

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Conference Call Meeting of the Board of Trustees
January 16, 2013

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2014) – via telephone
PETER AMONS, Employee Representative (term expiring July 1, 2016)
DAVID ROWLEE, Employee Representative (term expiring July 1, 2014) – via telephone
ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016)

Also attending:

Stephen Wisloski, Deputy VT State Treasurer – via telephone
Matthew Considine, Director of Investments
Katie Green, Investments Manager
Laurie Lanphear, Director of Retirement Operations
Tina Kawecki, Secretary to the Board
Monica Chiren, Assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Wednesday, January 16, 2013 meeting to order at 4:00 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of November 14, 2012

On motion by Mr. Amons, seconded by Ms. Pearce, the Board unanimously voted to approve the minutes of November 14, 2012, as submitted.

ITEM 2: Discussion/Act on disability retirement recommendations for:

- Frank Davis
- Bette Davidson

On motion by Ms. Pearce, seconded by Mr. Amons, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirements for Frank Davis and Bette Davidson, without review.

ITEM 3: Act on the following request to join VMERS:

- Chittenden County Regional Planning Commission – effective 4/1/2013

Ms. Kawecky provided the Board members the background information for the Chittenden County Regional Planning Commission request and indicated they were aware of the possible changes to the current IRS regulations. Ms. Pearce indicated she will make sure someone monitors the IRS regulation changes.

On motion by Mr. Amons, seconded by Ms. Pearce, the Board voted unanimously to allow the Chittenden County Regional Planning Commission to join VMERS effective April 1, 2013.

ITEM 4: Discuss/Act on anti-“spiking” samples

Ms. Lanphear reviewed with the Board members the email she sent earlier in the day concerning the annual and sick leave payout samples. There was a discussion how the VSERS and VSTRS systems handle this issue. It was decided that the Attorney General's Office would be contacted relative to this issue before it is discussed further. Ms. Pearce indicated she would have a conversation with David Driscoll concerning the impact of the samples provided by Ms. Lanphear on the system.

On motion by Ms. Pearce, seconded by Mr. Amons, the Board voted unanimously to amend the work plan of the employee and employer discussion group to incorporate a review of the potential leave payouts as they relate to retirement benefits.

(Ms. Green left the meeting at this time.)

ITEM 5: Discuss/Act on one-time transfer option from DC to DB proposal

Ms. Lanphear reviewed with the Board members the one-time transfer option from the DC to DB plan proposal draft language. Ms. Lanphear answered the questions posed by the Board members. Ms. Lanphear incorporated the changes requested by the Board members. It was indicated there would be education provided to members concerning this one-time transfer. Ms. Pearce indicated she will bring this proposal to the Government Operations Committee to start the process.

ITEM 6: Discuss employee contribution rates

Ms. Pearce provided an update on the employee contribution rates discussions that have occurred so far. She indicated this process will continue and that she would provide the Board members an update in the future.

ITEM 7: Any other business to come before the Board

Mr. Considine answered the Board members' questions relative to the mapping of the Fidelity DC plan options. The Board reviewed the email as sent by Mr. Wisloski on January 9, 2013.

On motion by Ms. Pearce, seconded by Mr. Amons, the Board voted unanimously to make a formal recommendation to follow the January 9, 2013 email to approve the mapping of the DC plan as recommended by the Treasurer's Office staff.

Mr. Wisloski indicated Fidelity will provide a letter of direction relative to the changes.

In response to Mr. Jeffrey's inquiry Ms. Lanphear indicated there would be some housekeeping retirement issues this session. Ms. Pearce indicated some of the items that would be discussed this session would be taking a look at the amortization schedule, Teacher health care funding issues, and the pension forfeiture issue. Ms. Pearce indicated when they have the pension forfeiture language they will provide it for review.

Mr. Wisloski responded to Mr. Amons' inquiry concerning the exchange traded funds versus mutual funds.

ITEM 8: Adjournment

On motion by Ms. Pearce, seconded by Mr. Amons, the Board unanimously voted to adjourn at 4:55 p.m.

Next Scheduled Meeting Date:

Wednesday, May 22, 2013 at 9:30 a.m.

Respectfully submitted,

Tina Kawecki
Secretary to the Board