

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – Treasurer's Conference Room  
**January 29, 2019 – 2:00 p.m.**

**Members present:**

JON HARRIS, Chairperson, Active Member Representative, term expiring July 1, 2019 – via telephone  
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2021 – via telephone  
DEBORA PRICE, representing Secretary of Agency of Education – via telephone  
DANIEL RADDOCK, Financial Regulation Representative – via telephone  
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2020 – via telephone  
PERRY LESSING, Active Member Alternate Representative, term expiring July 1, 2021 – via telephone  
BETH PEARCE, VT State Treasurer – via telephone

**Members absent:**

JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2020

**Also attending:**

Michael Clasen, Deputy State Treasurer – via telephone  
Tim Duggan, Assistant Attorney General – via telephone  
Erika Wolffing, Director Retirement Operations

The Chair, Jon Harris, called the Tuesday, January 29, 2019 meeting to order at 2:01 p.m., which was held in the Treasurer's Conference Room, Pavilion Building, 4<sup>th</sup> Floor, 109 State Street, Montpelier, VT.

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

There were no announcements or changes made to the agenda.

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

- January 10, 2019

**On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to approve the minutes of January 10, 2019 as submitted.**

**ITEM 3:      **VEHI FY20 Rates****

Mr. Clasen presented the memorandum regarding the FY20 VEHI rates for VSTRS. Mr. Clasen explained that DFR did not approve using \$1.25 million in reserves to help address the cross-subsidization between the under-65 group and over-65 group. Without using the reserves, the overall rate increase is 7.9%, resulting in an increase to the under-65 rates of 10% and the over-65 rates of 7.2%. Mr. Clasen explained that the Board has the ability to reallocate the increase between the two groups to further address the cross-subsidization in FY20. Ms. Pearce stressed

that since the \$1.25 million in reserves is not available, she felt it was prudent to have the Board revisit its earlier action regarding rate increases between the groups.

**On a motion made by Ms. Deliduka, seconded by Ms. Pearce, the Board voted by roll call to accept a 10% increase for the under-65 group and a 7.2% increase for the over-65 group, and that the Board further study and attempt to address the cross-subsidization between the groups. Mr. Harris, Ms. Pearce, Mr. Norris, Ms. Price and Ms. Deliduka voted in the affirmative, Mr. Raddock abstained.**

**ITEM 4:      FY19 & FY20 Budget – Other Post-Employment Benefits**

Ms. Pearce updated the Board on funding to the VSTRS pension and other post-employment benefits in the budget adjustment act. The Committee on House Appropriations voted out the bill 11-0 and it contains language that pays down the loan to the retired teachers' health and medical benefits fund in full in FY19. Ms. Pearce explained the BAA also includes the additional \$3.293 million to the actuarially determined employer contribution for FY20 to be transferred in FY19.

**ITEM 5:      Other Business**

The Chair thanked Ms. Price for her years of service on the Board.

**ITEM 6:      Adjournment**

**On a motion made by Mr. Norris, seconded by Ms. Price, the Board voted unanimously to adjourn at 2:26 p.m.**

**Next Meeting Date:**

The next VSTRS Board meeting is a Quarterly In-House Meeting on February 12, 2019 at 9:00 a.m.

Respectfully submitted,



Erika Wolffing  
Retirement Office