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**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**GREEN MOUNTAIN SECURE RETIREMENT PLAN**  
**AGENDA**

January 20, 2021 – Board Meeting  
10:30 a.m.

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 802-828-7667](tel:+18028287667), [309264840#](tel:+1309264840) United States, Montpelier

Phone Conference ID: 309 264 840#

1. Agenda approval and announcements
2. Approve the minutes of August 31, 2020
3. Status update
4. Overview of ERISA 3(38) Fiduciary Plan
5. Optionality and participation agreement
6. Marketing update
7. Technical update
8. Public Comment
9. Adjourn

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***Draft Minutes***

Green Mountain Secure Retirement Board Meeting  
August 31, 2020  
2:30 p.m.  
Virtual Meeting via Microsoft Teams

**Green Mountain Secure Retirement Board Members Present:**

Beth Pearce  
Sivan Cotel  
Dave Reville  
Bob Hooper  
Paul Dame  
Dan Boardman  
Margi Swett

**Others Present:**

Michael Clasen, Vermont Deputy State Treasurer  
Tim Duggan, (Assistant Attorney General) Vermont State Treasurer's Office  
Ashlynn Doyon, Vermont State Treasurer's Office  
Dylan Giambatista, Vermont State Treasurer's Office  
Angela Antonelli, Georgetown University Center for Retirement Initiatives  
Troy Tissue, TAG Resources  
Crystal Gravitt, TAG Resources  
Kenneth Coulter, TAG Resources

**CALL TO ORDER:**

Ms. Pearce called the meeting to order at 2:32 p.m.

**Item 1: Agenda approval and announcements**

**Ms. Swett moved to approve the agenda. Mr. Hooper seconded the motion. The Board voted unanimously to approve the agenda for the meeting.**

**Item 2: Approve the minutes of November 19, 2019**

**Mt. Cotel moved to approve the minutes of November 19, 2019. Mr. Reville seconded the motion. There was no further discussion. The Board voted unanimously to approve the minutes.**

### **Item 3: Contract**

Mr. Clasen introduced staff from TAG Resources to the Board and detailed that the goal of the meeting was for the Board to approve a motion for the Treasurer's Office to sign a contract with TAG Resources on behalf of the Board. In 2019, the Board received two bids in response to its second RFP for a third-party administrator. The Board then directed Treasury staff to enter into contract negotiations with TAG Resources, but this process was delayed by the onset of the COVID-19 pandemic and emergency response.

Mr. Duggan reviewed a PowerPoint presentation that was prepared for the Board to aid in the description of the contracting process. Ms. Pearce asked how many employers might participate in a soft launch of the plan. Mr. Duggan responded that he expected 5-10 employers to be included in a soft launch. Mr. Clasen added that different types of employers would be included so that TAG would have the opportunity to work through different types of scenarios.

Mr. Cotel asked if it would be more helpful to include small or large employers. Mr. Tisue responded that the most important aspect is the testimonials that employers could provide, in addition, variances in payroll service providers would be helpful in troubleshooting.

Ms. Swett noted that she is a member of Vermont Businesses for Social Responsibility and that they have a membership base of 700+ businesses in Vermont. Mr. Clasen reminded the Board that AARP has also committed to helping with marketing in different varieties.

Mr. Duggan noted that the soft launch is in the 3-month timeline and that marketing is a part of the 6-month timeline. Ms. Pearce noted that the Treasurer's Office is also keeping a list of employers that reach out with interest.

Mr. Tisue and Ms. Gravitt provided the Board with some statistics as to the growth in plans in that they have seen since the beginning of the pandemic as well as the passage of the SECURE Act.

### **Item 4: Next Steps for Green Mountain Secure Retirement**

Mr. Clasen outlined that the next steps for the plan are further discussions regarding plan development and administration as well as working with TAG on a timeline for deliverables.

Ms. Pearce asked if there were any other comments from Board Members. Mr. Boardman noted that 10 businesses for a soft launch seemed like a small number. Mr. Tisue replied that 10 high-quality case studies about the initial experience will be important. Mr. Hooper stated that there is preponderance of small businesses in Vermont with great stories.

