

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room  
**November 9, 2022 – 9:00 a.m.**

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

**Members present:**

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2024  
ERIN CARTER, Vice-Chairperson, Active Member Representative, term expiring July 1, 2023  
BETH PEARCE, VT State Treasurer  
DANIEL RADDOCK, Financial Regulation Representative  
EMILY SIMMONS, representing Secretary of Agency of Education  
PERRY LESSING, VRTA Alternate Representative, term expiring July 1, 2024  
GENEVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025  
SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025

**Also attending:**

Tim Duggan, Director, Vermont Retirement Systems  
Justin St. James, Staff Attorney, State Treasurer's Office  
Stephen Barry, Financial Administrator I, Retirement Division  
Owen Doherty, Executive Assistant to the Treasurer  
Eric Henry, Chief Investment Officer, VPIC  
Gabe D'Ulisse, Empower Retirement  
Melissa Chiumento, Empower Retirement  
Joseph Fein, Empower Retirement  
Brian Ficek, Empower Retirement  
Ronald Sanville, Empower Retirement  
Susan Kibbe, Empower Retirement  
Ann Arch, Empower Retirement  
Steve May, Hickock & Boardman  
Colin Robinson, Political Director, Vermont-NEA

The Chair, Jon Harris, called the Wednesday, November 9, 2022, Board meeting to order at 9:02 a.m. which was held by conference call and in-person at the Treasurer's Conference Room, Pavilion Building, 4<sup>th</sup> Floor, 109 State Street, Montpelier, VT.

**ITEM 1:      **Agenda approval and announcements****

Mr. Duggan introduced Ms. Weidman as the Retirement Division's new Director of Operations and Policy.

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

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

- October 27, 2022

Mr. Lessing proposed a friendly amendment to the minutes to include his question to the actuaries on the change to the calculation of the COLA because of the language in Act 173.

Mr. May left the meeting at 9:05 a.m.

**On a motion made by Ms. Pearce, seconded by Mr. Raddock, the Board voted unanimously to approve the amended minutes of October 27, 2022 as presented.**

**ITEM 3: Empower Quarterly Presentation – 403(b) & SDIA 3<sup>rd</sup> Quarter Report**

Mr. D’Ulisse and the Team from Empower provided an update to the Board on regarding the transition to Empower and the Quarterly Presentation for the 403(b) and the SDIA for the 3<sup>rd</sup> quarter of 2022.

Discussion revolved around current economic conditions and market outlook. Ms. Pearce also had questions about the loan disbursement process and the IRS guidelines and plan provisions that govern the process/

Link: [403\(b\) 3<sup>rd</sup> Quarter Report](#), [SDIA 3<sup>rd</sup> Quarter Report](#)

The Empower Team left the meeting at 9:54 a.m.

**ITEM 4: FY 2024 ADEC Letter Review**

Mr. Duggan brought the FY 2024 ADEC letter to the Governor before the Board for certification. He explained that because of the statutory language around the additional contribution of \$9 million on top of the ADEC, he thought it was prudent for the Board to certify the amounts recommended.

**On a motion made by Mr. Raddock, seconded by Ms. Pearce the Board voted unanimously to certify the actuarially determined employer contribution (ADEC) of \$194,281,051 and additional payment of \$9,000,000 as reflected in the November 1, 2022 letter to the Governor.**

**ITEM 5: Dental Insurance Contract**

Mr. Duggan presented the contract with Northeast Delta Dental which holds dental insurance rates flat and locks them in for a three-year period.

**On a motion made by Ms. Carter, seconded by Ms. Mings-Lamar, the Board voted to approve the contract with Northeast Delta Dental as presented by staff and to authorize the Chair to execute on the Board’s behalf. The motion passed with Mr. Harris, Ms. Carter, Ms. Pearce, Ms. Mings-Lamar, and Ms. Simmons voting in favor of the motion. Mr. Raddock abstained from the vote.**

**ITEM 6: 2023 VSTRS COLA**

Mr. Duggan presented the Board-requested analysis by Segal on the COLA calculation and the effect of the application of the cap both before and after the CPI-U is determined. The report finds that for the FY 2022 valuation there was a \$28.7 million loss due to COLA; that loss would have been \$59.1 million if the alternative method of calculating the COLA had been used.

Board discussion ranged from fiduciary responsibilities, methodology of calculating the COLA, and the role of the Board at this time concerning the issue of COLA. The determination was made that no action was needed at this time by the Board and that the issue will be taken up by the General Assembly in the future.

**ITEM 7: New Teacher Assessment and Federal Grants**

Ms. Pearce gave the Board background on the Retired Teachers' Health and Medical Benefits Fund (RTHMB) and New Teacher Assessment which funds the RTHMB.

**On a motion made by Ms. Pearce, seconded by Mr. Harris, the Board voted unanimously to affirm the FY 2023 New Teacher Assessment of \$1,402 and approve the FY 2024 New Teacher Assessment of \$1,509.**

**ITEM 8: Other Business and Adjournment**

**On a motion made by Ms. Pearce, seconded by Ms. Mings-Lamar, the Board voted unanimously to adjourn at 4:03 p.m.**

**Next Meeting Date:**

The next VSTRS Board meeting is on December 8, 2022 at 3:30 p.m.

Respectfully submitted,



Stephen Barry  
Financial Administrator I