

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Actuary Meeting
October 29, 2014 – 11:00 a.m.

DRAFT COPY – NOT YET APPROVED BY BOARD

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2016)
PETER AMONS, Employee Representative (term expiring July 1, 2016)
THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016)
ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

DAVID ROWLEE, Employee Representative (term expiring July 1, 2018)

Also attending:

Laurie Lanphear, Director of Retirement Operations
Matt Considine, Director of Investments
David Driscoll and Hope Manion, Buck Consultants
Nick Foss, Investments Analyst
Joshua McCormick, assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Wednesday, October 29, 2014 meeting to order at 11:20 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of October 15, 2014

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board voted unanimously to approve the minutes of October 15, 2014, as submitted.

ITEM 2: GASB 67

Ms. Pearce spoke about the findings of the GASB 67 audit that was conducted by Sullivan Poser's & Company, LLP in connection with Melanson, Heath & Company, PC. 2013 data was rolled into 2014 data. 25 Municipal entities and 15 school entities were used in the audit. Ms. Pearce stated the census data results were good. Ms. Pearce stated that a best practices memo will be sent out to the board. Ms. Pearce also stated that this audit will need to be done every year for the next 10 years.

ITEM 3: FY '14 Actuarial Valuation

Mr. Driscoll reviewed with the Board members the reasons for having an annual actuarial valuation. Mr. Driscoll presented the results of the *Report on the Actuarial Valuation of the Vermont Municipal Employees' Retirement System Prepared as of July 1, 2014*. Participants went up from June 30, 2013 (6577 active members), to 6664 active members. Mr. Driscoll

stated there was a 9% increase in retirees'. There were discussions about Adjusted Assets, Market value vs Actuarial value, and the asset gains. The asset gains amount is \$35,178,435. There was a discussion of the current funding policy rate, which is 5.45%. There was a discussion about mortality assumptions.

There was a discussion about the different municipal retirement groups and their funding policy rates. Group A has a 4% Funding Policy Rate, Group B – 5.5%, Group C – 6.938%, and Group D – 9.875%. Mr. Jeffrey then handed out a graph for VMERS Contribution rates for each group, from 2009-2014. The board discussed these rates and compared them to the valuation report.

On motion by Mr. Golonka, seconded by Mr. Amons, the board unanimously voted to allow the Chairperson and the Treasurer to enter into negotiations with employees groups representing VMERS members and return to the board with actual employer rates and recommendations to the legislature for employee rates effective July 1, 2016.

The Board discussed the \$25.00 health stipend for the retirees.

On motion by Ms. Pearce, seconded by Mr. Amons, the board unanimously voted to approve the \$25.00 health stipend for retirees for another year.

Mr. Amons left the meeting at this time

ITEM 5: Any other business to be brought before the board

none

ITEM 6: Adjournment

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board voted unanimously to adjourn at 12:45 p.m.

Next Meeting Date:

None at this time

Respectfully submitted

Tina Kawecki
Secretary to the Board