

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Meeting
May 12, 2015 – 8:30 a.m.

Members present:

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2015 – via telephone
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2017 – via telephone
VAUGHN ALTEMUS, representing Secretary of Agency of Education – via telephone
LINDA DELIDUKA, VRTA Alternate representative, term expiring July 1, 2016 – via telephone
ELIZABETH PEARCE, VT State Treasurer

Members absent:

JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2016
Active Member Alternate Representative – vacant
Financial Regulation Representative - vacant

Also attending:

Laurie Lanphear, Director of Retirement Operations
Joshua McCormick, assistant to Kathie Kretzer
Matt Considine, Director of Investments
Katie Green, Investment Manager

The Chairperson, Jon Harris, called the Tuesday, May 12th, 2015, meeting to order at 8:31 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the Minutes of:**

- **April 9, 2015**

On motion by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously by roll call to approve the minutes of April 9, 2015, as submitted.

ITEM 2: **Empower Retirement Quarterly Report (formerly Great West)**

The board briefly discussed the Quarterly Report and agreed that the investments were as expected and did not notice any causes for concern.

ITEM 3: **Actuarial Services Contract**

Ms. Pearce stated that Buck Consolidates will agree to extend the contract at the same rate for the next year.

On motion by Ms. Deliduka, seconded by Mr. Norris, the Board voted unanimously by roll call to move forward with the actuarial services contract extension for one year contingent upon waiver from the secretary of administration.

Mr. Altemus joined the conference call at this time.

Ms. Pearce stated that in June, the Teachers Retirement Board will need to meet with the Actuary to go over and adopt the experience study. The board will also need to have a joint meeting with VPIC to validate the rate of return in the experience study.

ITEM 4: Disability Process Update

Ms. Pearce discussed the VSERS disability retirement process of the miscellaneous retirement bill (H304), which was presented to the legislature. She mentioned that the re-employment rights for VSERS differ from VSTRS. Ms. Pearce stated that at the next in-house meeting, the treasurer's office will have more information to share.

ITEM 5: Legislative Update

Ms. Pearce stated that the H304 misc. retirement bill was passed and was signed by the Governor.

Ms. Pearce then stated to the board that funding for the Actuarially Required Contribution (ARC) and the teacher's health care fund are not going to be affected by the budget shortfalls. Ms. Pearce also stated that there is a provision in place if there is a surplus at the end of the year (after the 5% statutory reserve is filled). That provision states that the surplus would be broken down as follows: 50% would go toward paying what was borrowed towards the ARC, 25% would go to the ED fund, and 25% would go to another "rainy day" reserve fund.

ITEM 6: Board Positions update

Ms. Lanphear stated election forms will be mailed out Wednesday morning for the Chair position and for the vacant active member alternate representative position. The deadline will be May 22nd.

Mr. Harris will make a call to the commissioner of financial regulation to determine a representative from that agency.

ITEM 7: Any other business to come before the board

Ms. Deliduka asked Mr. Harris about obtaining iPad's for all members on the board to move towards more electronic filing and communications. She stated that VPIC is moving in this direction and that all TRS members on VPIC have one already. Mr. Harris stated that this will be an agenda item for the next in-house meeting.

Ms. Pearce stated that for the Actuary Audits, the Actuary is looking into saving money with the GASB 67/68 process by combining FY 14 and 15 census data. If possible, this will save the VSTRS and VMERS systems a combined \$125,000.

ITEM 8: Adjournment

On motion by Mr. Altemus, seconded by Ms. Deliduka, the Board unanimously voted by roll call to adjourn at 8:49 a.m.

Next Meeting Date:

The next scheduled VSTRS meeting is a conference call meeting, June 11th, at 3:30 p.m.

Respectfully submitted,

Kathie Kretzer
Secretary to the Board