

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees

January 24, 2007

VSTRS Members present:

JOSEPH MACKEY, Chairperson (Active No. 29334), term expiring July 1, 2009

JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008

JEB SPAULDING, VT State Treasurer

THOMAS CANDON, representing Commissioner of BISHCA

VAUGHN ALTEMUS, representing Commissioner of Education

VSTRS Members absent:

JON HARRIS, Vice-Chairperson (Active No. 25669), term expiring July 1, 2007 – **via conference call**

Also attending:

Donna Holden, Board Coordinator

Cynthia Webster, Director of Retirement Policy and Outreach

Elizabeth Pearce, Deputy Treasurer

Mark Hage, VT-NEA

Daniel Sherman, Buck Consultants – **via conference call**

The Chairperson, Joe Mackey, called the Wednesday, January 24, 2007, meeting to order at 9:04 a.m., which was held in the Treasurer's Floor Conference Room, 109 State Street, Montpelier, Vermont.

The Board observed a moment of silence in memory of Marie Duquette, and extended its sincerest sympathy to her family.

ITEM 1: Approve minutes of:

- **December 12, 2006**

On a motion by Mr. Kaplan seconded by Mr. Altemus, the Board unanimously voted to approve the minutes of December 12, 2006, as submitted.

ITEM 2: Act on the disability retirement for:

- **Donald Barnes**
- **Barbara Peterson**

On a motion by Mr. Kaplan seconded by Mr. Altemus, that Board unanimously voted to approve the disability retirements for Donald Barnes and Barbara Peterson, as recommended by the Medical Review Board.

ITEM 3: Discuss Buck Consultant *Study of Pension & Post Retirement Report*

Mr. Sherman joined the meeting via conference call. Along with the Board the report was reviewed, including the purpose and content, and a list of questions provided to Mr. Sherman from Mr. Kaplan. Mr. Sherman agreed to send his verbal responses in writing to the Board.

ITEM 4: Discuss FY '08 Retirement Office budget & new non-asset allocation

Ms. Pearce appeared before the board to review the FY '08 budget and proposed non-asset expense allocation, which would be 43% for FY '08 vs. the prior year's 44.6%. The Board also discussed some of the budget line items, and thanked Ms. Pearce for the preparation and presentation.

ITEM 5: Other Business

Mr. Spaulding reminded the Board the Treasurer's Office policy regarding dealing with the press was to make no comment to reporters.

Mr. Kaplan disclosed to the Board that he has owned and operated a small business, "Retirement Trends", for quite some time, which provides retirement trend and plan design information and assistance to groups such as unions, non-profits, etc. The Board acknowledged the disclosure and that Mr. Kaplan's adherence to the Board's *Standards of Conduct*, State and Federal laws would be expected.

Mr. Spaulding left the meeting.

Mrs. Webster advised the Board she would keep the Board informed of any bills or movement regarding the Buck report.

Mr. Kaplan stated his opposition to the State's use and disbursement of the \$1.2 million Medicare Part D refund, and to the Legislative authority to use Trust Fund money to pay for the Buck report.

Mr. Candon announced his reappointment to the Board by the new BISHCA Commissioner, Paulette Thabault.

Next Meeting Dates:

The next Vermont Pension Investment Committee meeting is scheduled for February 14, 2007.
The next VSTRS quarterly business meeting is scheduled for March 14, 2007.

Adjournment:

On a motion by Mr. Altemus seconded by Mr. Mackey, the Board unanimously voted to adjourn at 1:40 p.m.

Respectfully submitted,

Donna Holden, Board Coordinator
for Cynthia Webster, Secretary to the Board