Mr. Cotel asked about the fiduciary responsibility component of the contract and the reference to the Board as a "sponsor," but the term "sponsor" not being defined. Mr. Duggan noted that the motion that the Board would entertain would allow for technical clean-up of that nature.

**Ms. Swett moved to approve the contract with TAG Resources, subject to any technical and non-material changes. Mr. Cotel seconded the motion. There was no further discussion and the Board voted unanimously to approve the motion.**

**The Board also wished to extend its thanks for the assistance of Angela Antonelli at the Georgetown Center for Retirement Initiatives and to David Morse at K&L Gates.**

Mr. Boardman asked a follow-up question about the fiduciary responsibilities of individual board members, and if there would be coverage from the State if the Board were to be sued. Mr. Duggan replied that the Board acts as a sponsor as an instrumentality of the State and that he would do some more research and provide an additional response to the Board at its next meeting.

#### **Item 5: Adjourn**

**Mr. Hooper moved to adjourn the meeting. Mr. Boardman seconded the motion. The Board voted unanimously to adjourn the meeting at 3:12 p.m.**

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**TO:** Jill Krowinski, Speaker of the House  
Becca Balint, President Pro Tempore  
Senator Jane Kitchel, Chair, Senate Committee on Appropriations  
Senator Jeanette White, Chair, Senate Committee on Government Operations  
Senator Michael Sirotkin, Chair, Senate Committee on Economic Development  
Representative Mary Hooper, Chair, House Committee on Appropriations  
Representative Sarah Copeland-Hanzas, Chair, House Committee on Government Operations  
Representative Michael Marcotte, House Committee on Commerce and Economic  
Development  
Susanne Young, Secretary of Administration

**FROM:** Beth Pearce, State Treasurer

**DATE:** January 15, 2021

**RE:** Green Mountain Secure Retirement Plan Update

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In 2017, the General Assembly authorized creation of the Green Mountain Secure Retirement Plan (Plan) through the passage of Act 69. Specifically, the General Assembly provided that “[t]he State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the ‘Green Mountain Secure Retirement Plan.’” 2017 Acts & Resolves No. 69, Sec. C.1, Subsec. (a).

Per Act 69, the Plan is overseen by a 7-member Board, and as State Treasurer, I serve as Chair. I write today to update the General Assembly and Administration on the steps we have made toward implementation of the Plan and the activities that have been carried out in 2020.<sup>1</sup>

We have made significant progress in 2020, which puts us in a good position to launch the Plan in 2021 and hopefully assist small business and their employees as Vermont and the nation recover from the COVID-19 pandemic.

As a reminder, the Green Mountain Secure Retirement Plan (Plan) was originally intended to be in place in January 2019. The Board worked throughout 2018 to achieve this goal. However, as previously noted, we put the implementation schedule on hold in 2018, following the promulgation of proposed rule by the federal Department of Labor (DOL). *Definition of “Employer” Under*

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<sup>1</sup> Act 69, Sec. C.1 requires an annual report on certain metrics beginning January 2020, e.g., number of participants and participating employers, funds contributed, etc. Because the Plan is not yet launched, there is no data to report. We look forward to providing this data in next year’s report.

*Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Oct. 23, 2018) (Proposed Rule). The Proposed Rule threatened to impact the ability of states to implement a multiple employer plan such as Green Mountain Secure. In response, we, along with other states, urged DOL to clarify that its proposed rule does not impact state plans like Green Mountain Secure, which it did on July 31, 2019. *Definition of “Employer” Under Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Jul. 31, 2019) (Final Rule). In the Final Rule, DOL provided the clarification sought by Vermont and other states, confirming that the Final Rule has no superseding effect on prior DOL statements authorizing state-sponsored MEPS.

With states’ authority to implement plans such as Green Mountain Secure reaffirmed, we moved forward by re-issuing an RFP for in late 2019. The process of negotiating a contract with a third-party administrator consumed much of 2020, and it was delayed in some respects by the COVID-19 pandemic. We are pleased that we were able to execute a contract with TAG Resources, LLC in September of this year to provide third-party administrator and plan fiduciary services.

The contract sets forth two phases of work—a plan development phase followed by a plan administration phase. We are currently working through the plan development phase of work, in which we are working with our contractor to identify appropriate subcontractors (which we have completed), establish a plan design features (which we expect to complete this month), and to put in place all of the processes and procedures necessary for the successful implementation of the Plan.

