

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Conference Call Meeting of the Board of Trustees  
**June 10, 2010**

**Members present:**

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2011 – via telephone  
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2012 – via telephone  
THOMAS MCCONNELL, Active Member Representative, term expiring July 1, 2013 – via telephone  
VAUGHN ALTEMUS, representing Commissioner of Education – via telephone  
JEB SPAULDING, VT State Treasurer – via telephone

**Members absent:**

THOMAS CANDON, representing Commissioner of BISHCA

**Also attending:**

Cynthia Webster, Director of Retirement Policy and Outreach & Executive Secretary to the Board  
Linda Deliduka – via telephone  
Michael Clasen, Director of Retirement Operations  
Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Jon Harris, called the Thursday, June 10, 2010, meeting to order at 3:40 p.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

**ITEM 1:      **Approve the Minutes of: May 11, 2010****

**On motion by Mr. Altemus, seconded by Mr. McConnell, the Board voted unanimously to approve the minutes of May 11, 2010 as submitted.**

**ITEM 2:      **Discuss/Act on disability retirements for:****

**Margaret A. Stocksdale  
Jeannine E. Brady**

**On motion by Mr. Altemus, seconded by Mr. Mackey, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Margaret A. Stocksdale, with a one-year review.**

The Board discussed the one-year review and the Board's obligations as it pertains to the review. The Board discussed clarifying the disability language. The Board discussed the information provided by the MRB and possibly changing it to include the names of the doctors printed out, in addition to their signatures.

**On motion by Mr. Spaulding, seconded by Mr. McConnell, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Jeannine E. Brady, with a one-year review.**

**ITEM 3: Discuss/act on VPIC Chair's recommendation to change assumed rate of return**

The Board discussed the information provided by the VPIC Chair recommending a change to the rate of return assumption. Mr. Spaulding reviewed the process for changing the rate of return assumption with the Board. Mr. Spaulding indicated VPIC agreed to have a joint meeting with the three Boards on July 27<sup>th</sup> in order to make a decision at that time. Mr. Spaulding advised the Board they did not need to take any action at this meeting. Mr. Altemus advised the Board that this was put on the agenda in order to make sure everyone's questions were answered before the July 27<sup>th</sup> meeting. The Board discussed the 8¼ assumed interest rate, and the incremental reduction of the rate. The Board discussed the ramifications of not changing the rate, and agreed there is no magic number for the rate of return. Mr. Spaulding discussed the rating agencies. The Board discussed an annual review of the rate. The consensus of the Board was it made sense to follow what the State Board does and to have a broader discussion on July 27<sup>th</sup>. Ms. Webster advised the Board members there would be a disability retirement application for July so there would be a necessity for a July 8<sup>th</sup> conference call meeting. It was the consensus of the Board to put this item on the agenda for the July 8<sup>th</sup> conference call meeting.

**ITEM 4: Any other business to come before the Board**

Ms. Webster provided the Board members with information concerning the Federal reimbursement for medical prescription plans. Ms. Webster indicated the application was in place and just waiting for the proper time to be filed.

(Mr. Clasen entered the meeting at this time.)

Mr. Clasen advised the Board members about a particular contract concerning an administrator that was being dealt with at the current time. Mr. Clasen indicated they were not going to allow compensation associated with a bonus, payments to a retirement plan and health and dental insurance purchased through the district to be considered in the AFC. Mr. Clasen indicated there is a possibility this individual might appeal to the Board. The Board discussed the law and policy should be followed concerning this contract. The Board discussed the ramifications for reporting inaccurately. The Board discussed contract language and whether there could be standard language in contracts.

**ITEM 5: Adjournment**

**On motion by Mr. McConnell, seconded by Mr. Mackey, the Board unanimously voted to adjourn at 4:17p.m.**

**Next Meeting Date:**

The next scheduled VSTRS meeting is a conference call meeting on Thursday, July 8, 2010 at 3:30 p.m.

Respectfully submitted,

Cynthia L. Webster  
Executive Secretary to the Board