

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Board Meeting
June 14, 2018 – 9:00 a.m.

VSERS Members present:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2018)
THOMAS HANGO, Vice-Chair, VSEA Representative (term expiring September 30, 2018) –
via telephone
JEFF BRIGGS, VSEA Representative (term expiring September 30, 2018) – via telephone
ERIC DAVIS, VSEA Representative (term expiring September 30, 2019) – via telephone
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2018) – via
telephone
JEAN-PAUL ISABELLE, VSEA Alternate Representative (term expiring September 30, 2019)
JAY WISNER, Governor's Delegate position – via telephone
DAN POULIOT, Deputy Commissioner of Department of Human Resources
ADAM GRESHIN, Commissioner of Finance & Management (ex-officio)
BETH PEARCE, Vermont State Treasurer
MICHAEL CLASEN, Deputy State Treasurer

Members absent:

BETH FASTIGGI, Commissioner of Department of Human Resources (ex-officio)

Also attending:

Tim Duggan, Assistant Attorney General
Laurie Lanphear, Director of Retirement Operations
Erika Wolffing, Director Retirement Outreach & Policy
Charly Dickerson

The Chair, Roger Dumas, called the Thursday, June 14, 2018, Conference Call Board Meeting to order at 8:59 a.m., which was held in the Treasurer's Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

ITEM 4: **Other Business**

Ms. Pearce informed the Board that she would be unable to attend the entire Board meeting and that Deputy Treasurer Clasen would serve on the board in her absence. Ms. Pearce provided an update on the potential state government shutdown and any impact a shutdown may have on pension payments. Ms. Pearce informed the Board that based on research from her office, the Treasurer's office has the ability to pay pensions regardless of a shutdown. Ms. Pearce sent a letter to the Administration and the Legislature urging both bodies to reach an agreement on the budget and avoid a shutdown.

Ms. Pearce left the meeting at 9:04 a.m.

ITEM 1: **Approve the Minutes of:**

- May 10, 2018

On a motion made by Mr. Briggs, seconded by Mr. Davis, the Board voted by roll call to approve the minutes of May 10, 2018 with edits to reflect abstentions on the approval of the April minutes. Mr. Dumas, Mr. Hango, Mr. Clasen, Mr. Briggs, Mr. Davis, Mr. Wisner, and Mr. Pouliot voted in the affirmative, with Mr. Greshin abstaining.

ITEM 2: Prudential Transition

457 Plan Fee Waiver for New Participants Update

Mr. Clasen updated the Board on the prior decision to allow a one-year fee waiver for new enrollees in the 457 Plan. Treasurer's Office staff recommends that the Board no longer offer this fee waiver but honor the waiver for those enrollees who joined the plan between February 1, 2017 and February 1, 2018. Prudential confirmed that this change could be made administratively and does not require a change to the plan document.

On a motion made by Mr. Clasen, seconded by Mr. Pouliot, the Board voted unanimously to ratify the new practice regarding fees for the 457 Plan starting February 1, 2018, all participants will now be charged a fee, removing the 1-year waiver.

457 Plan Temporary Employees

Mr. Clasen updated the Board on conversations with Prudential regarding allowing temporary employees to participate in the 457 Plan. One remaining issue was whether a retiree coming back to work as a temporary employee would no longer be able to take distributions. Prudential researched this question and determined that the plan could allow retirees to take distributions from their original account and set up a new account for their active employment as a temporary employee. The two accounts would be record kept and tracked separately.

Mr. Wisner made a motion which was seconded by Mr. Davis to allow temporary employees to participate in the 457 Plan. After further discussion, board members decided they would like more information on how allowing temporary employees would impact municipalities and school districts.

On a motion made by Mr. Briggs, seconded by Mr. Davis, the Board voted by roll call to table the previous motion on whether to allow temporary employees to participate in the 457 Plan. The motion failed, with Mr. Dumas, Mr. Wisner, Mr. Pouliot and Mr. Greshin voting against the motion, and Mr. Hango, Mr. Clasen, Mr. Briggs, and Mr. Davis voting in favor of the motion.

