
Minutes

A regular meeting of the Administration and Personnel Committee of the VRS Board of Trustees was held on February 13, 2020 in Richmond, Virginia with the following members present:

Mitchell L. Nason, VRS Chair
Diana F. Cantor, Vice Chair
Wallace G. Harris, Ph.D.
Joseph W. Montgomery

Board members present:
William H. Leighty
O'Kelly E. McWilliams, III

Also present:

Trish Bishop, Ron Schmitz, Jennifer Schreck, Farley Beaton, Jeanne Chenault, Michael Cooper, Juanita Cribbs, Barry Faison, Robert Irving, LaShaunda King, Curt Mattson, Angela Payne, Cat Pelletier, Matt Priestas, Cindy Wilkinson of the VRS Staff; and Jamie Bitz of the Joint Legislative Audit and Review Commission.

The meeting convened at 10:35 a.m.

Approval of Minutes

Upon a motion by Mr. Montgomery, with a second by Ms. Cantor, the minutes of the November 20, 2019 meeting were approved.

Tuition Reimbursement and Tenure Agreement

Mr. Schmitz presented a request for authorization to execute a tenure agreement with and reimburse tuition payments for certain investment professional staff. VRS adheres to the Education and Development for Investment Professionals Policy which outlines the process for requesting, approving and reimbursing allowable expenses for training, tuition reimbursement and attainment of professional designations. The Policy supports the retention of current investment professionals and attraction of new talent.

The Policy authorizes the VRS Chief Investment Officer (CIO) to approve tuition reimbursement for investment professionals unless the estimated costs exceed \$100,000. If the estimated tuition costs exceed \$100,000 the VRS Board of Trustees must review and approve the request.

Upon a motion by Mr. Harris, with a second by Mr. McWilliams, the Committee recommends approval of the following action to the full Board:

RBA: Authorize Tuition Reimbursement and Tenure Agreement

Request for Board Action: *The VRS Board of Trustees authorizes the Chief Investment Officer to execute a tenure agreement with and reimburse tuition payments for certain investment professional staff.*

Review and Approve New FY 2020 Agency Performance Outcome (APO) #6

Ms. Bishop and Mr. Cooper presented a new proposed Agency Performance Outcome (APO) #6, Implement FY 2020 Legislation. A significant amount of legislation impacting VRS is expected to be approved during the 2020 General Assembly session, and likely to require implementation by July 1, 2020. The resources necessary for legislation implementation will likely affect other key initiatives, including those outlined in the previously approved FY 2020 APOs.

Staff is meeting to evaluate schedules for current agency projects and to develop a plan for process, system and communication changes necessary to satisfy the anticipated minimum requirements of the VRS-related approved legislation.

Upon a motion by Mr. McWilliams, with a second by Mr. Harris, the Committee recommends approval for the following action to the full Board:

Request for Board Action: *The Board approves new FY 2020 APO #6, Implement FY 2020 Legislation.*

Reappointment of IAC Member

Mr. Schmitz presented the recommendation to reappoint W. Bryan Lewis to the Investment Advisory Committee (IAC) for a two-year term ending March 31, 2022.

Upon a motion by Ms. Cantor, with a second by Mr. Montgomery, the Committee recommends approval of the following action to the full Board:

RBA: Reappointment of IAC Member

Request for Board Action: *The Board reappoints W. Bryan Lewis to the Investment Advisory Committee for a two-year term ending March 31, 2022.*

Appointment of DCPAC Member

Ms. Bishop presented the recommendation to appoint Kathleen T. Seay to the Defined Contribution Plans Committee (DCPAC). Ms. Seay would fill the unexpired term of Allan Carmody, which ends June 20, 2020, and, given the short duration of the unexpired term, the recommendation includes the subsequent reappointment of Ms. Seay to a full term that will end June 20, 2022.

Upon a motion by Mr. Montgomery, with a second by Mr. Leighty, the Committee recommends approval of the following action to the full Board:

RBA: Appointment of DCPAC Member

Request for Board Action: *The Board appoints Kathleen T. Seay to fill the unexpired term of Allan Carmody, which ends June 20, 2020, and reappoints Ms. Seay for a two-year term ending June 20, 2022.*

Budget Update

Mr. Faison provided a budget update for FY 2020 to the Committee. Mr. Faison noted that due to market and other conditions, actual incentive compensation was less than budgeted for investment professionals. Therefore, staff is requesting approval to reallocate the remaining funds to other key agency projects. The total amount to be reallocated is \$3,082,000.

Upon a motion by Mr. McWilliams, with a second by Mr. Leighty, the Committee recommends approval of the reallocation of unused incentive compensation funds for other key agency projects.

Adjournment

There being no further business, Mr. Nason adjourned the meeting at 11:13 a.m.

June 10, 2020

Date



O'Kelly E. McWilliams, III, VRS Chair*
Administration and Personnel Committee

* Mr. McWilliams was appointed as VRS Chair after the date of the meeting.