

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees
May 2, 2008

Conference Call Meeting

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 arrived later in the meeting
VAUGHN ALTEMUS, representing Commissioner of Education

Also attending:

Cynthia Webster, Retirement Policy and Outreach Director
Linda Deliduka, Retired Teachers Association
Bill Rice, Law and Policy Director
David Minot, Investment Services Director

The Chairperson, Jon Harris, called the Friday, May 2, 2008, *conference call* meeting to order at 12:06 p.m., which was held in the Treasurer's Conference Room, 109 State Street 4th Floor, Montpelier, Vermont.

The Board agree to take the agenda items out of order as the State Treasurer was called up to the State House and would not be able to participate in the first half-hour of the meeting.

ITEM 1: **Elect VPIC Representative and Alternate**

Mr. Kaplan was nominated to serve as the VSTRS Representative on the Vermont Pension Investment Committee. No other nominations were made.

Mr. Harris, Mr. Mackey, and Mr. Kaplan unanimously agreed to elect Mr. Kaplan to serve as the VSTRS Representative on the Vermont Pension Investment Committee, for a term of three years.

Mr. Mackey, Mr. Altemus and Ms. Deliduka were nominated to serve as the Alternate VSTRS Representative on the Vermont Pension Investment Committee. Mr. Altemus declined, stating he did not think it was appropriate for the Commissioner of Education's Representative to represent members on the board.

Mr. Harris, Mr. Mackey, and Mr. Kaplan unanimously agreed to elect Mr. Mackey to serve as the Alternate VSTRS Representative on the Vermont Pension Investment Committee, for a term of three years.

ITEM 2: **Discuss/Act on Appointing a Liaison to Work with Treasurer's Office on RFP**

On a motion by Mr. Kaplan seconded by Mr. Mackey, the Board unanimously voted to direct the Treasurer's Office, working with Mr. Altemus as a liaison from the Board, to develop an RFP for the 403(b) Investment Program for the Board's consideration at their May 29th meeting.

**ITEM 3: **Authorize the Treasurer's Office to Initiate a Statewide
403(b) Deferred Compensation 3rd Party Administrator RFP****

The Board discussed the details of establishing a state-wide 403(b) Investment Program that will be available to all public school districts and supervisory unions in Vermont. They also discussed the value of attempting to combine the funds with the funds offered in the State of Vermont Deferred Compensation (457) Plan.

Mr. Spaulding arrived at the meeting.

Mr. Minot explained the difference between a bundled and unbundled program. It was the consensus of the Board to allow the program to be bid either way.

A considerable amount of time was spent on what investment options to include in the program. Many Board members felt it was desirable to keep the number of investments to a minimum. No actual decision was made, therefore the RFP will be drafted to incorporate the current line-up of investments in the State of Vermont 457 Plan, with an invitation to propose an alternative to the line-up for Board consideration.

The Board was divided whether to mandate or, at a minimum, state a preference for the Third Party Administrator to have an in-state office.

Pursuant to the motion taken in Item #2, the board will be reviewing a revised draft of the 403(b) RFP at the May 29, 2008 board meeting.

ITEM 4: **Any other business to be brought before the Board**

There was no other business to come before the Board.

Adjournment

On a motion by Mr. Mackey seconded by Mr. Altemus, the Board unanimously voted to adjourn at 1:36 p.m.

Next Meeting Dates:

The next VSTRS half-day business meeting is tentatively scheduled for May 29, 2008 in the p.m.
The next scheduled VSTRS full-day business meeting is June 10, 2008.

Respectfully submitted,

Cynthia Webster, Secretary to the Board