

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Conference Call Only  
**May 14, 2020 – 9:00 a.m.**

**DRAFT COPY – NOT YET APPROVED BY BOARD**

**Members present:**

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 2020) – via telephone  
JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2020) – via telephone  
ERIC DAVIS, VSEA Representative (term expiring September 30, 2021) – via telephone  
JOHN FEDERICO, VSEA Representative (term expiring September 30, 2020) – via telephone  
JAY WISNER, Governor's Delegate position – via telephone  
BETH FASTIGGI, Commissioner of Human Resources – via telephone  
BETH PEARCE, VT State Treasurer – via telephone  
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2020) – via telephone

**Members absent:**

BARBARA KESSLER, VSEA Alternate Representative (term expiring September 30, 2021)  
ADAM GRESHIN, Commissioner of Finance and Management  
DAN POULIOT, Deputy Commissioner of Department of Human Resources

**Also attending:**

Tim Duggan, Assistant Attorney General – via telephone  
Erika Wolffing, Director Retirement Operations – via telephone  
Lesley Campbell, Administrative Services Coordinator IV – via telephone  
Eric Henry, Chief Investments Officer – via telephone  
Andy Cook, Investments Analyst – via telephone  
Gabe D'Ulisse, Prudential Retirement – via telephone  
Joe Fein, Prudential Retirement – via telephone  
Chip Sanville, Prudential Retirement – via telephone  
Gilles Owen, Prudential Retirement – via telephone  
Bill Brennan, Prudential Retirement – via telephone  
Melissa Chiumento, Prudential Retirement – via telephone

The Chair, Roger Dumas, called the Thursday, May 14, 2020 meeting to order at 9:01 a.m., which was held by conference call only.

**ITEM 1:      Agenda approval and announcements**

**On a motion made by Mr. Wisner, seconded by Mr. Isabelle, the Board voted unanimously to approve the agenda for May 14, 2020.**

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

- March 12, 2020

**On a motion made by Mr. Isabelle, seconded by Mr. Davis, the Board voted unanimously to approve the minutes of March 12, 2020 as submitted.**

**ITEM 3:      **Prudential Quarterly Update – 457b Deferred Compensation & SDIA****

Mr. Fein presented the investment update for the 457b Deferred Compensation Plan. Mr. Fein explained that some participants have moved to Stable Value as a result of economic uncertainty due to the COVID pandemic. The market has rebounded somewhat since the end of the quarter and the plan is at \$482.3 million in assets today compared with \$455.9 million in assets as of March 31. Growth stocks outperformed value stocks. Most funds in the plan are meeting the performance criteria with the exception of the Dodge & Cox fund and the Lazard Emerging Markets Fund which have both struggled due to their value orientations.

Mr. D'Ulisse presented the quarterly plan summary for the 457b Deferred Compensation Plan. As of the end of the quarter, participation was flat. There was an increase in GoalMaker utilization from 21.5% to 23% and an increase in utilization of the Stable Value Fund from 19.4% to 24%. There were 170 new enrollments. The plan experienced a net negative cash flow in the amount of \$900,000, however the plan did not experience a decrease in contributions for the quarter.

Mr. D'Ulisse presented the quarterly report for the SDIA plan, as of the end of the quarter the plan had approximately \$33 million in assets, 925 participants and \$1.1 million in distributions.

**ITEM 4:      **CARES Act Directive – 457b Deferred Compensation Plan****

Mr. Duggan explained the provisions in the CARES Act that impacted supplemental retirement plans like the 457b Deferred Compensation Plan. The Act includes one provision that requires the Board's consideration and action. Mr. Duggan further explained that the loan provisions in the CARES Act to not apply to the 457b Plan as it currently does not allow for loans.

Mr. D'Ulisse explained the two CARES Act provisions that impact the 457b Plan. First, required minimum distributions (RMDs) are waived for the year, this is automatic and applies to all plans. Second, the Act authorizes special Coronavirus Related Distributions (CRDs) up to \$100,000 for anyone afflicted with COVID-19 or with a family member afflicted. CRDs are authorized until December 31, 2020 and allow members to spread the tax burden over a 3-year period. The CRDs require action from the Board and a plan amendment.

**On a motion made by Mr. Wisner, seconded by Mr. Federico, the Board voted unanimously to authorize Prudential to do the following with respect to the 457b Plan: (1) to implement the coronavirus-related distributions up to \$100,000 as allowed under the CARES Act.**

**The Board further moved to direct the Retirement Director to complete the Prudential Retirement Directive Authorization to reflect this authorization on behalf of VSERS.**

**ITEM 5: Other Business**

The Board discussed the need to elect a vice-chair, a new Secretary to the Board, and the VPIC Member and Alternate at the next meeting. The Board further discussed different ways to hold the meeting including Zoom and Teams. Ms. Wolffong updated the Board that the Retirement Office will switch all meetings over to Microsoft Teams before the end of the year.

**ITEM 6: Adjournment**

**On a motion made by Ms. Pearce, seconded by Mr. Isabelle, the Board voted unanimously to adjourn at 9:52 a.m.**

**Next Meeting Date:**

The next VSERS Board meeting is a Conference Call on June 11, 2020 at 9:00 a.m.

Respectfully submitted,



Erika Wolffong  
Director of Retirement Operations