

MINUTES OF THE REGULAR MEETING OF
THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, NOVEMBER 20, 2024, AT 10:00 A.M.
AT 199 CHURCH STREET, 12 FLOOR BOARDROOM, NEW YORK, NEW YORK 10007;
15 COMPUTER DRIVE WEST, ALBANY, NY 12205; AND 100 CHESTNUT STREET,
ROCHESTER, NY

Board

Attendance – New York City

Kenneth Theobalds, Chair

Alexis Thomas

David Ourlicht

Eric Dinallo

Navneet Kathuria

Scott Melvin, *ex officio*

Attendance – Rochester

Dennis Kessler¹

Attendance – Albany

Ryan Delgado

Absent

Sean Graham

Executive Staff

Gaurav Vasisht, Executive Director & CEO

Peter Cusick, Chief Operating Officer, Insurance
Operations

Chad Loshbaugh, Chief Operating Officer, Business
Operations

David Wertheim, Acting General Attorney

William Gratrix, Chief Financial Officer

Gregory Francis, Chief Investment Officer

Additional Staff & Guest(s)

Michael Totaro, Assistant Secretary to the Board of
Commissioners

Jessica Silver, Director of Division of Confidential
Investigations

Lauren Fisher, Deputy Director of Administration

Megan McClune, Contract Management Specialist 3

Chair Theobalds presided. Commissioner Delgado participated from the NYSIF Albany office, Commissioner Kessler participated from the NYSIF Rochester office, and Chair Theobalds and Commissioners Dinallo, Kathuria, Ourlicht, Thomas and Melvin participated from the NYSIF New York City office. A quorum was announced and maintained throughout.

1. Report of Executive Director & CEO

Executive Director & CEO Gaurav Vasisht started his report by announcing that NYSIF recently received the Outstanding Achievement Award from the American Associate of State Compensation Insurance Funds for its claims app. Mr. Vasisht congratulated the staff, including Chief Information Officer Charlotte Griffin, Associate Director of Comp Claims & Medical Administration Jeffrey Silino, and the whole IT and Claims staff for their hard work.

¹ Commissioner Kessler departed during Executive Session.

Next, he reported that there has been continued interest from hospitals concerning the Climate Action Premium Credit Program for Hospitals. He thanked Sita Fey and Lisa Ullman for their hard work on the project. Lastly, he spoke about the recent anti-fraud conference NYSIF's Division of Confidential Investigations hosted at John Jay College of Criminal Justice. The conference was a great success.

2. Report of Acting General Attorney

Acting General Attorney David Wertheim stated he had nothing to be report, but he took questions. Commissioner Dinallo asked about the commissioners' fiduciary duty. Mr. Wertheim stated the duty is to the State Insurance Fund itself.

Chair Theobalds noted that James Fiedler will be receiving the Claims Association Lifetime Achievement Award in December. Mr. Wertheim confirmed Mr. Fiedler would be receiving the award and stated that Mr. Fiedler would join the December Board meeting to receive the Board's appreciation for his services.

3. Report(s) of Standing Committees

Budget & Audit Committee

Commissioner Thomas, as Chair of the Budget & Audit Committee, announced the committee met on November 12th and discussed the plan for next year's EisnerAmper audit. The committee also received third quarter financials and the proposed Workers' Compensation Fund and Disability Benefits Fund 2025 budgets. She turned it over to Chief Financial Officer William Gratrix to deliver the reports to the full board.

Mr. Gratrix provided his report on the third quarter financials for the Workers' Compensation Fund and the Disability Benefits Fund. The third quarter financials continue to be steady and in line with projections. He then discussed the proposed 2025 budgets. The proposed budget had a 10.8 percent administrative budget, well below the legally mandated cap of 25 percent.

Chief Operating Officer, Business Operations Chad Loshbaugh spoke about the New York Civil Service's HELPS program. The HELPS program was created by Civil Service in June 2024 for one year. It is a suspension of the examination requirement for hard-to-fill civil service positions. The

program has been very successful for NYSIF in helping the Fund to fill underwriters, auditor, and IT professional positions. The commissioners asked numerous questions about the HELPS program and staffing levels, which staff answered.

Upon a motion by Commissioner Kathuria, seconded by Commissioner Thomas, the Board unanimously voted, under Section 82 of the Workers' Compensation Law, to approve the 2025 Workers' Compensation Fund Administrative Budget as submitted. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Next, Mr. Gratrix outlined the proposed 2025 budget for the Disability Benefits Fund, which also includes Paid Family Leave. The proposed budget had a 6.6 percent administrative budget, well below the legally mandated cap of 25 percent.

