

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Only
August 11, 2020 – 9:00 a.m.

Members present:

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2020 – via telephone
JUSTIN NORRIS, Vice-Chair, Active Member Representative, term expiring July 1, 2021 – via telephone
ERIN CARTER, Active Member Representative, term expiring July 1, 2023 – via telephone
EMILY SIMMONS, representing Secretary of Agency of Education – via telephone
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2024 – via telephone
MICHAEL CLASEN, Deputy State Treasurer – via telephone
DANIEL RADDOCK, Financial Regulation Representative – via telephone

Members absent:

BETH PEARCE, VT State Treasurer
Vacant, Active Member Alternate Representative, term expiring July 1, 2021

Also attending:

Eric Henry, Chief Investments Officer – via telephone
Katie Green, Deputy Chief Investments Officer – via telephone
Tim Duggan, Assistant Attorney General – via telephone
Erika Wolffing, Director Retirement Operations – via telephone
Lesley Campbell, Retirement Administrative Coordinator – via telephone
Gabe D'Ulisse, Prudential Retirement – via telephone
Ronald "Chip" Sanville, Prudential Retirement – via telephone
Susan Kibbe, Prudential Retirement – via telephone
Samantha Woodington, Prudential Retirement – via telephone
Joe Fein, Prudential Retirement – via telephone
Melissa Chiumento, Prudential Retirement – via telephone

The Chair, Jon Harris, called the Tuesday, August 11, 2020 Board meeting to order at 9:01 a.m., which was held by conference call only.

ITEM 1: Agenda approval and announcements

On a motion made by Mr. Norris, seconded by Mr. Clasen, the Board voted unanimously to approve the agenda.

ITEM 2: Approve the Minutes of:

- July 9, 2020

On a motion made by Ms. Simmons, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of July 9, 2020 as presented.

ITEM 3: Prudential Quarterly Update – 403(b) & SDIA 2nd Quarter Reports

Mr. D'Ulisse presented the 2nd quarter 2020 report for the 403(b) plan. There was only one coronavirus related distribution so far. As of the end of the quarter there were \$123.7 million in assets in the plan with 2,782 total participants, total distributions of \$3,047,017 in distributions and total contributions of \$6,569,752. There were 64 new enrollments, Mr. D'Ulisse explained that across their book of business Prudential has seen a decrease in new enrollments and a decrease in contributions. Participation rate in Stable Value was 48.8% with 11.7% of plan assets in Stable Value. There were 550 participants utilizing GoalMaker with \$11.6 million in assets.

Mr. Harris inquired as to whether there was a way to establish a Stable Value fund in the non-exclusive 403(b) Plan. Mr. Fein explained that during the transition, the Board decided to offer a short-term bond option in the Lord Abbett Short Duration Income Fund consistent across the industry. Mr. Fein presented the investment review for the 403(b) plan and explained the difference between the Stable Value option and Lord Abbett Fund.

Mr. D'Ulisse presented the quarterly report for the SDIA plan, as of the end of the quarter there were 910 participants with approximately \$33 million in assets with \$2,032,839 million in distributions.

Ms. Woodington introduced herself to the Board. She is taking over for Ms. Whipple in October while Ms. Whipple is out on leave. Mr. Sanville presented an update from the field, there were 79 appointments for the quarter. The field representatives are conducting all meetings remotely and utilizing a new scheduling tool. The representatives are using WebEx to share screens with participants and offering to join virtual staff meetings. Ms. Kibbe stated that the anxiety levels are high amongst teachers and school staff due to challenges with working from home, but representatives are continuing to reach out to participants to see if they need help.

Representatives from Prudential left the meeting at 10:03 a.m.

ITEM 4: Prudential Retirement Contract Amendment

Mr. Duggan presented the contract amendment between the three Retirement Boards and Prudential. The amendment was envisioned when the original contract was signed to clarify certain issues with the plans and how they should be administered. Most provisions in the amendment do not impact the 403(b) plans but does contain language that memorializes and clarifies the fee structure. The fees charged to date are the agreed upon amounts that were adopted during the transition.

On a motion made by Mr. Clasen, seconded by Mr. Norris, the Board voted unanimously to approve the contract amendment as presented.

ITEM 5: VSTRS Health Insurance Post FY21

Mr. Clasen updated the Board on work surrounding the VSTRS health insurance contract post FY21. In advance of the upcoming contract year, staff has worked with consultants and Hickok and Boardman to discuss various options to get the best value for members and to potentially save money. Mr. Clasen stated that BCBS has provided a proposal for Medicare Advantage plans that will be presented to the Board at a subsequent meeting. Mr. Harris requested a detailed document comparing the current plans with the proposed Medicare Advantage plans. Mr. Clasen stated the Board will likely need to put out an RFP in the fall.

ITEM 6: Disability recommendation(s) from the July 16, 2020 meeting of the Medical Review Board:

- Joy Walsh

On a motion made by Mr. Clasen, seconded by Mr. Norris, the Board voted unanimously to approve disability retirement for Joy Walsh without review.

ITEM 7: Other Business

Ms. Deliduka inquired if there was a way for retirees to receive their first payment by direct deposit instead of check. Ms. Wolffing explained the pre-note process and stated it would be difficult to change procedure at this point. Ms. Wolffing updated the Board on the number of retirements in July. There were 498 total retirements between the three systems including 379 teacher retirements.


ITEM 8: Adjournment

On a motion made by Mr. Norris, seconded by Mr. Clasen, the Board voted unanimously to adjourn at 10:24 a.m.

Next Meeting Date:

The next VSTRS Board meeting is on September 10, 2020 at 3:30 p.m.

Respectfully submitted,



Erika Wolffing
Director of Retirement Operations