

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Board Meeting
July 12, 2018 – 9:00 a.m.

VSERS Members present:

THOMAS HANGO, Vice-Chair, VSEA Representative (term expiring September 30, 2018)
ERIC DAVIS, VSEA Representative (term expiring September 30, 2019) – via telephone
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2018) – via telephone
JAY WISNER, Governor's Delegate position – via telephone
BETH FASTIGGI, Commissioner of Department of Human Resources (ex-officio) – via telephone
ADAM GRESHIN, Commissioner of Finance & Management (ex-officio)
BETH PEARCE, Vermont State Treasurer

Members absent:

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2018)
JEFF BRIGGS, VSEA Representative (term expiring September 30, 2018)
JEAN-PAUL ISABELLE, VSEA Alternate Representative (term expiring September 30, 2019)
DAN POULIOT, Deputy Commissioner of Department of Human Resources

Also attending:

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

The Vice-Chair, Thomas Hango, called the Thursday, July 12, 2018, Conference Call Board Meeting to order at 9:02 a.m., which was held in the Treasurer's Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

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

- June 14, 2018

On a motion made by Mr. Wisner, seconded by Mr. Davis, the Board voted unanimously to approve the minutes of June 14, 2018 as submitted, fixing the misspelled name on page 3.

ITEM 2: **FY2019 Budget Impacts Update**

Ms. Pearce updated the Board on the results of the adjourned legislative session. The Governor vetoed S.273, the bill that contained the study of law enforcement positions included in VSERS Group C. The miscellaneous retirement bill was passed and signed into law by the Governor and mostly contained changes to the municipal and teacher systems.

Ms. Pearce stated that the final passed budget included fully funding the Actuarially Determined Employer Contribution (ADEC) for both the VSERS and VSTRS. In addition, the budget included an additional \$15 million in funding for the VSTRS unfunded liability in 2018 and additional assured \$10 million in 2019. Mr. Greshin added that additional revenue above and beyond the \$10 million as determined at the July meeting of the Emergency Board would also be used toward paying down the unfunded liability in the Teachers' system.

ITEM 3: 2018 Actuarial Process & Risk Assessment

Ms. Pearce updated the Board on the status of the risk assessment required as a result of the Actuarial Standards of Procedure (ASOP) 51. The Board previously authorized early implementing ASOP 51 using 2017 data. The Treasurer's Office intended to start working on the risk assessment of the three pension systems in June but were delayed due to the special session. The Office has received cost estimates from Segal Consulting to do the work and will come to the Board at a later date with a finalized proposal.

ITEM 4: Prudential Transition

Request to Withdraw from the 457 Plan – Vermont Housing Authority

Mr. Duggan updated the Board on the request from the Vermont Housing Authority to withdraw from the 457 Plan. After further research into the plan document, Mr. Duggan determined it is a permissive plan where other agencies or municipalities are allowed to adopt the plan at their own discretion. An agency or municipality that elects to participate in the plan is also able to elect to terminate the plan. Mr. Duggan determined that no Board action is needed for the Vermont Housing Authority to terminate from the 457 Plan.

Mr. Dickerson left the meeting at 9:28 a.m.

ITEM 5: Disability Retirement Recommendations from the June 21, 2018 Meeting of the Medical Review Board for:

- Christopher Spear (New)

On a motion made by Ms. Pearce, seconded by Mr. Wisner, the Board voted unanimously to enter Executive Session at 9:29 a.m. pursuant to 1 V.S.A. § 313 for the purpose of discussing personnel issues.

The Board came out of executive session at 9:52 a.m.

On a motion made by Ms. Pearce, seconded by Mr. Greshin, the Board voted unanimously to accept the recommendation of the MRB to allow disability retirement for Christopher Spear with a one-year review contingent on the MRB confirmation that it has received the workers compensation file and if not, that the MRB review the file and determine that their recommendation is unchanged.

ITEM 6: Other Business

Ms. Pearce updated the Board on the status of the Green Mountain Secure Retirement Plan that will allow small businesses and self-employed individuals to join the retirement plan voluntarily. Mr. Davis expressed his interest in resolving the temporary employees joining the 457 Plan issue and looks forward to the Retirement Office's research. Mr. Davis further inquired as to when the Board would be able to review the investment options for the 457 Plan. Ms. Pearce assured the Board that staff is working on the review of the investment options and would present to the Board at a later date.

ITEM 7: Adjournment

On a motion by Ms. Pearce, seconded by Mr. Greshin, the Board voted unanimously to adjourn at 9:57 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is a Quarterly In-House Meeting on Thursday, August 9, 2018 at 9:00 a.m.

Respectfully submitted,



Erika Wolffing
Director Retirement Outreach & Policy