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 February 8, 2022 as presented.
ITEM 2: Approve the Minutes of:
- January 13, 2022

On a motion made by Mr. Clasen, seconded by Ms. Carter, the Board voted unanimously to approve the minutes of January 13, 2022 as presented.

ITEM 3: Prudential Quarterly Presentation- 403(b) & SDIA 4th Quarter Reports

Mr. D'Ulisse stated the transition to Empower Retirement is on track to close on April 1, 2022. Empower continues to provide seminars to plan administrators and members.

Mr. D'Ulisse presented the 4th quarter 403(b) Plan Review. As of the end of the quarter the plan had 3,115 participants with total assets of $169,998,165. Total contributions and rollovers into the plan were $13,387,473 with an average account balance of $54,574. There were 931 participants utilizing GoalMaker representing $20 million in assets. At the end of the quarter there were 429 participants utilizing Roth representing $6 million in assets.

Mr. Sanville provided an update from the in-state counselors. As of the end of the quarter there were 134 individual participant meetings, 42 new enrollments, and $1,013,000 in rollovers into the plan. The team continues to use WebEx for counseling and providing virtual group presentations.

Ms. Arch presented the Board with the marketing for 2021 and plans for 2022. In 2021 there were 11,424 targeted communications sent to participants of which engaged at a rate of 30.8% which is higher than the average engagement rate than Prudential’s book of business. 290 employees visited the Financial Wellness webpage with 29 participants completing the Financial Wellness Assessment. 226 participants have utilized the Retirement Income Calculator. 70% of participants have elected to receive communications via email which is higher than Prudential’s book of business. The marketing goals for 2022 are to increase enrollment, increase average contribution rate and increase GoalMaker utilization. Ms. Arch presented a communication 2022 calendar and noted if Board members would like to have any changes to let her know.

Mr. D’Ulisse presented the 4th Quarter report for the SDIA Plan. As of the end of the year there were 883 participants in the plan with $3.5 million in distributions and total assets of $31.7 million.

Mr. Fein presented the investment report for the 457(b) Deferred Comp Plan. Overall performance for the quarter was positive, growth stocks outperformed value stocks as has been the trend for a number of years. All funds in the plan are meeting performance criteria.

Representatives from Prudential left the meeting at 9:46 a.m.

ITEM 4: 90-day Disability waiver request- Donna Fabricius
Mr. and Mrs. Fabricius joined the meeting at 9:49.

On a motion made by Ms. Simmons, seconded by Ms. Carter the Board voted unanimously to enter Executive Session at 9:51 a.m. pursuant 1 V.S.A. § 313 in order to discuss personal medical information.

Mr. and Mrs. Fabricius left the meeting at 9:51 a.m.

The Board came out of Executive Session at 10:05 a.m.

Mr. Fabribuis joined the meeting at 10:07 a.m.

On a motion made by Ms. Pearce, seconded by Ms. Carter, the Board voted unanimously to grant the 90-day waiver to allow Ms. Fabricius to apply for disability retirement.

ITEM 5: Pension Task Force recommendations and Legislative Update

Ms. Pearce described the purposed pension reform to the Board members. The Pension Task Force is recommending a tiered change to the contribution rate of the employee based on their salary, a revision of the COLA structure to change from after receiving 12 months of pension payment by January each year to 24 months of pension payments by January each year, upon eligibility.

Ms. Pearce described H.572 which would allow retired teachers to continue to collect their retirement pension and benefits as well as return to work at full salary for 1 year. Currently, teachers are limited to the salary they can make without affecting their pension and benefits.

ITEM 6: VBA Transition update

Mr. Duggan explained the transition teams with VBA, VEHI, and VSTRS have begun meeting regularly once a month instead of once a week to discuss any next steps or reoccurring themes from members and staff. Currently, the themes from members include prior authorization required for some prescriptions and providers stating they are outside of network. There was information sent to providers with patients that would need prior authorization in December 2021. This communication will be sent again by the end of next week. The VBA call center has been reaching out to providers to explain the steps they need to take to issue claims as in-network providers.

Mr. Duggan explained Nations Hearing mistakenly sent a communication to the VSTRS population on VBA concerning over the counter prescriptions. An apology is being issued and mailed to members explain Nations Hearing’s mistake.

Staff continues to work to find prescription options that can be provided for the VSTRS 65 population. Mr. Duggan and staff will present viable options to the Board in March 2022. VBA
continues to work on a waiver to allow an outside prescription plan to be included with the VSTRS 65 plan.

**ITEM 7:  NCPERS Membership**

Mr. Harris requested Ms. Pearce review this organization to see if the Board and staff would like to participate. Ms. Pearce agreed to review the organization and get back to the Board.

**ITEM 8:  Other business and public comment**

Ms. Pearce announced Mr. Duggan has accepted the Director of Retirement position and will start on February 28, 2022. Board members thanked Mr. Duggan for his legal counsel and look forward to working with him in his new role. Ms. Pearce will be working with the Attorney General’s office to interview legal counsel to replace Mr. Duggan’s current role.

Mr. Duggan announced Ms. Campbell received a promotion to the Deputy Director of Retirement Policy and Outreach. Board members congratulated Ms. Campbell.

**ITEM 9:  Adjournment**

On a motion made by Ms. Mings-Lamar, seconded by Ms. Pearce, the Board voted unanimously to adjourn at 10:40 a.m.

**Next Meeting Date:**

The next VSTRS Board meeting is on March 10, 2022 at 3:30 p.m.

Respectfully submitted,

Lesley Campbell  
Administrative Services Coordinator IV