

Minutes

An electronic meeting of the Virginia Retirement System Administration and Personnel Committee was held on June 2, 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:

O'Kelly E. McWilliams, III, Chair
Joseph W. Montgomery, Vice Chair
Troilen G. Seward, Ed.S.

Board members present:

Hon. J. Brandon Bell, II
John M. Bennett
William A. Garrett
W. Brett Hayes

VRS Staff:

Patricia Bishop, Jennifer Schreck, Jeanne Chenault, Michael Cooper, Harriet Covey, Juanita Cribbs, Valerie Disanto, Barry Faison, Jonathan Farmer, Robert Irving, LaShaunda King, Curt Mattson, Angela Payne, Matt Priestas, Paula Reid, Mark Rein, Jillian Sherman and Cindy Wilkinson.

The meeting convened at 10:01 a.m.

Opening Remarks

O'Kelly E. McWilliams, III, called the meeting to order and welcomed everyone to the June 2, 2021 meeting of the Administration and Personnel Committee.

Mr. McWilliams introduced John M. Bennett, the newest member of the Board of Trustees. Mr. Bennett joins the Board after retiring from his position as Vice President for Finance at VCU, and he previously served as Secretary of Finance for the Commonwealth.

Next, 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.

Mr. McWilliams then took attendance with the following roll call:

Mr. Bell: Here
Mr. Bennett: Here
Mr. Garrett: Here
Mr. Hayes: 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 Mr. Montgomery's motion, with a second by Ms. Seward, the Committee approved the minutes of its April 19, 2021 meeting upon the following roll call vote:

Mr. Bell: Aye
Mr. Bennett: Aye
Mr. Garrett: Aye
Mr. Hayes: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Discussion and Consideration of FY 2022 Agency Performance Outcomes (APOs) and Operational Measures

Michael Cooper, VRS Chief Operating Officer, provided an overview of the Agency Performance Outcomes (APOs) and Operational Measures to the Committee. He explained that the APOs are considered stretch goals for the agency and the Operational Measures represent the target rates for day-to-day business operations.

Mr. Cooper reported that staff is proposing the following four APOs for FY 2022:

1. Cloud Migration
2. Records Management Program – Phase 1 Implementation
3. ERM Implementation
4. Cardinal HCM Implementation

Next, Mr. Cooper presented the sixteen proposed Operational Measures. He noted that staff continues to evaluate new measures for implementation in future years and will be piloting a few during the next year. To qualify for the gainsharing bonus, staff must successfully complete three of the four proposed APOs and thirteen of the sixteen proposed Operational Measures.

Mr. Cooper concluded his presentation by providing an overview of the process of establishing the metrics associated with each agency goal. VRS leadership determines the subcomponents of each goal and the deliverables by which each can be measured. The goals and subcomponents are then confirmed through an assurance review by Internal Audit at the end of each fiscal year.

Lastly, Ms. Bishop noted that future changes to the Operational Measures are expected as the agency continues implementation of its online retirement features.

Mr. McWilliams thanked Mr. Cooper for his presentation.

The Committee then took up the following RBA for consideration:

RBA: Approve FY 2022 APOs and Operational Measures.

Request for Board Action: The VRS Board of Trustees approves the FY 2022 Agency Performance Outcomes (APOs) and Agency Operational Measures.

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

Mr. Bell: Aye
Mr. Bennett: Aye
Mr. Garrett: Aye
Mr. Hayes: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Budget Update

Barry Faison, VRS Chief Financial Officer, provided an update on the agency's year-to-date budget performance. Mr. Faison explained that fiscal year-end projections continue to indicate a balance of approximately \$9.9 million, similar to what was presented at the April meeting, which will be returned to the Fund as a result of planned reductions in spending due to impacts of the pandemic during FY 2021. Mr. Faison indicated that additional details on expenditures through May will be presented at the Board meeting.

Patricia Bishop, VRS Director, noted that some remaining balances were greater than in previous years due to the new-hire suspension that was in place for much of FY 2021. She added that since the formal suspension has been lifted, these numbers are expected to change as VRS evaluates new positions in order to meet business needs.

Lastly, Mr. Faison introduced the agency's new Budget and Performance Reporting Manager, Jonathan Farmer. Mr. Farmer joins VRS after serving as a senior program manager with the Virginia Resources Authority.

Mr. McWilliams thanked Mr. Faison for his presentation.

Other Business

Ms. Bishop provided an update on the Return to the Office Plan to the Committee. She noted that the agency will remain in a remote-work status until September 7th, however, employees with supervisor approval may return to the building on a voluntary basis this summer. Ms. Bishop also advised that the Governor's emergency order, which permitted the use of remote meetings during the COVID-19 pandemic, is set to expire June 30, 2021 and meetings thereafter will be held in-person.

Ms. Bishop reported that Human Resources held multiple focus groups with staff in order to gather feedback on preferences and resources needed for the return-to-the-office transition. A survey distributed amongst staff also found that the majority of the agency felt that their managers and supervisors communicated effectively during the pandemic and preferred a hybrid work environment upon returning to the office. The Committee further discussed recruitment, retention and in-person collaboration as part of the return to the office planning. Ms. Bishop thanked the Committee members for their input and indicated that it would be considered as part of the planning process.

Lastly, Mr. McWilliams noted the following meeting schedule:

- Audit and Compliance Committee – June 3rd at 1:00 p.m.
- Benefits and Actuarial Committee – June 9th at 1:00 p.m.
- Board of Trustees – June 10th at 1:00 p.m.

Adjournment

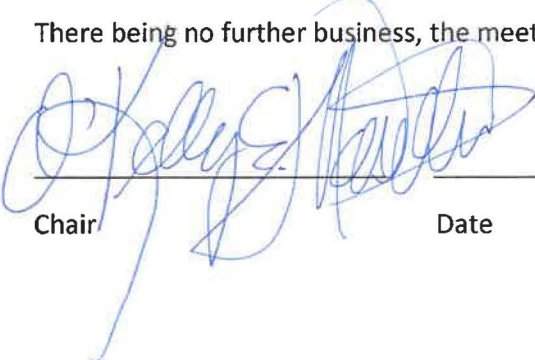
Upon a motion by Mr. Montgomery, with a second by Mr. Bell, the Committee agreed to adjourn the meeting upon the following roll call vote:

Mr. Bell: Aye
Mr. Bennett: Aye
Mr. Garrett: Aye
Mr. Hayes: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

There being no further business, the meeting concluded at 10:45 a.m.

Chair

Date


9/15/21