

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

April 16, 2024 11:00 A.M.

DRAFT COPY – NOT YET APPROVED BY BOARD

Please note all members participated via telephone, video, or teleconference:

Members present:

CHRISTOPHER DUBE, Chairperson, Employer Representative (term expiring July 1, 2026)

KIMBERLY GLEASON, Vice-Chair, Employer Representative (term expiring July 1, 2024)

KATHLEEN RAMSAY, Employer Representative (term expiring July 1, 2026)

Members absent:

MORGAN DAYBELL, Employee Representative (term expiring July 1, 2024)

MIKE PIECIAK, State Treasurer, Ex-officio

Also attending:

Gavin Boyles, Deputy Treasurer, (*designated voting member on behalf of Treasurer Pieciak)

Tim Duggan, Director of Retirement, Office of the State Treasurer

Nicole Weidman, Director of Retirement Operations and Policy, Retirement Division

Justin St. James, General Counsel, Office of the State Treasurer

Ms. Gleason called the Thursday, April 16, 2024 Board Meeting to order at 11:05 a.m., which was held by conference call.

ITEM 1: Agenda approval and announcements

On a motion made by Ms. Ramsay, seconded by Mr. Boyles, the Board voted unanimously to approve the agenda.

ITEM 2: Approve the minutes of:

- **March 19, 2024**

Prior to the meeting, Ms. Gleason notified staff of two errors located in the March 19, 2024 minutes. The errors were corrected prior to the meeting.

On a motion made by Ms. Ramsay, seconded by Mr. Boyles, the Board voted unanimously to approve the minutes of the March 19, 2024, meeting as revised.

ITEM 3: LRS Contract Extension

Mr. Duggan discussed the LRS Contract Extension for the Retirement Division, which will extend the current arrangement for another 5 years, with terms remaining consistent and pricing stepping up gradually in a manner consistent with inflation. Mr. Duggan explained that LRS produces, maintains, and supports the PensionGold solution, which is the pension information management solution used by all three pension systems. This system is the core pension

management tool, and the State owns its version of the PensionGold System. This contract is what governs the ongoing support and business continuity service for the PensionGold System.

Mr. Duggan explained that there was a typographical error in the Contract's maximum amount section, which should be changed from \$18 million to \$4 million.

On a motion made by Mr. Boyles, seconded by Ms. Ramsay, the Board voted unanimously to approve the LRS Extension Contract, as presented by staff, with the correction of the clerical error regarding the maximum amount, which should be \$4 million.

ITEM 4: Approval of Election Procedures – Employee Representative

Mr. Duggan explained that Mr. Daybell's board seat is up for reelection this year. Mr. Duggan stated the election procedures included in the board materials sets forth the process that will be followed for election of an employee representative to the Board. Mr. Duggan explained that the procedures track those employed in previous elections.

On a motion made by Ms. Ramsay, seconded by Mr. Boyles, the Board voted unanimously to approve the Election Procedures for the Employee Representative.

ITEM 5: Contribution Rate Discussion

Mr. Duggan provided an update on discussions regarding potential increases to the VMERS contribution rates for fiscal years 2027 – 2030. Mr. Duggan recapped discussions with VLCT and VT-NEA. Mr. Duggan explained that after initial concerns raised by VT-NEA about moving forward with the increases this year, system actuaries performed a preview of the upcoming crossover analysis. Actuaries determined that assuming inflation meets the assumption, this year's return would have to be at least 4% to pass a crossover test.

Given that this result leaves little margin for error, Mr. Duggan indicated that the Treasurer's Office would likely pursue the changes this year in the Legislature. Mr. Duggan indicated that assuming the Legislature is receptive to increasing the employee rates, the VMERS Board should expect to consider increasing the employer rates by a similar amount at the May meeting.

ITEM 6: Legislative Update

Ms. Gleason provided an update on S.42, which is the divestment bill currently pending in the House Government Operations Committee. Ms. Gleason explained the history and discussions related to the bill over the last year and articulated concerns that VPIC has raised pertaining to the current version of the bill. Ms. Gleason noted that testimony was being delivered later this afternoon from stakeholders like the retirement boards and employee groups and expressed encouragement that the Legislature was listening to a broad group of stakeholders.

Mr. Boyles provided additional insight regarding the ongoing discussions between stakeholders and the Legislature. Neither Ms. Gleason nor Mr. Boyles had a firm sense of the outcome of these discussions or the bill's prospects of passage.

ITEM 7: Any other business to come before the Board

Mr. Duggan noted that Ms. Gleason's employer representative term is set to expire this year, and that he had notified interested parties of Ms. Gleason's seat expiration.

Ms. Gleason stated she is willing to continue to serve on the Board and let her know if she needs to assist.

Ms. Gleason inquired about adding a "Public to be Heard" section of the agenda. It was suggested this new heading will be added to the top of each agenda after approval of the minutes.

On a motion made by Mr. Boyles, seconded by Ms. Ramsay, the Board voted unanimously to adjourn at 11:40 p.m.

Next Meeting Date:

The next scheduled VMERS meeting is May 21, 2024, at 11:00 a.m.

Respectfully submitted,



Nicole Weidman
Director, Retirement Operations & Policy