

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees
June 16, 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:

Cynthia Webster, Director of Retirement Policy and Outreach & Executive Secretary to the Board
Michael Clasen, Director of Retirement Operations
Representative Howard Crawford
Tom Lovett, Headmaster of St. Johnsbury Academy
Thomas McConnell
Rita Rinehart
Jeff Fannon – VTNEA
Karl Kroner, Great West Retirement Services
Chip Sanville, Great West Retirement Services
Perry Christie, Great West Retirement Services
Jonathan Smith, Great West Retirement Services
Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Jon Harris, called the Thursday, June 16, 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: April 9, 2009 and May 18, 2009 (Joint Meeting)**

On motion by Mr. Altemus, seconded by Mr. Candon, the Board unanimously voted to approve the minutes of April 9, 2009, as submitted.

On motion by Mr. Candon, seconded by Mr. Mackey, the Board unanimously voted to approve the minutes of May 18, 2009, as submitted.

ITEM 2: **Discuss impact of new licensing requirement for teachers in independent schools**

Ms. Webster indicated to the Board they were successful in passing legislation that teachers in independent schools who enrolled after July 1, 2009 must be licensed. Ms. Webster explained that the Board agreed to grandfather teachers who were already in the system, but not

licensed. Ms. Webster indicated they did not address teachers who were hired prior to July 1, 2009 but did not start until after July 1, 2009.

Representative Crawford provided to the Board for review a draft of proposed language to clarify the statute. Representative Crawford indicated there were about 20 – 22 teachers who this might affect.

(Rita Rinehart entered the meeting.)

Mr. Lovett provided the Board with information concerning Academy Teacher Certification. Mr. Lovett indicated to the Board the independent schools had no input on this issue and provided his point of view. It was clarified for the Board that teachers without a license can still work in independent schools, but they would not be a member of the system. It was further clarified if a non-licensed teacher became licensed at a later point they would be able to join the system.

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board unanimously voted to allow any teacher who signed a contract prior to July 1, 2009 and is scheduled to begin employment on July 1, 2009 be included in the retirement system. The Board clarified this applies to persons who have a position that would require a license in a public school. The Board requested that a copy of a dated, signed contract be obtained for each new hire that will be included in the TRS membership as a result of this action.

Ms. Webster indicated that the schools would be provided with criteria and rules that would need to be adhered to.

Mr. Harris indicated he would like a future agenda item to deal with the clarification of this language in the statute.

(Representative Crawford and Mr. Lovett left the meeting.)

(Karl Kroner, Chip Sanville and Jonathan Smith from Great West entered the meeting.)

ITEM 3: Quarterly review of the 403(b) Investment Program

Mr. Kroner introduced himself and the other members of Great West to the Board. Mr. Kroner appeared before the Board and provided the Quarterly Report for March 31, 2009 for the 403(b) Investment Program. Mr. Kroner indicated there is no historical data at this time.

(Perry Christie entered the meeting.)

There was a discussion of how many entities have enrolled and the continuing effort to obtain more entities. There was a discussion about reality investment and the different levels available to the participants. There was a discussion of how to provide members with information about the 403(b) Investment Program. Great West indicated they would be at the

Teachers' Convention this year. Ms. Webster indicated mention of the 403(b) Investment Program could be made in the newsletter. Ms. Webster indicated she will obtain the date for the Vermont Superintendents Association meeting. The Board discussed comments they received about the program, both positive and negative.

The Board discussed the funds that were available to the participants and what funds might become available to the participants. Mr. Harris indicated adding and changing funds should be a future agenda item. The Board agreed there should be a review of the funds in a year or two.

Mr. Kroner provided the Board with a Fund Performance Review. Mr. Kroner asked the Board what they would like to see in future reports. It was suggested when a new entity is added to the report that it be highlighted. It was suggested that fund operating expenses be added, as well as administration fees.

