



STATE OF VERMONT  
VERMONT PENSION INVESTMENT COMMISSION  
SEPTEMBER 28, 2021

**VPIC Members Present:**

TOM GOLONKA, CHAIR  
KIMBERLY GLEASON, VICE-CHAIR, VMERS Representative, term expiring June 30, 2021  
BETH PEARCE, Vermont State Treasurer  
MARY ALICE MCKENZIE, Governor's Delegate, term expiring June 30, 2021  
LAUREN WOBBY, Governor's Delegate, term expiring June 30, 2024  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2022  
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2023  
JIM SALSGIVER, VSBA Representative, term expiring June 30, 2023  
SETH ABBENE, VLCT Representative, term expiring June 30, 2022

**VPIC Members Absent:**

**VPIC Alternate Members Present:**

RON PLANTE, Governor's Delegate *Alternate*, term expiring June 30, 2020  
JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2023  
PERRY LESSING, VSTRS *Alternate*, term expiring June 30, 2022

**VPIC Alternate Members Absent:**

CHRIS DUBE, VMERS *Alternate*, term expiring June 30, 2025

**Also Attending:**

Eric Henry, Chief Investment Officer  
Katie Green, Deputy Chief Investment Officer  
Andy Cook, Investment Analyst  
Jim Voytko, Tony Johnson, Jordan Cipriani, Kirby Francis, Kyle Hogmeier, Marcia Beard & Samia Khan, RVK Inc.  
David Borsykowsky, Vermont Attorney General's Office  
Lindsay Saienni, FIN News  
Kevin Balaod, Pageant Media  
Shannon Walsh, Prudential

**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, past meeting materials may be requested by emailing [VPIC@vermont.gov](mailto:VPIC@vermont.gov).

**Call to Order:**

Chair Golonka called the Tuesday, September 28<sup>th</sup> meeting to order at 8:33 AM. The meeting was held via Zoom videoconference.

**Item 1:       **Agenda Approval and Announcements****

Chair Golonka reviewed the agenda with the Commission and asked for any edits or additions.

**On a motion by Treasurer Pearce seconded by Kim Gleason, the Commission unanimously approved the agenda.**

Chair Golonka welcomed Lauren Wobby who has been appointed as a Governor's representative to VPIC, replacing John-Henry Hubert. Chair Golonka also introduced Seth Abbene who has been appointed to fill the newly created Vermont League of Cities and Towns representative position.

**Item 2:       **Consent Agenda****

Chair Golonka indicated that the items on the Consent Agenda were approval of the minutes from the July 27<sup>th</sup> VPIC meeting.

**On a motion by Kim Gleason seconded by Jim Salsgiver, the Commission unanimously approved the Consent Agenda.**

**Item 3:       **Public Comment****

None.

**Item 4:       **Vermont State Treasurer's Update****

Treasurer Pearce noted that a small omission was found in Act 75 for language relating to the VPIC Chair being independent. She indicated that the issue was corrected via a legislative intent letter that has been sent to Governor Scott.

She next indicated that her office is finishing up the June 30, 2021 financial statements in the next few days, and once completed they will be sent to Segal Marco such that the annual actuarial reports may be compiled. Once those reports are available meetings with each of the 3 retirement boards will be scheduled to review the reports, and vote on the level of Actuarially Determined Employer Contribution for the plans. She suggested to Chair Golonka that it would be advisable to schedule a 4<sup>th</sup> meeting with the actuaries just for VPIC to review actuarial data for the system as a whole.

Treasurer Pearce also responded to questions posed by members of the Commission.

**Item 5:       **Chief Investment Officer's Report****

Mr. Henry presented a checklist of progress made to date in implementing the requirements of Act 75. Specifically, he presented draft rules to remove a commissioner. He responded to questions

and feedback from Commissioners on those draft rules. A revised version of those draft rules will be brought before the Commission for consideration at the November 2<sup>nd</sup> meeting.

Next Mr. Henry presented a draft VPIC Chair position description. He responded to questions and feedback from Commissioners on that draft description. Joseph Mackey moved, and Mary Alice McKenzie seconded approval of the draft description. After further discussion and before a vote was taken, Joseph Mackey removed his motion for approval such that a revised version of the draft description incorporating Commissioner feedback could be brought for consideration at the November 2<sup>nd</sup> meeting.

