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## **VLCT Joint Investment Committee Meeting Minutes 2021 03-12**

**VLCT Joint Investment Committee Meeting**  
**Friday, March 12, 2021**  
**10:00 AM**  
**Via GoToMeeting**

### **Minutes**

#### **Committee Members Present:**

PACIF: Aaron Frank, Ron Gaiotti, Jackie Higgins, Jerry Storey and Bruce Urie

VERB: Bill Shepeluk and Todd Odit

**Staff Present:** Joe Damiata, Maura Carroll, Jeremiah Breer, Fred Satink and Kelley Avery

**Others Present:** Dan Smereck (Strategic Assets Advisors [SAA]), Amanda Abdella and Jason Bilodeau (Insight, formerly Mellon)

Bill Shepeluk called the meeting to order at 10:02 a.m.

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

Upon motion (Storey/Higgins), the board voted unanimously to approve the minutes of the September 4, 2020 committee meeting.

Jason Bilodeau and Amanda Abdella reviewed the fixed income portfolio performance through the end of 2020. Overall, both the PACIF and VERB portfolios performed very well relative to the benchmarks. They also briefly reviewed the global and economic outlook for 2021, which leans largely positive considering market resiliency and recent pandemic developments such as vaccines and federal stimulus. The committee and staff noted the benchmarks had been updated as of last year, and Insight (formerly Mellon) stated that the new benchmark will require some restructuring in the portfolio. Insight will update their reports to include the newly adopted custom benchmarks for both Trusts moving forward.

Dan Smereck from Strategic Asset Alliance (SAA) reviewed the trusts' investment performance through 2020. PACIF's consolidated return, net of fees through December was at 9.06%, while VERB's was at 6.25%, very close to their benchmarks. Mr. Smereck echoed Mellon's assessment that U.S. economic growth will likely improve due to recent positive developments surrounding the pandemic and growth in the global markets.

Mr. Smereck provided a review of Environmental Social and Governance (ESG) investing, which is referred to as "sustainable" pool investing. SAA recommends some language be inserted into the trust investment policies to allow these funds in the future as ESG is growing substantially and now has many more investment options.

Mr. Smereck discussed his recommendation that the committee consider adding the Eaton Vance floating rate advantage fund to its portfolios due its high yield and leveraged capability. The committee will discuss this potential option in more detail at the next meeting.

Mr. Smereck reviewed the annual Peer Analysis for Risk Pools. Overall, both trusts performed extremely well in comparison to their peers in 2020, particularly PACIF. PACIF's outperformance was largely attributed to its longer average duration fixed income holdings.

Mr. Smereck presented the annual SWOT Analysis which assesses the strengths, weaknesses, opportunities and threats for each trust's portfolios. Once again, both trusts appear to be well positioned for the current environment.

Jeremiah Breer discussed the cash position for each Trust and let the Committee know that he would be investing excess cash into risk assets each quarter. The Committee recommended that staff transfer appropriate sums to each Trusts' custodial account to be held in cash. This will allow staff to work with SAA to invest each quarter from the cash position without making multiple transfers from the depository bank. Staff was agreeable to this approach.

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,  
Fred Satink  
Assistant Secretary

**Board/Committee Meeting Date:**

Friday, March 12, 2021

**Resource Category:**

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