

# VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

July 12, 2007

## **Members present:**

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2008)  
JEB SPAULDING, Vice-Chairperson, VT State Treasurer  
TOM GIFFIN, VSEA member (term expiring September 2007) – **via conference call**  
DAVID HERLIHY, Representing LINDA McINTIRE, Commissioner of Human Resources  
JAMES REARDON, Commissioner of Finance & Management  
DICK JOHANNESSEN, Governor's Delegate

## **Members absent:**

ROBERT HOOPER, VSEA member (term expiring September 2008)  
JOE HEALY, Retired Vermont State Employees' Association

## **Also attending:**

Donna Holden, Board Coordinator  
Cynthia Webster, Director of Retirement Policy and Outreach  
Michael Clasen, Director of Retirement Operations  
David Minot, Director of Finance and Investments  
William Griffin, Chief Assistant Attorney General  
ELIZABETH PEARCE, Deputy Treasurer

The Chairperson, Warren Whitney, called the Thursday, July 12, 2007, meeting to order at 8:36 a.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

## **ITEM 1: Approval of the minutes for the meeting of May 31, 2007**

**On a motion by Mr. Johannesen seconded by Mr. Reardon, the Board unanimously voted to approve the minutes of May 31, 2007, as discussed.**

## **ITEM 2: Discuss/Act on the disability retirement for: *Cheryl E. Fox***

**On a motion by Mr. Spaulding seconded by Mr. Johannesen, the Board unanimously voted to approve the disability retirement for Cheryl E. Fox, as recommended by the Medical Review Board.**

## **ITEM 3: Discuss Experience Study Report**

Mr. Whitney advised the Board receipt of the experience study was delayed due to actuarial requests made by a VSEA summer study committee, created in response to the legislatively deferred COLA issue.

Mrs. Webster advised the Board the report would be distributed to the Board for review within the next week and that any questions and/or requests for additional calculations should be referred to her for transmittal with the actuary.

Mrs. Webster further explained that Mr. Driscoll would make the Experience Study presentation to the Board at the August meeting, and would seek Board approval at that time.

Mr. Spaulding advised the Board that the recent VSEA actuarial request included information for savings estimates on a tiered health insurance proposal. He noted that while the Board approved the original VSEA request for actuarial assumptions related to the COLA issue, that the organization appeared to be seeking alternative methods for paying for the benefit enhancement. Mr. Spaulding stated that it was his position that any savings that could be gleaned from changes to new-hire health insurance benefits would be earmarked for the OPEB liabilities, faced by the whole system, and he would not support using retirement savings funds to support the COLA enhancement.

**ITEM 4:      Discuss October 9, 2007, VPIC Meeting Cancellation**

The Board expressed no objection to Mr. Spaulding's recommendation that the October 9, 2007 VPIC education meeting be cancelled due to the recent, varied, activity of the VPIC, and because of the planned absence of a couple of VSTRS Board members to attend the annual NCTR conference.

**ITEM 5:      Update on \$457 Plan Fund Changes, Fee Proposal, and Contract**

**At 8:55 a.m. on a motion by Mr. Whitney seconded by Mr. Johannesen, the Board unanimously voted to enter into executive session pursuant to Title 1 § 313, to discuss contractual matters.**

Mrs. Webster, Mrs. Holden, Ms. Pearce, Mr. Griffin, Mr. Minot, and Mr. Clasen were invited into the executive session.

**At 9:53 a.m. the Board exited executive session.**

Mr. Spaulding advised the Board that negotiations with Great West were expected to be finalized soon, and that a request was sent to the Secretary of Administration regarding a waiver of Bulletin 3.5 bidding requirements was in process.

Mr. Spaulding further informed the Board that a prior Board motion to approve implementation of a one-month fee holiday for Plan participants would be easier, and affordable, if it was increased to a one-quarter.

**On a motion by Mr. Spaulding seconded by Mr. Reardon, the Board unanimously voted to increase the previously approved \$457 Plan participant one-month fee holiday to a three-month (one-quarter) fee holiday.**

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

None

**ITEM 7: Adjournment**

**On a motion by Mr. Spaulding seconded by Mr. Reardon, the Board unanimously voted to adjourn at 9:59 a.m.**

**Next Meeting Dates:**

The next meeting is scheduled for August 9, 2007 – in-house at 8:30 a.m.

The next scheduled VPIC meeting is scheduled for August 15, 2007

Respectfully submitted,

Donna Holden, Board Coordinator  
for Cynthia Webster, Secretary to the Board