually and in-person at PSERS located at 5 North 5th Street in Harrisburg, PA. Chairperson Richard Vague called the meeting to order at 2:43 P.M. Benjamin Cotton, Acting Executive Director and Board Secretary, took roll call and confirmed Board quorum.

Board Member Attendance:

Matt McCarry, Designee for Rep. Matthew Bradford, In Person
Dr. Pamela Brown, Virtual
Charles Erdman, Designee for Sen. Jarrett Coleman, Virtual
Eric DiTullio, In Person
Jill Vecchio, Designee for Rep. Torren Ecker, Virtual
Treas. Stacy Garrity, In Person (out at 2:57)
Susan Lemmo, In Person
Kevin Busher, Designee for Nathan Mains, Virtual
Ann Monaghan, In Person
Jason Moore, Absent
Jeffrey Cavanaugh, Designee for Sen. Katie Muth, Virtual
Brian Reiser, Absent
Patrick Lord, Designee for Acting Sec. Carrie Rowe, In Person
Sec. Wendy Spicher, In Person
Richard Vague, In Person

Additional Board Designee Attendance:

Carmen Bloom, Virtual
Christopher Craig, Virtual
Michael Heckmann, Virtual
Veronica Hoof, Virtual
Leo Knepper, Virtual
Eric Pistilli, Virtual

2. **Approval of Published Agenda or Requested Amendments**

Treas. Stacy Garrity moved to approve the published agenda with Eric DiTullio seconding. The motion passed with two (2) absent being Jason Moore and Brian Reiser.

3. **Approval of June 13, 2025, Minutes**

Treas. Stacy Garrity moved to approve the minutes with Eric DiTullio seconding. The motion passed with one (1) abstention being Ann Monaghan, and two (2) absent being Jason Moore and Brian Reiser.

4. **Public Comment**

Benjamin Cotton confirmed there was no request for public comment.

5. **Unfinished Business**

5.1 Notational Ballot

Benjamin Cotton announced the results of the following notational ballot:

A notational ballot process for RFP #2025-02 Retiree Dental Plan for the Health Options Program and RFP #2025-03 Retiree Vision Plan for the Health Options Program was commenced on July 7, 2025, and ran through 12:00 noon on July 14, 2025, upon which the votes were tabulated by the Board Liaison and verified by me, as Acting Executive Director, that the votes were eleven (11) in favor, and four (4) abstentions being Nathan Mains, Jason Moore, Sen. Katie Muth, and Acting Sec. Carrie Rowe.

The motion for RFP #2025-02 Retiree Dental Plan for the Health Options Program passed as **PSERB Resolution 2025-51**, and RFP #2025-03 Retiree Vision Plan for the Health Options Program passed as **PSERB Resolution 2025-52**.

6. New Business

6.1 Committee Charters

Matt McCarry provided a brief update on Committee Charters.

Matt McCarry moved the following:

WHEREAS, pursuant to the Committee Charters, each Committee is required to review its Charter every three years and, if applicable, make recommendations for changes to the Board in collaboration with staff and the Governance and Administration Committee;

WHEREAS, the Committees reviewed their charters and made recommended changes for the Board to consider; and

WHEREAS, on August 5, 2025, advance written notice of the proposed amendments to the Committee Charters was provided by the Chair of the Governance and Administration Committee to members of the Public School Employees' Retirement Board (the "Board") pursuant to the Statement of Organization Bylaws, and Other Procedures, Article VIII: Section 8.1: Amendments.

RESOLVED, that the Board accepts the recommendation of the Committees and adopts the proposed amendments to the Committee Charters, as attached.

Eric DiTullio seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-53**.

6.2 Committee Reports

6.2.1 Audit, Compliance and Risk Committee Report

Chair Treas. Stacy Garrity reported on the activities, findings, recommendations, and other relevant issues from the Audit, Compliance and Risk Committee meeting held on August 13, 2025.

Under New Business, the Committee:

- Received an update from Eric Decker on the Fraud, Waste and Abuse Policy Statement,
- Held an Executive Session to discuss External Managers Selection and Due Diligence Summary, SOC1 Type 2 Audit Results, STP User Access Review Results, Fraud, Waste, and Abuse Statistics, Annual Enterprise Risk Management Report, Annual Chief Risk Officer Touchpoint, and Compliance Plan Update.

Treas. Stacy Garrity moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Audit, Compliance and Risk Committee and rescinds the existing Fraud, Waste, and Abuse Reporting and Investigation Policy and replaces it with the Fraud, Waste, and Abuse Policy Statement, attached, to be reissued every calendar year to staff by the Executive Director.