Our intent is to implement a “soft launch” in the first half of this year, in which we are seeking employers who wish to be early adopters of the Plan. Given the novelty of Green Mountain Secure, we believe it prudent to initiate the plan in this staged manner in order to work through any issues we may uncover with a handful of employers to ensure that a broader statewide launch is successful. We anticipate this full launch will take place in the second half of the year. The Treasurer’s Office is working closely with AARP Vermont, which has committed financial support to help raise public awareness of the plan upon launch.

This past year, and the COVID-19 pandemic, has presented challenges on numerous fronts. Among other things, this year has confirmed the need for programs such as Green Mountain Secure, which will provide a strong retirement savings vehicle to many who do not have access to such savings. I want to further thank the Green Mountain Secure Retirement Plan Board members, as well as staff from the Treasurer’s Office for their hard work in moving the Plan from concept to implementation. We look forward to this year’s launch.

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# Green Mountain Secure Retirement Plan

Investment 3(38) Fiduciary Update: January 20, 2021

## Overview of 3(38) Investment Fiduciary

- A 3(38) Investment Manager takes on fiduciary responsibility for the Plan's investments. This entity selects and monitors Plan Investments, and it takes on the liability for these decisions.
- Green Mountain Secure has delegated to TAG Resources the responsibility to hire and oversee the 3(38) Investment Manager.
- TAG has selected Mesirow Financial Holdings Inc. to be the Plan's 3(38) Investment Manager.



## TAG's selection of Mesirow

- In the Board materials, there are 3 documents relating to TAG's selection of Mesirow:
  - Mesirow Overview – This Document provides an overview of Mesirow, key personnel, and the scope of services provided.
  - Mesirow Due Diligence and Lineup – This Document describes how Mesirow approaches creating and monitoring the Plan's investment lineup.
  - 2020Q3\_Mesirow POLICE Report\_TAG Resources\_TAG Zero Revenue Sharing Plan\_3 (38) – This is a sample report from Mesirow.

## Next Steps

- Because this Board has delegated to TAG the decision to select and monitor a 3(38), no action is sought from this Board.
- Opportunity to ask TAG questions and/or raise any concerns about Mesirow.
- Next Step is for Mesirow to inform the Board as to the investment lineup. Recall that the ultimate responsibility to select this lineup rests with Mesirow.
- TAG will monitor Mesirow as it performs these tasks.

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# **Green Mountain Secure Retirement Plan**

## **Optionality and Participation Agreement: January 20, 2021**

# GMSR – Guiding Principles

- The Plan's Guiding Principles are set forth in statute:
  - (1) **Simplicity**: the Plan should be easy for participants to understand.
  - (2) **Affordability**: the Plan should be administered to maximize cost effectiveness and efficiency.
  - (3) **Ease of access**: the Plan should be easy to join.
  - (4) **Trustworthy oversight**: the Plan should be administered by an organization with unimpeachable credentials.
  - (5) **Protection from exploitation**: the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and individuals.
  - (6) **Portability**: the Plan should not depend upon employment with a specific firm or organization.
  - (7) **Choice**: the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.
  - (8) **Voluntary**: the Plan should not be mandatory but autoenrollment should be used to increase participation.
  - (9) **Financial education and financial literacy**: the Plan should assist the individual in understanding his or her financial situation.
  - (10) **Sufficient savings**: the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.
  - (11) **Additive not duplicative**: the Plan should not compete with existing private sector solutions.
  - (12) **Use of pretax dollars**: contributions to the Plan should be made using pretax dollars.

## Plan Design Options - Overview

- Goal of this conversation is for the Board to hear recommendations from Staff on plan design options and provide enough feedback for TAG to complete an Adoption Agreement reflective of Board priorities.
- At a high level, the Board needs to decide what Plan Design options to set at the Plan level, and what Plan Design options to allow individual employers to exercise.
- No formal approval requested today – only feedback requested.
- At next meeting, the Adoption Agreement will be presented and discussed, and approval at that time will be sought.

