

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room

December 14, 2023 – 3:30 p.m.

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

Members present:

JON HARRIS, Chairperson, VREA representative, term expiring July 1, 2024

ERIN CARTER, Vice-Chairperson, Active Member Representative, term expiring July 1, 2027

GENEVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025

PERRY LESSING, VREA Alternate Representative, term expiring July 1, 2024

DANIEL RADDOCK, Financial Regulation Representative

SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025

Members absent:

MIKE PIECIAK, VT State Treasurer

EMILY SIMMONS, representing Secretary of Agency of Education

Also attending:

Gavin Boyles, Deputy Treasurer, (*designated voting member on behalf of Treasurer Pieciak)

Tim Duggan, Director of Retirement, Office of the State Treasurer

Nicole Weidman, Director of Retirement Operations and Policy, Retirement Division

Justin St. James, General Counsel, Office of the State Treasurer

Scott Baker, Director of Financial Reporting, Office of the State Treasurer

Stephen Barry, Administrative Services Manager, Retirement Division

Colin Robinson, Political Director, Vermont NEA

Jeremiah Breer, Chief Financial Officer, Office of the State Treasurer

John Booth, Director of Treasury Operations, Office of the State Treasurer

Tom Golonka, Chair, VPIC Board of Trustees'

Eric Henry, Chief Investment Officer, VPIC

The Chair, Jon Harris, called the Wednesday, December 14, 2023, Board meeting to order at 3:31 p.m. which was held by conference call.

ITEM 1: Agenda approval and announcements

Mr. Harris asked that the agenda be amended by moving the VSTRS COLA Report to follow the VPIC presentation.

On a motion made by Mr. Boyles, seconded by Ms. Carter, the Board voted unanimously to approve the amended agenda.

ITEM 2: Approve the Minutes of:

- November 8, 2023

On a motion made by Mr. Boyles, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of November 8, 2023 as presented.

ITEM 3: VPIC Presentation

Mr. Golonka and Mr. Henry discussed the current issues VPIC has been working on. Mr. Golonka discussed staffing and compensation of VPIC, and the risk posed by not considering compensation levels that will aid in retaining employees. Mr. Henry discussed the divestment study that VPIC undertook and emphasized VPIC's ability to invest in private equity to maximize returns for the pension funds.

Mr. Golonka and Mr. Henry left the meeting at 9:21 a.m.

ITEM 4: VSTRS COLA Report

Mr. Duggan presented the COLA Report required by the Legislature last year to analyze the capping structure in the COLA provisions for the Teachers' Retirement System. He discussed the updated cost calculations done by the actuaries as well as other minor details that were discovered that were inadvertently changed during the drafting of Act 114.

The Board discussed the best manner of characterizing different costs in relation to the funds already allocated and spent in correcting the COLA for VSTRS within the memo.

ITEM 5: Empower Contract

Mr. Duggan presented the final Empower contract to transition from Prudential and explained that it has received all necessary state approvals. He thanked Mr. St. James for his work on finalizing the contract with Empower.

On a motion made by Mr. Boyles, seconded by Mr. Raddock, the Board voted unanimously to approve the contract novation with Empower and to authorize the Chair to sign on behalf of the Board, recognizing that the contract requires approval by all three Retirement Boards.

ITEM 6: VSTRS FY 2025 Budget Overview

Mr. Duggan presented the proposed VSTRS FY 2025 budget. He explained while it is mostly status quo, some work was done at reallocation to focus more attention on the OPEB funds for the State and Teachers' Systems.

On a motion made by Mr. Boyles, seconded by Ms. Carter, the Board voted unanimously to approve the proposed FY 2025 VSERS Budget, as presented.

ITEM 7: Medical Review Board Appointment – Dr. Lasik

Mr. Duggan informed the Board that a member of the Medical Review Board, Dr. Kalibat, recently passed. He presented Dr. Lasek as a replacement for Dr. Kalibut.

On a motion made by Ms. Carter, seconded by Mr. Raddock, the Board voted unanimously

to approve Dr. Lasek's appointment to the Medical Review Board for a two-year term, recognizing that the appointment requires approval by all three Retirement Boards.

ITEM 8: Director's Memo – Recent Developments

Mr. Duggan presented a year-end Director's memo. In it, he discussed the major events of the year, including the floods and temporary workspace, staffing, actuarial work, and retirements. He expressed his sincere appreciation for the flexibility and efforts of the Retirement staff, Treasurer's Office staff and all Board members during a challenging year.

ITEM 9: VSTRS FY 2023 GASB 67

Mr. Duggan presented the FY 2023 VSTRS GASB 67 for informational purposes. He explained that because this is a report created by the actuaries, he believed it important to distribute to Board members.

ITEM 10: 2024 Board Calendar

Mr. Duggan and Mr. Barry presented the calendar for 2024 which followed the normal cadence during 2023. Mr. Duggan discussed more thoughtfully considering the calendar and methods of reducing the number of meetings while still providing updates and meeting the operational requirements of the Board's administration of the system.

ITEM 11: Disability Recommendation(s) from the November 16, 2023 meeting of the Medical Review Board:

- Pamela Crino

On a motion made by Ms. Carter, seconded by Mr. Boyles, the Board voted unanimously to accept the recommendation of the Medical Review Board for the disability retirement for Pamela Crino.

ITEM 12: Any other business and adjournment

On a motion made by Ms. Mings-Lamar seconded by Mr. Boyles, the Board voted unanimously to adjourn at 4:42 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on January 11, 2024 at 3:30 p.m.

Respectfully submitted,



Stephen Barry
Secretary to the Board