

# VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees

**February 15, 2006**

## **VSTRS Members present:**

JOSEPH MACKEY, Chairperson (Active No. 29334), term expiring July 1, 2009  
JON HARRIS, Vice-Chairperson (Active No. 25669), term expiring July 1, 2007  
JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008  
THOMAS CANDON, representing Commissioner of BISHCA  
VAUGHN ALTEMUS, representing Commissioner of Education  
JEB SPAULDING, VT State Treasurer

## **Also attending:**

Donna Holden, Board Coordinator  
David Minot, Director of Finance and Investments

The Chairperson, Joe Mackey, called the meeting to order at 1:50 p.m. on Wednesday, February 15, 2006, which was held in the 4<sup>th</sup> Floor Conference Room at 109 State Street, Montpelier, VT.

## **ITEM 1: Follow-Up on VPIC Recommendations**

- A. Act on High Yield Asset Allocation

**On a motion by Mr. Spaulding seconded by Mr. Altemus, the Board unanimously voted to accept the VPIC asset allocation recommendation to add 5% High Yield, with the funding to be directly taken from the core fixed income class.**

- B. Act on GAA Asset Allocation

**On a motion by Mr. Spaulding seconded by Mrs. McIntire, the Board unanimously voted to accept the VPIC asset allocation recommendation to add a 10% Global Asset Allocation with the proposed target asset allocation recommendation of funding at 2.5% from International Equity, 2.5% from Large Cap Equity, 2.5% from Core Fixed Income, and 2.5% from Global Fixed Income, and split the investment 50% PIMCO and 50% Mellon.**

## **ITEM 2: Subcommittee Appointments**

- Investment Search Subcommittee

The Chair opened the floor to nominations.

**Mr. Candon** nominated **Mr. Altemus**  
**Mr. Mackey** nominated **Mr. Kaplan**  
**Mr. Kaplan** nominated **Mr. Mackey**

Hearing no other nomination, the Chair closed the floor.

On a roll call vote:

Mr. Spaulding voted: Mr. Altemus and Mr. Kaplan  
Mr. Kaplan voted: Mr. Mackey and Mr. Kaplan  
Mr. Altemus voted: Mr. Mackey and Mr. Altemus  
Mr. Harris voted: Mr. Mackey and Mr. Kaplan  
Mr. Candon voted: Mr. Kaplan and Mr. Altemus  
Mr. Mackey voted: Mr. Kaplan and Mr. Mackey

**Mr. Mackey and Mr. Kaplan were declared elected** to serve on the Investment/Search Subcommittee, on a vote of Mr. Mackey 4, Mr. Kaplan 5, and Mr. Altemus 3.

**On a motion by Mr. Spaulding seconded by Mr. Harris, the Board unanimously voted that members elected to attend subcommittee meetings shall notify the Board Chair if they are not able to attend a meeting and the Chair shall be authorized to appoint an alternate.**

- Proxy Voting Guideline Subcommittee

The Chair opened the floor to nominations.

**Mr. Kaplan** nominated **Mr. Candon**  
**Mr. Spaulding** nominated **Mr. Altemus**

Hearing no other nomination, the Chair closed the floor.

**The Board unanimously voted to elect Mr. Candon and Mr. Altemus to the Proxy Voting Subcommittee.**

- Policy Subcommittee

The Chair advised the Board the Mr. Altemus and Mr. Harris were currently serving on the subcommittee.

**On a motion by Mr. Candon, seconded by Mr. Kaplan, the Board unanimously voted to elect Mr. Harris and Mr. Altemus to serve on the Policy Subcommittee.**

**ITEM 3: Other Business**

Mr. Mackey and Mr. Kaplan advised the Board they were seeking approval to attend the NCTR conference October 13-18, and a State Street Bank Annual Conference in May. Mr. Mackey explained they were hoping to have the funds allocated for the NCTR trip from this year's budget.

The Board discussed the appropriateness of Board members attending a conference sponsored by a vendor, the Code of Conduct Rules, Board member responsibility to obtain a bill from vendors, and the newly adopted Travel Policy.

The Board discussed whether travel in October would fall under the new travel Policy and FY '07 budget, therefore authorization for the NCTR Conference would be requested and discussed at a later date, and after details of the Conference were made available.

Mr. Kaplan explained there would be no hotel costs for the State Street Bank Conference ~~expenses would only be airfare and per diem for him, and that~~ he would be staying with a relative in Boston. He said the Conference topic was on alpha products, etc., a timely topic in light of the Board's decision to allocate funds in GAA.

**On a motion by Mr. Candon seconded by Mr. Altemus, the Board unanimously voted to approve attendance at the SSB&T Conference in May for Mr. Mackey and Mr. Kaplan, contingent upon presentation of an agenda and estimated expenses pursuant to the Code of Conduct, and availability of funds in the FY '06 travel budget.**

Mr. Mackey and Mr. Kaplan will request a bill from the vendor for any attendance costs.

**At 2:20 p.m. Mr. Mackey moved the Board into a Joint Meeting with the Vermont State Employees' Retirement System's Board of Trustees.**

Respectfully submitted,

Donna Holden  
Board Coordinator