**Item 6: Staff Report**

Ms. Green and Mr. Cook reviewed the Staff Report with the Commission, including updates on contracting, cash flows, a recommendation to add UBS to the VPIC Watchlist, and the FY2021 VPIC attendance records. They responded to questions posed by the Commission.

**On a motion by Joseph Mackey seconded by Treasurer Pearce, the Commission unanimously added UBS to the VPIC Watchlist for concerns over performance, staff departures, and strategy changes.**

**On a motion by Mary Alice McKenzie seconded by Treasurer Pearce, the Commission unanimously approved the FY 2021 Meetings and Attendance Record as presented.**

**Item 7: Report from Ad hoc Budget Committee**

This item was addressed during discussion of Items 4 & 5.

**Item 8: Non-Core Real Estate Update**

Ms. Green reviewed a memo titled *Updated on Non-Core Real Estate Fund Search* dated September 28, 2021 with the Commission. She responded to questions posed.

**Item 9: Private Equity Fund Investment Opportunity: Accel-KKR**

Mr. Cook and Mr. Francis provided an introductory presentation on the firm Accel-KKR, as well as their Growth Capital Partners Fund IV which they are currently fundraising for.

**On a motion by Kimberly Gleason seconded by Joseph Mackey, the Commission unanimously instructed Staff to invite Accel-KKR to the November 2<sup>nd</sup> VPIC Meeting to present on their Growth Capital Partners Fund IV.**

**Item 10: Portfolio Investment Review FY4Q**

Mr. Johnson reviewed the *Quarterly Investment Performance Analysis for period ending June 30, 2021* with the Commission. He responded to questions posed.

**Item 11: Preliminary VPIC Performance Update**

Ms. Cipriani reviewed the *Monthly Investment Performance Analysis for period ending August 31, 2021* with the Commission. She responded to questions posed.

**Item 12: 2022 ESG Engagement Plan Recommendation**

Treasurer Pearce and Ms. Green presented a 2022 ESG Engagement Plan Recommendation to the Commission. They both responded to questions posed by Commissioners.

**On a motion by Joseph Mackey seconded by Lauren Wobby, the Commission unanimously approved the 2022 ESG Engagement Plan Recommendation as presented.**

**Item 13: Update on RVK's Governance, Structure & Operations Review**

Jim Voytko and Samia Khan from RVK presented initial information from their ongoing *Governance, Structure, & Operations Review* report. They led an interactive discussion with the Commission on their findings to date and responded to questions posed.

The sense of the Commission was to consider the following 4 committees for formal adoption at the November 2<sup>nd</sup> Meeting:

1. ESG Committee
2. Governance Committee
3. Budget Committee
4. Personnel & Compensation Committee

**Item 14: Update on RVK's Governance, Structure & Operations Review (Continued)**

See above.

**Item 15: Update on RVK's Governance, Structure & Operations Review (Concluded)**

See above.

**Item 16: Deliverables for Upcoming Meetings**

- The Commission requested a discussion at the November 2<sup>nd</sup> VPIC meeting on Commissioner Immunity, and Errors & Omissions insurance coverage
- The Commission requested Staff present draft charters for review for the 4 potential committees noted in Item 13 at the November 2<sup>nd</sup> VPIC meeting
- The Commission requested a separate actuarial meeting with Segal Marco be scheduled just for VPIC, to be held independently from the 3 retirement board actuarial meetings in October.
- Staff will prepare a calendar of proposed 2022 meeting dates for the VPIC to consider at the November 2<sup>nd</sup> VPIC meeting.
- Joe Mackey requested an education session at a future VPIC meeting focused on non-core real estate

- Staff and RVK will work with the Custodian on a contract extension while simultaneously reviewing opportunities to improve efficiencies, streamline operations, and reduce costs
- Ms. Gleason requested either an agenda item or a Commission Retreat for the Commission to discuss ESG topics as they relate to the Commission, such as matters of gender equality and diversity
- Staff will invite Mondrian to present at a future VPIC meeting

**Item 17: Future Agenda Topics/New or Other Business**

No action.

**Item 18: Executive Session**

No action.

**Adjournment:**

**Treasurer Pearce moved and Kim Gleason seconded, that the meeting be adjourned. The Commission unanimously approved the motion to adjourn the meeting at 2:45 PM.**

Respectfully submitted,

**Investment Staff**