

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

December 22, 2021 – 9:30 a.m.

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

VMERS Members present:

CHRISTOPHER DUBE, Chairperson, Employer Representative (term expiring July 1, 2022)

KIMBERLY GLEASON, Vice-Chair, Employer Representative (term expiring July 1, 2020)

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

KATHLEEN RAMSAY, Employer Representative (term expiring July 1, 2022)

BETH PEARCE, Vermont State Treasurer

Also attending:

Tim Duggan, Assistant Attorney General

Lesley Campbell, Administrative Services Coordinator IV

Stephen Barry, Financial Administrator I

Eric Henry, Chief Investments Officer

Will Kriewald, Chief Financial Officer

Owen Doherty, Executive Assistant to the Treasurer

Mr. Dube called the Wednesday, December 22, 2021 Board Meeting to order at 9:35 a.m. which was held by conference call.

ITEM 1: Agenda approval and announcements

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

ITEM 2: Approve the minutes of:

- October 28, 2021

On a motion made by Ms. Pearce, seconded by Mr. Daybell, the Board voted unanimously to approve the minutes of the October 28, 2021 as presented.

ITEM 3: VMERS FY23 Budget overview

Mr. Kriewald presented the FY 23 VMERS Budget Overview. Mr. Kriewald explained that there was a significant decrease due to a reduction in investment management fees and the Vermont Pension Investment Commission (VPIC) budget being separated from the Treasurer's office budget this fiscal year because of Act 75. With a slight increase due to staff COLAs and step increases. The entire budget decreased by \$1.2 million over the prior year. The Board discussed the budget overview and asked clarifying questions.

On a motion made by Mr. Daybell, seconded by Ms. Gleason, the Board voted unanimously to approve the FY23 VMERS Budget as presented.

ITEM 4: Defined Benefit Employer and Recommended Employee Rate for FY23

Mr. Dube and Ms. Pearce provided an overview of the discussion with the employee groups concerning the rate increase needing to be equally shared by the employees and employers. This reflects the current structure and if agreed upon it would result in an overall 1% increase at the end of a 4-year period. The employee groups will be responding to the Treasurer's office in early January after each representative has discussed the proposal with their respective boards.

ITEM 5: Defined Contribution Plan Contributions and Funding Issues

Ms. Ramsay has received inquiries from members in the Defined Contribution (DC) plan that are interested in increasing their contributions to become more in line with the Defined Benefit (DB) plan. The current rate structure is 5% for both the employee and 6.25% employer. The employer rate includes a 1.25% administrative fee Ms. Pearce noted the DC plan does not have the participation needed to sustain the plan. Both the rates and the participation would need to substantially increase. Ms. Pearce proposed a few options how to sustain the DC plan including a discussion with The Vermont League of Cities and Towns to increase the administrative rate and participation, closing the plan to new participates, waive the administrative fee to the DB plan noting that this is not a good option because the DB plan would be paying for the DC plan, and lastly the option to have Prudential Retirement to be the administrator of the DC plan. The Board asked questions of Ms. Pearce and discussed the different options presented.

ITEM 6: 2022 Board Calendar

Ms. Campbell presented the 2022 schedule keeping regularly scheduled VMERS meetings on the third Tuesday of the month at 11:00 a.m.

ITEM 7: Disability Commendation from November 19, 2021, meeting of the Medical Review Board: Linda Bolio

On a motion made by Ms. Pearce, seconded by Ms. Ramsey, the Board voted unanimously to enter executive session at 10:25 a.m. pursuant to 1 V.S.A. § 313 in order to discuss personal medical information.

The Board came out of executive session at 10:30 a.m.

On a motion made by Ms. Pearce, seconded by Ms. Gleason, the Board voted unanimously to approve the disability retirement for Linda Bolio without review.

ITEM 8: Other Business

None.

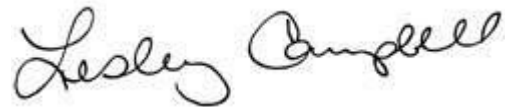
ITEM 9: Adjournment

On a motion made by Ms. Pearce, seconded by Ms. Gleason, the Board voted unanimously to adjourn at 10:31am

Next Meeting Date:

The next scheduled VMERS meeting is Tuesday, January 18, 2022 at 11:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lesley Campbell".

Lesley Campbell
Administrative Services Coordinator IV