

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees  
**October 30, 2007**

**VSTRS Members present:**

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2011  
JOSEPH MACKEY, Vice-Chairperson (Active No. 29334), term expiring July 1, 2009  
JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008  
THOMAS CANDON, representing Commissioner of BISHCA  
JEB SPAULDING, VT State Treasurer  
VAUGHN ALTEMUS, representing Commissioner of Education

**Also attending:**

Donna Holden, Board Coordinator  
Cynthia Webster, Director of Retirement Policy and Outreach  
Beth Pearce, Deputy Treasurer  
Bill Rice, Director of Policy and Law  
David Driscoll, and Dan Sherman, Buck Consultants  
Angelo Dorta, VT-NEA  
Linda Deliduka, Retired Teacher's Association  
Jim Fitzpatrick, Superintendent

The Chairperson, Jon Harris, called the Tuesday, October 30, 2007, meeting to order at 1:31 p.m., which was held in the 4<sup>th</sup> Floor Conference Room, 109 State Street, Montpelier, Vermont.

**ITEM 1:      Approve the Minutes of September 18, 2007**

**On a motion by Mr. Kaplan seconded by Mr. Mackey, the Board unanimously voted to approve the minutes of September 18, 2007, as submitted.**

**ITEM 2:      Approve the Disability Retirement Application for Portia L. Fitzhue**

**On a motion by Mr. Spaulding seconded by Mr. Candon, the Board unanimously voted to approve the disability retirement for Portia L Fitzhue, as recommended by the Medical Review Board.**

**ITEM 3:      TRS Eligibility Determination for Business Manager/Assistant Superintendent Position**

Mrs. Webster summarized the issues regarding the position in question, which included dual responsibility as business manager and occasionally as Assistant Superintendent. Mr. Fitzpatrick also appeared before the Board to discuss the position and the district's discussion to add the teaching license requirement to the position, and assumption that the position would then be eligible for the VSTRS.

**On a motion by Mr. Kaplan seconded by Mr. Mackey, the Board unanimously voted to deny membership for this position into the Vermont State Teachers' Retirement System, as Business Manager positions do not meet the eligibility requirements.**

**ITEM 4:      FY '07 Actuarial Valuation**

Mr. Driscoll appeared before the Board to review the valuation report. The Board acknowledged the valuation was based on unaudited information supplied by the State Treasurer's Office. Mr. Driscoll will add disclaimer language to the report. The Actuary and Deputy Treasurer will also verify whether the NPO numbers on page 13 include the annual Medicare Part D reimbursement.

**On a motion by Mr. Kaplan seconded by Mr. Altemus, the Board unanimously voted to accept the FY '07 Actuarial Valuation report as presented, and forward to the Governor the contribution recommendations of \$43,157,974 for FY '09 and \$45,176,869 for FY '10.**

**ITEM 5:      Formalize Board Adoption of Assumptions for Benefit Determination**

**On a motion by Mr. Altemus seconded by Mr. Spaulding, the Board unanimously voted to use for benefit determination, and pursuant to 16 V.S.A. 1943a (h), the actuarial assumptions incorporated in the Five Year Experience Study completed for the year ending June 30, 2002, and adopted by the Board, except as otherwise specified in the document entitled "*Recommended Actuarial Assumptions for the Calculation of Factors for Early Retirement, Amounts Payable under Optional Forms of Payment, and Service Purchases*" as presented to the Board of Trustees on October 30, 2007.**

**ITEM 6:      2007 OPEB Update**

Mr. Sherman provided a review of the *DRAFT* FY'07 report. The Board discussed assumptions and potential changes to the report, along with their role and responsibilities in OPEB governance with respect to their oversight of the retirement system, which offers a health care coverage option, and agreed if the Board was found responsible, acceptance of the report would be addressed at a later date.

Mr. Kaplan questioned the percentage of utilization of health care by retired members. Buck will follow-up with information to Ms. Pearce.

**ITEM 7:      Follow-up on Legislative Initiative Discussion**

The Board agreed to consider seeking the additional statutory language change to the length of time a member may be absent from service before separating from the system and/or being classified as a terminated, vested member.

Mrs. Webster advised, and Mr. Driscoll concurred, that it has been confirmed through the actuary that an insignificant impact to the system would be created if the death-in-service benefit eligibility was changed from 20 to 10 years. The Board agreed to proceed with legislative change.

**ITEM 8:      Any other business to be brought before the Board**

Mr. Altemus disclosed that he won an X-Box in a raffle at the NCTR conference recently attended.

He also asked the Board to support requesting the actuary include a calculation and format for disclosing the annuity value of a member's defined benefit in the annual statements.

**At 4:35 p.m. on a motion by Mr. Spaulding seconded by Mr. Altemus, the Board voted to enter into executive session pursuant to Title 1 § 313 to discuss contractual matters. Mr. Kaplan voted no.**

Mrs. Holden and Mrs. Webster were invited into executive session.

**At 4:51 p.m. the Board moved out of executive session.**

**On a motion by Mr. Candon seconded by Mr. Spaulding, the Board unanimously voted to authorize the Retirement staff to enter into contract negotiations with Delta Dental to provide dental coverage under two plans to VSTRS retirees, effective March 1, 2008.**

**Mr. Kaplan made an amendment to the original motion seconded by Mr. Mackey, that the retirees have two months from receipt of the enrollment materials to make an election for the one-time option. *Motion failed, 4-2.***

**The original motion unanimously passed.**

Mr. Altemus advised the Board of an invitation received from the Information Management Network to be a speaker at the Super Bowl of Indexing conference in AZ December 2-5, 2007, and asked for permission to attend at a no expense to the system for his fully paid participation.

The Board agreed, without objection, to his attendance at the December 2-5, 2007, IMN conference.

Mrs. Webster advised the Board of the correction efforts taken by the Treasurer's Office staff and State's printing center after realizing an error occurred in approximate 200 VSTRS annual reports mailed.

**ITEM 9:     Adjournment**

**On a motion by Mr. Candon seconded by Mr. Altemus, the Board unanimously voted to adjourn at 5:11p.m.**

**Next Meeting Dates:**

The next scheduled VPIC meeting is November 28, 2007.

The next scheduled VSTRS business meeting is December 11, 2007.

Respectfully submitted,

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