## Plan Design – Background Docs

- Two Background Documents are provided in the materials:
  - TAG Program START-UP SERVICE AGREEMENT – This is the sample service agreement that employers will be asked to sign. Once plan design decisions are finalized, it will be updated, branded, and ready for distribution. It sets out the type of options that can be set either at the Plan or Employer level.
  - QACA \_ EACA Breakdown – Description from TAG of options for Safe Harbor (QACA) and Non-Safe Harbor (EACA) Plan Design options.

# Plan Design - Options

- Two Important Background Points:
  - By law, GMSR is an auto-enroll Plan.
  - Different pricing for Safe Harbor and Non-Safe Harbor Options
    - Safe Harbor - \$600 annual employer fee
    - Non-Safe Harbor - \$850 annual employer fee
- Plan Design considerations
  - Need to provide a Safe Harbor and Non-Safe Harbor option that includes auto-enroll.
  - TAG has recommended the QACA (Safe Harbor) and EACA (Non-Safe Harbor)
  - As shown on QACA \_ EACA Breakdown sheet:
    - Vesting and contribution requirements for the Safe Harbor Plans
    - Much more flexibility for Non-Safe Harbor Plans

# Plan Design – Recommendations and Questions for Board

- Recommendations:
  - Provide for maximum employee eligibility at the Plan level
  - Provide for maximum employer flexibility, so long as there is no pricing impact.
- Questions:
  - Should the Plan allow for loans, hardship withdrawals?
    - Once decided, this would likely be set at the Plan level and applicable to all employers
  - Should the Plan set a plan-level auto-enroll amount?
    - 3% is the minimum for Safe Harbor Plans; more flexibility for Non Safe Harbor Plans.
  - Should the Plan allow for maximum employer flexibility on topics such as employer contributions, vesting requirements?



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# Green Mountain Secure Retirement Plan

Marketing Update: January 20, 2021

## Steps to Date: Phase I – Plan Development

- Plan branding and logo design
- Regular meetings with TAG Resources and PCS Retirement (formerly Aspire)
- Review of website branding and functionality
- Review of branded forms and documents
- Preliminary discussions with AARP Vermont and AARP's Work and Save team
- Preliminary research on outreach for early adopters

## Next Steps (January – March)

- Select logo design
- Brand all assets with TAG and PCS
- Finalize websites and content (contact information, etc.)
- Continue discussions with AARP Vermont and AARP's Work and Save team
- Completed website demo and overview
- Finalize outreach materials for early adopters
- Recruit early adopters through trade organizations, interested parties, targeted outreach

## Future Steps (March – June)

- Help early adopters navigate through enrollment
- Soft launch
- Develop process to collect early adopter feedback
- Prepare and refine marketing and outreach plan for fall launch
- Prepare kick off event for early 4<sup>th</sup> quarter (AARP Work and Save collaboration)

## **Green Mountain Secure Retirement Board Standards of Conduct**

### **1. Statement of Purpose**

- a. The Green Mountain Secure Retirement Board (GMSR Board) is responsible for oversight of the Green Mountain Secure Retirement Plan (GMSR Plan) pursuant to 2017 Acts and Resolves No. 69, Section C.1, subsection (c)(5). The GMSR Plan is a voluntary multiple employer plan open to employers with 50 employees or fewer that do not currently offer a retirement plan to their employees. The GMSR Board is obligated to set program terms, prepare and design plan documents, and is authorized to appoint an administrator to assist in the selection of investments, managers, custodians, and other support services.
- b. GMSR Board members must maintain high ethical and moral standards both professionally and personally in order to maintain and promote public confidence in the integrity of the decisions of the GMSR Board relating to oversight and administration of the GMSR Plan and the investment of the Plan's assets. The ability to carry out these responsibilities may be impaired whenever a real or apparent conflict of interest exists between the private interest of a Board member and his or her official responsibilities.
- c. In recognition and consideration of their responsibilities and obligations as Board members and to further the goal of protection of the Plan's participants, beneficiaries, Board members, and employees from the damage that could result from real or apparent conflicts of interest, the following Standards of Conduct are hereby adopted to assist and guide Board members and employees in the exercise of professional and moral judgment.

