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## **VLCT Joint Investment Committee Meeting Minutes 2021 09-03 (draft)**

**VLCT Joint Investment Committee Meeting**  
**Friday, September 3, 2021**  
**10:00 AM**  
**VLCT Office, Montpelier, VT and VIA Zoom**

### **Minutes**

Committee Members Present:

- **PACIF** Aaron Frank, Rob Gaiotti, Jackie Higgins and Jerry Storey
- **VERB** Bill Shepeluk and Todd Odit
- **VLCT** Peter Elwell

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

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

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

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

Upon motion (Storey/Frank), the board voted unanimously to approve the minutes of the March 12, 2021 committee meeting.

Scott Ruesterholz reviewed the national and global economic outlook. Despite impacts from the pandemic, the outlook for U.S. growth is strong due in part to the fiscal stimulus package. Strong business profitability and productivity also lend to this growth outlook on both a national and global scale. Unemployment levels vary nationally and as a result, some sectors of the economy are seeing substantial wage growth.

Jason Bilodeau and Amanda Abdella of Insight (formerly Mellon) reviewed the fixed income portfolio performance through July 2021. Overall, both the PACIF and VERB portfolios outperformed the

benchmarks, with PACIF's fixed income return, net of fees, -1.04%, while VERB's return was -.34%.

Dan Smereck from Strategic Asset Alliance (SAA) reviewed the trusts' investment performance. PACIF's consolidated return, net of fees through June 30th was -.26%, while VERB's consolidated return was -1.02%. VERB's underperformance was largely due to a market drawdown which occurred earlier this year. These returns still outperformed the benchmarks by small margins.

Mr. Smereck provided an assessment of the portfolios' current asset allocations. Mr. Smereck indicated that PACIF has reached the maximum allocation of risk assets as a percentage of overall investment portfolio, but is below the low end of the range for risk assets as a percentage of surplus. He noted that the current risk asset allocation percentage limit was appropriate at lower levels of net position; however, it may be worth re-evaluating that level at some point in the future, given the current level of net position. There was no recommendation to make a change at this meeting.

Ted Brady discussed his proposal to amend both trust investment policies to include considering Vermont-based potential investment options. Mr. Brady stated he firmly believed this would benefit not only VLCT and its mission but its members and their local communities as well. After much discussion, committee members agreed this should be a specific agenda item at future PACIF and VERB board meetings so that all board members may have the opportunity to weigh-in on the concept. No action was taken on this proposal.

Jeremiah Breer updated the board regarding the Eaton Vance leveraged floating rate fund. After discussion with Eaton Vance and SAA, staff decided not to pursue adding the fund to the portfolio at this time and recommended tabling this decision.

Upon motion (Storey/Odit) duly adopted, the committee voted adjourn (12:24 p.m.).

Respectfully submitted,  
Fred Satink  
Assistant Secretary

**Board/Committee Meeting Date:**

Friday, September 03, 2021

**Resource Category:**

- JIC Minutes
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