

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call, Treasurer's Conference Room
March 14, 2024 – 3:30 p.m.

DRAFT COPY – NOT YET APPROVED BY BOARD

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

Members present:

JON HARRIS, Chairperson, VREA representative, term expiring July 1, 2024
ERIN CARTER, Vice-Chairperson, Active Member Representative, term expiring July 1, 2027
GENEVIEVE HAMBY, Active Member Alternate Representative, term expiring July 1, 2025
PERRY LESSING, VREA Alternate Representative, term expiring July 1, 2024
DANIEL RADDOCK, Financial Regulation Representative
MIKE PIECIAK, VT State Treasurer
EMILY SIMMONS, representing Secretary of Agency of Education

Members absent:

SANDRA MINGS-LAMAR, Active Member Representative, term expiring July 1, 2025

Also attending:

Tim Duggan, Director of Retirement, Office of the State Treasurer
Justin St. James, General Counsel, Office of the State Treasurer
Jonathan Kowolik, RVK Consulting
Sarah Boctor, RVK Consulting
Suzanne Carroll, RVK Consulting

The Chair, Jon Harris, called the Thursday, March 14, 2024, Board meeting to order at 3:31 p.m. which was held by conference call.

ITEM 1: Agenda approval and announcements

On a motion made by Ms. Simmons, seconded by Mr. Pieciak, the Board voted unanimously to approve the agenda.

ITEM 2: Approve the Minutes of:

- February 7, 2024

On a motion made by Mr. Pieciak, seconded by Ms. Simmons, the Board voted unanimously to approve the amended minutes of February 7, 2024, as presented.

ITEM 3: RVK Presentation on Supplemental Plans

Mr. Duggan gave an overview of RVK's work on the analysis of the supplemental plans.

Ms. Boctor explained RVK's broad fiduciary review of the plans, including the investment offerings, governance structure, other plan considerations, and indicated that there were no red flags uncovered in the review. Ms. Boctor presented analysis on RVK's broad review of investment menu items. The review covered all five plans, but focused on 403b and SDIA plans for VSTRS purposes. The 403b plan has 12 investment offerings and a self-directed brokerage account feature. Mr. Harris notes that 457 plan can contain VSTRS members. Ms. Boctor notes that the 403b plan's investment offerings are consistent with the market, has competitive fees in general, and is composed of high-quality investment options. The topic of target funds, including the possibility of adding new funds, was discussed.

Ms. Carroll discussed the fiduciary review and analysis performed by RVK and its findings that the oversight of the supplemental plans meets fiduciary requirements. Ms. Carroll also discussed fiduciary best practices and governance issues, including periodic review of administrative processes, education, and plan documents. RVK finds no issues with current practices, but does have best practices recommendations that VSTRS could undertake, including development of an investment policy statement. Mr. Harris notes that VPIC and Treasurer's Office separation raises investment oversight issue which supports development of investment policy statement. Ms. Carroll also discussed importance of recordkeeping with respect to analysis, board minutes, and similar items, as well as undertaking regular training for board members, in order to ensure continued meeting of fiduciary standards and practices.

EXECUTIVE SESSION: Ms. Carter made the following motion, seconded by Mr. Pieciak, and the Board unanimously moved that the Board find that premature general public knowledge of information concerning Empower contract negotiations would clearly place the Board at a substantial disadvantage; Mr. Pieciak made the following motion, seconded by Ms. Carter, and the Board unanimously moved that based upon that finding, move that the Board go into executive session to discuss contractual matters.

ITEM 4: Legislative Update

Mr. Duggan reported that the Budget Adjustment Act was signed on March 13th, which was the legislative priority as it resolved the Teacher COLA issue satisfactorily.

ITEM 5: VSTRS Health Insurance Update

Mr. Duggan gave update on VEHI contract, which has amendments available. Will bring that to board in the future. Also have been engaged in discussions with VBA and would Mr. Pieciak made the following motion, seconded by Ms. Simmons, and the Board unanimously moved that the Board find that premature general public knowledge of information concerning health insurance contract negotiations would clearly place the Board at a substantial disadvantage;

Ms. Simmons made the following motion, seconded by Mr. Pieciak, and the Board unanimously moved that based upon that finding, move that the Board go into executive session to discuss health insurance contractual matters pursuant to 1 VSA § 313(a)(1). Executive session entered at 4:51pm. Executive session exited at 5:01.

ITEM 6:

Conference Attendance- Trustee Leadership Forum

Mr. Lessing explains his participation in co-mentoring program and will be attending conference in Boston in April 2024. **Motion made by Mr. Harris, seconded by Ms. Carter, to reimburse Mr. Lessing for costs related to attending the conference. Board unanimously approves the motion.**

ITEM 7:

Disability Recommendation(s) from the February 15, 2024, meeting of the Medical Review Board:

Michael Lawler

Board moves to approve Mr. Lawler's application. Motion made by Mr. Lessing, seconded by Ms. Simmons. Board unanimously approves the motion.

ITEM 8:

Any other business and adjournment

On a motion made by Ms. Simmons seconded by Ms. Carter, the Board voted unanimously to adjourn at 5:09 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on April 11, 2024 at 3:30 p.m.

Respectfully submitted,

Tim Duggan