

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – BGS-MTPL Conference Room  
**February 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)  
ERIC DAVIS, VSEA Representative (term expiring September 30, 2019)  
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2020)  
JAY WISNER, Governor's Delegate position  
MICHAEL CLASEN, Deputy State Treasurer  
DAN POULIOT, Deputy Commissioner of Department of Human Resources – voting member  
BETH FASTIGGI, Commissioner of Department of Human Resources  
ADAM GRESHIN, Commissioner of Finance and Management  
JOHN FEDERICO, VSEA Alternate Representative (term expiring September 30, 2019)  
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2020)

**Members absent:**

BETH PEARCE, VT State Treasurer

**Also attending:**

Eric Henry, Chief Investments Officer  
Katie Green, Deputy Chief Investments Officer  
Andy Cook, Investments Analyst  
Tim Duggan, Assistant Attorney General  
Erika Wolffing, Director Retirement Operations  
Lesley Campbell, Retirement Office  
Will Kriewald, Chief Financial Officer  
John Booth, Director of Treasury Operations  
Gabe D'Ulisse, Prudential Retirement  
Tosha Whipple, Prudential Retirement  
Chip Sanville, Prudential Retirement  
Gilles Owen, Prudential Retirement  
Joe Fein, Prudential Retirement – via telephone  
Patricia Kelley – via telephone

The Chair, Roger Dumas, called the Thursday, February 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. Isabelle, seconded by Mr. Pouliot, the Board voted unanimously to approve the agenda.**

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

- January 10, 2019

**On a motion made by Mr. Isabelle, seconded by Mr. Hango, the Board voted unanimously to approve the minutes of January 10, 2019 as submitted.**

**ITEM 3: Prudential Retirement Quarterly Presentation**

**• 457 Deferred Compensation Plan & SDIA 4<sup>th</sup> Quarter Update**

Ms. Whipple presented the communication update for the 457 Plan and provided an overview of campaigns planned for the upcoming year. Mr. Sanville gave a report of activity in the field since the transition

Mr. D'Ulisse presented the 4<sup>th</sup> quarter update for the 457 Deferred Compensation Plan. As of the end of the quarter there were 7,492 participants with total assets of \$454,463,915 representing a 9% decrease due to the market decline in December. There were \$6,311,845 in total contributions and \$6,871,913 in distributions for a negative cash flow of \$560,068. As of the end of the year there were 1,030 participants utilizing GoalMaker, representing 13.8% of participants with total assets of \$29,484,307. There were 144 new enrollees in the plan for the quarter. The Stable Value option had a 2.53% crediting rate and a market-to-book value ratio of 98.94%.

Mr. Fein presented the investment review for the 457 Plan.

**• Unforeseen Emergency Withdraw Suspension Period**

Mr. D'Ulisse updated the Board on changes made to deferred compensation plans as a result of federal legislation. 403(b) plans are no longer required to have participants serve a suspension period after taking an unforeseen emergency withdraw. Mr. D'Ulisse explained the Board can change this provision in the 457 Plan document by voting to remove the suspension period.

**On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to amend the plan document to remove the suspension period for unforeseen emergency withdrawals.**

Representatives from Prudential left the meeting at 9:55 a.m.

**ITEM 4: VSERS FY20 Budget Overview**

Mr. Kriewald presented the FY20 Budget Overview highlighting that there was a decrease in investment management fees over the prior year.

**On a motion made by Mr. Wisner, seconded by Mr. Davis, the Board voted unanimously to approve the VSERS FY20 Budget as presented.**

Ms. Fastiggi, Mr. Kriewald, Mr. Booth, Mr. Henry, Ms. Green and Mr. Cook left the meeting at 10:05 a.m.

**ITEM 5: Patricia Kelley Appeal**

Ms. Kelley joined the meeting at 10:06 a.m.

Ms. Kelley requested that the Board exercise its discretion to waive her overpayment in the amount of \$5,845.98.

**On a motion made by Mr. Isabelle, seconded by Mr. Hango, the Board voted unanimously to enter Executive Session at 10:11 a.m. pursuant to 1 V.S.A. § 313 in order to discuss Ms. Kelley's appeal with legal counsel.**

Ms. Kelley left the meeting at 10:11 a.m.

The Board came out of Executive Session at 10:37 a.m.

Ms. Kelley rejoined the meeting at 10:38 a.m.

**On a motion made by Mr. Wisner, seconded by Mr. Hango, the Board voted by roll call to recoup the overpayment from Ms. Kelley beginning in April 2019 in a manner that is actuarially equivalent to the fund, with Mr. Hango, Mr. Davis, Mr. Wisner, Mr. Pouliot, Mr. Greshin and Mr. Clasen voting in the affirmative. Mr. Dumas and Mr. Isabelle voted against the motion.**

Ms. Kelley left the meeting at 10:44 a.m.

**ITEM 6: Disability recommendations from the January 17, 2019 Meeting of The Medical Review Board:**

- Conrad Carey (New)
- Robyn Lambert (New)

**On a motion made by Mr. Pouliot, seconded by Mr. Isabelle, the Board voted unanimously to enter Executive Session at 10:45 a.m. pursuant to 1 V.S.A. § 313 for the purpose of discussing personnel issues.**

The Board came out of Executive Session at 10:46 a.m.

**On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve disability retirement for Conrad Carey without review.**

**On a motion made by Mr. Wisner, seconded by Mr. Davis, the Board voted to approve disability retirement for Robyn Lambert without review. Mr. Clasen and Mr. Isabelle abstained.**

**ITEM 7: Other Business**

Ms. Wolffing introduced Lesley Campbell to the Board and explained that Ms. Campbell will start helping staff the Board.

**ITEM 8:      Adjournment**

**On a motion made by Mr. Isabelle, seconded by Mr. Hango, the Board voted unanimously to adjourn at 10:50 a.m.**

**Next Meeting Date:**

The next VSERS Board meeting is a Conference Call Meeting on March 14, 2019 at 9:00 a.m.

Respectfully submitted,

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

Erika Wolffing  
Retirement Office