

**MINUTES OF THE VLCT JOINT INVESTMENT COMMITTEE MEETING**  
**FRIDAY, MARCH 17, 2023**  
**10:00 AM**  
**VLCT OFFICES, MONTPELIER, VT and VIA ZOOM**

Committee Members Present: Jackie Higgins (PACIF), Rob Gaiotti (PACIF), Bryan Young (PACIF), Bruce Urie (PACIF-remote), Kathleen Ramsay (VERB/PACIF) and Jessie Baker (VLCT – remote)

Staff Present: Joe Damiata, Ted Brady, Seth Abbene, Fred Satink and Kelley Avery

Others Present: Dan Smereck (Strategic Assets Alliance - SAA), Jim Kaniclides, Jason Bilodeau and Emin Hajiyev (Insight - remote)

The meeting was called to order at 10:04 a.m.

Joe Damiata noted that since former committee chair, Bill Shepeluk, has retired, the committee members must choose a new chair. Kathleen Ramsay moved to nominate Bryan Young as the new committee chair, and Jackie Higgins seconded the motion.

**Upon motion (Ramsay/Higgins) duly adopted, the committee voted unanimously to elect Bryan Young as committee chair.**

**Upon motion (Higgins/Ramsay) duly adopted, the committee voted unanimously to approve the agenda.**

**Upon motion (Gaiotti/Higgins), the committee voted unanimously to approve the minutes of the September 16, 2022 committee meeting, with one abstention.**

Dan Smereck from Strategic Asset Alliance (SAA) reviewed the trusts' investment performance through 2022. PACIF's consolidated return, net of fees through December was -12.16%, slightly outperforming the benchmark, while VERB's was -10.38%, which was above the benchmark. Mr. Smereck also described a wide range of factors that are currently impacting the markets and that also contributed to the negative consolidated portfolio results for 2022.

Jason Bilodeau of Insight introduced their new Senior Economist, Emin Hajiyev who provided committee training on current macroeconomic conditions. Mr. Hajiyev provided a high level overview on current market elements that impact investments including the labor market, inflation, consumer spending, trade, government spending, federal reserve activity and geo-political situations. Mr. Hajiyev pointed out how the US economy is far more closely tied to global economies today than it was several decades ago.

Mr. Smereck presented the annual SAA risk pool client peer group analysis. Investment portfolio performance for the trusts is in line with peer averages. The risk asset allocation for the trusts is

also similar to that of peers. Overall, the investment metrics for both trusts are within comparable ranges to the SAA peer group.

Ted Brady presented a draft of the VLCT Municipal Re-Investment Pilot Program Request for Proposal (RFP) for the committee's approval to present to the VLCT, VERB and PACIF Boards. The idea for this RFP sprang from a similar program the State Treasurer currently has in place. Mr. Brady proposed to send this RFP to Vermont municipalities and non-profits to garner interest in a local investment portfolio. The funding for the program would initially be comprised of funds from available net position and working capital from PACIF, VERB and VLCT, and the purpose of the fund would be to allow for short-term loans to members or non-profits to benefit their communities. The program would be administered by VLCT's Chief Financial Officer, Seth Abbene, and applications would be reviewed by Mr. Brady, Mr. Abbene and Mr. Damiata and brought before the appropriate trust entity (VLCT, VERB or PACIF) for approval. The Local Investment Sub-Committee previously approved advancing the draft RFP to the JIC.

Mr. Damiata noted that since PACIF is regulated, investments that come about from this RFP would need to be brought before the Department of Financial Regulation for approval prior to issuance. Kathleen Ramsay also suggested having a municipal finance officer assist VLCT staff with screening and approving RFP applicants, if this moves forward and is approved by all boards.

**Upon motion (Gaiotti/Baker), duly adopted, the committee voted unanimously to approve the VLCT Municipal Re-Investment Pilot Program Request for Proposal as presented to be brought before the VLCT, PACIF and VERB Boards for review and approval.**

There was no other business.

**Upon motion (Higgins/Ramsay), duly adopted, the committee voted unanimously to adjourn the meeting (11:59 a.m.).**

Respectfully submitted,



Fred Satink  
Assistant Secretary