### **2. Applicability**

- a. These standards of conduct shall apply to the members and employees of the GMSR Board.
- b. These Standards of Conduct are intended to supplement, and not to replace, other state and federal laws. Where these Standards of Conduct are less restrictive than another law, executive order, or regulation that applies to the conduct and activities of GMSR Board members and employees, such other stricter terms shall apply. Where these Standards of Conduct are more restrictive than any other applicable law, executive order or regulation, these stricter Standards of Conduct are shall apply.

### **3. Definitions** – For the purposes of these Standards of Conduct, the following words have the following meanings:

- a. "Benefit" means any gain, favor, profit, reward, value, accommodation or other advantage, including a benefit to any other person in whose welfare the beneficiary is interested.
- b. "Conflict of Interest" means any personal or financial interest of a GMSR Board member, or such an interest, known to the GMSR Board member, of a member of his or her immediate family, household member, or business associate in the outcome of any particular matter pending before the GMSR Board. A conflict of interest includes, but is not limited to, those defined in section 4.

**GMSR Board Standards of Conduct**  
**Effective May 23, 2018**

- c. "Employee of the Boards" means a person employed by the GMSR Board. Employees of the Vermont State Treasurer's Office shall not be considered employees of the GMSR Board.
  - d. "Gift" means any form of compensation or anything of value, tangible or intangible, and includes, but is not limited to, meals, alcoholic beverages, travel fare, room and board, gratuities, entertainment, cash, goods or services. "Gift" shall not include the nominal value of free conference registration offered by a Vendor or Potential Vendor and approved by the VPIC.
  - e. "Interest" means any personal or financial interest except an interest that is incidental to the person's participation in the GMSR Plan that is no greater than that of other persons generally affected by the outcome of the matter.
  - f. "Potential Vendor" means any Vendor that has bid on a GMSR Plan contract and any Vendor that is in the business of providing goods or services of the type routinely purchased by the GMSR Plan, whether or not it has bid on a System contract, including but not limited to administrative, investment, financial, banking, and consulting services.
  - g. "Green Mountain Secure Retirement Plan" or "GMSR Plan" means the voluntary, public, multiple employer plan established pursuant to 2017 Acts and Resolves No. 69, Section C.1.
  - h. "GMSR Board member" means any person who serves as a GMSR Board member or any person who serves as the designee of a GMSR Board member or as an alternate to a GMSR Board member.
  - i. "Vendor" means a natural person, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, a limited liability company, or a limited liability partnership that performs services for the GMSR Board for direct or indirect compensation. The term includes affiliated entities and trade organizations.
4. **Prohibited Conduct: Conflicts of Interest** – The following conduct by a GMSR Board Member or an employee of the GMSR Board creates either an actual or potential conflict of interest or the appearance of a conflict of interest and is prohibited:
- a. Solicitation or acceptance of a gift or benefit from any vendor or potential vendor except in accordance with Section 8(a).
  - b. Solicitation or acceptance of a gift or benefit from any person or entity with a personal or financial interest in the outcome of a particular matter pending before the GMSR Board.
  - c. The purchase, sale, exchange, or lease of property to or from the GMSR Plan.
  - d. Acting upon or providing to any person any information relating to the investment of the GMSR Plan's assets prior to that information becoming public record.
  - e. Acceptance of a fee, gift or other benefit for providing information relating to the GMSR Plan and its assets, obtained as a GMSR Board member or employee, whether insider or otherwise, to any other person.
  - f. Participation in any breach of fiduciary duty by another person subject to these Standards of Conduct, participation in concealing such breach, or knowingly or negligently permitting such breach to occur.

- g. Participation in a violation of these Standards of Conduct by another person subject to these Standards of Conduct, participation in concealing such violation, or knowingly or negligently permitting such violation to occur.
- h. Acceptance of money, gifts or benefits in connection with any campaign for public office from any Vendor or potential Vendor of the GMSR Board.
- i. Any direct interest in the gains or profits of any investment made by the GMSR Board or agent of the GMSR Board.
- j. Direct or indirect use of the gains or profits of any investments made by the GMSR Board, for him- or her-self or as an agent, for any purpose except to make current and necessary payments as are authorized by the GMSR Board.
- k. Becoming an endorser or surety, or in any manner an obligor, for money loaned to or borrowed from the GMSR Board.

