



**VERMONT PENSION INVESTMENT COMMITTEE
SEPTEMBER 28, 2016**

DRAFT; NOT YET APPROVED BY COMMITTEE

VPIC Members Present:

TOM GOLONKA, CHAIR
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer
VAUGHN ALTEMUS, Governor's Delegate, term expiring June 30, 2018
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2020
PETER AMONS, VMERS Representative, term expiring June 30, 2018
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2019

VPIC Member(s) Absent:

KAREN PAUL, Governor's Delegate, term expiring June 30, 2018

VPIC Alternate Members Present:

JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2020
DAVID STARR (PHONE), Governor's Delegate *Alternate*, term expiring June 30, 2016
STEVE JEFFREY, VMERS *Alternate*, term expiring June 30, 2018

VPIC Alternate Member(s) Absent:

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2019

Also attending:

Matt Considine, CFA, Director of Investments
Katie Green, Investments Manager
Jaye Pershing-Johnson and Jesse Moorman, Attorney General's Office

CALL TO ORDER:

The Chair, called the Wednesday, September 28th meeting to order at 2:06 pm, which was held in the Board Room at 133 State Street, Montpelier, VT.

ITEM 1: **Agenda Approval and Announcements**

The Chair reviewed the agenda with the Committee and asked if any members of the Committee would like to add or amend any agenda items.

On a motion by Joe Mackey, seconded by Beth Pearce, the Committee unanimously approved the agenda as written.

Vaughn Altemus requested permission to attend a conference in Atlanta, Georgia for the *Investment Revolution: The Future of Investing & Risk Management*. **On a motion by Joe Mackey, seconded by Bob Hooper, the Committee unanimously voted to allocate money to Vaughn Altemus to attend the conference, not to exceed \$1,500.** Jeff Briggs requested permission to attend the *4th Annual New England Institutional Investor Forum* in Boston, Massachusetts. **On a motion by Joe Mackey, seconded by Vaughn Altemus, the Committee unanimously voted to allocate money, not to exceed \$500, for Jeff Briggs to attend the conference.**

ITEM 2: Consent Agenda

The Chair indicated the items in the Consent Agenda today were the minutes and contract items.

On a motion by Beth Pearce, seconded by Vaughn Altemus, the Committee unanimously approved the consent agenda as written.

ITEM 3: Vendor Discussion

At 2:15 p.m., Beth Pearce moved that the Committee have the discussion regarding contractual matters and performance of the Actuary, Consultant and Custodian in executive session with the belief that premature general public knowledge would clearly place the companies at a substantial disadvantage. Beth Pearce made a motion to enter executive session pursuant to Title 1 § 313(a)(1)(A). Vaughn Altemus seconded. The Committee unanimously voted to enter into executive session.

At 3:54 p.m. the Committee voted unanimously to exit executive session.

On a motion by Beth Pearce, seconded by Joe Mackey, the Committee unanimously approved a motion to authorize the Chair and the Treasurer to discuss with NEPC section two of their contract and bring back a recommendation to the Board.

The Treasurer informed the Committee of her position on a Congressional Bill that has passed the House Committee on Financial Services in June, *HR 5311: Corporate Governance Reform and Transparency Act of 2016*. The Treasurer believes the bill encourages proxy advisors to put the interests of corporations ahead of their clients (institutional investors), which this bill initially set out to protect. She made the Board aware that she has written to the Vermont Congressional delegation and informed the Council of Institutional Investors, of which VPIC is a member, of her position.

The Committee reviewed the *VPIC Fee Review* report compiled by Staff. A discussion of how costs are allocated across vendors followed.

ITEM 4: Governance Discussion

The Committee reviewed how it is structured and what it could add to future agendas that would benefit the Board in executing its duties.

On a motion by Beth Pearce, seconded by Joe Mackey, the Committee approved a motion to terminate the contract with MSCI.

ITEM 5: Benchmarking VPIC

The Committee reviewed the *Investment Performance Measurement* section of the VPIC Investment Policy Statement. The Committee discussed how VPIC performance should be benchmarked. The Committee decided to discuss this topic again at a future meeting.

ITEM 6: VPIC Profile Discussion

The Committee postponed this discussion for a future meeting when more information would be available.

Item 10: Adjournment

On a motion by Beth Pearce, seconded by Joe Mackey, the Committee unanimously approved a motion to adjourn the meeting at 4:54 p.m. The Chair announced that the Committee would assemble for dinner at 5:45 p.m. and no further business would be conducted.

Respectfully submitted,

Investments Staff