

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
In-House/ Conference Call Meeting of the Board of Trustees
July 13, 2017 – 1:00 p.m.

DRAFT - NOT YET APPROVED

VMERS Members present:

Peter Amons, Chairperson, Employee Representative (term expiring July 1, 2020)
Beth Pearce, Vermont State Treasurer
David Rowlee, Employee Representative (term expiring July 1, 2018) – via telephone

Board members absent:

Mel Hawley Employer Representative (term expiring July 1, 2018) – via telephone
VACANT - Employer Representative (term expiring July 1, 2020)

Also attending:

Michael Clasen, Deputy Treasurer
Matt Considine, Director of Investments, Treasurer's Office
Andy Cook, Investments Analyst
David Borsykowsky, Attorney General's Office
Christopher Levell, Margaret Belmondo(phone), NEPC, LLC
Kathleen Riley, Matthew Strom, Segal Consulting
Roger Dumas (Chair), Thomas Hango (phone), Judy Rosenstreich, Jean Paul Isabelle,
Beth Fastiggi, Jay Wisner, Nick Foss, Dan Raddock (phone) VSERS Board
John Harris, (Chair) Justin Norris (phone), VSTRS Board
Tom Golanka, (Chair), Robert Hooper, Karen Paul (phone), Joseph Mackey, Vaughn Altemus, VPIC Board
Mike Gilbar, Vermont League of Cities and Towns
Dan Pouliot, Vermont Department of Human Resources
Nancy Dimick, Retirement Division
Dawn Neddo, Retirement Division

The Chairperson, Peter Amons, called the Thursday, July 13, 2017 meeting to order at 1:04 p.m., which was held in the Governor's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Chris Levell from NEPC, LLC presented his report *2017 Long-Term Asset Allocation & NEPC Asset Class Assumptions*. Kathleen Riley and Matthew Strom from Segal Consulting presented their report Review of Investment Return Assumption which included an analysis of inflation factors. Segal Consulting recommended moving to an expected rate of return of 7.5% and NEPC concurred with this recommendation. Segal also recommended moving to a 2.5% inflation factor to investments and COLAs. Mr. Levell, Ms. Riley and Mr. Strom responded to questions posed by members of the committee.

On a motion by Treasurer Pearce, seconded by Mr. Rowlee, the Board unanimously accepted the recommendation of Segal Consulting to update the expected rate of return for the VPIC portfolio to 7.5%.

On a motion by Treasurer Pearce, seconded by Mr. Rowlee, the Board unanimously accepted the recommendation to apply a 2.5% inflation factor to investments and COLAs and resulting assumptions as found on page seven of the Segal Consulting *Retirement Systems of the State of Vermont, Review of Investment Return Assumption* report.

ITEM 2: Discuss/ Act on Disability Retirement for
➤ John Kustafik

On motion by Treasurer Pearce, seconded by Mr. Rowlee, the Board unanimously approved to accept the recommendation of the Medical Review Board for the disability retirement for Jon Kustafik, with review at one year.

ITEM 3: Any other business to come before the board.

None

ITEM 4: Adjournment

On motion by Treasurer. Pearce, seconded by Mr. Rowlee, the Board voted unanimously to adjourn at 2:58 p.m.

Next Meeting Date:

None scheduled at this time.

Respectfully submitted,



Dawn M. Neddo
Program Technician