VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room October 27, 2022 – 8:30 a.m.

Please note all member participated via telephone, video, or teleconference:

Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2024) BETH PEARCE, VT State Treasurer ERIC DAVIS, VSEA Representative (term expiring September 30, 2023) THOMAS MOZZER, VSEA Representative (term expiring September 30, 2023) BETH FASTIGGI, Commissioner of Human Resources JAY WISNER, Governor's Delegate position ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2024) JOHN VORDER BRUEGGE, VSEA Alternate Representative (term expiring September 30, 2024)

Members absent:

JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2024) ADAM GRESHIN, Commissioner of Finance and Management

Also attending:

Michael Clasen, Deputy State Treasurer Tim Duggan, Director, Vermont Retirement Systems Ashlynn Doyon, Director of Financial Literacy and Outreach Stephen Barry, Financial Administrator I, Retirement Division Owen Doherty, Executive Assistant to the Treasurer Eric Henry, VPIC Chief Investment Officer Tom Golonka, VPIC Chair of the Board Jeramiah Breer, Chief Financial Officer, State Treasurer's Office Kathleen Riley, Segal Consulting Matthew Strom, Segal Consulting Austin Miller, Segal Consulting Patryk Tabernacki, Segal Consulting David Borsykowsky, Assistant Attorney General

The Chair, Roger Dumas, called the Thursday, October 27, 2022 meeting to order at 8:30 a.m., which was held by conference call and in-person at the Treasurer's Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

ITEM 1: Agenda approval and announcements

On a motion made by Mr. Davis, seconded by Ms. Pearce, the Board voted unanimously to approve the agenda.

ITEM 2: Approve the Minutes of:

• October 13, 2022

On a motion made by Mr. Davis, seconded by Ms. Pearce, the Board voted unanimously to approve the minutes.

ITEM 3: VSERS Actuarial Valuation 2022

Segal Consulting presented the 2022 Actuarial Valuation for the Vermont State Employees' Retirement System. The slide deck used is appended to these minutes and the link to the valuation can be found below.

Discussion centered on the effects of Act 114 as well as the pressures that led to the respective actuarial gains and losses during 2022, the ratio of active to retired members of the system and its effect on cashflow, and the impact of the additional funding over the ADEC on the amortization table.

Mr. Borsykowsky joined the meeting at 9:19 a.m., left the meeting at 9:33 a.m., and rejoined the meeting at 9:35 a.m.

On a motion made by Mr. Wisner, seconded by Ms. Pearce, the Board voted unanimously to accept the 2022 VSERS Actuarial Report as presented by Segal Consulting.

On a motion made by Mr. Wisner, seconded by Ms. Pearce, the Board voted unanimously to recommend to the Governor and General Assembly that the FY24 actuarially determined employer contribution (ADEC) of \$121,873,370 be fully funded and appropriated in the next fiscal year in order to achieve and preserve the financial integrity of the fund.

Link: 2022 VSERS Actuarial Valuation

Mr. Davis asked about the timeline for the next experience study. Mr. Strom explained that the process will begin after the 2023 valuation.

ITEM 4: Adjournment

On a motion made by Ms. Pearce, seconded by Mr. Davis, the Board voted unanimously to adjourn at 10:16 a.m.

Next Meeting Date:

The next regularly scheduled VSERS Board meeting is on November 10, 2022 at 9:00 a.m. Respectfully submitted,

Stephen Barry Financial Administrator I