

# VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

October 30, 2007

## **Members present:**

JEB SPAULDING, Vice-Chairperson, VT State Treasurer  
ROBERT HOOPER, VSEA member (term expiring September 2008)  
KEVIN GAFFNEY, VSEA member (term expiring September 2009)  
DAVID HERLIHY, Acting Commissioner of Human Resources  
JAMES REARDON, Commissioner of Finance & Management  
DICK JOHANNESSEN, Governor's Delegate  
JOE HEALY, Retired Vermont State Employees' Association (term expiring September, 2008)

## **Members absent:**

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2008)

## **Also attending:**

Donna Holden, Board Coordinator  
Cynthia Webster, Director of Retirement Policy and Outreach  
Beth Pearce, Deputy Treasurer  
Bill Rice, Director of Policy and Law  
David Driscoll, Buck Consultants  
Dan Sherman, Buck Consultants  
Vaughn Altemus, VSTRS Board Trustee

The Vice-Chairperson, Jeb Spaulding, called the Tuesday, October 30, 2007, meeting to order at 8:15 a.m., which was held in the 4<sup>th</sup> Floor Conference Room, 109 State Street, Montpelier, VT.

## **ITEM 1: Approval of the minutes for the meeting of**

- **October 3, 2007 Joint Meeting**
- **October 11, 2007 Business Meeting**

**On a motion by Mr. Hooper seconded by Mr. Gaffney, the Board unanimously voted to approve the minutes of October 3, 2007, and October 11, 2007, as submitted.**

## **ITEM 2: FY '07 Actuarial Valuation**

Mr. Driscoll appeared before the Board to review the valuation report. The Board acknowledged the valuation was based on unaudited information supplied by the State Treasurer's Office. Mr. Driscoll will add appropriate language to the report.

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to accept the *FY '07 Actuarial Valuation* report as presented, and forward to the Governor the contribution recommendations of \$25,333,307 for FY '09, and \$26,466,948 for FY '10, plus an amount to reimburse the system for operating expenses, which are yet to be determined.**

Mr. Reardon and Mrs. Webster agreed to an in-depth discussion regarding the collection process of employer contributions from the municipalities and other entities outside State government that participate in the system pursuant to statute. Mr. Reardon questioned whether there should be an adjustment to the State's contribution recommendation based on the anticipated receipts.

**ITEM 3: OPEB Update**

Mr. Sherman provided a review of the *DRAFT* FY'07 report.

The Board acknowledged that annual contributions to the statutorily mandated irrevocable trust were generated from federal Medicare Part D reimbursements. The Board also discussed what their role and responsibilities in OPEB governance was, and whether its only link was as governing body of the retirement system, which offered the retiree health care coverage option.

Mrs. Webster advised the Board the January 1, 2008, active and retirees' premium rate increase will be 9.5%.

**ITEM 4: Review and Revise Emergency Withdrawal Instructions and Cover Sheet**

Mrs. Webster reviewed the cover letter and form, created as a result of prior Board direction and desire to receive clearer and more direct information from the TPA when submitting recommendations for emergency withdrawal requests. The Board reviewed the proposed letter and form and supported forwarding the information to Great West for feedback.

**ITEM 5: Any Other Retirement Business to Come Before the Board**

None

**ITEM 6: Adjournment**

**On a motion by Mr. Healy seconded by Mr. Reardon, the Board unanimously voted to adjourn at 10:24 a.m.**

**Next Meeting Dates:**

The next scheduled VSERS meeting is November 8, 2007 (in-house)  
The next scheduled VPIC meeting is scheduled for November 28, 2007

Respectfully submitted,

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