

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – BGS-MTPL Conference Room
May 14, 2019 – 2:00 p.m.

Members present:

JON HARRIS, Chairperson, Active Member Representative, term expiring July 1, 2019
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2021
DANIEL RADDOCK, Financial Regulation Representative – via telephone
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2020 – via telephone
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2020 – voting member
PERRY LESSING, Active Member Alternate Representative, term expiring July 1, 2021
EMILY SIMMONS, representing Secretary of Agency of Education
BETH PEARCE, VT State Treasurer

Members absent:

Also attending:

Eric Henry, Chief Investment Officer
Katie Green, Deputy Chief Investment Officer
Tim Duggan, Assistant Attorney General
Erika Wolffing, Director Retirement Operations
Lesley Campbell, Retirement Program Technician III
Gabe D'Ulisse, Prudential Retirement
Joe Fein, Prudential Retirement
Chip Sanville, Prudential Retirement
Gilles Owen, Prudential Retirement

The Chair, Jon Harris, called the Tuesday, May 14, 2019 meeting to order at 2:01 p.m., which was held in the BGS-MTPL Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

ITEM 1: **Agenda approval and announcements**

There were no announcements or changes to the agenda.

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

- April 9, 2019

On a motion made by Mr. Norris, seconded by Ms. Pearce, the Board voted unanimously to approve the minutes of April 9, 2019.

ITEM 3: **Prudential Quarterly Presentation**

- **403(b) & SDIA 1st Quarter Report**

Mr. D'Ulisse presented the quarterly report for the 403(b) Plan. Assets were up 12% for the quarter. As of the end of the quarter there were 2,651 participants with total assets of \$110,413,096, \$656,163 rollovers into the plan, and \$640,937 in distributions. This resulted in a positive net cash flow of \$2.4 million. The participation rate in Roth increased to 13.5%. There were 53 new enrollments for the quarter and only 6 new loans. The average contribution rate was 10.4% compared to 7.4% for Prudential's average contribution rate from their book of business.

Mr. D'Ulisse explained that distributions were down more than \$1 million over the prior quarter. 10.8% of assets are in Stable Value and participation in GoalMaker has increased from 3.9% when the plan moved to Prudential to 11.8% at the end of the 1st quarter. Mr. Sanville provided a field update, there were 118 individual meetings with 33 new enrollments, 26 contribution rate increases, and \$229,252 in rollovers into the plan. Mr. Sanville updated the Board that the Go Green campaign launched and that the retirement counselors will be working to help enroll new participants and encourage existing participants to register their accounts online.

Mr. D'Ulisse presented the 1st quarter report for the SDIA Plan. As of the end of the quarter there were 1,044 participants in the plan with total assets of \$37,487,907 representing a 4.0% decline in assets, and \$1,847,306 in distributions.

Mr. Fein presented the investment review for the 403b plan, stating that losses that were incurred in the 4th quarter were reversed in the 1st quarter. Growth stocks have outperformed value stocks for the last 5 years. All funds in the plan continue to meet performance criteria.

ITEM 4: VPIC VSTRS Representatives Election

On a motion made by Mr. Harris, seconded by Mr. Norris, the active and retired members of the Board voted unanimously to elect Joe Mackey as VPIC Representative and Linda Deliduka as VPIC Alternate for the term beginning July 1, 2019 pursuant to 3 V.S.A. § 522.

ITEM 5: VEHI Update

Mr. Duggan updated the Board that VEHI approved moving the plan to the National Preferred Formulary (NFP) effective January 1, 2020. He further explained that the office is currently working on a contract extension with VEHI which Staff will present at the Board meeting in June.

ITEM 6: Disability recommendation(s) from the February 21, 2019 Meeting of the Medical Review Board:

- **Stephen Buzzell (New)**
- **John Swanson (New)**
- **Robin Turner (New)**

On a motion made by Ms. Deliduka, seconded by Mr. Norris, the Board voted unanimously to approve disability retirement for Stephen Buzzell without review.

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

On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to approve disability retirement for Robin Turner without review.

ITEM 7: Other Business

Ms. Deliduka inquired if the staff had any update on studies linking acupuncture to a reduction in opiate use. Staff notified her that the information is still outstanding and likely will not be available for some time. Ms. Wolfing updated the Board that only the Chair has submitted signatures and a letter of interest for the open active seat on the Board, the deadline to submit is May 15, 2019.

ITEM 8: Adjournment

On a motion made by Ms. Deliduka, seconded by Ms. Pearce, the Board voted unanimously to adjourn at 2:50 p.m.

Next Meeting Date:

The next VSTRS Board meeting is a Conference Call Meeting on June 13, 2019 at 3:30 p.m.

Respectfully submitted,



Erika Wolfing
Retirement Office