

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room  
**February 8, 2023 – 9:00 a.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, 2023  
MIKE PIECIAK, VT State Treasurer  
DANIEL RADDOCK, Financial Regulation Representative  
EMILY SIMMONS, representing Secretary of Agency of Education  
SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025  
PERRY LESSING, VREA Alternate Representative, term expiring July 1, 2024  
GENEVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025

**Also attending:**

Gavin Boyles, Deputy State Treasurer  
Tim Duggan, Director, Vermont Retirement Systems  
Justin St. James, Staff Attorney, Office of the State Treasurer  
Stephen Barry, Financial Administrator, Retirement Division  
Nicolas Marineau, Executive Assistant to the Treasurer  
Tom Golonka, Chair, VPIC Board of Trustees  
Eric Henry, Chief Investment Officer, VPIC  
Jeff Fannon, Vermont NEA  
Colin Robinson, Political Director, Vermont NEA  
Gabe D'Ulisse, Empower Retirement  
Ronald Sanville, Empower Retirement  
Melissa Chiumento, Empower Retirement  
Brian Ficek, Empower Retirement  
Kristin Green, Empower Retirement  
Joseph Fein, Empower Retirement

The Chair, Jon Harris, called the Wednesday, February 8, 2023, Board meeting to order at 9:00 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**

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

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

- January 12, 2023

**On a motion made by Mr. Raddock, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of January 12, 2023 as presented.**

**ITEM 3: Empower Quarterly Presentation – 403(b) & SDIA 4<sup>th</sup> Quarter Report**

Mr. D’Ulisse and the team from Empower provided an update to the Board regarding the transition to Empower, macroeconomic trends, and the Quarterly Presentation for the 403(b) and the SDIA for the 4<sup>th</sup> quarter of 2022.

Discussion was focused on the SECURE 2.0 Act, migration to the Empower platform and current market trends.

Mr. Lessing inquired about the general fee structure for all of the offerings and the manner in which participants pay those fees. Mr. Duggan committed to working with Mr. D’Ulisse and staff at Empower to provide a more precise overview of the fee structure.

Mr. Harris and Mr. Duggan gave background on the history and mechanisms behind the SDIA. The Board discussed its future and challenges that it presents as it continues to waste.

The PIMCO Total Return ESG Fund continues to not meet performance criteria.

Link: [403\(b\) Plan Review for October 1-December 31, 2022](#)

The team from Empower left the meeting at 10:05 a.m.

**ITEM 4: Legislative Update**

Mr. Golonka and Mr. Henry presented on S.42. They discussed the impacts of divestment and the proposed statutory language on VPIC. They expressed concerns about the impact to the rate of return actuarial assumption and the challenges they would face in divesting from indexed positions.

Ms. Hamby left the meeting at 10:15 a.m.

Mr. Pieciak left the meeting at 10:27 a.m.

The Board discussed whether to weigh in on the issue or to wait for VPIC to take up the issue at their next meeting. Ms. Simmons, Mr. Raddock and Ms. Mings-Lamar stated that they did not support the language of the bill as written. The Board agreed that they would move a formal motion at their March meeting.

Mr. Golonka and Mr. Henry left the meeting at 10:38 a.m.

Mr. Duggan provided an update on the \$800,000 increase to the ADEC payment and its inclusion in the Governor’s recommended budget. He also spoke on the statutory language that would adjust future employee contribution rates consistent with the Marginal Rate Study and the language on an

OPEB study to determine the best governance structure for the fund.

Mr. Duggan provided an update to the Board on the COLA and ongoing discussions between the NEA, the Treasurer's Office, and the Legislature.

Ms. Carter moved that the Chair write to the pertinent legislators to convey the concerns that this Board thinks that the cost-of-living is not being calculated in the expected way. Ms. Mings-Lamar seconded the motion.

Mr. Pieciak rejoined the meeting at 11:00 a.m.

The Board discussed the history of the language that governs the Teacher's cost-of-living adjustments and the path forward at the Legislature and operationalizing the changes.

Ms. Carter withdrew the original motion.

**On a motion made by Ms. Carter, seconded by Ms. Mings-Lamar, the Board voted by roll call to direct the Chair write to legislative leadership that the VSTRS Board of Trustees moves to express its desire to correct a 2016 unintentional consequence in the drafting of 16 VSA 1949 that now has resulted in retired teachers and future retired teachers receiving a COLA that is less than what they were promised. Mr. Harris, Ms. Carter, Mr. Pieciak, Ms. Simmons, and Ms. Mings-Lamar voted in favor of the motion. Mr. Raddock abstained from the vote.**

**ITEM 5: Other Business and Adjournment**

**On a motion made by Mr. Pieciak, seconded by Mr. Raddock, the Board voted unanimously to adjourn at 11:21 a.m.**

**Next Meeting Date:**

The next VSTRS Board meeting is on March 9, 2023 at 3:30 p.m.

Respectfully submitted,



Stephen Barry  
Financial Administrator I