ITEM 1: Approve the Minutes of:

- April 12, 2018

On a motion by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to approve the minutes of April 12, 2018 as submitted.

ITEM 2: Prudential Quarterly Presentation

Mr. Attanasio presented the quarterly summary of the exclusive 403b plan. Mr. Attanasio explained that the exclusive plan includes only those school districts/supervisory unions that utilize Prudential as the sole provider for their 403b plan. There were 1,982 total participants as
of March 31, 2018 with a total balance of $82,965,631 in the plan. Mr. Attanasio highlighted the number of participants with contributions in Roth, the participation rate in Roth for the exclusive plan as of the end of the quarter was 13.8% versus 7.6% on average for all Prudential plans.

Mr. Attanasio explained the Retirement Income Calculator (RIC). It allows participants to receive a projection of what their income will look like in retirement based on their savings and will show if the individual has a surplus or a gap. Those participants who utilize the RIC have higher balances on average and higher contribution rates. Mr. Harris inquired if it would be possible to allow a participant to increase their contributions automatically online without filling out a paper form. Mr. Sanville explained that it depends on the school district. Mr. Harris asked if Prudential would look into streamlining participants’ ability to increase the contribution rate online through the portal.

As of the end of the quarter, there were $617,489 in withdrawals, and $15,150 in loans. Mr. Harris inquired why there was such a high number of terminations in the middle of the school year. Mr. Sanville explained that the prior recordkeeper did not track terminations until the participant took a withdrawal. Prudential tracks terminations when they take place, those terminations showing up in the middle of the year are likely clean up from the prior administrator.

Mr. Harris requested that Prudential add a breakdown of total participants by age in future reports.

Mr. Attanasio explained the functionality of GoalMaker versus target date funds. GoalMaker allows the participant to identify their preferred investment strategy, conservative, moderate or aggressive. GoalMaker will assign the individual to 6 or more funds automatically based on their investment preference whereas a target date fund will invest based on age only. The Board further discussed the target date funds and other funds available in the plan. Ms. Green explained that staff intends to do a review with Prudential of the funds available and present a recommendation for any changes at a later date.

Mr. Attanasio presented the quarterly report for the non-exclusive 403(b) plan. As of the end of the quarter, there were 570 participants, with total contributions of $288,474, and total assets of $19,532,514. For those individuals who completed the retirement income calculator, their contribution rate was about 1.0% higher on average. The withdrawals for the quarter totaled $345,477, and 6,000 in loans.

Ms. McHugh updated the Board on the number of unique logins through the Prudential portal by plan. She further updated the Board on the status of the transition. The first fee deduction was processed shortly after the fee communication was mailed to participants. Paper statements will be issued by the end of the week and Prudential anticipates an increase in calls as a result. Ms. McHugh described the information that will be contained in the statement, including directions on how to log in to their account through the website and a reminder to update your beneficiary information.
Mr. Attanasio presented the quarterly report for the Single Deposit Investment Account. As of the end of the quarter, there were 1,185 participants with total assets of $43,123,590. The plan is a frozen plan and as a result total participants and assets are declining over time. The number of withdrawals of the first quarter were 186 totaling $1,017,266.

Representatives from Prudential Retirement and Mr. Considine left the meeting at 9:56 A.M.

**ITEM 3: Legislative Update**

Mr. Clasen updated the Board on the legislative session and provisions in the budget impacting teachers’ retirement. The budget currently sets aside $10 million from the tobacco settlement toward the VSTRS pension. The big bill is currently in conference committee and the Treasurer’s office is working to amend the conference committee report to add clarifying language relating to GASB 75. The current auditors are interpreting the RTHMB language to mean that individual school districts have liability relating to other post employment benefits. The clarifying language is needed to specify that the state is ultimately liable for paying the state share of teacher health and medical benefits. In addition, the Treasurer has asked for a memo from the Attorney General’s Office clarifying the intent of the RTHMB language and the legal responsibility of the state to pay the health and medical benefits.

Mr. Duggan updated the Board on the miscellaneous retirement bill. The bill passed both the house and the senate and staff expects the bill to be signed by the Governor shortly.

Ms. Green left the meeting at 10:09 A.M.

**ITEM 4: Disability recommendation from the April 19, 2018 Meeting of the Medical Review Board for:**

- Laurie Williams (New)

**On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to accept the recommendation of MRB to allow disability retirement for Laurie Williams without review.**

**ITEM 5: Other Business**

The Board deferred holding a discussion on teacher licensure and endorsement levels until a later date when Ms. Price can be present.

Mr. Clasen informed the Board that staff is continuing to work with Hickok and Boardman on the health insurance plan and that the Board would likely need to take action next month to extend the current contract by 1 year.

**ITEM 6: Adjournment**
On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to adjourn at 10:17 a.m.

Next Meeting Date:
The next scheduled VSTRS meeting is a Conference Call Meeting on June 14, 2018 at 3:30 p.m.

Respectfully submitted,

Erika Wolffing
Retirement Office