

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference
Room
March 10, 2022 – 3:30 p.m.

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

Members present:

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

Board members absent:

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

Also attending:

Michael Clasen, Deputy Treasurer
Tim Duggan, Director, Vermont Retirement Systems
Lesley Campbell, Deputy Director, Retirement Policy and Outreach
Stephen Barry, Financial Administrator I
Owen Doherty, Executive Assistant to the Treasurer
Eric Henry, Chief Investments Officer
Steve May, Hickcock and Boardman

The Chair, Jon Harris, called the Thursday, March 10, 2022, 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 Ms. Simmons, seconded by Mr. Raddock, the Board voted unanimously to approve the amended agenda, to include a legislative update, of March 10, 2022 as presented.

ITEM 2: Approve the Minutes of:

- February 8, 2022

On a motion made by Mr. Raddock, seconded by Ms. Simmons, the Board voted unanimously to approve the minutes of January 13, 2022 as presented.

ITEM 3: VPIC Representative

Mr. Mackey has been the representative on VPIC for the VSTRS since it's conception. However, this term will be expiring June 30, 2022, and under Act 75 Mr. Mackey can no longer serve the commission. Mr. Lessing is currently the alternate representative for VSTRS and is happy to service the commission as a member. Mr. Harris suggested Mr. Norris be considered for the alternate if Mr. Lessing is nominated by the retiree and active members of this Board.

The Board discussed and will be voting on nominations during the April 14, 2022 meeting.

Mr. Henry left the meeting at 3:46 p.m.

ITEM 4: VSTRS health insurance update and plan for VSTRS 65 members who remain on VEHI

Mr. Duggan introduced the presentation Mr. May and himself will be reviewing with the Board covering items including the premium rate history, claims experience and strategies moving forward.

Mr. Duggan discussed the rate history since 2018, when the Board began changes to the premiums occur at different rates for the participates that are non-Medicare eligible and Medicare eligible.

Mr. May

ITEM 5: NCPERS Membership

Mr. Duggan discussed the positive aspects of joining the NCPERS which includes access to educational seminars and materials for both staff and Board members. The annual cost for the membership is \$550.00. Mr. Duggan discussed the group with a member of the VSERS Board of Trustees' that has participated in seminars in the past and received positive feedback.

The Board discussed and asked questions to Mr. Duggan.

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

ITEM 6: Segal Contract Amendment

Mr. Duggan explained this amendment, #6, would extend the current contract with Segal Consulting one year and three months, ending June 30, 2023. The VSTRS share of the contract is approximately \$600,000.

On a motion made by Ms. Simmons, seconded by Ms. Carter, the Board voted unanimously to enter Executive Session at 4:35 p.m. pursuant 1 V.S.A. § 313 in order to

discuss personal medical information.

The Board came out of Executive Session at 4:41 p.m.

On a motion made by Ms. Simmons, seconded by Ms. Carter, the Board voted unanimously to approve the contract amendment with Segal and authorizes the Chair to sign it on behalf of the Board.

ITEM 7: Legislative Update

H.572, the equivalent proposal for the Vermont State Teachers System, to provide the VSERS Board an example of the bill's language.

Ms. Pearce informed the Board due to the sanctions on Russia, staff is liquidating approx. \$6 million in investments in index funds. There is also sovereign debt approximately equaling \$3 million that will also continue to be liquidated. There is a policy regarding investment in terrorist or genocide linked countries developed in 2011 to mimic the State department's policies that Ms. Pearce and staff believe, although not listed, this falls under. These efforts remain ongoing, as markets in Russia remain closed.

On a motion made by Mr. Raddock, seconded by Ms. Simmons, the Board voted unanimously that after review of relevant portions of H.572, the board has significant concerns about increases in the unfunded liability that would be caused by H.572 and believes further review is necessary.

ITEM 8: Other business and public comment

None.

ITEM 9: Adjournment

On a motion made by Mr Raddock, seconded by Ms. Hamby, the Board voted unanimously to adjourn at 5:18 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on April 14, 2022 at 3:30 p.m.

Respectfully submitted,



Lesley Campbell
Deputy Director, Retirement Policy and Outreach