

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Conference Call Meeting of the Board of Trustees  
**July 8, 2010**

**VSEERS Members present:**

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

**Members absent:**

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2011)  
Caroline Earle, Commissioner of Human Resources (ex-officio)

**Also attending:**

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board  
Elizabeth Pearce, VT State Deputy Treasurer  
Stephen Wisloski, Director of Investment & Debt Management  
Monica Chiren, Assistant to Cynthia Webster

The Vice-Chairperson, Roger Dumas, called the Thursday, July 8, 2010 meeting to order at 9:04 a.m., which was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

**ITEM 1:      **Approve the Minutes of: June 10, 2010****

**On motion by Mr. Hooper, seconded by Mr. White, the Board voted to approve the minutes of June 10, 2010 as submitted. Mr. Reardon and Mr. Johannesen abstained from the vote. The motion passed.**

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

**Michael E. O'Brien**

**On motion by Mr. White, seconded by Mr. Hooper, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Michael E. O'Brien, without review.**

(Mr. Briggs entered the telephone conference during this Agenda Item.)

Mr. Dumas had a question about the military pay differential. Since Ms. Earle was not present, Mr. Dumas decided to hold his question for the next meeting.

**ITEM 3: Continue discussion on VPIC Chair's recommendation to change rate of return assumption**

Mr. Spaulding provided the Board a review of this item. He indicated the meeting is scheduled to be held with VPIC and the three Boards on July 27, 2010 at 8:30 a.m. Mr. Spaulding reviewed the motion, as well as the rationale behind the motion. There was a discussion that lowering the return assumption would result in an increase in the employer/employee contribution rate.

(Elizabeth Pearce and Stephen Wisloski entered the meeting.)

There was a discussion whether there was a magic number for the rate of return. There was a discussion about GASB's preliminary proposal. Mr. Reardon indicated he will be attending a conference in Orlando relative to GASB and indicated he hopes to provide the Board with an update at the August meeting.

There was a discussion concerning a yearly review of the rate of return and not having a final rate of return in mind. There was a discussion about reducing the rate incrementally. There was a discussion about the five-year experience study. There was a discussion how changing the rate of return is a joint responsibility. Mr. Spaulding requested the Board not reach a conclusion today, but rather to have their thoughts and questions prepared for the July 27<sup>th</sup> meeting when there would be a further discussion with VPIC, all three Boards, the actuary, and the investment consultant. There was a discussion about each Board discussing it privately before coming to a final decision at the July 27<sup>th</sup> meeting. There was a discussion about possibly needing a goal in mind and how that would be accomplished. Ms. Webster indicated she will provide the Board with the documents that were previously provided concerning the VPIC Chair's recommendation to change the rate of return assumption.

**ITEM 4: SDIA Update**

**On motion by Mr. Hooper, seconded by Mr. Johannesen, the Board voted unanimously to enter Executive Session at 9:45 a.m. pursuant to Title 1, § 313 for the purpose of discussing contracts.**

The Board exited Executive Session at 10:18 a.m.

(Ms. Pearce and Mr. Wisloski left the meeting.)

**ITEM 5: Any other business to be brought before the Board**

Ms. Webster advised the Board there is going to be a discussion with Jeannette Warn and Thomas Ball concerning the pay codes and whether things are being reported appropriately for retirement. Ms. Webster indicated she may bring language to the Board to tighten the employee earnable compensation language.

Mr. Dumas inquired of Mr. Spaulding how the education forum went in Boston. Mr. Spaulding gave a brief update to the Board. In response to Mr. Dumas' question Mr. Spaulding indicated the stable value funds have been spared in connection with the recent proposed Federal legislation.

The Board discussed Board members attending conferences and which ones may be appropriate. The Board discussed the National Conference of Public Employees' Retirement Systems (NCPERS) conference in May, the National Association of State Retirement Administrators (NASRA) conference in the first week of August and the National Association of Governmental Defined Contribution Administrators (NAGDCA) conference in mid-September. The Board indicated it would like to receive a list of what conferences are available.

**Mr. Hooper made a motion, seconded by Mr. Briggs that the Board should support Board members that would like to attend the three conferences mentioned above.**

The Board further discussed this item. There was a discussion about webinars. There was a discussion what conferences maybe relevant for Board members. Ms. Webster indicated there is a budget for travel. There was a discussion about the frequency to attend conferences.

**After no further discussion on the motion, Mr. Hooper, Mr. Briggs and Mr. White voted aye. Mr. Reardon, Mr. Spaulding, Mr. Dumas and Mr. Johannesen voted nay. The motion failed.**

The decision of the Board was to leave the current policy in place as it pertains to attendance at conferences. There was a discussion since there is a budget it would be helpful to know who was planning on attending conferences and how many they were planning to attend.

**ITEM 6:      Adjournment**

**On motion by Mr. Reardon, seconded by Mr. Spaulding the Board unanimously voted to adjourn at 10:43 a.m.**

**Next Meeting Date:**

The next scheduled VSERS meeting is an in-house meeting on August 12, 2010 at 9:00 a.m.

Respectfully submitted,

Cynthia L. Webster  
Secretary to the Board