

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

October 26, 2009

VMERS Members present:

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

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

AMY DOUGLAS, Employer Representative (term expiring July 1, 2012)

STEPHEN RAUH, Governor's Appointee

JEB SPAULDING, Vermont State Treasurer – via telephone

Board members absent:

None

Also attending:

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

David Young, ICMA-RC

Joseph Teague, ICMA-RC

Suzanne Porter, Fidelity Investments

John Claussen, Fidelity Investments

David Driscoll, Buck Consultants

Daniel Sherman, Buck Consultants

Stephen Wisloski, Director of Investment and Debt Management

Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Steven Jeffrey, called the Monday, October 26, 2009 meeting to order at 8:02 a.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the minutes of September 9, 2009**

On motion by Mr. Rauh, seconded by Mr. Amons, the Board unanimously voted to approve the minutes of September 9, 2009 as submitted.

ITEM 2: **Welcome to new Board member Amy Douglas**

Mr. Jeffrey welcomed Ms. Douglas on behalf of the Board.

ITEM 3: **Update of Retiree Health Savings Plan by ICMA-RC**

David Young and Joseph Teague presented the results of the *Annual Service Plan Investment Due Diligence Review* for period ending June 30, 2009. They answered the questions posed by the Board. The consensus of the Board was to have a yearly review by ICMA-RC. Mr. Amons mentioned having ICMA-RC put on the agenda for the Vermont School Business Officers (VSBO) meeting.

(Mr. Young and Mr. Teague left the meeting at this time.)

(Ms. Porter, Mr. Claussen and Mr. Wisloski entered the meeting at this time.)

ITEM 4: Update of Defined Contribution Plan by Fidelity Investments

Suzanne Porter and John Claussen presented the review of the Defined Contribution Plan. They answered the questions posed by the Board. It was discussed one fund that could justify being replaced was the Growth Strategies. Handouts were provided for alternatives to this fund. Mr. Claussen indicated he will meet with Mr. Wisloski to discuss the funds.

(Mr. Wisloski left the meeting at this time.)

Target funds were discussed and how increased disclosures might be coming out of Washington, D.C. There was a discussion that life cycle is the default fund for new members. Ms. Webster indicated she will provide the Board members with the information that is provided to new members.

(Ms. Porter and Mr. Claussen left the meeting at this time.)

(A recess was taken from 10:00 a.m. to 10:05 a.m.)

(Mr. Driscoll and Mr. Sherman entered the meeting at this time.)

ITEM 5: FY '09 Actuarial Valuation

**Set Employer Rates
Annual Review of \$30.00 Stipend**

David Driscoll presented the results of the actuarial valuation for the fiscal year ending June 30, 2009. Mr. Driscoll answered the questions posed by the Board. The Board discussed the contribution rates for the four groups and particularly Group C.

On motion by Mr. Jeffrey, seconded by Mr. Rauh, the Board voted to accept the FY '09 Actuarial Valuation report as presented, and adopt the following fund policy employee and employer rates for FY 2011 (July 1, 2010 to June 30, 2011)

Group A employee rate: 2.5% Group A employer rate: 4%
Group B employee rate: 4.5% Group B employer rate: 5%
Group C employee rate: 9.5% Group C employer rate: 6.5%
Group D employee rate: 11% Group D employer rate: 9.5%

Mr. Spaulding voted nay, all others voted aye. The motion carried.

The Board agreed to seek legislation that would allow the employee contribution rates to remain at their current levels for another three years, or until June 30, 2013. Without the enabling

legislation, the employee contribution rates are due to revert to their pre-2000 levels on July 1, 2010.

The second item Annual Review of \$30.00 Stipend was deferred until the next meeting due to lack of time.

ITEM 6: Update on Retiree Dental Plan

This item was deferred until the next meeting due to lack of time.

ITEM 7: Act on request from City of St. Albans to join VMERS effective January 1, 2010

On motion by Ms. Douglas, seconded by Mr. Amons, the Board unanimously voted to approve the request of the City of St. Albans to join VMERS effective January 1, 2010.

ITEM 8: Adjournment

On motion by Mr. Rauh, seconded by Mr. Amons, the Board unanimously voted to adjourn at 11:14 a.m.

Next Meeting Date:

The next scheduled VMERS meeting is a conference call on Friday, November 6, 2009 at 3:30 p.m.

Respectfully submitted,

Cynthia L. Webster, Secretary to the Board