
Minutes

A regular meeting of the Administration and Personnel Committee was held on November 14, 2018 in Richmond, Virginia with the following members present:

Mitchell L. Nason, 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
Troilen G. Seward

Also present:

Trish Bishop, Ron Schmitz, Suja Amir, Jeanne Chenault, Michael Cooper, Robert Irving, LaShaunda King, Curt Mattson, Taylor Melton, Angela Payne, Andrea Peeks, Matt Priestas, Jennifer Schreck, Capri Stanley-Smith, and Cindy Wilkinson of the VRS Staff;

Kimberly Sarte and Lauren Axelle of the Joint Legislative Audit and Review Commission.

The meeting convened at 11:07 a.m.

Approval of Minutes

Upon a motion by Ms. Cantor, with a second by Mr. Montgomery, the minutes of the October 18, 2018 joint Investment Policy Committee and Administration and Personnel Committee meeting were approved.

Incentive Compensation Plan for Investment Professionals

Ms. Stanley-Smith began by noting, at the September 12, 2018 meeting, the Committee determined McLagan would continue its review of market compensation and incentive pay practices with regard to alternative absolute return adjustment options. In addition, the Committee agreed to convene a joint meeting of the Investment Policy Committee and the Administration and Personnel Committee to discuss the options provided. At the joint meeting held on October 18, 2018, the committees agreed to implement McLagan's Option VI. Option VI is defined as:

"Negative return adjustment remain unchanged. No adjustment for returns between 0% and the assumed rate of return, currently 7%. Positive return adjustment for returns in excess of the assumed rate of return."

Ms. Stanley-Smith advised this language has been added to the Investment Professionals' Pay Plan. In addition, administrative updates were made to the plan's overview and pay philosophy sections as well as to the classification titles. Illustrative formulas were also updated to reflect the changes in the policy.

Upon a motion by Ms. Cantor, with a second by Mr. Montgomery, the Committee recommended approval to the Board:

RBA: Approve changes to Investment Professionals' Pay Plan

Request for Board Action: The Virginia Retirement System Board of Trustees approves an amended Investment Professionals' Pay Plan.

Building Access and Use Policy

Next, Ms. Bishop discussed the proposed "Building Access and Use Policy". VRS has a longstanding policy that public comment is not permitted during meetings of committees or of the Board of Trustees; however, there has not been a policy in place regarding access and use of VRS buildings regarding members of the public that may attend public meetings or have other business within VRS. After informal inquiries, VRS staff researched practices in place by other entities and the General Assembly, and reached out to Capitol Police and the Office of the Attorney General to ensure the policy is clear and consistent.

Key points from the policy include:

- All visitors observing open meetings must sign in and out with security in the building in which they have business, as well as the meeting room Guest Sign-In sheet.
- Possession, use, or display of any device that may disrupt the conduct of business is prohibited.
- Posters, signs, banners and similar items may not be affixed to any surface in VRS buildings without the approval of the VRS Facility Manager and such items may not be displayed in a manner that distracts others.
- VRS meeting space supports the work of VRS and is for the use of VRS Board and committee members, staff, and individuals with a VRS business-related purpose.

During a lengthy discussion, the Committee agreed to retitle the policy to "Public Access and Building Use Policy" to appropriately reflect public access to VRS buildings and meetings held on and off site. The Committee also discussed developing a separate policy to address security and violations of the Public Access and Building Use Policy and implementing a course of action to be taken in the event a violation occurs.

Upon a motion by Mr. Leighty, with a second by Ms. Cantor, the Committee recommended the approval of the amended policy to the Board:

RBA: Adopt "Public Access and Building Use Policy"

Request for Board Action: The Virginia Retirement System Board of Trustees adopts the "Public Access and Building Use Policy".

Budget Update

Lastly, Ms. Peeks provided an update on the FY 2019 budget and an overview of expenses from July 1, 2018 to November 7, 2018. VRS has submitted requests for additional appropriation to the Department of Planning and Budget and the outcome is expected to be made available December 18, 2018, when the Governor will present his Introduced Budget to the Joint Assembly.

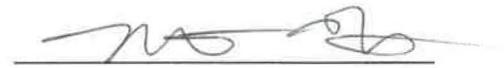
Mr. Nason thanked Ms. Peeks for her report.

Adjournment

There being no further business, Mr. Nason adjourned the meeting at 11:46 a.m.

6/13/19

Date



Mitchell L. Nason, Chair