Mr. Clasen stated that the Treasurer's Office needs to conduct more research on how allowing temporary employees will impact the municipalities and school districts.

On a motion by Mr. Wisner, seconded by Mr. Davis, the Board voted by roll call whether to allow temporary employees to participate in the 457 Plan. The motion failed with

Mr. Dumas, Mr. Hango, Mr. Clasen, Mr. Briggs, Mr. Davis, and Mr. Pouliot voting against the motion, and Mr. Wisner and Mr. Greshin voting in favor of the motion.

Request to Withdraw from the 457 Plan – Vermont Housing Authority

Ms. Lanphear presented the request from the Vermont Housing Authority (VHA) to withdraw from the 457 Plan. The VHA has moved to a new retirement system and only has one participant currently participating in the 457 Plan. The participant wants to roll their money over into an IRA. Mr. Dumas asked if the Board must take action to allow the VHA to withdraw from the plan. Mr. Briggs expressed concern about closing off the plan to future employees because the current leadership does not want to be in the plan. Mr. Duggan stated he would research the request further for presentation at the next meeting.

Mr. Dumas expressed interest in allowing employer contributions into the 457 Plan. Mr. Dumas stated he thought allowing employer contributions would open up the plan to more employer groups. Mr. Briggs stated that from the VSEA's perspective, there is concern that if the Board allows employer contributions into the 457 Plan, it might erode interest in the defined benefit plan. Mr. Dumas stated the Board can delay discussion on the issue until a later Board meeting.

Mr. Dickerson left the meeting at 9:58 a.m.

ITEM 3: Disability Retirement Recommendations from the May 17, 2018 Meeting of the Medical Review Board for:

- Andrew Boyens (Appeal)
- Kata Jubo (Deferred)
- Mark Sargent (New)
- Robert Soucy (New)

On a motion made by Mr. Pouliot, seconded by Mr. Davis, the Board voted unanimously to enter Executive Session at 9:59 a.m. pursuant to 1 V.S.A. § 313 for the purpose of discussing personnel issues.

The Board came out of executive session at 10:08 a.m.

On a motion made by Mr. Briggs, seconded by Mr. Wisner, the Board voted by roll call to accept the recommendation of the MRB to require Andrew Boyens be evaluated by a vocational rehabilitation counselor with Mr. Dumas, Mr. Clasen, Mr. Briggs, Mr. Davis and Mr. Wisner voting in favor of the motion, Mr. Pouliot and Mr. Greshin voted against the motion, Mr. Hango abstained.

On a motion made by Mr. Briggs, seconded by Mr. Wisner, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Kata Jubo without review.

On a motion made by Mr. Wisner, seconded by Mr. Briggs, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Mark Sargent without review.

On a motion made by Mr. Hango, seconded by Mr. Briggs, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Robert Soucy with a one-year review.

ITEM 4: Other Business

Mr. Isabelle expressed his dismay to learn that Mr. Considine had resigned as Director of Investments and that the Board was not informed that Mr. Considine was leaving. Mr. Isabelle stated he would like one of the Trustee Boards or VPIC to have input on hiring the new Director. Mr. Clasen clarified that the position reports directly to the State Treasurer and that the job has been posted and the posting will be active until filled.

Mr. Briggs provided a brief update on the NCPERS Conference he attended in May. Mr. Briggs was able to complete the accredited fiduciary program and thanked the Board for sending him to the conference.

ITEM 5: Adjournment

On a motion by Mr. Briggs, seconded by Mr. Clasen, the Board voted unanimously to adjourn at 10:23 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is a Conference Call Meeting on Thursday, July 12, 2018 at 9:00 a.m.

Respectfully submitted,



Erika Wolffing
Director Retirement Outreach & Policy