



**ITEM 4:      Discuss Disability Retirement Process**

The Board discussed the current disability retirement process. The Board asked that the Medical Review Board appear to provide a discussion of their process, and that a future agenda include examination of the statutes, rules, and policies regarding the disability process. The Board further agreed a comprehensive review of all policies and legislative initiatives should be dedicated to future Board meetings.

**ITEM 5:      Discuss/Act on 90-Day Filing Deadline Waiver Request for Portia Fitzhugh**

Ms. Fitzhugh and her attorney, Mr. Page, appeared before the Board.

**On a motion by Mr. Kaplan seconded by Mr. Mackey, the Board unanimously voted to approve the disability retirement 90-day filing deadline waiver request for Portia Fitzhugh.**

*Mr. Spaulding left the meeting and Ms. Pearce took his place.*

**ITEM 6:      Approve Final Healthcare Contract**

**ITEM 7:      Discuss Retiree Health Insurance Options, Premiums, Process, and Documents**

**ITEM 8:      Medicare Eligible Healthcare Rates vs. Non-Medicare Healthcare Rates**

Mark Hage, VT-NEA, and Joe Zimmerman, Vermont Education Health Initiative (VEHI), appeared before the Board. Mr. Zimmerman explained the relationship between VEHI (a fully insured purchasing Trust IRS section 115 established in 1996) and BC/BS, and its relationship to the Vermont Schools Business Insurance Trust (VSBIT).

The Board further discussed retiree educational issues, rates, options, processes, etc., surrounding the health care plans. Mr. Zimmerman suggested that VEHI should be providing a booklet and information designed specifically for retirement age persons and those retirees transitioning to the Medicare eligible coverage, including targeting these specific groups and attempts to provide more face-to-face education.

**At 11:35 a.m. on a motion by Ms. Pearce seconded by Mr. Harris, the Board unanimously voted to enter into executive session pursuant to Title 1 § 313 to discuss contractual matters.**

Mr. Clasen, Mr. Griffin, and Mr. Rice were invited into the executive session.

**At 12:16 p.m. the Board exited executive session.**

**On a motion by Mr. Mackey seconded by Ms. Pearce, the Board voted to approve the VEHI Healthcare Administration and recordkeeping contract. Mr. Kaplan abstained.**

The Board asked, upon receipt of the appropriate signatures, that an electronic version of the contract be distributed to members.

**ITEM 9:      Discuss/Act on Dental Coverage Option**

Mrs. Webster explained the recent, one-time option, to pick up dental coverage offered to Vermont State Employees' Retirement System retirees is paid solely by the retirees and at no cost to the system. She said that recent VSTRS legislation, effective July 1, 2007, permitted the Teacher's Retirement Board to also offer a similar option, and suggested that if the Board was in favor of offering the one-time option, that implementation be effective March 1, 2008, which would permit enough time for an RFP process, education, and election time frame.

**Mr. Harris made a motion seconded by Mr. Candon, to authorize the Retirement Division to initiate an RFP process in consideration of adding a dental coverage option for retirees of the VSTRS.**

**Mr. Kaplan made a motion to amend the original motion to obtain an independent cost benefit analysis of the VSERS dental plan as it may relate to the VSTRS, prior to initiation of the RFP. Motion failed, due to the lack of a second.**

**The original motion passed. Mr. Kaplan voted no.**

*Ms. Pearce left the meeting and Mr. Spaulding returned.*

**ITEM 10: Discuss/Act on VPIC Asset Allocation Recommendation**

**On a motion by Mr. Harris seconded by Mr. Mackey, the Board unanimously voted to accept the VPIC recommendation to implement an asset allocation change to include a dedicated asset allocation of 4% to emerging markets, thereby reducing the 13.5% international equities allocation to 11.5% and 29.5% large cap domestic equities allocation to 27.5%.**

Along with Mr. Minot the Board discussed an analysis prepared by NEPC of the S&P 500 vs. MSCI Emerging Market Index.

**ITEM 11: Discuss Possible Changes in the Structure of VPIC**

The Board discussed the Act 50 independent study requirement, the size of the Committee, etc. Mr. Mackey said his intent was for the VSTRS Board to take a lead and provide the other Boards with structure and suggestions for how to proceed.

**On a motion by Mr. Harris seconded by Mr. Mackey, the Board unanimously voted to recommend to the Treasurer that he initiate an RFP for a qualified independent party to perform a review of the VPIC structure, pursuant to the Act 50 requirements.**

**ITEM 12: Ongoing Policy Review and Update**

The Board agreed to initiate an on-going policy identification and review process beginning with their September 18, 2007, meeting. Mr. Fanon will provide a list of what VT-NEA viewed as required regulations.

**ITEM 13: Legislative Update and Legislative Initiatives - Omnibus bill**

Mrs. Webster provided a summary of provisions contained in H.516 (Act 13). Mr. Rice explained the purposes of the bill was divided into three objectives; to reduce the number of funds to be consistent with current accounting practices, codification of federal regulations of the state retirement plans, and to codify non-controversial technical changes needed.

**ITEM 14: Legal Opinion Follow-Up re: Board Member Activity**

Mr. Mackey asked the Board for any questions regarding the legal opinion. No discussion.

**ITEM 15: Terminated Vested Member Updates & Follow-up Legal Opinion**

Mr. Mackey asked the Board for any questions regarding the legal opinion, and Mrs. Webster advised the Board of the status of the vested members.

**On a motion by Mr. Spaulding seconded by Mr. Mackey, the Board unanimously voted to approve vested deferred benefits to the member as requested, and consistent with similar requests made by other members regarding this matter.**

**ITEM 16: Discuss/Act Travel Policy for FY '08**

The Board discussed the current and past policies, along with the need to participate in as many educational opportunities as possible.

**On a motion by Mr. Spaulding seconded by Mr. Candon, the Board unanimously voted until further notice to initiate a two meeting per year travel policy, subject to Board pre-approval and consistent with regulations of the Standards of Conduct Policy.**

**On a motion by Mr. Mackey seconded by Mr. Harris, the Board unanimously voted to permit Mr. Altemus and Mr. Kaplan's attendance at the Annual NCTR Conference in Scottsdale, AZ, October 7-11.**

**ITEM 17: Budget Oversight Follow-Up**

No discussion.

**ITEM 18: Any other business to be brought before the Board**

Mrs. Webster advised the Board of an inquiry from a retired superintendent who had been offered an interim superintendent position and was requesting guidance regarding his compensation, in addition to response to his reporting plan for.

The Board directed Mrs. Webster to advise the retiree that the proposed plan would not be acceptable, and that all compensation, in any manor paid, was considered earnings or wages and reportable, pursuant to a prior legal opinion and adopted policy.

Mrs. Webster also advised that a teacher in the Burlington School District, who does not have a contract for his sporadic driver's education services, wanted his earnings considered.

The Board discussed whether the system's prior determination that wages for this type of services would not be reportable, and that this teacher's services resembled a "substitute" teacher situation. Mrs. Webster will investigate further and the Board agreed depending on teaching license requirements, and endorsements, that these wages could be reportable, and included in his annual compensation, upon receipt of the member's contributions.

**ITEM 19:    Adjournment**

**On a motion by Mr. Harris seconded by Mr. Candon, the Board unanimously voted to adjourn at 3:05 p.m.**

**Next Meeting Dates:**

The next scheduled VPIC meeting is August 15, 2007.

The next scheduled VSTRS business meeting is September 18, 2007.

Respectfully submitted,

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