

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

June 22, 2016 – 1:30 p.m.

VMERS Members present:

PETER AMONS, Chairperson, Employee Representative (term expiring July 1, 2016)
THOMAS GOLONKA, Vice-Chairperson, Employer Representative (term expiring July 1, 2016) – via telephone
DAVID ROWLEE, Employee Representative (term expiring July 1, 2018) – via telephone
MEL HAWLEY, Employer Representative (term expiring July 1, 2018) – via telephone
BETH PEARCE, Vermont State Treasurer

Board members absent:

Also attending:

Laurie Lanphear, Director of Retirement Operations
Joshua McCormick, Administrative Coordinator
Matt Considine, Director of Investments
Katie Green, Investments Manager
Lilly Schwarz, Investments
Gregory Molgano, Municipal member

The Chairperson, Peter Amons, called the Wednesday, June 22, 2016, conference call meeting to order at 1:30 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the minutes of:**

- **March 9, 2016**

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board voted unanimously by roll call to approve the minutes of March 9, 2016 as submitted.

ITEM 2: **Consideration of Appeals – Town of Fair Haven, Gregory Molgano**

The Fair Haven appeal was deferred to a future meeting as more information needs to be gathered from the Attorney General's Office.

The Board discussed with Mr. Molgano his reasoning for appeal regarding credible service. Mr. Molgano gave a history of his employment and supplied the board with copies of certifications and paystubs. The Board members stated that additional clarification and review by the Attorney General's Office is needed. In the meantime, the Treasurer's Office will calculate the cost of purchasing time with the understanding that no decision has been made relative to his appeal.

On motion by Ms. Pearce, seconded by Mr. Hawley, the Board voted unanimously by roll call to defer this item pending review to the Attorney General's Office.

Gregory Molgano left the meeting at this time.

ITEM 3: Investment Updates

Mr. Considine provided the Board with various updates from the investment staff. First, the Board inquired at a previous meeting if they had the ability to have the 12B-1 fees that currently go to Fidelity Investments be sent directly to the state. The investment staff does not have any information at this time. Second, the Investments staff has started researching whether or not the ICMA-RC stable value product could be used in place of the stable value product currently provided from Fidelity Investments. Third, automatic addition of Target Date funds to the fund lineup when they become available. The investment staff is in favor of this; it is no additional cost and will make it easier for participants to invest. The investment staff will have a presentation for this topic at a future meeting. Mr. Considine then advised the Board of the latest recommendations to the VMERS 457 Investment Fund Line-up Review which includes asking Advised Assets to review the T. Rowe Price Equity Fund and the Dodge & Cox International Stock Fund and advise the Board on whether these funds are still recommended for this line-up or if other funds would be more advantageous for participants.

On motion by Ms. Pearce, seconded by Mr. Hawley, the Board voted unanimously by roll call to ask Advised Assets to conduct a review and if they determine that the T. Rowe Price Equity Fund and the Dodge & Cox International Stock Fund are not funds that warrant continuance, to come to the Board with other recommendations.

Katie Green left the meeting at this time.

ITEM 4: Discuss/Act on Disability Retirement for:

- **Scott Johnson**

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board voted by roll call to accept the recommendation of the Medical Review Board for the disability retirement for Scott Johnson, with a one year review.

ITEM 5: Act on the following request to Join VMERS effective 7/1/16:

- ▶ **Grand Isle County Sheriff's Department**

On motion by Ms. Pearce, seconded by Mr. Hawley, the board voted unanimously by roll call to approve the Grand Isle County Sheriff's Department to join VMERS effective 7/1/2016.

Laurie Lanphear left the meeting at this time.

ITEM 6: Contract Extension for Buck Consultants and Actuarial RFP

Ms. Pearce stated the contract for Buck Consultants is expiring on June 30, 2016. The Treasurer's Office is asking for a six month extension and an RFP to seek a new actuary effective January 1, 2017.

On motion by Ms. Pearce, seconded by Mr. Hawley, the Board voted unanimously by roll call to extend the contract for Buck Consultants to 12/31/16, subject to waiver from the administration, subject to negotiations by the Treasurer's Office, and subject to completing an RFP for Actuarial Services effective January 1, 2017.

David Rowlee left the meeting at this time.

ITEM 7: VMERS Board Trustee Position Updates

The Board thanked Mr. Golonka for all of his years of work and service to the VMERS Board. Mr. Golonka will be stepping down from his position as VMERS Board member. In addition, as he is now the Chairperson for the VPIC Board, VMERS needs to appoint a new representative to VPIC.

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board unanimously voted by roll call to name Peter Amons as the new VMERS representative to VPIC.

The Board will advertise for an alternate representative to the VPIC Board.

Mr. McCormick provided the Board with an update for a candidate to replace Mr. Golonka as an Employer Representative to the VMERS Board. Mr. McCormick did receive a recommendation from the VSBA and is expecting a recommendation from the VT League of Cities and Towns within the next week. Mr. McCormick will forward these recommendations to the Governor's office and Mr. Amons.

The Board also took up the election of an employee member due to expiration of Mr. Amons term. VMERS employees were notified of an opportunity for consideration as an employee representative. Mr. Amons was the only name submitted for consideration

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board unanimously voted by roll call to re-elect Peter Amons as an Employee Representative to the VMERS Board with a term date of July 1, 2020.

ITEM 8: Any other business to come before the board

Mr. Amons inquired as to the current restriction on rules for purchasing time for credible service. This will be a future agenda item as research will be needed from the retirement office, Attorney General's office, and the Actuary.

Ms. Pearce advised the Board that the GASB 68 work has been completed for municipalities that need to complete the 6/30/2016 financial statements. She also stated that she expects to start working with Melanson & Heath and Sullivan & Powers for the new round of GASB 68 auditing procedures.

ITEM 9: Adjournment

On motion by Ms. Pearce, seconded by Mr. Hawley, the Board voted to adjourn at 2:56 p.m.

Next Meeting Date:

None at this time.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joshua McCormick", written in a cursive style.

Joshua McCormick
Administrative Coordinator