

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Conference Call Meeting of the Board of Trustees  
**January 14, 2010**

**VSERS Members present:**

Kevin Gaffney, Vice-Chairperson, VSEA Representative (term expiring September 1, 2011)  
Robert Hooper, VSEA Representative (term expiring September 1, 2010) – via telephone  
Paul White, Jr., VSEA Alternate (term expiring September 1, 2011) – via telephone  
Roger Dumas, VRSEA Representative (term expiring September 1, 2010) – via telephone  
James Reardon, Commissioner of Finance & Management (ex-officio)  
Elizabeth Pearce, Deputy VT State Treasurer representing Jeb Spaulding, VT State Treasurer  
Richard Johannesen, Governor's Delegate (ex-officio) – via telephone

**Members absent:**

Caroline Earle, Commissioner of Human Resources (ex-officio)

**Also attending:**

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board  
John Booth, Director of Treasury Operations  
Monica Chiren, Assistant to Cynthia Webster

The Vice-Chairperson, Kevin Gaffney, called the Thursday, January 14, 2010, conference call meeting to order at 9:05 a.m., which was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

**ITEM 1:      **Approve the Minutes of: December 10, 2009****

**On motion by Mr. Hooper, seconded by Mr. Dumas, the Board voted to approve the minutes of December 10, 2009 as submitted. Ms. Pearce abstained from the vote. The motion passed.**

Ms. Webster indicated to the Board she will have the additional information about the Medical Review Board for the next meeting.

**ITEM 2:      **Discuss/Act on disability retirement recommendations for:****

**Johanna L. Cauchon              New**

**On motion by Mr. Hooper, seconded by Mr. Dumas, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Johanna L. Cauchon with a one-year review.**

**ITEM 3:      **Discuss/Act on emergency withdrawal request for:****

**John Jones**

**On motion by Mr. Hooper, seconded by Mr. Dumas the Board voted unanimously to approve the emergency withdrawal request for John Jones as recommended by Great West.**

Ms. Webster indicated this amount would close out Mr. Jones' account and therefore there would be no fee connected to the account.

(Mr. Booth entered the meeting at this time.)

**ITEM 4: Final review of Retirement Commissions' Report**

**On motion by Mr. Hooper, seconded by Mr. White, and after a friendly amendment by Ms. Pearce, the Board voted unanimously to conduct a meeting with the Attorney General's Office before the Board takes action or a position with regard to the Retirement Commission Report, and that the State Board would inform the Teachers' Board of the State's Board's plans.**

Mr. Hooper explained his reasons for making the motion and indicated having a joint meeting with the Teachers' Board would save time. Mr. Hooper indicated he would like to have this meeting as soon as possible. Ms. Pearce indicated the Attorney General's Office has gone over the draft of the Retirement Commission Report and has been involved throughout the whole process. Ms. Pearce also indicated the legal issues between the two Boards are different. Mr. Hooper indicated even though the Attorney General's Office has been involved he does not believe that meets the Board's obligation and he would like the Board to be able to pose questions to the Attorney General's Office.

Ms. Pearce answered the questions posed by Mr. Dumas concerning the Retirement Commission's Report. Ms. Pearce indicated the June 30<sup>th</sup> date was used for the actuary assumption. Ms. Pearce answered Mr. Dumas' questions concerning DC members and the Retirement Commission. Mr. Hooper indicated he would like to meet with Mr. Reardon concerning the contribution rates. Ms. Webster answered Mr. Dumas' questions concerning the AFC and the examples used. Ms. Webster indicated she will provide the Board with more examples. Mr. Gaffney requested examples of a typical retiree. Ms. Pearce answered Mr. Gaffney's question concerning the risk sharing of the contribution rates. The Board discussed the recommendation of being within five years of retirement eligibility. Ms. Webster answered Mr. Reardon's question concerning purchase of air-time. The Board requested examples of buying time that would be impacted by the Retirement Commission's Report. The Board discussed their obligation concerning the Retirement Commission's Report.

Ms. Webster indicated she will provide information to the Board reflecting how many retirees remain in the State of Vermont after retirement for both the State system and the Teachers' system. Ms. Webster indicated she will arrange the meeting with the Attorney General's Office.

**ITEM 5: Review of FY 2011 Budget**

Ms. Pearce introduced John Booth to the Board members. Ms. Pearce reviewed the FY 2011 budget. Mr. Reardon indicated time should be allowed for him to review rate calculations at the next Board meeting. The Board requested a break-down of the Investments Category, including what services the actuary was asked to perform. Ms. Pearce explained to Mr. White what VPAS

was. The Board discussed the newsletters and the approximate cost of mailing them out twice a year. The Board further discussed what is paid by the State and what is paid by the Retirement System.

**On motion by Mr. Hooper, seconded by Mr. White, it was the consensus of the Board to accept the FY2011 budget.**

(Ms. Pearce and Mr. Booth left the meeting at this time.)

**ITEM 6: Any other business to be brought before the Board**

Ms. Webster advised the Board that Mr. Whitney would serve on the VPIC Board until a replacement was found. Ms. Webster also advised the Board she did not receive Mr. Whitney's resignation in writing. The Board discussed possible dates for the meeting with the Attorney General's Office.

**ITEM 7: Adjournment**

**On motion by Mr. Dumas, seconded by Mr. Reardon the Board unanimously voted to adjourn at 10:47 a.m.**

**Next Meeting Date:**

The next scheduled VSERS meeting is an in-house meeting on February 11, 2010 at 9:00 a.m.

Respectfully submitted,

Cynthia L. Webster  
Secretary to the Board