

# VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

May 21, 2024 11:00 A.M.

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

## **Members present:**

CHRISTOPHER DUBE, Chairperson, Employer Representative (term expiring July 1, 2026)

KIMBERLY GLEASON, Vice-Chair, Employer Representative (term expiring July 1, 2024)

KATHLEEN RAMSAY, Employer Representative (term expiring July 1, 2026)

MORGAN DAYBELL, Employee Representative (term expiring July 1, 2026)

MIKE PIECIAK, State Treasurer, Ex-officio (Joined today's meeting at 11:09 a.m.)

## **Members absent:**

## **Also attending:**

Gavin Boyles, Deputy Treasurer, (\*designated voting member on behalf of Treasurer Pieciak)

Tim Duggan, Director of Retirement, Office of the State Treasurer

Nicole Weidman, Director of Retirement Operations and Policy, Retirement Division

Justin St. James, General Counsel, Office of the State Treasurer

Mr. Dube called the Thursday, May 21, 2024, Board Meeting to order at 11:03 a.m., which was held by conference call.

## **ITEM 1:      Agenda approval and announcements**

Mr. Duggan requested that items 4 & 5 be discussed further in the agenda, after item 8, so as to accommodate Treasurer Pieciak. The Board approved this request.

**On a motion made by Mr. Boyles, seconded by Ms. Ramsay, the Board voted unanimously to approve the agenda, as amended.**

## **ITEM 2:      Approve the minutes of:**

- April 19, 2024

**On a motion made by Ms. Gleason, seconded by Ms. Ramsay, the Board voted unanimously to approve the minutes of the April 19, 2024, meeting.**

## **ITEM 3:      Public Comment**

No Public Comments.

## **ITEM 6:      Municipal RHS Plan Contract Update**

**Motion 1: Move that the Board find that premature general public knowledge of information concerning Municipal RHS Plan contract negotiations would clearly place the**

**Board at a substantial disadvantage;**

**Motion 2: Based upon that finding, move that the Board go into executive session to discuss RHS Plan contractual matters pursuant to 1 VSA § 313(a)(1).**

The Board entered executive session at 11:06 a.m.

The Board came out of executive session at 11:16 a.m.

**ITEM 7: Empower Contract Update**

**Motion 1: Move that the Board find that premature general public knowledge of information concerning Empower contract negotiations would clearly place the Board at a substantial disadvantage;**

**Motion 2: Based upon that finding, move that the Board go into executive session to discuss Empower contractual matters pursuant to 1 VSA § 313(a)(1).**

The Board entered executive session at 11:17 a.m.

The Board came out of executive session at 11:25 a.m.

**ITEM 8: Employee Representative – Election Update**

Mr. Duggan advised only one nomination form was fully filled out and received from Morgan Daybell for the Employee Representative Seat. Per the election procedures that were approved where only one person is duly nominated, an election process is not necessary, and the Board declares that individual to be the board member.

**On a motion made by Mr. Pieciak, seconded by Ms. Gleason, the Board voted to declare Morgan Daybell, the only member to be duly nominated for the employee representative position beginning July 1, 2024, to be elected to that position.**

Mr. Dube pointed out on the agenda the title of this topic referenced Employer Representative rather than Employee Representative. In response, Mr. Duggan stated to follow up on the typo he had been in touch with League of Cities and Town and the School Board Association regarding the upcoming Employer Representative seat and it is on their radar as well as that of the Governor's office.

Ms. Ramsay followed up by stating she was advised of the current plan to recommend Ms. Gleason as the Employer Representative.

**ITEM 4: Legislative Update**

Mr. Duggan explained to the board the Divestment Bill did not pass.

Mr. Boyles announced the Treasurer's office received approval for an office wide anti-fraud position which will be split between our Retirement Division and the Unclaimed Property division.

**ITEM 5: VMERS Contribution Rates – Employer Rate Increase**

Mr. Duggan explained that throughout the legislative session, the Treasurer, Chair, and staff have worked with employer and employee groups to develop a plan to strengthen VMERS' funded status, make progress toward meeting the ADEC, and reduce the likelihood of a crossover event. The plan is essentially a continuation of the existing practice of annually increasing employer and employee contribution rates by 25bps each. (Current law has the last increase taking place July 1, 2025.) The new plan would begin July 1, 2026, and include four additional years of similar increases.

Mr. Duggan further explained that the legislature included language increasing employee contribution rates by 25 bps/year in the Budget Bill (H.883), Sec. E.134.1. Because the Board is responsible for employer contribution rates, action from the Board would be necessary on that front.

On motion made by Mr. Pieciak, seconded by Mr. Daybell, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years beginning 7/1/2026.

**ITEM 9: Any Other Business Before the Board**

Mr. Duggan announced staff have officially moved back to the Pavilion and are settling in to the newly renovated space.

Mr. Dube inquired about the future of in-person meetings. Mr. Duggan stated it is worth rethinking the general meeting schedule and whether the current schedule of monthly meetings is the right and best cadence and whether we should implement a hybrid option, or have certain months be in person meetings in the conference room. Mr. Duggan added it is a conversation he plans to have with all the Boards over the summer months.

Ms. Ramsay and Mr. Daybell noted they are not opposed to hybrid or in person meetings but noted they would appreciate a full agenda on those in person meetings days due to the travel commitment.

**On a motion made by Ms. Gleason, seconded by Mr. Pieciak, the Board voted unanimously to adjourn at 11:39 a.m.**

**Next Meeting Date:**

The next scheduled VMERS meeting is June 18, 2024, at 11:00 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Nicole Weidman".

Nicole Weidman  
Director, Retirement Operations & Policy