

## **VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**

Meeting of the Board of Trustees – Conference Call Only

**August 13, 2020 – 9:00 a.m.**

### **Members present:**

ROGER DUMAS, Chair, VRSEA Representative (term expiring October 31, 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

ADAM GRESHIN, Commissioner of Finance and Management – via telephone

JAY WISNER, Governor's Delegate position – via telephone

BETH FASTIGGI, Commissioner of Human Resources – via telephone

DAN POULIOT, Deputy Commissioner of Department of Human Resources – via telephone

MICHAEL CLASEN, Deputy State Treasurer -

BARBARA KESSLER, VSEA Alternate Representative (term expiring September 30, 2021) – via telephone

ALLEN BLAKE, VRSEA Alternate Representative (term expiring October 31, 2020) – via telephone

### **Members absent:**

JEAN-PAUL ISABELLE, VSEA Representative (term expiring September 30, 2020)

BETH PEARCE, VT State Treasurer

### **Also attending:**

Eric Henry, Chief Investment Officer – via telephone

Katie Green, Deputy Chief Investment Officer – via telephone

Tim Duggan, Assistant Attorney General – via telephone

Erika Wolffing, Director Retirement Operations – via telephone

Lesley Campbell, Administrative Services Coordinator IV – via telephone

Gabe D'Ulisse, Prudential Retirement – via telephone

Samantha Woodington, Prudential Retirement – via telephone

Gilles Owen, Prudential Retirement – via telephone

Rocco Attanasio, Prudential Retirement – via telephone

Joe Fein, Prudential Retirement – via telephone

Tosha Whipple, Prudential Retirement – via telephone

Chip Sanville, Prudential Retirement – via telephone

The Chair, Roger Dumas, called the Thursday, August 13, 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. Pouliot, seconded by Mr. Clasen, the Board voted unanimously to approve the agenda for August 13, 2020.**

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

- July 9, 2020

**On a motion made by Mr. Clasen, seconded by Mr. Pouliot, the Board voted unanimously to approve the minutes of July 9, 2020 as presented.**

**ITEM 3:      Prudential Quarterly Update – 457(b) & SDIA 2<sup>nd</sup> Quarter Reports**

Mr. D'Ulisse introduced Ms. Woodington to the Board who will be covering for Ms. Whipple while she is on leave and announced that Mr. Brennan retired.

Mr. D'Ulisse presented the quarterly report for the 457(b) Deferred Compensation Plan. There were 13 coronavirus related distributions made totaling \$354,182. As of the end of the quarter there were 7,898 total participants with \$517,377,171 in assets, \$13,657,418 in contributions and \$14,953,329 in distributions. As of the end of the quarter, 1,842 participants (11.7%) were utilizing GoalMaker with total assets in GoalMaker of \$60,655,804. There were 1,591 participants with \$15,104,552 in assets in Roth. Participation in the Stable Value Fund was 60.3% with 21.5% of plan assets in Stable Value. There were 207 new enrollments for the quarter and the average contribution per pay period was \$288 with an approximate participation rate of 57%.

Mr. D'Ulisse informed the Board that the State of Vermont received a leadership award from NAGDA for its Go Green Challenge under the Technology and Social Media category.

Mr. D'Ulisse presented the quarterly report for the SDIA plan, as of the end of the quarter there were 910 participants with approximately \$33 million in assets with \$2,032,839 million in distributions.

Mr. Fein presented the investment review for the 457(b) Plan. Since the end of the quarter the S&P is up 9.2%. Mr. Fein explained that the recovery of the markets since the first quarter is largely due to optimism around future outlook and unprecedented research to find a vaccine for Coronavirus. All funds in the plan met performance criteria except for the Growth Fund of America and the Lazard Emerging Markets Equity Portfolio.

Mr. Sanville presented the update from the field, the field representatives conducted 407 individual participant meetings resulting in 18 enrollments. There were 8 rollovers into the plan totaling \$317,219. The field representatives are conducting all business virtually and have utilized WebEx to share information with participants.

Members from Prudential Retirement left the meeting at 10:17 a.m.

**ITEM 4:      Prudential Retirement Contract Amendment**

Mr. Duggan presented the Prudential Retirement contract amendment that formalizes the agreed upon fee schedule for all the supplemental plans. Staff worked through issues in the contract and

the delay was largely due to transition issues with the Municipal Retiree Health Savings Plan. The fees for the 457(b) were reduced from 7.5 bps to 3.5 bps.

A motion was made by Mr. Wisner and seconded by Mr. Clasen to approve the contract amendment, however Mr. Davis and Mr. Wisner expressed concern that the Board does not have the original contract to compare the differences, and moved to table the discussion until a later meeting

**On a motion made by Mr. Davis, seconded by Mr. Wisner, the Board voted by roll call whether to table the motion to approve the contract pending a redline comparison. The motion failed 4-3, with Mr. Dumas, Mr. Pouliot, Mr. Greshin, and Mr. Clasen voting against the motion, Mr. Federico, Mr. Davis, and Mr. Wisner voting in favor of the motion.**

**On a motion made by Mr. Wisner, seconded by Mr. Clasen, the Board voted by roll call to approve the Prudential contract amendment as presented and to authorize the Board Chair to sign the amendment. Mr. Dumas, Mr. Federico, Mr. Wisner, Mr. Pouliot, Mr. Greshin and Mr. Clasen voted in the affirmative. Mr. Davis voted against the motion.**

**ITEM 5:      Disability Recommendations from the July 16, 2020 Meeting of the Medical Review Board:**

- Kimberley LeRay

**On a motion made by Mr. Pouliot, seconded by Mr. Wisner, the Board voted unanimously to enter Executive Session at 10:45 a.m. pursuant to 1 V.S.A. § 313 to discuss personal medical information.**

The Board came out of Executive Session at 10:51 a.m.

**A motion was made by Mr. Federico, seconded by Mr. Davis, to approve disability retirement for Kimberley LeRay with a one-year review. The motion failed on a roll call vote 5-2, with Mr. Davis, Mr. Wisner, Mr. Pouliot, Mr. Greshin, and Mr. Clasen voting against the motion, and Mr. Dumas and Mr. Federico voting in favor of the motion.**

**On a motion made by Mr. Clasen, seconded by Mr. Pouliot, the Board voted by roll call to remand the disability application for Kimberley LeRay back to the Medical Review Board for further consideration, with Mr. Dumas, Mr. Federico, Mr. Davis, Mr. Wisner, Mr. Pouliot, Mr. Greshin, and Mr. Clasen voting in favor of the motion.**

**ITEM 6:      Electronic Board Information Sharing Proposal**

**On a motion made by Mr. Federico, seconded by Mr. Davis, the Board voted unanimously to make it a Board policy to share disability information electronically and securely.**

**ITEM 7: Other Business**

None.

**ITEM 8: Adjournment**

**On a motion made by Mr. Davis, seconded by Mr. Clasen, the Board voted unanimously to adjourn at 11:06 a.m.**

**Next Meeting Date:**

The next VSERS Board meeting is on September 10, 2020 at 9:00 a.m.

Respectfully submitted,

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

Erika Wolffing  
Director of Retirement Operations