

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

January 3, 2014

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2014)
PETER AMONS, Employee Representative (term expiring July 1, 2016) – via telephone
THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016)
DAVID ROWLEE, Employee Representative (term expiring July 1, 2014) – via telephone
STEPHEN WISLOSKI, Deputy VT State Treasurer representing ELIZABETH PEARCE,
Vermont State Treasurer

Board members absent:

None

Also attending:

Matt Considine, Director of Investments
Katie Green, Investments Manager
Suzie Porter and Robert Roy, Fidelity Investments – via telephone
Laurie Lanphear, Director of Retirement Operations
Monica Chiren, Assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Friday, January 3, 2014 meeting to order at 9:32 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the minutes of November 22, 2013**

On motion by Mr. Golonka, seconded by Mr. Amons, the Board unanimously voted to approve the minutes of November 22, 2013, as submitted.

ITEM 2: **Defined Contribution Plan review by Fidelity Investments**

Ms. Porter and Mr. Roy thanked the Board members for accommodating them today by allowing them to phone into the Board meeting. Ms. Porter advised the Board members she would present the demographics of the program and Mr. Roy would present the investment information.

Mr. Roy reviewed the investment information with the Board members. There was a discussion concerning the stock market. There was a discussion about diversification. There was a discussion about the Freedom Funds. Mr. Roy indicated the 2000 Fund would be dropped in 2014 and any participants that had that fund would automatically be rolled into the Freedom Income Fund. Mr. Roy also advised the Board that the 2055 Fund would automatically be added when it became available. There was a discussion concerning the glide paths of the Freedom Funds. Mr. Roy reviewed the Fund Diagnostic Summary with the Board members. There was a discussion concerning fees. Mr. Roy described the strategy of Fidelity's target date funds versus

other target date funds available in the market. There was a discussion concerning the age of the participants in the target date funds.

(Ms. Pearce entered the meeting at this time.)

Ms. Porter indicated she will email the Board members the summary of the items she covers in this meeting. Ms. Porter reviewed with the Board members the demographics of the program. Ms. Porter reviewed with the Board members the difference in fees since the switch to the share asset class change. There was a discussion concerning the number of DC members that would be taking advantage of the one-time option to switch to the DB plan. Ms. Lanphear indicated she is working with Craig to facilitate those transfers. Mr. Wisloski indicated the Treasurer's Office would like electronic copies of everything that is provided to the Board members since they will be put up on the Treasurer's website. Ms. Porter indicated the documents will need to go through one more internal review before she can provide them to the Treasurer's Office.

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board unanimously voted to authorize Fidelity Investments to introduce new Freedom Funds as they become available.

Ms. Porter reiterated that any participants that were in the 2000 Fund at the time it ended would automatically be mapped into the Freedom Income Fund, with appropriate notification given to the participants.

(Ms. Porter and Mr. Roy left the meeting at this time.)

ITEM 3: Any other business to come before the Board

Mr. Wisloski discussed with the Board members the PCORI Trust Fund Fee on the RHS Plan. Ms. Pearce indicated staff will do an analysis of the de minimis accounts of the RHS Plan.

The Board further discussed the one-time option to switch from the DC plan to the DB plan and the progress of the switch. The Board briefly discussed the Town of Weathersfield issue.

ITEM 4: Adjournment

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board unanimously voted to adjourn at 11:05 a.m.

Next Meeting Date:

None.

Respectfully submitted,

Tina Kawecki
Secretary to the Board