

Minutes

An electronic meeting of the Virginia Retirement System Administration and Personnel Committee was held on April 19, 2021 in accordance with § 2.2-3708.2(A)(3) of the *Code of Virginia* and in accordance with guidance provided in Item 4-0.01 of Chapter 552 of the 2021 Special Session I Acts of Assembly, with the following members participating:

Board members participating:

O'Kelly E. McWilliams, III, Chair
Joseph W. Montgomery, Vice Chair
William A. Garrett
Wallace G. Harris, Ph.D.
Troilen G. Seward, Ed.S.

VRS Staff:

Patricia Bishop, Jeanne Chenault, Michael Cooper, Harriet Covey, Juanita Cribbs, Valerie Disanto, Brian Goodman, Matt Priestas, Jillian Sherman, Grace Wheaton and Cindy Wilkinson.

Guests participating were:

Adam Rosatelli, Senate Finance and Appropriations Committee.

The meeting convened at 10:07 a.m.

Opening Remarks

O'Kelly E. McWilliams, III called the meeting to order and welcomed everyone to the April 19, 2021 meeting of the Administration and Personnel Committee.

Mr. McWilliams noted that given the current circumstances related to COVID-19, the Committee is unable to meet in person and, therefore, is using electronic means to hold the meeting. The meeting is being held in accordance with § 2.2-3708(A)(3) of the *Code of Virginia* and Chapter 552 of the 2021 Special Session I Acts of Assembly as they relate to conducting business during the pandemic.

Next, Mr. McWilliams took attendance with the following roll call:

Mr. Garrett: Here
Mr. Harris: Here
Mr. Montgomery: Here
Ms. Seward: Here
Mr. McWilliams: Here

Public Comment

In accordance with Chapter 552 of the 2021 Special Session I Acts of Assembly, the Committee opened the floor for public comment. Mr. McWilliams noted that no members of the public registered to comment at the electronic meeting.

Approve Minutes

Upon Ms. Seward's motion, with a second by Mr. Harris, the Committee approved the minutes of the February 11, 2021 meeting upon the following roll call vote:

Mr. Garrett: Aye
Mr. Harris: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Reappointment of DCPAC Members

Ms. Bishop reviewed the recommendations to reappoint three members of the Defined Contribution Plans Advisory Committee whose terms are set to expire. Shannon T. Irvin, Rick Larson and David A. Winter are eligible for reappointment and have expressed interest in continuing to serve on the Committee.

RBA: Reappointment of DCPAC Members

Request for Board Action: *The Board reappoints Shannon T. Irvin, Rick Larson and David A. Winter to the Defined Contribution Plans Advisory Committee (DCPAC), each for a two-year term ending June 20, 2023.*

Upon a motion by Mr. Harris, with a second by Mr. Montgomery, the Committee recommended approval of the action to the full Board of Trustees upon the following roll call vote:

Mr. Garrett: Aye
Mr. Harris: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Review and Approve Revised FY 2021 Agency Performance Outcome (APO) #4

Mr. Cooper presented the proposed revisions to Agency Performance Outcome (APO) #4 regarding the Cardinal HCM Project Implementation. Mr. Cooper explained that the overall Cardinal project schedule, managed by the Commonwealth's Department of Accounts, has been pushed back several months. Consequently, the components of APO #4 as initially approved by the Board are unattainable for reasons beyond the agency's control. Accordingly, VRS is recommending revisions to APO #4 to account for elements of the project that can be accomplished by June 30, 2021 and are applicable to FY 2021.

RBA: Approve Revised Agency Performance Outcome (APO) #4

Request for Board Action: *The VRS Board of Trustees approves revisions to Agency Performance Outcome #4 for Fiscal Year 2021.*

Upon a motion by Mr. Montgomery, with a second by Ms. Seward, the Committee recommended approval of the action to the full Board of Trustees upon the follow roll call vote:

Mr. Garrett: Aye
Mr. Harris: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Approve Revised Pay Plan

Ms. Reid advised the Committee that the Governor has approved the 2021 Appropriation Act, which includes a 5% salary increase for eligible employees of the Commonwealth, as well as related changes to the minimum and maximum of each of the pay bands of the Commonwealth's pay plan. In keeping with these changes, Ms. Reid advised that VRS is proposing to amend the pay bands of its three pay plans as well. An additional change is proposed for the Investment Professionals' Pay Plan to indicate that VRS will implement pay actions consistent with the provisions of the Appropriation Act. This language is already provided in the Administrative Pay Plan and Investment Operations and Administration Staff Pay Plan.

RBA: Approve Amended Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan.

***Request for Board Action:** The VRS Board of Trustees approves amendments to the Administrative Pay Plan, the Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan.*

Upon a motion by Mr. Montgomery, with a second by Mr. Harris, the Committee recommended approval of the action to the full Board of Trustees upon the following roll call vote:

Mr. Garrett: Aye
Mr. Harris: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Update on Strategic Plan Development

Ms. Bishop updated the Committee on the development of the agency's next strategic plan. VRS leadership is working with VCU's Performance Management Group to develop strategic goals and objectives that are measurable in an effort to track performance for the five-year period beginning July 1, 2021.

Mr. McWilliams asked about the Board's input in the strategic plan development process. Ms. Bishop advised that the Board's input is important to the plan, a draft would be shared with the Board for its consideration, and Board feedback will be captured as part of the overall planning process.

Budget Update

Mr. Cooper provided an update on the agency's year-to-date budget performance as Barry Faison was unable to attend the meeting. Mr. Cooper explained that fiscal year-end projections indicate a balance of approximately \$9.9 million, which will be returned to the Fund as a result of planned reductions in spending due to impacts of the pandemic during FY 2021. This is a slight decrease from the projection provided at the Committee's February meeting, and is due to an increase in projected expenses related to the ongoing recruitment of critical positions.

Mr. McWilliams inquired about the transfer of knowledge initiatives related to the completion of the Modernization project. Ms. Bishop noted the ongoing efforts to build out the IT team as contracted employees working on the Modernization project leave the agency. Further, VRS continues to enhance its documentation, including policies and procedures, to capture the system and process changes resulting from the Modernization initiative.

Bo Harris asked for an update on the hiring of the Chief Technology and Security Officer position. Ms. Bishop advised the Committee that Mark Rein has been selected to fill the position and will begin on April 25, 2021. Mr. Rein comes to VRS with over 20 years of information systems and technology management experience, including 12 years serving as the CIO, Deputy CIO and Branch CTO for several large federal government agencies. VRS looks forward to welcoming Mr. Rein on April 25.

Other Business

Lastly, Mr. McWilliams noted upcoming meetings, including that the Benefits and Actuarial Committee will meet in the afternoon at 1:00 p.m. and the Board of Trustees will meet April 20, 2021 at 1:00 p.m.

Adjournment

Upon a motion by Mr. Montgomery, with a second by Ms. Seward, the Committee agreed to adjourn the meeting upon the following roll call vote:

Mr. Garrett: Aye
Mr. Harris: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

There being no further business, the meeting concluded at 10:34 a.m.



Chair

June 2, 2021

Date