**5. Disclosure**

- a. A GMSR Board member shall disclose to the GMSR Board all actual or potential conflicts of interest and appearances of a conflict of interest as soon as such actual or potential conflict or appearance of a conflict becomes known.
- b. Employees of the GMSR Board shall disclose all actual and potential conflicts of interest and appearances of a conflict of interest to the Board as soon as such actual or potential conflict or appearance of a conflict becomes known.
- c. To the extent (i) GMSR Board investment decisions are made in public session of warned public meetings; (ii) certain GMSR Board investment data is available on the Office of the Treasurer's website; and (iii) all GMSR Plan assets are managed, at the discretion of external investment managers, within stated guidelines, there is very little, if any, investment information to which GMSR Board members have access which is not also generally available to members of the public. Vermont State law does not prohibit GMSR Board members from investing in the same investments in which the GMSR Board invests, or with vendors except as may be otherwise inconsistent with these Standards of Conduct. Likewise, there is no State law reporting requirement regarding the personal investment holdings of the GMSR Board members.
- d. GMSR Board members are expected to avoid personal investment activity which creates either an actual or potential conflict of interest or the appearance of a conflict of interest. On an annual basis, GMSR Board members shall execute the appended "Standards of Conduct Disclosure for GMSR Board members."

**6. Recusal**

- a. No GMSR Board member shall knowingly participate in a decision or action by the GMSR Board in which he or she has an actual or potential conflict of interest.

**7. Travel, Conferences and Meetings**

- a. The reasonable and necessary expenses of travel, lodging, meals, and incidentals for a GMSR Board member or employee traveling on behalf of the GMSR Board, or in his or her capacity as a GMSR Board member or employee, or because of his or her position as a GMSR Board member or employee, shall be paid by the GMSR Plan if approved prior

to the travel by the GMSR Board. The agenda, written materials pertaining to the event, when available, an estimate of the cost of the trip and the names of all sponsors of the event to be attended shall be provided to the GMSR Board at the time approval is requested. If approval is granted, the GMSR Board member or employee shall report to the GMSR Board, at the next scheduled meeting that he or she attends, on the content of the event and whether a vendor or potential vendor attempted to pay any expenses of the GMSR Board member or employee or sponsored any function or event in which the GMSR Board member or employee participated.

- b. All expenses related to the travel of a spouse, family or household member, or other invitee of GMSR Board member or employee, shall be paid by the GMSR Board member or employee or the invitee.
- c. Nothing in this policy is intended to limit or restrict travel to, and attendance at, an event by a GMSR Board member or employee when attendance is in a capacity other than as a GMSR Board member or employee. When travelling in a capacity other than as GMSR Board member or employee, a GMSR Board member or employee shall not solicit or receive any gift including meals, alcoholic beverages, travel fare, room and board, or any other thing of value from a vendor or potential vendor or from the organizers of an event sponsored by one or more vendors or potential vendors, except in accordance with Section 8(a).

#### **8. Gifts and Gratuities**

- a. All GMSR Board members and employees shall refuse to accept any gift that is received from or offered by a vendor or potential vendor or from the organizers of an event sponsored by one or more vendors or potential vendors, except for the following:
  - i. Items or products of de minimis value of \$ 10.00 or less;
  - ii. Items or products donated by a vendor or potential vendor and awarded at a conference attended by a GMSR Board member or employee as long as they are offered to participants on a random basis through a drawing, raffle or game of chance and have a value of \$ 100.00 or less. Any item accepted under this provision with a value of greater than \$ 25.00 shall be reported by the GMSR Board member or employee pursuant to section 8(b).
  - iii. Food or refreshment offered during a meeting or conference that appears on the agenda, is an integral part of the event and is offered to all in attendance at the event and taken in a group setting.
  - iv. Books, conference materials and other educational materials offered during a meeting or conference to all in attendance at the event.
- b. A GMSR Board member or employee who receives any item or product from a vendor or potential vendor of more than de minimis value shall report the following to the State Treasurer's Office:
  - i. a description of the product,
  - ii. the date of receipt,
  - iii. the identity of the sender or donor,
  - iv. the item's approximate value, and
  - v. the disposition of the item by the GMSR Board member or employee.



If the item is not perishable, the item shall be promptly returned to the sender. All perishable items shall be donated to a suitable charity or placed in a publicly accessible area for general enjoyment.