There was a discussion about the southern part of the State and the lack of their participation in the Great West 403(b) Investment Program. Mr. Kroner indicated they have Rose Avenia who is the representative for the southern part of the State.

(Mr. Kroner, Mr. Sanville, Mr. Smith and Mr. Christie left the meeting at this time.)

(There was a luncheon recess from 11:42 a.m. to 12: 10 p.m.)

(Jeff Fannon entered the meeting at this time.)

ITEM 4: Discuss/Act on FY 2010 "Excess Earnings" proposal

The Board discussed the excess earnings proposal for Robin Dimmick. Ms. Webster indicated the guidelines have been met. Ms. Webster indicated that a sign-off by the school is provided at the end of the project.

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board unanimously voted to accept the opinion and recommendation of Ms. Webster to approve the excess earnings proposal of Robin Dimmick.

**ITEM 5: Amend "Rules" for Election Procedures to include alternate member
and Trustee Election Update**

Ms. Webster apologized to the Board for being late in getting the ballots out to the members. The Board discussed the alternate member and the "Rules." The Board discussed whether the dates in the "Rules" could be changed by the Board. Ms. Webster indicated she would contact Mike McShane in reference to the "Rules" and changes to the "Rules." The Board decided this item would be put on the September agenda.

On motion by Mr. Mackey, seconded by Mr. Altemus, the Board unanimously voted to extend the dates for the election to include the ballots being mailed no later than June 25, 2009 and the ballots being returned by July 10, 2009, with the ballots to be counted

in the presence of three members of the System appointed by the Board of Trustees in accordance with the Rules.

ITEM 6: Discuss 16 V.S.A. §1946a “Exemption of member’s interest; assignment”

Ms. Webster indicated Mike McShane did not have a chance to review this item. The Board decided to move this item to the September meeting agenda.

(Rita Rinehart left the meeting at this time.)

ITEM 7: Review/amend list of valid “significant additional duties”

Ms. Webster provided to the Board the MATRIX for Determination of Eligibility for VSTRS and MATRIX for Determination Eligibility for Extra-Curricular Compensation. Ms. Webster answered the Board’s questions about the MATRIX. Ms. Webster indicated this is what has been provided to the payroll officers. The Board decided that Ms. Webster would report back to the Board how this tool was working for the payroll officers after a quarter or two.

ITEM 8: Updates on:

Replacement for Director of Investment Services

Mr. Spaulding indicated that Steve Wisloski accepted the position of Director of Investment Services. Mr. Spaulding provided the Board with background on Mr. Wisloski.

(Michael Clasen entered the meeting at this time.)

VPAS

Mr. Clasen provided to the Board an update on VPAS. Mr. Clasen indicated the goal was to go live with the Ben Pay side of the system by the end of the calendar year. Mr. Clasen indicated the challenges that are facing his staff in the upcoming months are the large number of teachers retiring in July, the early incentive for State members September 1, the close out of the fiscal year, and the preparation for the annual statements. Mr. Clasen indicated for those reasons the goal was to have the active side go live before the end of the fiscal year 2010.

(Michael Clasen left the meeting at this time.)

ITEM 9: Any other business to come before the Board

Mr. Mackey brought up the discussion of segregating the money active teachers are and have been contributing to their health care in retirement. The Board discussed their understanding of this issue. The Board decided it would like the actuary to put a line in their report about the contributions to health care. Ms. Webster indicated she would investigate having a line in the report of what medical is paid for by the active members. Mr. Harris indicated this item should be a future agenda item.

Mr. Spaulding discussed the make-up of the Retirement Study Committee that he is serving on and the direction they are going with the committee.

ITEM 10: Adjournment

On motion by Mr. Mackey, seconded by Mr. Candon, the Board unanimously voted to adjourn at 1:50 p.m.

Next Meeting Date:

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

Respectfully submitted,

Cynthia L. Webster
Executive Secretary to the Board