

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Conference Call Only  
**September 24, 2020 – 8:30 a.m.**

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

Please note all member participated via telephone, video, or teleconference:

**Members present:**

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

**Members absent:**

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

**Also attending:**

Tim Duggan, Assistant Attorney General  
Eric Henry, Chief Investments Officer  
Katie Green, Deputy Chief Investments Officer  
Andy Cook, Investments Analyst  
Erika Wolffing, Director Retirement Operations  
Lesley Campbell, Administrative Services Coordinator IV  
Will Kriewald, Chief Financial Officer  
Kathy Riley, Segal Consulting  
Matthew Strom, Segal Consulting

The Chair, Roger Dumas, called the Thursday, September 24, 2020 meeting to order at 8:33 a.m., which was held by conference call only.

**ITEM 1:      Agenda approval and announcements**

**On a motion made by Mr. Wisner, seconded by Ms. Fastiggi, the Board voted unanimously to approve the agenda for September 24, 2020.**

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

- September 10, 2020

**On a motion made by Ms. Fastiggi, seconded by Mr. Davis, the Board voted unanimously to approve the minutes of September 10, 2020 as presented.**

**ITEM 3:      VSERS Experience Study 2020**

Mr. Strom presented the 2020 VSERS Experience Study, explaining that typically they are performed every 5 years. The last experience study was conducted in 2016 and the current study is based on the 5-year period between July 1, 2014 - June 30, 2019. The report contains recommendations to the Board on each assumption and the Board can adopt all, none, or some of the recommendations made.

Mr. Strom first highlighted the economic assumption contained in the report and recommendations put forward by Segal for changes. The economic assumptions include inflation, investment return, salary increase, payroll growth and COLA. Mr. Strom explained the recommendations for the economic assumptions. Segal consulting recommended adopting an inflation assumption of 2.30% from the current 2.50% and lowering the investment return from 7.50% to a value between 7.00% and 7.25% which would increase the actuarially determined contribution. Mr. Strom explained that they are recommending a minor increase to the salary scale, no change to the payroll growth assumption, and a reduction in the COLA assumption from 2.55% to 2.40% for Groups A/C/D and F and from 1.40% to 1.35% for Group F member retired after July 1, 2008.

Mr. Strom identified and explained the demographic assumption changes including changes to the mortality tables for retirees, beneficiaries, and active employees. Other demographic assumptions discussed included retirement, termination and disability. After explaining the demographic assumptions, Mr. Strom highlighted the cost impact these changes would have on the actuarial accrued liability and the FY21 actuarial determined contribution.

The Board discussed the recommended changes with the actuaries and confirmed that the investment rate of return must be established in coordination with VPIC, VSTRS, and VMERS.

**On a motion made by Ms. Pearce, seconded by Mr. Wisner, the Board voted unanimously to accept the VSERS 2020 Experience Study report as presented and to adopt all recommended assumption changes contained in the report with the exception of the investment rate of return assumption.**

**ITEM 4:      Other Business**

None.

**ITEM 5:      Adjournment**

**On a motion made by Ms. Pearce, seconded by Mr. Wisner the Board voted unanimously to adjourn at 10:27 a.m.**

**Next Meeting Date:**

The next VSERS Board meeting is on October 8, 2020 at 9:00 a.m.

Respectfully submitted,

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

Erika Wolfing  
Director of Retirement Operations