Eric DiTullio seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-54**.

Treas. Stacy Garrity moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Audit, Compliance and Risk Committee and approves the SOC 1 Type II report (the "Report") and directs management to execute the management responses identified in the Report and regularly provide to the ACR Committee progress reports on addressing said management responses.

Eric DiTullio seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-55**.

Treas. Stacy Garrity moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee and authorizes staff to take the appropriate actions as necessary to request for the FY26/27 an increase to the complement of the Office of Chief Counsel to include an additional Attorney 1 or Attorney 2 to work predominantly in the Enterprise Compliance Function, reporting to the Chief Compliance Officer.

Eric DiTullio seconded.

The motion passed with one (1) opposed being Jill Vecchio, and two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-56**.

6.2.2 Investment Committee Report

Chair Treas. Stacy Garrity reported on the activities, findings, recommendations, and other relevant issues from the Investment Committee meetings held on August 14, 2025, and August 21, 2025.

At the August 14, 2025, meeting, under New Business, the Committee:

- Received a presentation from Michael Severance, Portfolio Manager, on Arctos Keystone Partners Fund I, L.P.,
- Received a presentation from Sean Sarraf, Portfolio Manager, on Park Square Capital US Loan Partners I, L.P.,
- Received a presentation from Cody Steele, Portfolio Manager, on DIF Infrastructure Fund VIII, L.P., and
- Held an Executive Session to discuss confidential provisions of the discussion items.

At the August 21, 2025, meeting, under New Business, the Committee:

- Received a presentation from Robert Devine, Deputy Chief Investment Officer, on the Investment Office Vital Signs,
- Received a presentation from Mark Brubaker, Verus Advisory, Inc., on the Capital Market Update and 1st Quarter 2025 Performance,
- Heard from Benjamin Cotton with the Chief Investment Officer Update,
- Fielded questions related to the discussion items presented at the August 14, 2025, Investment Committee meeting,
- Received an update from James Del Gaudio on the Private Markets Delegated Authorizations, and
- Held an Executive Session to discuss confidential provisions of the proposed discussion items.

Eric DiTullio moved the following motions as presented at the August 21, 2025, meeting, with Ann Monaghan seconding.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to

exceed \$100 million, to Park Square Capital U.S, Loan Partners I LP and/or related investment vehicles, and up to \$75 million to a strategic co-investment vehicle investing alongside PSERS' existing Park Square strategy commitments, plus reasonable and normal investment expenses in accordance with the recommendation of Sean T. Sarraf, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and 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.

The motion passed with one (1) opposed being Jeffrey Cavanaugh, and two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-57**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed €100 million, plus reasonable and normal investment expenses, to DIF Infrastructure Fund VIII SCSp, and/or related investment vehicles in accordance with the recommendation of Cody Steele, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and 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.

The motion passed with one (1) opposed being Jeffrey Cavanaugh, and two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-58**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and delegates the authority to the Chief Investment Officer in his discretion to commit new or additional sums to private markets investment vehicles managed by Park Square Capital ("PSC") and/or their affiliates, subject to each of the following constraints:

- a. Any new or additional commitments must be compliant with the External Manager exposure risk limits outlined in the Private Markets Asset Class Policy.
- b. For any new or additional commitments, PSERS total Private Markets Exposure ("NAV and unfunded") to PSC shall not represent more than 10% of PSERS Total Private Markets target allocation.
- c. Each individual new or additional commitment to PSC shall not exceed 1.5% of PSERS Total Private Markets target allocation.

Utilization of this delegated authority is subject to the notification and periodic reporting as prescribed within the External Manager Due Diligence and Monitoring Policy and this delegation prospectively supersedes and nullifies any prior grants of discretion by way of board resolutions related to PSC.

The final terms and conditions of new or additional commitments authorized under this delegation are subject to legal due diligence and 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 contracts.

The motion passed with one (1) opposed being Jeffrey Cavanaugh, and two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-59**.

6.2.3 Finance and Actuarial Committee Report

Chair Eric DiTullio reported on the activities, findings, recommendations, and other relevant issues from the Finance and Actuarial Committee meeting held on August 21, 2025.

Under Unfinished Business, the Committee:

- Held an Executive Session to discuss Withdrawal Liability – Partial Withdrawal Update.