Upon a motion by Commissioner Ourlicht, seconded by Commissioner Dinallo, the Board unanimously voted, under Section 82 of the Workers' Compensation Law, to approve the 2025 Disability Benefits Fund Administrative Budget as submitted. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Investments Committee

Commissioner Ourlicht, Chair of the Investments Committee, reported that the Committee met on November 19, 2024. At the meeting, staff notified the committee that the amount of equities in the portfolio was slightly above (0.2 percent over) the asset allocation designated for equities. The non-compliance was due to October market conditions, where equities over performed compared to other parts of the portfolio. Staff is continuing to monitor the situation and will prudently get the portfolio back in compliance with the asset allocation requirements of the Investment Policy Statement. There were no other compliance issues to report.

Commissioner Ourlicht also reported that the committee received presentations about NYSIF's private market portfolio and a presentation from Thoma Bravo, a private market manager. The committee also received the strategic asset allocation study, which the committee will continue to evaluate before presenting it to the Board as part of the Investment Policy Statement. He then asked Chief Investment Officer Gregory Francis to discuss the two proposed resolutions.

Upon a motion by Commissioner Thomas, seconded by Commissioner Ourlicht, the Board unanimously voted to temporarily approve and modify the portion of the New York State Insurance Fund's "Insurance Investment Policy Statement" that sets the maximum range for the "Public Equities" allocation in the "WCF Asset Allocation Policy" as follows: The maximum range for the "Public Equities" allocation in the "WCF Asset Allocation Policy" is increased from 8% to 12% until November 30, 2025, on which date it will return to 8%. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Upon a motion by Commissioner Kathuria, seconded by Commissioner Thomas, the Board unanimously voted to approve and authorize the Investment Department for the calendar year 2025 to purchase securities or investments eligible for investments under Section 87 of the Workers' Compensation Law and to sell such securities or investments for the Workers' Compensation Fund, Disability Benefits Fund, and the Aggregate Trust Fund, subject to the limitations and restrictions set forth in the New York State Insurance Fund's "Investment Policy Statement" ("IPS") regarding asset allocation credit risk, as the same may be modified pursuant to the provisions of the IPS, subject to such approval by the Superintendent of the Department of Financial Services as may be required. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Property & Administrative Services Committee

Chair Theobalds, as a member of the Property & Administrative Services Committee, reported that the committee met on November 4, 2024. A full report will be provided in Executive Session, as it pertains to the potential leasing of real property in Rochester, New York.

4. Motion to Accept Consent Agenda

Upon a motion by Commissioner Ourlicht, duly seconded by Commissioner Thomas, the Board unanimously voted to accept the minutes of the October 16, 2024, Board meeting and have them filed as the official minutes of the Board, as well as to accept the written reports as submitted. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

5. Executive Session

Upon a motion by Commissioner Dinallo, duly seconded by Commissioner Kathuria, the Board unanimously voted to enter Executive Session for a discussion regarding matters leading to the appointment and employment of a particular corporation – specifically this applies to custodial banking services and investment services, and for a discussion regarding matters that could imperil the public safety, if disclosed. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

6. Report of Executive Session

Assistant Secretary Michael Totaro reported the following actions were taken in Executive Session:

Upon a motion by Commissioner Ourlicht, seconded by Commissioner Kathuria, the Board voted to authorize staff to enter into a 15-year lease with Sibley Redevelopment Limited Partnership to lease office space located at 25 Franklin Street, Rochester NY, subject to: (i) successful lease negotiations, (ii) legal review, and (iii) approval by the NYS Superintendent of the Department of Financial Services. In the event that Executive staff is unable to enter into a lease with Sibley Redevelopment Limited Partnership, the Board of Commissioners hereby authorizes staff to enter into a 15.5-year lease with Reynolds II, LLP to lease office space located at 26-28 E. Main Street, Rochester NY, subject to: (i) successful lease negotiations, (ii) legal review, and (iii) approval by the NYS Superintendent of the Department of Financial Services. If staff is unable to enter into a lease with Sibley Redevelopment Limited Partnership, Executive Staff will inform the Chairman prior to initiating negotiations with Reynolds II, LLP. The vote: Commissioner Delgado – yes;

Commissioner Kathuria – yes; Commissioner Kessler – RECUSED; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Assistant Secretary Totaro then announced that the next Board of Commissioners monthly meeting is scheduled for Wednesday, December 18, 2024, at 10:00 a.m.

7. Adjournment of Meeting

Upon a motion by Commissioner Thomas, duly seconded by Commissioner Kathuria, the Board unanimously approved a motion to adjourn the Board of Commissioners of the State Insurance Fund regular monthly meeting. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Melvin – yes; Commissioner Thomas – yes; Commissioner Ourlicht – yes; Commissioner Dinallo – yes; Chairman Theobalds – yes.

Respectfully Submitted,



Michael Totaro, Assistant Secretary