

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – BGS-MTPL Conference Room  
**November 14, 2019 – 9:00 a.m.**

**Members present:**

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2020)  
THOMAS HANGO, Vice-Chair, VSEA Representative (term expiring September 30, 2020)  
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2020)  
ERIC DAVIS, VSEA Representative (term expiring September 30, 2021) – via telephone  
JAY WISNER, Governor's Delegate position  
JOHN FEDERICO, VSEA Alternate Representative (term expiring September 30, 2021) – via telephone  
ADAM GRESHIN, Commissioner of Finance and Management  
BETH FASTIGGI, Commissioner of Human Resources – via telephone  
DAN POULIOT, Deputy Commissioner of Department of Human Resources  
MICHAEL CLASEN, Deputy State Treasurer  
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2020)

**Members absent:**

BETH PEARCE, VT State Treasurer

**Also attending:**

Michael Clasen, Deputy State Treasurer  
Tim Duggan, Assistant Attorney General  
Erika Wolffing, Director Retirement Operations  
Lesley Campbell, Administrative Services Coordinator IV  
Eric Henry, Director of Investments  
Will Kriewald, Chief Financial Officer  
John Booth, Director of Treasury Operations  
Gabe D'Ulisse, Prudential Retirement  
Joe Fein, Prudential Retirement  
Rocco Attanasio, Prudential Retirement  
Tosha Whipple, Prudential Retirement  
Chip Sanville, Prudential Retirement  
Gilles Owen, Prudential Retirement

The Chair, Roger Dumas, called the Thursday, November 14, 2019 meeting to order at 9:00 a.m., which was held in the BGS-MTPL Conference Room, Pavilion Building, 4<sup>th</sup> Floor, 109 State Street, Montpelier, VT.

**ITEM 1:      Agenda approval and announcements**

**On a motion made by Mr. Pouliot, seconded by Mr. Hango, the Board voted unanimously to approve the agenda for November 14, 2019.**

**ITEM 2:      Approve the Minutes of:**

- October 29, 2019

**On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve the minutes of October 29, 2019 as submitted.**

**ITEM 3:      Prudential Retirement Quarterly Presentation**

Mr. D'Ulisse presented the 3<sup>rd</sup> quarter report for the 457b Deferred Compensation Plan. As of the end of the quarter, there were 7,678 participants with total assets of \$507,675,796 and total contributions of \$23,996,678. There were 482 enrollments for the period with 20% in GoalMaker reflecting \$48,423,804 in assets. The plan is in a negative net cash flow position due to the higher average age of the participants. There were total distributions of \$27,996,678. Participation rate in the plan is around 57%. Distributions were up \$6 million due to terminations. There were 11,513 participants in Roth, representing \$12,800,752 in assets or 18.5% participation.

Mr. Sanville gave an update of activity from the field. There were 14 group presentations, 351 individual participant meetings, 37 rollovers representing \$1,320,547 in assets. The in-state counselors attended the VRSEA annual meeting, the VSEA annual meeting and the State benefit fairs.

Ms. Whipple updated the Board of various marketing results for the Plan. The State of Vermont won the 'Go-Green Challenge', there were 1,000 actions taken as a result, 424 participants elected e-delivery, 385 participants registered their accounts online, and 277 employees enrolled. Prudential is continuing to partner with State DHR to include outreach in the HR Connect newsletters. Prudential is also participating in the LiveWell campaign resulting in 697 financial wellness self-assessments completed, and 265 participant appointments.

Mr. Fein presented the investment review for the 457b plan. During the 3<sup>rd</sup> quarter, markets were volatile and safe haven investments performed well, small cap stocks and emerging markets did not perform well. Value stocks outperformed growth stocks in the month of September and into October. Mr. Fein explained the economic and market outlook. All funds were meeting the performance criteria with the exception of T. Rowe Price Retirement Balanced Fund, Lazard Emerging Markets, and American Funds Growth Fund.

Mr. D'Ulisse presented the 3<sup>rd</sup> quarter report for the SDIA Plan. As of the end of the quarter there were 984 participants with total assets of \$36,065,620. There were total distributions of \$3,718,043.

Representatives from Prudential left the meeting at 10:16 a.m.

Mr. Booth and Mr. Kriewald joined the meeting.

**ITEM 4:      VSERS FY21 Budget Overview**

Mr. Kriewald presented the FY21 VSERS Budget request. There is a total decrease in the request of about \$1.3 million due to the fees paid for investment management services. There are also small decreases in agency support from ADS and DHR, and on the benefits side for the cost of insurance premiums.

**On a motion made by Mr. Clasen, seconded by Mr. Wisner, the Board voted unanimously to approve the FY21 VSERS Budget as presented.**

**ITEM 5:      Delta Dental Contract Extension**

Mr. Clasen explained the Delta Dental Contract extension. The contract was negotiated 3 years ago for all three systems. The dental insurance is 100% paid by the retirees. Delta Dental proposed increasing the premium rates by 8.97% for one year. Treasurer's Office staff asked delta dental to give rates for an additional 3-year period and Delta Dental proposed a 11.77% increase for year 1 and no increase for years 2 and 3.

**On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve extending the Delta Dental contract for either a 1 year-term (reflecting an 8.97% increase in premiums) or a 3-year term (reflecting an 11.77% increase in year 1 and 0% increase in years 2 and 3), with a preference for the 3-year term. Notwithstanding this preference, the motion approves either option due to the need for consistency among the three retirement systems.**

**ITEM 6:      Disability Hearing Officer Selection**

Ms. Wolffing informed the Board that the current hearing officer Mr. Zimmerman is retiring. The Retirement Office completed a simplified bid for a new hearing officer. The responses returned were comparable and the Retirement office expressed a preference from Mr. Adam Powers as he came recommended by the Agency of Education.

**On a motion made by Mr. Hango, seconded by Mr. Wisner, the Board voted unanimously to select Adam Powers as the hearing officer for disability retirement appeals and authorize the Retirement Office to enter into a one-year contract with Mr. Powers.**

**ITEM 7:      Other Business**

Mr. Duggan informed the Board that the decision on the Baldauf matter has been appealed to the Superior Court.

**ITEM 8:      Adjournment**

**On a motion made by Mr. Isabelle, seconded by Mr. Hango the Board voted unanimously to adjourn at 10:39 a.m.**

**Next Meeting Date:**

The next VSERS Board meeting is a Conference Call on December 12, 2019 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Erika Wolffing".

Erika Wolffing  
Director of Retirement Operations