

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees
August 6, 2013

Members present:

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

Members absent:

THOMAS CANDON, representing Commissioner of Department of Financial Regulations
Vacant, Active Member Alternate Representative

Also attending:

Steve Wisloski, Deputy VT State Treasurer
Katie Green, Investments Manager
Karl Kroner, Chip Sanville, Amy Heyel, Valerie Baker, Great West Retirement Services
Laurie Lanphear, Director of Retirement Operations
Monica Chiren, Assistant to Kathie Kretzer, Executive Secretary to the Board

The Chairperson, Jon Harris, called the Tuesday, August 6, 2013, meeting to order at 9:04 a.m., which was held in the Governor's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

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

- **June 13, 2013 – regular meeting**

On motion by Mr. Altemus, seconded by Mr. Mackey, the Board voted unanimously to approve the minutes of June 13, 2013, a regular meeting, as submitted.

ITEM 2: **403(b) quarterly update by Great West Retirement Services**

- **Discussion with Advised Asset Group (AAG) – via telephone**
- **Discuss need for quarterly updates**

Mr. Kroner appeared before the Board and provided the Quarterly Report for June 30, 2013 for the 403(b) Investment Program. Mr. Kroner provided the plan overview. Mr. Kroner indicated there was a 6.9% increase in the plan assets from April 1, 2013 to June 30, 2013. Mr. Kroner reviewed with the Board members the contributions of the members and the breakdown of the funds that they were contributing to. There was a discussion about increases in salary in September and what marketing could be done to highlight that situation with respect to contributions to the 403(b) plan. In response to the Board's request Mr.

Kroner indicated he will provide the Board members a list of the districts that participate in the 403(b) plan and those that do not. There was a discussion about distributions.

Mr. Sanville reviewed with the Board members the field activity for the quarter. Mr. Sanville responded to the Board members' questions.

(Ms. Baker entered the meeting at this time via the telephone.)

Ms. Baker reviewed the *Fund Performance Review as of 6/30/2013* with the Board members. There was a discussion about the funds and their performance during the quarter. Ms. Baker responded to the questions posed by the Board members.

(Ms. Baker left the meeting at this time.)

Mr. Kroner provided the Board members the *Why Join the Vermont State Teachers Retirement System (VSTRS) 403(B) Program* information sheet. It was indicated Mr. Kroner would like a picture of Mr. Harris to include on the sheet. The Board members provided suggestions of changes to the information sheet that Mr. Kroner indicated Great West would incorporate. There was a discussion concerning a one-page mailing to all teachers relative to the 403(b) program. Ms. Pearce indicated if Great West wanted to pick up the printing and mailing costs that they would provide the names and addresses.

ITEM 3: SDIA quarterly update

Mr. Sanville appeared before the Board and provided the Quarterly Report for June 30, 2013 for the SDIA Plan. Mr. Sanville indicated the slow decline is continuing, which is expected. Mr. Sanville reviewed with the Board members the distributions, and indicated there were no real surprises there either. Mr. Sanville reviewed with the Board members the Key Talk and Internet statistics.

The Board discussed the need for quarterly reports with Great West. It was the consensus of the Board the reports would be provided semi-annually, in February and August.

(Ms. Green, Mr. Kroner, Mr. Sanville and Ms. Heyel left the meeting at this time.)

(A recess was taken from 10:21 a.m. to 10:33 a.m.)

ITEM 4: Discuss/act on disability retirement recommendation for:

- **Sondra L. Laskey** **New**

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Sondra L. Laskey, with no review.

ITEM 5: Review Administrator Contract Verification Letter

On motion by Mr. Altemus, seconded by Mr. Mackey, the Board voted unanimously to enter Executive Session at 10:35 a.m. pursuant to Title 1, § 313 for the purpose of discussing legal issues.

(The Board exited Executive Session at 10:55 a.m.)

It was indicated Ms. Lanphear would obtain additional information relative to the Administrator Contract Verification Letter for the next meeting.

ITEM 6: Discuss/Appoint Alternate Representatives for:

- **VSTRS Board**
- **VPIC**

Mr. Harris indicated he had a few names of individuals who might be interested in serving as an alternate on the VSTRS Board. Mr. Harris indicated he would forward their letters of interest to the Board members for review so that they could discuss it at the next meeting.

Mr. Harris indicated there was a letter from a retired teacher recommending Ms. Deliduka as the VPIC alternate representative. Mr. Harris turned the meeting over to Mr. Mackey for this agenda item.

On motion by Mr. Harris, seconded by Mr. Norris, the active member representatives voted unanimously to appoint Linda Deliduka as the VSTRS Alternate Representative to VPIC.

Mr. Mackey turned the meeting back over to Mr. Harris. The Board expressed their pleasure with having Ms. Deliduka become an alternate member of the VPIC Committee.

ITEM 7: VPAS update

Ms. Pearce provided the Board members an update on the VPAS system and indicated testing was going to begin again in September and October. Ms. Lanphear indicated they would be running finals both with the new system and manually for a year to make sure the new system was running as needed. Ms. Pearce indicated she was having an interview with WCAX and indicated to the Board members the items she would discuss, including the health care funding. It was indicated the policy guidelines would be addressed after VPAS was up and running.

Ms. Pearce explained to the Board members the situation that occurred with TD Bank and the Vermont State Teachers' Retirement System July 31, 2013 pension checks not being deposited into the members' bank accounts on time. Ms. Pearce indicated staff called every bank that was to receive a deposit for a member to alert them to the situation. Ms. Pearce indicated staff also manned the telephones in the Retirement Division until 8:00 p.m. the day the event occurred.

ITEM 8: Discuss Upcoming RFPs:

- **403(b) Administrator**
- **Actuarial Services**

On motion by Mr. Mackey, seconded by Ms. Pearce, the Board voted unanimously to enter Executive Session at 11:35 a.m. pursuant to Title 1, § 313 for the purpose of discussing contract issues.

(The Board exited Executive Session at 12:05 p.m.)

ITEM 9: Any other business to come before the Board

It was discussed the NCTR conference is coming up, and if anyone wanted to go they should show their interest.

Mr. Harris indicated he would like a future agenda item to include the updating of the trustee manual.

ITEM 10: Adjournment

On motion by Ms. Pearce, seconded by Mr. Altemus, the Board unanimously voted to adjourn at 12:10 p.m.

Next Meeting Date:

The next scheduled VSTRS meeting is a conference call on Thursday, September 12, 2013 at 3:30 p.m.

Respectfully submitted,

Kathie Kretzer
Executive Secretary to the Board