

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
In-House/ Conference Call Meeting of the Board of Trustees  
**July 13, 2017 – 1:00 p.m.**

**DRAFT - NOT YET APPROVED**

**VSTRS Members present:**

JON HARRIS, Chairperson, Active Member Representative, term expiring– July 1, 2019  
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2020  
BETH PEARCE, Vermont State Treasurer  
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2017 – via telephone  
DANIEL RADDOCK, Financial Regulation Representative – via telephone  
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2020

**Board members absent:**

DEBORA PRICE, representing Secretary of Agency of Education  
PERRY LESSING, Active Member Alternate Representative, term expiring July 1, 2017

**Also attending:**

MATT CONSIDINE, Director of Investments, Treasurer's Office  
ANDY COOK, Investments Analyst  
DAVID BORSYKOWSKY, Attorney General's Office  
CHRISTOPHER LEVELL, MARGARET BELMONDO (phone), NEPC, LLC  
KATHLEEN RILEY, MATTHEW STROM, Segal Consulting  
MICHAEL CLASEN, Deputy Treasurer  
ROGER DUMAS (Chair), THOMAS HANGO (phone), JUDY ROSENSTREICH, JEAN-PAUL ISABELLE,  
BETH FASTIGGI, JAY WISNER, NICK FOSS, DAN RADDOCK (phone) VSERS Board  
TOM GOLANKA, (Chair), ROBERT HOOPER, KAREN PAUL (phone), VAUGHN ALTEMUS, VPIC Board  
PETER AMONS (Chair), DAVID ROWLEE (phone), VMERS Board  
MIKE GILBAR, Vermont League of Cities and Towns  
DAN POULIOT, Vermont Department of Human Resources  
NANCY DIMICK, Retirement Division  
DAWN NEDDO, Retirement Division

The Chairperson, Jon Harris, called the Thursday, July 13, 2017 meeting to order at 1:05 p.m., which was held in the Governor's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

**ITEM 1:** Chris Levell from NEPC, LLC presented his report *2017 Long-Term Asset Allocation & NEPC Asset Class Assumptions*. Kathleen Riley and Matthew Strom from Segal Consulting presented their report Review of Investment Return Assumption which included an analysis of inflation factors. Segal Consulting recommended moving to an expected rate of return of 7.5% and NEPC concurred with this recommendation. Segal also recommended moving to a 2.5% inflation factor to investments and COLAs. Mr. Levell, Ms. Riley and Mr. Strom responded to questions posed by members of the committee.

**On a motion by Treasurer Pearce, seconded by Mr. Mackey the Board unanimously accepted the recommendation of Segal Consulting to update the expected rate of return for the VPIC portfolio to 7.5%.**

**On a motion by Treasurer Pearce, seconded by Mr. Mackey, the Board unanimously accepted the recommendation to apply a 2.5% inflation factor to investments and COLAs and resulting assumptions as found on page seven of the Segal Consulting *Retirement Systems of the State of Vermont, Review of Investment Return Assumption* report.**

**ITEM 2:** Approve minutes of June 8, 2017

**On a motion by Mr. Mackey, seconded by Treasurer Pearce, the Board unanimously accepted the minutes of the June 8, 2017 VSTRS Board Meeting.**

**ITEM 3:** OPEB Services

There has been an inability to come to terms during negotiations with Buck Consulting/Conduent.

**On a motion by Mr. Harris, seconded by Mr. Mackey, the Board unanimously approved to terminate the negotiations with Buck Consulting and approve contracting with Segal Consulting for OPEB services.**

**Treasurer Pearce made note of the high quality of the materials provided by Segal Consulting.**

**ITEM 4:** Discuss/ Act on Disability Retirement for  
➤ Martha Litch

**On motion by Treasurer Pearce, seconded by Mr. Mackey, the Board unanimously approved to accept the recommendation of the Medical Review Board for the disability retirement for Martha Litch, with no review.**

**ITEM 5:** Any other business to come before the board.

None

**ITEM 6:** Adjournment

**On motion by Treasurer. Pearce, seconded by Mr. Mackey, the Board voted unanimously to adjourn at 3:15 p.m.**

**Next Meeting Date:**

August 8, 2017 9:00 a.m. In-House Meeting, Governor's Conference Room, 4<sup>th</sup> Floor, 109 State Street  
Montpelier, Vermont 05609

Respectfully submitted,



Dawn M. Neddo  
Program Technician