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, 2019)
JAY WISNER, Governor’s Delegate position
DAN POULIOT, Deputy Commissioner of Department of Human Resources
BETH FASTIGGI, Commissioner of Department of Human Resources
ADAM GRESHIN, Commissioner of Finance and Management
MICHAEL CLASEN, Deputy State Treasurer
JOHN FEDERICO, VSEA Alternate Representative (term expiring September 30, 2019) – via telephone
ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2020)

MEMBERS ABSENT:
BETH PEARCE, VT State Treasurer

ALSO ATTENDING:
Eric Henry, Chief Investment Officer
Katie Green, Deputy Chief Investment Officer
Andy Cook, Investment Analyst
Erika Wolfing, Director Retirement Operations
Lesley Campbell, Retirement Office
Rocco Attanasio, Prudential Retirement
Joe Fein, Prudential Retirement
Chip Sanville, Prudential Retirement
Susan Kibbe, Prudential Retirement
Tosha Whipple, Prudential Retirement – via telephone

The Chair, Roger Dumas, called the Thursday, May 9, 2019 meeting to order at 9:01 a.m., which was held in the BGS-MTPL Conference Room, Pavilion Building, 4th Floor, 109 State Street, Montpelier, VT.

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.

ITEM 2: Approve the Minutes of:
• April 11, 2019

On a motion made by Mr. Wisner, seconded by Mr. Pouliot, the Board voted by roll call to approve the minutes of April 11, 2019 as submitted, with Mr. Dumas, Mr. Hango, Mr.
Clasen, Mr. Wisner, Mr. Pouliot, Mr. Greshin and Mr. Federico voting in the affirmative. Mr. Isabelle abstained.

ITEM 3: Prudential Retirement Quarterly Presentation
- 457 Deferred Comp Plan & SDIA 1st Quarter Update

Ms. Whipple updated the Board on the status of the “Go Green Challenge” campaign with Hawaii, the campaign will go live on Friday and include rallies at various worksites. Ms. Whipple explained that there are around 2,900 participants who have not registered their accounts online, half of which are active employees and there are around 4000 members who have not elected e-delivery for statements. These are demographics that the retirement counselors are trying to address through the challenge.

Mr. Attanasio presented the 1st quarter report for the 457 Deferred Compensation Plan. As of the end of the quarter there were 7,582 total participants with an average account balance of $64,919. The plan is up to $7.5 million in total rollovers in, $9.9 million in distributions, and total assets of $492,215,407. There was an increase in assets in GoalMaker with 1,218 participants utilizing the tool representing $35 million or 7.3% of plan assets. The participation rate in Roth increased to 17.3% compared to 12.5% for Prudential’s book of business. The percentage of plan assets in Stable Value dropped to 20.5%.

Mr. Attanasio explained there were 174 total new enrollees in the plan, 40% from the under 35 population. 70% of plan assets or $352 million are held by participants over the age of 55. Mr. Sanville explained that the retirement counselors attend the Retirement Readiness Seminars to help educate participants that they can keep money in the plan. Mr. Attanasio explained the high percentage of assets in Stable Value for the under 25 population is artificially high due to incorrect data and will be fixed next quarter. 552 participants used Stable Value as their sole investment, 1,782 participants had one investment option, 938 of which were in target date funds.

Mr. Sanville presented the statistics from the field. There were 17 group meetings, 585 individual meetings, 109 new enrollments, 132 used GoalMaker, and 188 contribution rate increases. There were 15 rollovers into the plan representing $792,431 in assets. The financial wellness campaign that has been in progress since March resulted in 186 appointments, resulting in 33 enrollments, 54 participants utilizing GoalMaker, 47 contribution rate increases, and 14 rollovers. Mr. Sanville explained that the financial wellness campaign in partnership with the Department of Human Resources will run through the summer months. Ms. Kibbe gave an update on her work in the field covering the southern part of the state.

Mr. Fein presented the 1st quarter investment review for the 457 Deferred Compensation Plan, stating risk assets have performed well largely due to the Federal Reserve announcing no further rate hikes for the remainder of the year. Mr. Fein stated there continues to be volatility due to trade talks with China. The S&P 500 Index was up 13.65 at the end of the quarter, foreign developed markets were down for the trailing year, but up for the 1st quarter. Growth stocks have
out performed value stocks for the last 5 years. Mr. Fein stated that all funds in the plan are meeting the performance criteria with the exception of Lazard Emerging Markets Equity.

Mr. Attanasio presented the 1st quarter plan summary for the SDIA Plan. As of the end of the quarter, there were 1,044 participants with total distributions of $1,847,306 and total assets of $37,487,907.

Mr. Pouliot left the meeting at 9:20 a.m., Mr. Hango left the meeting at 9:55 a.m., Mr. Isabelle left the meeting at 10:07 a.m., and the Representatives from Prudential left the meeting at 10:15 a.m.

**ITEM 4: 2019 Tru-Up Report**

Mr. Greshin presented the 2019 Tru-Up report. The employer contribution rate was increased from 17.47% to 18.71% in October of 2018 to meet or slightly exceed the required Actuarially Determined Employer Contribution. As of the May 9, 2019 payroll, the Department of Finance and Management estimates an over contribution of $493,428. Mr. Greshin stated that the Administration is committed to fulling funding the ADEC.

**ITEM 5: Other Business**

Mr. Dumas requested that Mr. Henry and Mr. Golonka (the Chair of the Vermont Pension Investment Committee (VPIC)) give a presentation from VPIC at the next quarterly in-house meeting in August.

**ITEM 6: Adjournment**

On a motion made by Mr. Greshin, seconded by Mr. Davis, the Board voted unanimously to adjourn at 10:29 a.m.

**Next Meeting Date:**
The next VSERS Board meeting is a Conference Call Meeting on June 13, 2019 at 9:00 a.m.

Respectfully submitted,

Erika Wolffing
Retirement Office