- c. The State Treasurer's Office shall record the information specified in section 8(b) for public inspection.

**9. Initiation or Continuation of a Contractual Relationship**

- a. From the time the GMSR Board has decided to obtain bids or proposals for goods or services, or from the time the GMSR Board has under consideration the decision to renew an existing contract, and until a final contract is approved:
  - i. No GMSR Board member shall have any direct or indirect communication about the bid or proposal with any vendor or potential vendor seeking such new or continued contractual relationship with the GMSR Plan except at an open meeting of the GMSR Board.
  - ii. An employee of the GMSR Board shall limit his or her direct or indirect communication about the bid or proposal with any vendor or potential vendor during this time period to that necessary for administration of existing contracts or in connection with administration of the bid or proposal process. All communications shall be documented by the employee and maintained as a record of the Office of the State Treasurer.
  - iii. A GMSR Board member who receives any direct or indirect communication outside of a meeting of the GMSR Board or an authorized subcommittee of the Board with any vendor or potential vendor seeking a new or continued contractual relationship with the System shall notify the Board of the communication prior to the Board's final approval of a contract.
- b. The GMSR Board shall require that all vendors or potential vendors seeking a new or continued contractual relationship with the GMSR Plan give written disclosure to the GMSR Board of all communications or contacts with any GMSR Board member in the preceding year and any expenditures relating to those communications or contacts. Disclosure will be required before final interviews by the GMSR Board or, if there are no final interviews, before approval of a final contract.
- c. The GMSR Board may disqualify a vendor or potential vendor from ongoing business or potential business for any communication contrary to the provisions of this section, for attempting to pay any expenses of a GMSR Board member or employee contrary to section 8(a), or for any other conduct having the potential to create a conflict of interest or to cause a breach of fiduciary duty.
- d. These Standards of Conduct shall be included as an attachment to all requests for proposals, bidding documents and contracts of the GMSR Board. The GMSR Board shall require all consultants who conduct manager searches or other vendor searches on behalf of the GMSR Board to provide a copy of this policy to all vendors or potential vendors during the search process.

**10. Sanctions**

***GMSR Board Standards of Conduct  
Effective May 23, 2018***

- a. The GMSR Board may take such actions it deems appropriate if a Board member fails to comply with the provisions of these Standards of Conduct including, but not limited to:
  - i. A recommendation that a GMSR Board member refrain from participation and voting in a matter or matters pending before the GMSR Board.
  - ii. A recommendation that a GMSR Board member repay or return any gift or benefit received by a GMSR Board member from a vendor or potential vendor.
  - iii. A recommendation that a GMSR Board member refrain from particular actions that the GMSR Board determines constitute an actual or potential conflict and are detrimental to public confidence in the GMSR Board's integrity.
- b. The GMSR Board may recommend that the appropriate appointing authority take appropriate disciplinary action if a GMSR Board member or employee fails to comply with the provisions of these Standards of Conduct.

**11. Adoption and Effectiveness**

- a. These Standards of Conduct were adopted on May 23, 2018, effective May 23, 2018.

## Appendix

### Standards of Conduct Disclosure for GMSR Board Members

This disclosure is for the period January 1, 20\_\_ to December 31, 20\_\_ and needs to be filed with the Green Mountain Secure Retirement Board (GMSR Board). GMSR Board members and alternates are required to complete this disclosure in accordance with section 5 of the GMSR Standards of Conduct effective as of \_\_\_\_\_.

Please ensure full disclosure in the space provided for explanation or attach a separate sheet. This disclosure must be completed and returned electronically or via U.S. post to the attention of the Office of the Treasurer of the State of Vermont, 109 State Street, 4th Floor, Montpelier, VT 05609, no later than February 15, 20\_\_\_\_.

**PLEASE DISCLOSE ALL CONFLICTS OF INTEREST, POTENTIAL CONFLICTS OF INTEREST, OR SITUATIONS THAT COULD REASONABLY BE PERCEIVED AS CREATING CONFLICTS OF INTEREST.**

\_\_\_ None to report.

I certify that I have read the GMSR Standards of Conduct. I further certify that I am in full compliance with the Standards of Conduct.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_