



**VERMONT PENSION INVESTMENT COMMITTEE
DECEMBER 10, 2019
DRAFT; NOT YET APPROVED BY COMMITTEE**

VPIC Members Present:

TOM GOLONKA, CHAIR
BETH PEARCE, VICE-CHAIR, Vermont State Treasurer (phone)
JOHN-HENRY HUBERT, Governor's Delegate, term expiring June 30, 2022
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2023
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2020
MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2022

VPIC Members Absent:

KIMBERLY GLEASON, VMERS Representative, term expiring June 30, 2022

VPIC Alternate Members Present:

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2023
JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2020
PETER AMONS, VMERS *Alternate*, term expiring June 30, 2022

VPIC Alternate Members Absent:

DAVID STARR, Governor's Delegate *Alternate*, term expiring June 30, 2020

Also Attending:

Michael Clasen, Deputy Vermont State Treasurer
Eric Henry, Chief Investment Officer
Katie Green, Deputy Chief Investment Officer
Andy Cook, Investment Analyst
David Borsykowsky & Jesse Moorman, Vermont Attorney General's Office
Michael Middleman, Budget Analyst Department of Finance and Management

Meeting Materials:

[Materials for this meeting can be found at this link](#), which will be supported for at least one year following the meeting date. After that time you can request public information from the Treasurer's office by sending requests to treasurers.office@vermont.gov.

CALL TO ORDER:

The Chair called the Tuesday, December 10th meeting to order at 8:30 am, which was held in the Governor's Conference Room, on the 4th Floor of 109 State Street, Montpelier VT.

ITEM 1: Agenda Approval and Announcements

The Chair reviewed the agenda with the Committee and asked for approval of altering the order of items in the agenda as Treasurer Pearce was calling in to the meeting following a cancelled flight, and only available for the first portion of the meeting. Items were addressed in the order in which they appear in these minutes.

On a motion by Bob Hooper seconded by Joe Mackey, the Committee unanimously approved the agenda as amended by the Chair.

ITEM 2: Consent Agenda

The Chair indicated the only item on the Consent Agenda was approval of the minutes from the November 19, 2019 VPIC meeting.

On a motion by Joe Mackey, seconded by Bob Hooper, the Committee unanimously approved the consent agenda.

ITEM 3: Public Comment

None.

ITEM 8: Vermont State Treasurer's Update

Treasurer Pearce summarized a report from the Vermont Retirement System's actuary, Segal Consulting, reviewing the accuracy of statements published in a recent local news commentary. She then responded to questions posed by the Committee.

ITEM 7: Service Provider Review

Mr. Henry reviewed with the Committee levels of service provided by VPIC investment consultant, NEPC, VPIC custodian, JPMorgan, and VPIC proxy advisor, Segal Marco. He then responded to questions posed by the Committee.

ITEM 13 Executive Session

At 9:17 a.m., Joe Mackey moved, and Bob Hooper seconded for a finding that the Committee should enter executive session under Title 1 V.S.A. § 313(a) subsection (1) because the Committee wished to discuss matters on which they specifically find that premature public knowledge would clearly place VPIC and the investment portfolio at a substantial disadvantage and include:

Subsection (1)(A) – Pending and prospective contract issues, and

Subsection (1)(F) – Confidential attorney-client communications made for the purpose of providing professional legal services to the Committee.

The Committee unanimously approved this motion.

ITEM 9: VPIC Chair Review

The Chair, Mr. Golonka, turned over the VPIC meeting to the Deputy Treasurer while in Executive Session. The Deputy Treasurer led a discussion regarding the performance of the Chair. Investment Staff, the Chair, and the representatives from the Attorney General's Office all left the room for this discussion during Executive Session.

At 10:05 a.m. Chair Golonka returned to the meeting and removed the Committee from Executive Session.

ITEM 4: Chief Investment Officer's Report

Mr. Henry reviewed his CIO report with the Committee, which outlined proposed next steps for Staffing and investment consultant needs. He then responded to questions posed by the Committee.

ITEM 5: Investment Staff Report

Ms. Green and Mr. Cook reviewed the *Staff Report* with the Committee. Mr. Cook reviewed the asset allocation as of October 31, 2019 and VPIC manager updates with the Committee. Ms. Green presented a capital call analysis to the VPIC as requested by the Chair at the November 19, 2019 VPIC meeting. Ms. Green and Mr. Cook responded to questions.

Ms. Green informed the Committee that the annual subscription for VPIC's membership of the Council of Institutional Investors (CII) is due, and the amount is \$5,120.50.

On a motion by Joe Mackey, seconded by Bob Hooper, the Committee unanimously approved payment of the annual Council of Institutional Investors' membership dues until such a time the Committee deems it no longer reasonable.

ITEM 10: Fee Review

Ms. Green reviewed the fees paid by the VPIC for fiscal year 2019 and presented a projection for fees anticipated in fiscal year 2020 and responded to questions from the Committee.

ITEM 6: VPIC Policies Review

Mr. Borsykowsky and Mr. Moorman reviewed the VPIC Operating Policy with the VPIC. Following this presentation, the VPIC had a conversation regarding the use of personal emails for VPIC related business and it was the consensus of the Committee to eliminate the use of personal emails and only conduct VPIC business through the VPIC assigned State email addresses. Mr. Borsykowsky and Mr. Moorman then responded to questions posed by the Committee.

ITEM 11: Deliverables for Upcoming Meetings

- Staff, in coordination with NEPC, provide a recommendation to the VPIC regarding the managers on the VPIC Watch List.

- Staff work with the Custodian to create a detailed tax reclaim report for the Committee's review for an upcoming meeting.
- Mrs. Gleason requested either an agenda item or a Committee Retreat for the Committee to discuss ESG topics as they relate to the Committee, such as matters of gender equality and diversity.

ITEM 12: Future Agenda Topics/New or Other Business

There was no discussion regarding this agenda item.

Adjournment:

Joe Mackey moved, and Peter Amons seconded, that the meeting be adjourned. The Committee unanimously approved the motion to adjourn the meeting at 12:04 p.m.

Respectfully submitted,

Investment Staff

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