

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room  
**September 21, 2023 – 2:00 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  
MIKE PIECIAK, VT State Treasurer  
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  
EMILY SIMMONS, representing Secretary of Agency of Education

**Members absent:**

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

**Also attending:**

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  
Stephen Barry, Administrative Services Manager, Retirement Division  
Ashlynn Doyon, Director of Policy  
Scott Baker, Director of Financial Reporting, Office of the State Treasurer  
Jeremiah Breer, Chief Financial Officer, Office of the State Treasurer  
Matthew Strom, Segal Consulting  
Austin Miller, Segal Consulting  
Ptryk Tabernacki, Segal Consulting  
Colin Robinson, Political Director, Vermont NEA

The Chair, Jon Harris, called the Thursday, September 21, 2023, Board meeting to order at 2:01 p.m. which was held by conference call.

**ITEM 1:      Agenda approval and announcements**

**On a motion made by Mr. Pieciak, seconded by Ms. Simmons, the Board voted unanimously to approve the agenda.**

**ITEM 2:      Approve the Minutes of:**

- August 9, 2023

**On a motion made by Mr. Pieciak, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of August 9, 2023 as presented.**

### **ITEM 3: VSTRS Experience Study 2023**

Mr. Strom and Mr. Miller presented their findings and updated assumption recommendations based on the VSTRS Experience Study. The Experience Study as presented can be found [here](#). They explained recommended modifications to rates of turnover, rates of retirement, and assumed salary raises based on prior years' data.

Discussion centered on the inflation and COLA assumptions. Mr. Duggan stated that during his internal review of the Study and discussions with the actuaries he discovered a standard practice of rounding assumption down at 0.05% intervals to account for years of negative CPI. He explained that while this practice is not incorrect and the provisions of Acts 114 and 173 remain as the law governing the administration of the COLA, the Legislature has stated an intent to reset the VSTRS COLA to the pre-2016 method of calculation. Therefore, the actuaries marginally adjusted their recommendations and hedged their COLA assumptions by rounding upward for Groups B/C by 0.05% to account for this intent.

Mr. Lessing raised concerns about the COLA assumption recommendations based on the Legislature's stated intent and suggested that the COLA assumption be run using only the pre-2016 method of calculation and not the provisions of Acts 114 and 173.

Mr. Duggan composed follow up questions for the actuaries. The Board confirmed that they would like to see two approaches reasonably analyzed consistent with actuarial practice; the rounding update to account for the legislative intent and the alternate approach which presumes the legislative modification to the capping methodology. The Board scheduled a follow-up meeting to discuss the COLA rate recommendation at 2:00 p.m. on Thursday, September 21, 2023.

### **ITEM 4: CY 2024 COLA Memo & Teachers' Earning Cap**

Mr. Barry presented the COLA memo for CY 2024 and explained that due to the provisions of Act 114, this will be the first year that members will not receive a COLA because of the 24-month waiting period.

He also presented the teachers' earning cap for FY 2024 which was calculated to be \$41,200.

### **ITEM 5: VSTRS Supplemental Payment**

Mr. Duggan informed the Board on the ongoing implementation of the supplemental payment representing the difference between a 2.50% and 3.80% COLA for 2023. He explained that there will be a single annualized payment in the October payments representing the 1.30% difference.

### **ITEM 6: Health Insurance Consultant Contract**

Mr. Duggan presented the contract with Hickok & Boardman to serve as health insurance consultant.

**On a motion made by Mr. Pieciak seconded by Ms. Carter, the Board voted unanimously to approve the contract with Hickok & Boardman as presented by staff and to authorize the Chair to sign on behalf of the Board.**

**ITEM 7: Any other business and adjournment**

Mr. Duggan reminded the Board of the newly scheduled meeting on September 28<sup>th</sup>, as well as the Actuarial Valuation for VSTRS on October 19<sup>th</sup>.

**On a motion made by Mr. Pieciak seconded by Mr. Raddock, the Board voted unanimously to adjourn at 4:33 p.m.**

**Next Meeting Date:**

The next VSTRS Board meeting is on September 28, 2023 at 2:00 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S B', with a stylized flourish at the end.

Stephen Barry  
Secretary to the Board