

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Meeting
April 12, 2018 – 9:00 a.m.

VSERS Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2018)
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2018)
JEAN-PAUL ISABELLE, VSEA Alternate Representative (term expiring September 30, 2019)
JAY WISNER, Governor's Delegate position – via telephone
DAN POULIOT, Deputy Commissioner of Department of Human Resources
BETH PEARCE, Vermont State Treasurer

Members absent:

THOMAS HANGO, Vice-Chair, VSEA Representative (term expiring September 30, 2018)
JEFF BRIGGS, VSEA Representative (term expiring September 30, 2018)
ERIC DAVIS, VSEA Representative (term expiring September 30, 2019)
ADAM GRESHIN, Commissioner of Finance & Management (ex-officio)
BETH FASTIGGI, Commissioner of Department of Human Resources (ex-officio)

Also attending:

Matt Considine, Director of Investments
Katie Green, Investments Manager
Tim Duggan, Assistant Attorney General
Nancy Dimick, Retirement Specialist
Erika Wolffing, Retirement Division
Christine McHugh, Prudential Retirement – via telephone
Bill Brennan, Prudential Retirement – via telephone
Ronald “Chip” Sanville, Prudential Retirement

The Chair, Roger Dumas, called the Thursday, April 12, 2018, Conference Call Board meeting to order at 9:03 a.m., which was held in the Treasurer's Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the Minutes of:**

- March 8, 2018

On a motion by Mr. Wisner, seconded by Mr. Pouliot, the Board voted unanimously to approve the minutes of March 8, 2018 as submitted.

ITEM 2: **Prudential Transition**

Mr. Sanville updated the Board on the outcome of the second round of transition sessions currently planned throughout the state. The in-state counselors have already presented in Newport, Burlington, St. Albans and St. Johnsbury, with future meetings scheduled in Montpelier, Brattleboro, Rutland, and Waterbury.

Mr. Dumas inquired whether periodic withdrawals transferred over from the prior recordkeeper on the same date as previously requested. He stated he has heard from participants who did not have their periodic payments transition over and were told that they need to reestablish periodic payments with Prudential. Ms. McHugh informed the Board that established systematic payments and RMDs (required mandatory distributions) were received from the prior recordkeepers, and the payment date previously established was migrated to the Prudential system. For any participant setting up a new payment, Prudential has established dates for when payments are made, systematic payments are made on the 15th of the month, and RMD payments are made on the 20th.

Mr. Dumas asked if Prudential would post historical information from Empower to their website or if only data from the transfer date would be accessible. Ms. McHugh explained that Prudential will retain some information from the prior-recordkeeper, but this information would not be accessible to the participant through Prudential's web portal. Ms. Pearce explained that prior data would be accessible to participants through Empower's website for two years.

Mr. Dumas outlined concerns with the functionality of the Prudential website and requested a walkthrough with someone from Prudential to outline these concerns and suggest changes. Ms. McHugh stated Prudential is willing to take feedback on the website.

Mr. Dumas inquired on when the fees would be deducted for the most recent quarter. Ms. McHugh explained that Prudential is currently working with the State to finalize a communication around the first fee deduction, and participants would see this first fee deducted from their accounts online by the end of the month. Ms. Pearce explained this fee would not show on the paper statements until July. Ms. Pearce gave a brief overview of what the fee communication will look like for the 457b Plan and SDIA Plan, including a side by side comparison of how the old statement looked compared to the new statement from Prudential reflecting a cost savings overall in participant accounts. Ms. Pearce explained that the State requested Prudential hold the fee deduction until the communication is sent out to participants.

Representatives from Prudential Retirement, Mr. Considine, and Ms. Green left the meeting at this time.

ITEM 3: Legislative Update

Ms. Pearce updated the Board on the status of legislation impacting the pension fund. The miscellaneous retirement bill is currently in the Senate Committee on Finance. Ms. Pearce explained that currently the Legislature is fully funding the ARC, using 17.47% of payroll, Ms. Pearce expressed concern that this percentage amount may be a little short, but received a commitment that any difference would be made up administratively.

Ms. Pearce notified the Board that H.12 and S.273 (bills pertaining to law enforcement) would require a study by the Retirement Office, the Department of Human Resources, and various stakeholder groups to review the job specifications for state law enforcement positions

and make sure these position specifications appropriately match the requirements to participate in Group C. The study group would also review if there are any other positions in state government that should be included in Group C and what the cost would be to the system to include these positions (if any). Mr. Pouliot expressed concern about the study, that the Legislature is reclassifying positions when this work is the purview of the Department of Human Resources.

Mr. Dumas requested that the Tru-Up report for the pension fund be presented at the next Board meeting in May.

ITEM 4: Disability Retirement Recommendations from the March 15, 2018 Meeting of the Medical Review Board for:

- Lisa Allen (Review)
- Enita Boudreau (New)
- Janice Brown (New)
- Lori Howard (Review)

On a motion made by Mr. Isabelle, seconded by Mr. Wisner, the Board voted unanimously to enter Executive Session at 10:03 a.m. pursuant to 1 V.S.A. §313 for the purpose of discussing personnel issues.

The Board came out of executive session at 10:15 a.m.

On a motion made by Ms. Pearce, seconded by Mr. Isabelle, the Board voted unanimously to accept the recommendation of the MRB to allow continued disability retirement for Lisa Allen with an additional one-year review.

On a motion made by Mr. Isabelle, seconded by Mr. Pouliot, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Enita Boudreau without review.

On a motion made by Mr. Isabelle, seconded by Ms. Pearce, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Janice Brown without review.

On a motion made by Ms. Pearce, seconded by Mr. Isabelle, the Board voted unanimously to accept the recommendation of the MRB to allow continued disability retirement for Lori Howard with an additional one-year review.

ITEM 5: Other Business

None.

ITEM 6: Adjournment

On a motion by Mr. Isabelle, seconded by Mr. Pouliot, the Board voted unanimously to adjourn at 10:18 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is a Quarterly In-House Meeting on Thursday, May 10, 2018 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Erika Wolffing".

Erika Wolffing
Director Retirement Outreach & Policy