

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees – Conference Call Only

February 10, 2022 – 9:00 a.m.

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

Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2022)
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2022)
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2022)
ERIC DAVIS, VSEA Representative (term expiring September 30, 2022)
BETH PEARCE, VT State Treasurer
ADAM GRESHIN, Commissioner of Finance and Management
BETH FASTIGGI, Commissioner of Human Resources
JAY WISNER, Governor's Delegate position

Members absent:

THOMAS MOZZER, VSEA Alternate Representative (term expiring October 31, 2022)
JOHN FEDERICO, VSEA Representative (term expiring September 30, 2022)

Also attending:

Michael Clasen, Deputy State Treasurer
Tim Duggan, Assistant Attorney General
Lesley Campbell, Administrative Services Coordinator IV
Stephen Barry, Financial Administrator I, Retirement Division
Owen Doherty, Executive Assistant to the Treasurer
Eric Henry, Chief Investments Officer
Ashlynn Doyon, Director of Financial Literacy and Outreach
Rocco Attanasio, Prudential Retirement
Gabe D'Ulisse, Prudential Retirement
Joe Fine, Prudential Retirement
Ronald Sanville, Prudential Retirement
Gilles Owen, Prudential Retirement
Ann Arch, Prudential Retirement

The Chair, Roger Dumas, called the Thursday, February 10, 2022 meeting to order at 9:02 a.m., which was held by conference call only.

ITEM 1: **Agenda approval and announcements**

On a motion made by Ms. Pearce, seconded by Mr. Isabelle, the Board voted unanimously to approve the agenda for February 10, 2022.

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

- January 13, 2021

On a motion made by Mr. Wisner, seconded by Mr. Davis, the Board voted unanimously to approve the minutes of the January 13, 2021.

ITEM 3: Prudential Quarterly Update – 457(b) & SDIA 4th Quarter Reports

Mr. D'Ulisse stated the transition to Empower Retirement is on track to close on April 1, 2022. Empower continues to provide seminars to plan administrators and members.

Mr. D'Ulisse presented the quarterly report for the 457(b) Deferred Compensation plan. As of the end of the quarter, there were 8,211 participants with total participant balances of \$683,523,004 and average participant balance of \$83,245. Plan assets in GoalMaker totaled \$97,266,406 representing 2,299 participants and a 27.9% participation rate. *There were 433 new enrollments compared to 287 during the same period in the prior year.* There was negative cash flow for the plan year-to-date. There were 1,851 participants in Roth representing \$26,388,445 in assets. The Roth continues to be a popular election by participants.

Mr. Attanasio provided the Board with the return-to-work strategy. Prudential will continue to work remotely but will be looking at a hybrid strategy in the future. Currently, representatives can request to go into the field as needed. Mr. Attanasio noted that participants are utilizing the scheduling tool to meet virtually with a representative, attending webinars and paperless transactions.

Mr. Sanville presented an update from the field representatives. In the fourth quarter there were 14 group presentations, 489 individual meetings, 128 new enrollments as a result of group and individual meetings and 26 rollovers representing \$825,000.

Ms. Arch presented the Board with the marketing for 2021 and plans for 2022. In 2021 there were 11,424 targeted communications sent to participants of which engaged at a rate of 30.8% which is higher than the average engagement rate than Prudential's book of business. 290 employees visited the Financial Wellness webpage with 29 participants completing the Financial Wellness Assessment. 226 participants have utilized the Retirement Income Calculator. 70% of participants have elected to receive communications via email which is higher than Prudential's book of business. The marketing goals for 2022 are to increase enrollment, increase average contribution rate and increase GoalMaker utilization. Ms. Arch presented a communication 2022 calendar and noted if Board members would like to have any changes to let her know.

Mr. D'Ulisse presented the quarterly report for the SDIA. As of the end of the quarter, there were 840 participants with \$29,194,293 in assets. There were 1,231 distributions representing \$3,184,551. The plan is decreased around \$3 million each year.

Mr. Fein presented the investment report for the 457(b) Deferred Comp Plan. Overall performance for the quarter was positive, growth stocks outperformed value stocks as has been the trend for a number of years. All funds in the plan are meeting performance criteria.

Representatives from Prudential left the meeting at 10:17 a.m.

ITEM 4: Pension Task Force and Legislative update

Ms. Pearce discussed the Pension Task Force recommendations to fund the pension system.

The Treasurer and the Human Resources offices are working on updating their respective systems to accommodate the change to the employee contributions.

Ms. Pearce discussed the incentive to retain employees which would lower the cost of the pension system and the Group G proposal made by the Pension Task Force. Ms. Pearce will have materials for proposals by the end of the month to review with the Board.

ITEM 5: Disability recommendation(s) from the November 19, 2021 meeting of the Medical Review Board:

- Jeremy Lyon
- Migmar Dolma
- Benjamin Patnode
- Sara Sweet

On a motion made by Mr. Isabelle, seconded by Mr. Davis, the Board voted unanimously to postpone the disability cases until the March 10, 2022 meeting.

ITEM 8: Other Business and Public Comment

Ms. Pearce announced Mr. Duggan has accepted the Director of Retirement position and will start on February 28, 2022. Board members thanked Mr. Duggan for his legal counsel and look forward to working with him in his new role. Ms. Pearce will be working with the Attorney General's office to interview legal counsel to replace Mr. Duggan's current role.

Ms. Pearce announced Ms. Campbell received a promotion to the Deputy Director of Retirement Policy and Outreach. Board members congratulated Ms. Campbell.

ITEM 9: Adjournment

On a motion made by Ms. Pearce, seconded by Mr. Davis the Board voted unanimously to adjourn at 11:00 a.m.

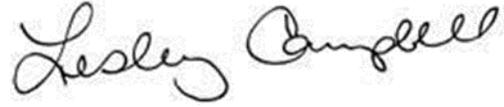
Next Meeting Date:

Vermont State Employees' Retirement System
Conference Call Meeting Board of Trustees
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The next VSERS Board meeting is on March 10, 2022 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Lesley Campbell". The signature is written in a cursive, flowing style.

Lesley Campbell
Administrative Services Coordinator IV