

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

November 16, 2010

VMERS Members present:

STEVEN JEFFREY, Chairperson Employee Representative (term expiring July 1, 2014)

PETER AMONS, Employee Representative (term expiring July 1, 2011)

JAMES QUINN, Employer Representative (term expiring July 1, 2012)

THOMAS GOLONKA, Governor's Appointee

JEB SPAULDING, Vermont State Treasurer

Board members absent:

None

Also attending:

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board

Stephen Wisloski, Director of Investment and Debt Management

Michael Clasen, Director of Retirement Operations

Michael McShane, Assistant Attorney General, AG's Office

John Booth, Treasury Operations Director

Michael Savage, ICMA-RC

Rose Roberts, ICMA-RC

Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Steven Jeffrey, called the Tuesday, November 16, 2010 meeting to order at 1:00 p.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the minutes of October 26, 2010**

On motion by Mr. Amons, seconded by Mr. Golonka, the Board unanimously voted to approve the minutes of October 26, 2010, as amended.

Ms. Webster indicated she will provide an update on the public hearing under the other business item.

ITEM 2: **Discuss/act on letter of appeal from Suzanne L. LaBombard**

Mr. Clasen provided the Board members the background on the appeal of Suzanne L. LaBombard. Mr. Clasen indicated she is appealing the \$23,046.39 not being refunded to her and that amount being returned to the Town of Isle LaMotte. The Board discussed where the purchase money came from and who approved the purchase. The Board discussed what their responsibility was concerning the appeal, and what further action Ms. LaBombard could take. The Board discussed how this issue was brought to Mr. Clasen's attention.

On motion by Mr. Golonka, seconded by Mr. Quinn, the Board unanimously voted to deny the appeal request from Suzanne L. LaBombard as outlined in her letter dated October 2, 2010, and to affirm the actions taken by Michael Clasen of the Retirement Division.

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

Town of Calais

effective 1/1/11

Ms. Webster provided the Board members background on the Town of Calais' request. Ms. Webster indicated current employees would have a choice, but for new hires it would be automatic enrollment.

On motion by Mr. Amons, seconded by Mr. Golonka, the Board unanimously voted to approve the Town of Calais' request to join VMERS effective January 1, 2011.

ITEM 4: Presentation of FY 2012 Budget

(Mr. Spaulding and Mr. Booth entered the meeting at this time.)

Ms. Webster indicated presentation of the budget was an education item, and that no action was needed from the Board. Ms. Webster gave a brief description of the budget and the three systems. Ms. Webster introduced John Booth to the Board members.

Mr. Booth reviewed the *Fiscal Year 2012 Budget*. Mr. Booth responded to all questions posed by the Board members. Mr. Clasen responded to the questions posed by the Board members concerning the VPAS item.

Mr. Clasen provided the Board members an update on VPAS. Mr. Clasen indicated the retiree portion was transitioned last November and was virtually problem-free. Mr. Clasen indicated at the end of this month they will do the final data conversion for the active side and will run parallel for a few months. Mr. Clasen indicated lengthy testing will be conducted by the Retirement Specialists with the hope of going live sometime in May of June. Mr. Clasen explained sometime in the future there would be a self-service feature for the members to access their account.

The Board discussed how this budget information is used for the three systems.

(Mr. Booth and Mr. Clasen left the meeting at this time.)

ITEM 5: Appoint VMERS representatives to the VPIC

Ms. Webster indicated there was never a motion appointing Mr. Jeffrey as the VMERS representative to VPIC.

On motion by Mr. Spaulding, seconded by Mr. Amons, the Board unanimously voted to appoint Steven Jeffrey as the VMERS representative to VPIC, and Thomas Golonka as the VMERS alternate representative to VPIC subject to approval by Wells Fargo of Mr. Golonka's appointment.

There was a discussion about VPIC and the appointment of VMERS Board members to VPIC. There was a discussion that the appointment did not need to be a VMERS Board member in case there was an issue with Mr. Golonka's appointment with Wells Fargo.

ITEM 6: ICMA-RC – annual review of Retiree Health Savings Program

(Ms. Roberts and Mr. Savage entered the meeting at this time.)

Ms. Webster provided an overview of the Retiree Health Savings Plan. Ms. Webster provided information relative to the three distributions. There was a discussion how contributions were calculated. There was a discussion what members had access to the funds and what the funds could be used for.

(Mr. Jeffrey left the meeting at this time.)

Mr. Savage provided the Board members the background of ICMA-RC. Mr. Savage provided the annual review of the Retiree Health Savings Program. There was a discussion what funds are used in the program. There was a request for the breakdown of the funds and who manages the funds. It was indicated that members receive a quarterly statement. Ms. Roberts indicated if Ms. Webster wanted to include information with the quarterly statements she would be able to do that. There was a discussion concerning Meritain's role with this program. There was a discussion the website is currently being worked on. Ms. Webster explained how the contracts work with ICMA-RC. There was a discussion concerning the fees associated with this program. Mr. Savage indicated if the Board members had any further questions in the future, they would be happy to answer them.

(Ms. Roberts and Mr. Savage left the meeting at this time.)

There was a discussion about members being able to add funds to this account on their own accord. The Board members indicated this would be an interesting discussion to have.

ITEM 7: Any other business to come before the Board

Ms. Webster provided the Board members with her findings relative to having a public hearing with the VIT. There was a discussion why a public hearing was requested. There was a discussion whether contact via email would accomplish the same thing. There was a discussion about the Board's responsibility in setting rates. There was a discussion what would happen if nothing was done with the rates. There was a discussion about the experience study in the spring. There was a discussion about the contribution rates for the different groups.

On motion by Mr. Spaulding, seconded by Mr. Golonka, the Board unanimously voted to recommend that both the current employer and employee rates be reviewed after the experience study is conducted and to recommend to legislature that the employer rates remain the same for one more year.

Ms. Webster provided the Board members with a memo concerning the cost of the printing and mailing of the newsletters. The Board discussed electronically providing the newsletters versus mailing a hard copy of the newsletters.

ITEM 8: Adjournment

On motion by Mr. Golonka, seconded by Mr. Quinn, the Board unanimously voted to adjourn at 2:56 p.m.

Next Meeting Date:

There is no VMERS meeting currently scheduled.

Respectfully submitted,

Cynthia L. Webster, Secretary to the Board