

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees

March 11, 2009

Members present:

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2011

JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2012

THOMAS CANDON, representing Commissioner of BISHCA

VAUGHN ALTEMUS, representing Commissioner of Education

JEB SPAULDING, VT State Treasurer

Members absent:

None

Also attending:

Linda Deliduka, Vermont Retired Teachers Association

Cynthia Webster, Director of Retirement Policy and Outreach & Executive Secretary to the Board

Elizabeth Pearce – Deputy State Treasurer

Michael Clasen – Director of Retirement Operations

David Minot – Finance and Investment Director

Jaye Johnson – Assistant Attorney General

Joel Cook - VT NEA

Jeff Fannon – VTNEA

Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Jon Harris, called the Wednesday, March 11, 2009, meeting to order at 9:05 a.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the Minutes of: February 12, 2009**

On motion by Mr. Altemus, seconded by Mr. Candon, the Board unanimously voted to approve the minutes of February 12, 2009, as submitted. Mr. Spaulding was not present for this vote.

ITEM 2: **Discuss/Act on Disability Retirement Application for:**

John Simko

On motion by Mr. Candon, seconded by Mr. Mackey, the Board unanimously voted to accept the recommendation of the MRB to allow the disability retirement for John Simko. Mr. Spaulding was not present for this vote.

Ms. Webster informed the Board that unless something came up there would be no need for a conference call Board meeting on April 9, 2009 at 3:30 since there was no disability to approve.

ITEM 3: Discuss/approve 2009 travel policy

On motion by Mr. Candon, seconded by Mr. Altemus, the Board unanimously voted to restrict Board and staff travel in calendar year 2009, except for orientation for the new member. Mr. Spaulding was not present for this vote.

Mr. Spaulding joined the meeting.

ITEM 4: Review/approve 2009 Election Procedures and discuss alternate member election

The Board discussed how they should proceed with the election, whether to have an election for the member trustee and then a separate election for the trustee alternate, or to have one election where the winner would become the member trustee and the second highest in votes would become the trustee alternate.

On motion by Mr. Mackey, seconded by Mr. Spaulding, the Board unanimously voted to have one election where the highest vote getter would become the member trustee and the second highest vote getter would become the trustee alternate.

The Board agreed the alternate trustee will be expected to attend all Board meetings. The Board also agreed to amend the Rules for Election of Trustees within the next year to include the new alternate position.

Ms. Webster indicated ideally the election materials should be sent out the first week of April. Ms. Webster also indicated if anyone was interested in a sample petition she has that available to send to the person.

ITEM 5: Discuss/Approve definition of Dependent Student

Ms. Webster indicated to the Board the need for a definition of Dependent Student. The Board discussed the IRS definition of Dependent Student.

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board unanimously voted to adopt the IRS Dependent Student Determination Standards as presented.

ITEM 6: Discuss/act on SDIA AEGON insurance wrapper

(Joel Cook left the room. David Minot and Jaye Johnson entered the room.)

On motion by Mr. Mackey the Board unanimously voted to enter Executive Session at 9:48 a.m. pursuant to Title 1, § 313 for the purpose of discussing contracts.

The Board exited Executive Session at 10:50 a.m.

On motion of Mr. Candon, seconded by Mr. Altemus, the Board unanimously voted to approve the Treasurer's Staff and Attorney General's Office complete the negotiations of the SDIA AEGON insurance wrapper and to authorize the Chair of the Board to sign the agreement. Mr. Spaulding amended the motion with Board approval to include subject to acceptance.

(David Minot and Jaye Johnson left the room.)

A recess was taken. The Chairperson, Jon Harris, called the meeting back to order at 11:05 a.m.

ITEM 7: Review/Discuss 2009 legislative initiatives

(Joel Cook, Jeff Fannon and Michael Clasen entered the room.)

Ms. Webster informed the Board that apart from the one section concerning the 10% compensation cap the other pieces of the housekeeping bill have passed out of Gov Ops. Ms. Webster discussed how the State and Municipal systems were dealing with the 10% compensation cap language.

The Board discussed the draft language and changes were given to Ms. Webster to improve the language. There was a discussion concerning AFC (average final compensation), earnable income and the definition of "significant additional duties". It was agreed that a list of significant additional duties would be created by the staff, Board and NEA. It was further decided that Ms. Webster and Mr. Cook would continue to work on the wording of the draft language and report back to the Board.

(Michael Clasen left the room.)

(A luncheon recess was taken from 12:40 p.m. to 1:10 p.m.)

(Mr. Spaulding was not present in the room.)

ITEM 8: Updates on:

403(b) investment program

Ms. Webster indicated there were 897 contributing participants at this time. There was a discussion about the positive feedback of this program. Mr. Harris indicated that he would like to see the website updated to include a link to the 403(b) plan. Ms. Webster indicated that eligible employees would be notified annually of the existence of the 403(b) plan.

(Elizabeth Pearce entered the room.)

VPAS computer system implementation

Ms. Pearce indicated to the Board that the implementation plan has been revised in that retiree members would be implemented first and then active members. Ms. Pearce indicated the hope was for a May/June implementation date for retirees and January, 2010 date for active members.

(Elizabeth Pearce left the room. Mr. Spaulding entered the room.)

TRS funding requirements

The Board discussed the funding requirements. The Board decided to include a discussion of funding/assumptions and health care funding as a future agenda item.

Policy guidelines/hiring consultant

The Board decided to resurrect this item once the new system was deployed.

ITEM 9: Any other business

Ms. Webster indicated she received a request from Betty White of VRTA to include an informational sheet in the retirement packets.

On motion by Mr. Altemus, seconded by Mr. Candon, the Board unanimously voted to allow VRTA information to be included in retirement packets sent to members.

ITEM 10: Adjournment

On motion by Mr. Spaulding, seconded by Mr. Mackey, the Board unanimously voted to adjourn at 2:07 p.m.

Next Meeting Date:

The next scheduled VSTRS meeting is a *conference call* meeting on Thursday, April 9, 2009 at 3:30 p.m.

Respectfully submitted,

Cynthia L. Webster
Executive Secretary to the Board