6.2.4 Governance and Administration Committee Report

Matt McCarry, Designee for Chair Rep. Matthew Bradford, reported on the activities, findings, recommendations, and other relevant issues from the Governance and Administration Committee meeting held on August 21, 2025.

Under Unfinished Business, the Committee:

- Heard from Matt McCarry with a status update on the Contract Log,
- Heard from Beverly Hudson, Deputy Executive Director of Administration, on the Governance and Administration Committee Vital Signs, and
- Held an Executive Session to discuss Elections Services and Board Direct Reports Evaluations for Chief Investment Officer and Chief Counsel.

Under New Business, the Committee:

- Heard from Matt McCarry on proposed changes to the Elections Policy and the Education Policy.

Matt McCarry moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Governance and Administration Committee and engages Election-America, Inc., d/b/a YESElections, to provide Special Election services for a term not to exceed one (1) year. The final terms and conditions of the contract are subject to legal due diligence and must be satisfactory to the Deputy Executive Director for Administration, 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 contract.

Ann Monaghan seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-60**.

Matt McCarry moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Governance and Administration Committee and adopts the changes to the Board Elections Policy, attached.

Sec. Wendy Spicher seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-61**.

Matt McCarry moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Governance and Administration Committee and adopts the changes to the Board Education Policy, attached.

Sec. Wendy Spicher seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-62**.

6.2.5 Benefits and Appeals Committee Report

Chair Ann Monaghan reported on the activities, findings, recommendations, and other relevant issues from the Benefits and Appeals Committee meeting held on August 21, 2025.

Under New Business, the Committee:

- Heard from Chris Doll, CEM, with the 2024 CEM Benchmarking presentation,
- Reviewed Executive Staff Review Committee (ESRC) minutes for August 4, 2025, and,
- Held an Executive Session to discuss adjudication for the Account of Maylath, Docket No. 2023-07.

Eric DiTullio moved the following:

RESOLVED, that in the matter of Kathleen A. Maylath, Docket No. 2023-07, the the Public School Employees' Retirement Board (the "Board") hereby accepts the recommendation of the Benefits and Appeals Committee and adopts the proposed Opinion and Order of the Board.

Sec. Wendy Spicher seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-63**.

6.2.6 Health Care Committee Report

Chair Susan Lemmo reported on the activities, findings, recommendations, and other relevant issues from the Health Care Committee meeting held on August 21, 2025.

Under Unfinished Business, the Committee:

- Held an Executive Session to discuss the Proposed 2026 HOP Medical and Medical Rx Plans and Rates.

Under New Business, the Committee:

- Heard from Melanie Clark, Segal, on the Medicare Advantage Plans and Rates, and on the Dental and Vision Plan and Rates, and
- Received information about the 2024 Premium Assistance Verification Results.

Eric DiTullio moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Health Care Committee and adopts the revised monthly premium rates listed in the attached charts for the HOP Medical Plan, HOP Value Medical Plan, the HOP Medicare Plus Rx Plan, and the HOP Medicare Standard Rx Plan effective January 1, 2026 for plan year 2026.

The attached charts will be made public on October 1, 2025 pursuant to the marketing requirements and related provisions of the Medicare Advantage and Medicare Prescription Drug Benefit rules (Chapter 42 of the Code of Federal Regulations, Parts 422 and 423).

Ann Monaghan seconded.

The motion passed with two (2) absent being Jason Moore and Brian Reiser, as **PSERB Resolution 2025-64**.

7. Office of Chief Counsel Report

At 3:06 P.M., the Board entered Executive Session to consult with counsel with respect to pending or expected litigation. Jeffrey Cavanaugh was excused at 3:17 P.M.

The Board resumed public session at 3:21 P.M. Jeffrey Cavanaugh rejoined the meeting.

8. Office of Executive Director Report

Benjamin Cotton welcomed new employees and interns, provided results from the 2024 SECA campaign, introduced Mark Fetzko, Director of Government Affairs and Stakeholder Engagement, for a legislative update, provided an update on Strategic Initiative EXO2331 Board Communication and Information Sharing Enhancement, and provided an update on Strategic Initiative IA02318 SOC1 Type 2 Audit.

9. Next Meeting Agenda Items

The Board had no recommendations for agenda items to add to the next Board Meeting scheduled for October 24, 2025.

10. Next Meeting Adjournment

Without objection, Chairperson Richard Vague adjourned the Board meeting at 3:29 P.M.

DocuSigned by:

Benjamin L Cotton

FA62F2368763477...

10/9/2025