

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Only
January 14, 2021 – 1:30 p.m.

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

Members present:

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2024
JUSTIN NORRIS, Vice-Chair, Active Member Representative, term expiring July 1, 2021
ERIN CARTER, Active Member Representative, term expiring July 1, 2023
BETH PEARCE, VT State Treasurer
EMILY SIMMONS, representing Secretary of Agency of Education
DANIEL RADDOCK, Financial Regulation Representative
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2024

Members absent:

Vacant, Active Member Alternate Representative, term expiring July 1, 2021

Also attending:

Michael Clasen, Deputy State Treasurer
Eric Henry, Chief Investments Officer
Katie Green, Deputy Chief Investments Officer
Andy Cook, Investments Manager
Erika Wolffing, Director Retirement Operations
Lesley Campbell, Retirement Administrative Coordinator
Will Kriewald, Chief Financial Officer
Ashlynn Doyon, Executive Assistant to the Treasurer
Jeff Fannon, VtNEA
Kevin Dirth, Superintendent
Jay Nichols, Vermont Principals Association
Jeff Francis, Vermont Superintendents Association
Steve May, Hickok and Boardman

The Chair, Jon Harris, called the Thursday, January 14, 2021 Board meeting to order at 3:31 p.m., which was held by conference call only.

ITEM 1: Agenda approval and announcements

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

ITEM 2: Approve the Minutes of:

- January 8, 2021

On a motion made by Ms. Simmons, seconded by Mr. Norris, the Board voted unanimously to approve the minutes of January 8, 2021 as presented.

ITEM 3: Health Insurance RFP Update

On a motion made by Ms. Pearce, seconded by Mr. Norris, the Board voted unanimously to enter Executive Session at 3:33 p.m. pursuant to 1 V.S.A. § 313 in order to discuss contract negotiations.

Members of the public left the meeting at 3:33 p.m.

The Board came out of executive session at 3:38 p.m.

Mr. May left the meeting at 3:38 p.m.

ITEM 5: Disability recommendations from the December 17, 2020 Meeting of the Medical Review Board:

- **Deborah Jiloty (New)**
- **Kristine Gerson (New)**
- **Robert Gulardo (New)**

The Board decided to address the disability recommendations as the next order of business to allow members of the public time to rejoin the meeting.

On a motion made by Mr. Norris, seconded by Ms. Pearce, the Board voted unanimously to approve disability retirement for Deborah Jiloty without review.

On a motion made by Mr. Norris, seconded by Ms. Simmons, the Board voted unanimously to approve disability retirement for Kristine Gerson without review.

On a motion made by Mr. Norris, seconded by Ms. Carter, the Board voted unanimously to approve disability retirement for Robert Gulardo without review.

Members of the public rejoined the meeting at 3:40 p.m.

ITEM 4: Update from the Treasurer on Work with Stake-Holder Groups & Pew Letter Discussion

Ms. Pearce explained the executive summary sections of the report on benefit restructuring recommendations she is submitting to the Legislature and the Administration on January 15.

Beth presented and the Board discussed the proposal to eliminate COLAs for all actives, moving to the rule of 90 for the grandfathered Group C members, moving to a 7-year AFC, and increasing the employee contribution rates to 7% or 8%. The Board discussed the report and provided

feedback and considered taking action based on the VSERS meeting held earlier in the day. Ms. Wolffing presented the motions that were passed by the VSERS Board.

On a motion made by Ms. Simmons, seconded by Mr. Raddock, the Board voted unanimously to recognize that it has received the Treasurer's Report and recognizes that the ADEC for FY22 and beyond may not be sustainable and as a result recognizes that changes in benefit levels to reduce the unfunded liability may be required.

The Board discussed a second motion that would direct the Treasurer and actuaries to examine additional information before the legislative crossover date, and to provide this information as a supplement to the report issued on January 15, 2021.

On a motion made by Mr. Raddock, seconded by Ms. Simmons, the Board voted unanimously to direct the Treasurer to: (1) identify and review strategies to reduce pressure on and increase the stability of ADEC contributions and lower the unfunded liability in future years, including risk/gain sharing models, establishment of a reserve fund, and separate or rolling amortization schedules; (2) cost the options for benefit changes by group per member; (3) assess, to the extent possible, the potential for the options to affect assumed actuarial retirement projections and estimate the effect on the financial condition of the system, and supplement any prior report with this additional information by February 22nd.

The Board discussed the Pew letter from the administration and a potential response from the Treasurer. The Board provided feedback on the letter.

On a motion made by Ms. Simmons, seconded by Mr. Norris, the Board voted unanimously to share the concerns expressed in the letter by the Treasurer to Secretary Young regarding Pew involvement in the pension initiatives.

ITEM 6: Other Business & Public Comment
None.

ITEM 7: Adjournment

On a motion made by Ms. Pearce seconded by Mr. Norris, the Board voted unanimously to adjourn at 5:05 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on February 9, 2021 at 9:00 a.m.

Respectfully submitted,



Erika Wolffing
Director of Retirement Operations