

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Only
April 14, 2022 – 9:00 a.m.

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

Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2022)
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2022)
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2022)
ERIC DAVIS, VSEA Representative (term expiring September 30, 2022)
THOMAS MOZZER, VSEA Representative (term expiring October 31, 2022)
BETH PEARCE, VT State Treasurer
ADAM GRESHIN, Commissioner of Finance and Management
BETH FASTIGGI, Commissioner of Human Resources
JAY WISNER, Governor's Delegate position

Also attending:

Michael Clasen, Deputy State Treasurer
Tim Duggan, Director, Vermont Retirement Systems
Harold Schwartz, Human Resources Director of Operations
Eric Henry, Chief Investment Officer
Lesley Campbell, Deputy Director, Retirement Policy and Outreach
Ashlynn Doyon, Director of Outreach and Financial Literacy
Owen Doherty, Executive Assistant to the Treasurer

The Chair, Roger Dumas, called the Thursday, April 14, 2022 meeting to order at 9:03 a.m., which was held by conference call only.

ITEM 1: Agenda approval and announcements

On a motion made by Ms. Pearce, seconded by Mr. Wisner, the Board voted unanimously to approve the agenda for April 14, 2022.

ITEM 2: Approve the Minutes of:

- March 10, 2022

On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve the minutes of the March 10, 2022.

ITEM 3: Legislative Update

Ms. Pearce discussed the progress made with S.286 in the General Assembly and reaffirmed her support for the bill. Mr. Duggan explained how staff is moving forward on implementation and testing should the bill become law.

Mr. Dumas expressed concern about the amount of time for current employees to consider potential retirement. Ms. Pearce reaffirmed her understanding of the challenges presented by S.286 and her recognition of the work necessary to implement changes that the bill.

ITEM 4: Group G (Corrections) and Longevity Incentive Review

Ms. Pearce presented actuarial findings on the impact of creating Group G and the rationale for recommendations regarding the employee contribution rate and rules for retirement eligibility.

Ms. Fastiggi expressed concern about the effect of the contribution rate for employees that may be primarily focused on how this will reduce their take-home pay and consequences on the long-term effects this may have on hiring and retention. Mr. Davis and Mr. Isabelle reiterated the support from affected members in the creation of a separate Group G.

Ms. Fastiggi explained her vote against the motion because of her belief in employee choice with their retirement planning. Mr. Dumas and Mr. Wisner had hesitations about the Board voting on matters of benefit structure. Both members recognized, however, that because this proposal was found to be actuarially neutral they felt comfortable offering support for the motion.

On a motion made by Mr. Davis, seconded by Mr. Wisner, the Board approves of the Group G proposal as presented and for the Treasurer to convey the proposal to the General Assembly. The motion passed with Mr. Dumas, Ms. Pearce, Mr. Isabelle, Mr. Davis, Mr. Wisner voting in favor of the motion. Ms. Fastiggi and Mr. Greshin voted against the motion.

Ms. Pearce presented the preliminary actuarial analysis on a lump-sum longevity incentive. Board discussion revolved around where the potential savings would be applied and how the longevity incentive should be paid. Ms. Fastiggi voiced her desire to see analysis of funding the incentive by reducing the employee contribution rate.

On a motion made by Mr. Wisner, seconded by Ms. Fastiggi, the Board voted unanimously in view of the fact that increased service from long-serving employees would result in savings to the unfunded liability and ADEC, and after review of the longevity incentive concept presented, the board is in favor of the concept of a lump-sum incentive, as well as further investigating the additional alternative idea of funding it through a reduction to employee contribution, and believe it is appropriate to conduct further actuarial review after the 2022 valuation.

ITEM 5: Disability recommendation(s) from the March 17, 2022 meeting of the Medical Review Board:

- John Larose

On a motion made by Ms. Pearce, seconded by Mr. Davis, the Board voted unanimously to approve the recommendation of the Medical Review Board for the disability retirement of John Larose.

ITEM 6: Other Business and Public Comment

Mr. Davis presented the impact of additional funding over the ADEC to pay down future unfunded liability amortization payments. He highlighted findings by the Pension Task Force that these additional payments represent a potential future savings for taxpayers and argued that they were key to long term sustainability of pension fund.

Mr. Dumas addressed the mailings from Empower regarding the recent acquisition of Prudential. Mr. Duggan informed the Board of continued talks with Mr. D'Ulisse to ensure smooth transition for the 457(b) Deferred Compensation plan.

ITEM 7: Adjournment

On a motion made by Ms. Pearce, seconded by Mr. Isabelle the Board voted unanimously to adjourn at 11:25 a.m.

Next Meeting Date:

The next VSERS Board meeting is on May 12, 2022 at 9:00 a.m.

Respectfully submitted,



Lesley Campbell
Deputy Director, Retirement Policy and Outreach