

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Only
May 13, 2021 – 9:00 a.m.

Please note all members participated via telephone, video, or teleconference:

Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2022)
ERIC DAVIS, VSEA Representative (term expiring September 30, 2021)
JOHN FEDERICO, VSEA Representative (term expiring September 30, 2022)
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2022)
BETH PEARCE, VT State Treasurer
DAN POULIOT, Deputy Commissioner of Department of Human Resources
JAY WISNER, Governor's Delegate position
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2022)

Members absent:

BETH FASTIGGI, Commissioner of Human Resources
ADAM GRESHIN, Commissioner of Finance and Management
BARBARA KESSLER, VSEA Alternate Representative (term expiring September 30, 2021)

Also attending:

Tim Duggan, Assistant Attorney General
Eric Henry, Chief Investments Officer
Katie Green, Deputy Chief Investments Officer
Erika Wolffing, Director Retirement Operations
Lesley Campbell, Administrative Services Coordinator IV
Ashlynn Doyon, Executive Assistant to the Treasurer
Gabe D'Ulisse, Prudential Retirement
Mary Harlos, Prudential Retirement
Melissa Fasciana, Prudential Retirement
Ann Arch, Prudential Retirement
Chip Sanville, Prudential Retirement
Gilles Owen, Prudential Retirement
Gary Plourde, Empower Retirement
Karl Kroner, Empower Retirement

The Chair, Roger Dumas, called the Thursday, May 13, 2021 meeting to order at 9:06 a.m., which was held by conference call only.

ITEM 1: **Agenda approval and announcements**

On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve the agenda for May 13, 2021 as presented

ITEM 2: Approve the Minutes of:

- April 13, 2021

On a motion made by Mr. Wisner, seconded by Mr. Pouliot, Board voted unanimously to approve the minutes of the April 13, 2021 as presented.

ITEM 3: Prudential Quarterly Update – 457(b) & SDIA 1st Quarter Reports

Mr. D'Ulisse presented the quarterly report for the 457(b) Deferred Compensation Plan. As of the end of the quarter there was \$627 million in assets and 7,966 participants. Mr. D'Ulisse briefly presented the status of the SDIA plan, as of the end of the quarter there 871 participants with \$31 million in assets.

Mr. Sanville presented an update from the in-state counselors for the deferred compensation plan. As of the end of the quarter they conducted 17 group presentations, 748 individual participant meetings, 95 new enrollments and 20 rollovers representing \$601,000 in assets. Mr. Sanville reported that participation in webinars have increased substantially.

Ms. Arch presented results from the 2020 marketing campaign. Prudential has partnered with Vermont's HR connect to provide newsletter content. As of the end of the year 1,600 employees visited the Financial Wellness page and 249 employees completed the Financial Wellness Self-Assessment. There was an increase in GoalMaker participation from 23% to 25.3%, and an increase in Roth participation to 21.2%. Ms. Arch explained the 2021 engagement calendar.

Ms. Harlos presented the investment review for the 457(b) deferred compensation plan. Small Cap was up 95% for the year and the S&P 500 was up 56% for the year. Ms. Harlos explained that value stocks have outperformed growth stocks over the last 6 months. All funds in the plan met performance criteria except the Lazard Emerging Markets Fund.

Representatives from Prudential and Empower left the meeting at 10:08 a.m.

ITEM 4: Treasury/Legislative Update

Ms. Pearce provided a Legislative update. The Senate version of the appropriations bill includes fully funding the ADEC as well as language towards pre-funding OPEB for VSTRS. Ms. Pearce stated that she will continue to work toward pre-funding the State OPEB next session.

Ms. Pearce explained the differences between the Senate and House versions of H.449, a bill that establishes a summer study commission on pension restructuring recommendations and governance changes to VPIC. The Senate made changes to the membership of the summer study committee and increased the timeline for the committee to complete its work and final report. The Senate version also includes the creation of a Legislative Oversight Committee on pensions. Ms. Pearce explained the proposed changes to VPIC including a change to membership, requiring the public members to be independent financial experts, creating term limits, and making VPIC independent from the Treasurer's Office.

A motion was made by Mr. Wisner, seconded by Mr. Davis, to express to the Committee of Conference that the VSERS Board supports the Senate version of H.449. The motion was discussed by the Board and there was disagreement to express an opinion about the bill. The motion was withdrawn.

ITEM 5: Disability recommendation(s) from the April 15, 2021 meeting of the Medical Review Board:

- Howard Garrow
- Mallie Ellen McCarron

On a motion made by Mr. Wisner, seconded by Mr. Pouliot, the Board voted unanimously to enter executive session at 11:17 a.m. pursuant to 1 V.S.A. § 313 in order to discuss personal medical information.

The Board came out of executive session at 11:27 a.m.

On a motion made by Mr. Wisner, seconded by Mr. Davis, the Board voted by roll call to approve disability retirement for Howard Garrow without review. Mr. Dumas, Mr. Federico, Ms. Pearce, Mr. Davis, Mr. Wisner and Mr. Pouliot voted in favor of the motion. Mr. Isabelle voted against the motion.

On a motion made by Mr. Isabelle, seconded by Mr. Pouliot, the Board voted unanimously to approve disability retirement for Mallie Ellen McCarron without review.

ITEM 6: Other Business and Public Comment

Mr. Duggan updated the Board that the Supreme Court issued a decision in the Baldauf matter. The decision was posted to the shared drive for the Trustees to review.

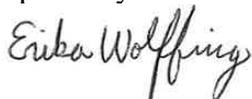
ITEM 6: Adjournment

On a motion made by Mr. Isabelle, seconded by Ms. Pearce, the Board voted unanimously to adjourn at 11:34 a.m.

Next Meeting Date:

The next regularly scheduled VSERS Board meeting is on June 10, 2021 at 9:00 a.m.

Respectfully submitted,



Erika Wolfing
Director of Retirement Operations