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Sent: Wednesday, April 14, 2021 7:45 AM

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Subject: Further Comments - Tom Golonka

Dear Madam Chair and Committee members:

As a follow up to my testimony, I would like to comment on the following items:

1. I would recommend amending the independent definition to specifically not exclude membership simply due to being related to a beneficiary. I would instead require disclosure in this instance or remove altogether. Our current governor appointee's wife is an employee of a VMERS member and technically would be considered a beneficiary as I read the preliminary statute. This would inadvertently disqualify one of our financial experts on the current board. With over 50,000 beneficiaries in this state, I fear this overly broad definition could exclude many candidates simply because a sister or brother-in-law happens to be an employee of one of the hundreds of member entities in the State, making these positions difficult to fill.
2. If term limits are maintained, I would recommend past time served as an alternate be specifically excluded in this calculation. Alternate positions are an excellent training ground for future new trustees. In my instance, my experience as an alternate on VMERS helped me see the problems endemic in the plan, foster a relationship with the Treasurer and committee members as well as develop a course of action that served me when I became Chair. It would be difficult to fill these positions in an expanded board and I fear we would lose a valuable training opportunity for the future if they remain vacant.
3. In answer to questions from committee members, attached is a current term listing of all members. In my situation, I was appointed in 2012 as an alternate to VPIC for VMERS, became the voting member in 2015 and chair in 2016. Based on the language, I would be prohibited from serving as a member in 2024 and as Chair in 2035. Excluding alternate time would increase that to 2028 and 2038 respectively – coincidentally corresponding to the amortization period.
4. Chair compensation should be reviewed after the expected consultant review is completed. I would recommend not tying it to a salary of a specific employee but instead either link to a percentile goal of comparable positions in the region or leave the decision up to the future VPIC to decide in their budget process.
5. Treasurer Pearce and I are committed to making any transition as smooth as possible and are prepared to draft a memorandum of understanding between VPIC and the Treasurer to determine the best process going forward during this time and into the future.

Thank you for your work on this issue. I look forward to answering any questions.

Regards,

Tom

