

## VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

February 11, 2009

### **VMERS Members present:**

STEVEN JEFFREY, Chairperson Employee Representative (term expiring July 1, 2010)

DAVID LEWIS, Vice-Chairperson, Employer Representative (term expiring July 1, 2009) – via telephone

PETER AMONS, Employee Representative (term expiring July 1, 2011) – via telephone

STEPHEN RAUH, Governor's Appointee

ELIZABETH PEARCE, Deputy State Treasurer, representing JEB SPAULDING, Vermont State Treasurer

### **Board members absent:**

None

### **Also attending:**

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board

Mike McShane – Assistant Attorney General

Mark Patane – Assistant Attorney General

Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Steven Jeffrey, called the Wednesday, February 11, 2009 *conference call* meeting to order at 2:25 p.m.

### **ITEM 1:      Approve minutes of January 13, 2009**

**On motion by Ms. Pearce, seconded by Mr. Amons, the Board unanimously voted to approve the minutes of January 13, 2009 as submitted.**

### **ITEM 2:      Discuss Pending Litigation**

**On motion by Mr. Amons, seconded by Ms. Pearce the Board unanimously voted to enter Executive Session at 2:28 p.m. pursuant to Title 1, § 313 for the purpose of discussing pending litigation.**

The Board exited Executive Session at 2:32 p.m.

**On motion by Ms. Pearce, seconded by Mr. Rauh, the Board unanimously voted to approve the final settlement agreement in the Penn vs. Office of the Vermont State Treasurer, et. al. litigation and authorized the Chair to sign the settlement agreement on behalf of the Board.**

(Mark Patane left the conference call at this time.)

### **ITEM 3:      Discuss Effective Application Date of Amended Retirement Factors**

The Board discussed Mr. McShane's memorandum in which he gave his opinion that calculation of optional benefits for retirements occurring prior to January 1, 2009 using factors that were in

effect prior to January 1, 2009 is defensible and advised against retroactive application of policy decisions. Mr. McShane advised the Board that it would not need to address the Conflict of Interest memorandum since it would not be an issue now.

(Mike McShane left the meeting at this time.)

(David Lewis entered the conference call at this time. Mr. Jeffrey gave Mr. Lewis an update of what items had already been covered.)

**ITEM 4:      Discuss Defined Contribution Plan Amendments**

**On motion by Ms. Pearce, seconded by Mr. Amons, the Board approved to amend the Plan Document to allow for members to leave the DC plan if a new DB plan is offered to their employer, this would have an effective date of July 1, 2009 and have the same options as the DB plan.**

Ms. Webster indicated she would draft language for this amendment and provide it to the Board for their approval.

The Board discussed Mr. Amons' proposal for DC members to have a one-time option to convert to the DB plan. Ms. Webster indicated she would contact David Driscoll from Buck, to obtain information concerning whether allowing members to transfer from the DC plan to the DB plan is going to negatively effect the DB plan. Mr. Amons indicated he would like to know what other pension funds do. Ms. Webster agreed to see what information she could gather on this issue. The Board decided to put this issue on the agenda for the next meeting since they would need a further discussion after more information was obtained.

**ITEM 5:      Discuss 2009 Legislative Initiatives**

The Board discussed the anti-spiking issue. Ms. Webster asked the Board if they would support the concept. Mr. Jeffrey indicated he would support it, but was not sure how the language would work. Mr. Amons had no opinion. The Board, in general, indicated they would like more information. Ms. Webster indicated she would continue working on the language and present it to the Board for a further discussion.

Ms. Pearce raised her concern with the language contained in section (1) "The Board may bring this chapter into compliance with federal law requirements by rule." Ms. Webster indicated she would discuss this with Brian Levin to obtain a more appropriate way to say this.

**ITEM 6:      Any Other Business to Come Before the Board**

The Board discussed when the next Board meeting would be held. Ms. Webster indicated she will draft a quarterly meeting schedule and circulate it to the Board members for approval. Mr. Jeffrey suggested to start the cycle in May, but after Board input, the fourth week of June was decided upon.

**On motion of Ms. Pearce, seconded by Mr. Rauh, the Board unanimously voted to adjourn at 3:46 p.m.**

**Next Meeting Date:**

The next scheduled VMERS meeting is

Respectfully submitted,

Cynthia L. Webster, Secretary to the Board