

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference
Room
November 9, 2021 – 9:00 a.m.

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

Members present:

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2024
SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025
ERIN CARTER, Active Member Representative, term expiring July 1, 2023
EMILY SIMMONS, representing Secretary of Agency of Education
DANIEL RADDOCK, Financial Regulation Representative
BETH PEARCE, VT State Treasurer
PERRY LESSING, VRTA Alternate Representative, term expiring July 1, 2024

Members absent:

GENVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025

Also attending:

Eric Henry, Chief Investments Officer
Lesley Campbell, Retirement Administrative Coordinator IV
Stephen Barry, Financial Administrator I
Gabe D'Ulisse, Prudential Retirement
Joe Fein, Prudential Retirement
Ronald Sanville, Prudential Retirement
Brian Ficek, Prudential Retirement
Ann Arch, Prudential Retirement
Melissa Chiumento, Prudential Retirement
Steve May, Hickcock and Boardman
Barry Blixt, Hickcock and Boardman
Joe Mackey, VPIC Representative
Cyril Espanol, Journalist

The Chair, Jon Harris, called the Tuesday, November 9, 2021 Board meeting to order at 9:03 a.m., which was held by conference call only.

ITEM 1: Agenda approval and announcements

On a motion made by Ms. Simmons, seconded by Ms. Carter, the Board voted unanimously to approve the agenda of November 9, 2021 as presented.

ITEM 2: Approve the Minutes of:

- October 28, 2021

On a motion made by Ms. Simmons, seconded by Ms. Carter, the Board voted

unanimously to approve the minutes of September 9, 2021 as presented.

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

Mr. D'Ulisse presented the 3rd Quarter report for the 403(b) Plan. As of the end of the quarter, there were 3,053 total participants, with an average account balance of \$52,347, with total distributions of \$6.9 million and total contributions of \$9.4 million, and total plan assets of \$159,814,695. There were 872 participants utilizing GoalMaker, representing \$18.3 million in assets and a 28.6% participation rate. As of the end of the quarter there were 322 new enrollments, which is typical for this quarter. The average contribution rate for the plan was 10% compared to 7.7% across Prudential's book of business.

Mr. D'Ulisse explained there were 97 rollovers out of the plan and 248 cash distributions. There were 38 outstanding loans with an average loan balance of \$7,796. There were \$5,959,187 assets in Roth representing 411 participants or 13.5% participation rate. Mr. D'Ulisse outlined the asset allocation in the plan with \$14.4 million in Stable Value.

Mr. Sanville provided an update from the field, there were 6 group presentations, 221 individual participant meetings, 132 new enrollments, 36 contribution rate increases, 4 rollovers representing \$131,000. Mr. Sanville explained how the in-state counselors are conducting meetings virtually.

Mr. Fein presented the 3rd quarter investment review for the 403(b) Plan. All investment options in the plan met performance criteria based on 3- and 5-year peer group benchmark rankings.

Mr. D'Ulisse presented the quarterly report for the SDIA. As of the end of the quarter, there were 853 participants with \$30,532,996 in assets. There were 660 distributions representing \$1.7 million.

Representatives from Prudential left the meeting at 10:15 a.m.

ITEM 4: Update of the VBA transition

Mr. Duggan explained that the deadline to opt-out of the VBA plans was October 27, 2021. However, the office will still honor forms received after the deadline. Ms. Campbell provided an update on the different applications that were received as of November 4, 2021. There have been 746 applications to change plans, 47 open enrollment applications and 56 opt-out applications received and processed by staff. Ms. Campbell also explained that every member that submitted an opt-out form is being contacted by Mr. Barry to confirm they understand they are opting to no longer have health insurance through VSTRS.

ITEM 5: Explanation of Benefits discussion- VBA

Mr. Harris expressed concerns with the VBA Explanation of Benefits (EOB) not specifying what Medicare would be paying for a claim. Mr. May explained the billing mechanism that differentiates Medicare Advantage plans; that being that an individual's Medicare benefits, and the health insurance benefits associated with their plan are administered concurrently, resulting in a single cost share explanation on the EOB. Mr. May and Mr. Duggan will work with staff to ensure this is communicated to members properly.

ITEM 6: VPIC update

The Board asked Mr. Mackey questions and discussed the transition separating from the Treasurer's office. Mr. Mackey explained the transition is going well thanks to the hard work of staff and commission members. He explained the commission contracted a new consultant, RVK Inc, which had been previously hired for a separate and distinct governance study. The commission's budget is separate from the Treasurer's budget and was submitted on November 8, 2021.

ITEM 7: Other business and public comment

None.

ITEM 8: Adjournment

On a motion made by Ms. Pearce, seconded by Ms. Simmons, the Board voted unanimously to adjourn at 10:37 a.m.

Next Meeting Date:

The next VSTRS Board meeting is on December 9, 2021 at 3:30 p.m.

Respectfully submitted,



Lesley Campbell
Administrative Services Coordinator IV