

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Conference Call Meeting of the Board of Trustees  
**July 8, 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  
LINDA DELIDUKA, VRTA Alternate representative, term expiring July 1, 2012 – via telephone  
THOMAS MCCONNELL, Active Member Representative, term expiring July 1, 2013 –via telephone  
THOMAS CANDON, representing Commissioner of BISHCA - via telephone  
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  
Elizabeth Pearce, VT State Deputy Treasurer  
Stephen Wisloski, Director of Investment & Debt Management  
Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Jon Harris, called the Thursday, July 8, 2010, meeting to order at 3:35 p.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

**ITEM 1:      **Approve the Minutes of: June 10, 2010****

**On motion by Mr. Mackey, seconded by Mr. McConnell, the Board voted to approve the minutes of June 10, 2010 as amended. Mr. Candon abstained from the vote. The motion passed.**

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

**Elizabeth Stevenson**

**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 Elizabeth Stevenson, without review.**

Ms. Webster indicated to the Board Dr. Davignon was attending the August 12, 2010 in-house meeting for the State Board in order to review the disability retirement review process. Ms. Webster indicated the other Boards were welcome to attend the meeting, either in person or

via a conference call. Ms. Webster indicated she will share the agenda with the Teacher Board.

In response to Mr. Candon's inquiry Ms. Webster indicated the Medical Review Board consisted of Dr. Russ Davignon who is the Chairperson and a retired orthopedic doctor, Dr. Alvin Coughlin, a psychiatrist and Dr. Peter Dale, an internist. Ms. Webster indicated this disability retirement had gone out prior to the request for the change to the form which was to include the names of the doctors printed out. Ms. Webster indicated the change would be implemented in the future.

**ITEM 3: Continue discussion on VPIC Chair's recommendation to change assumed rate of return**

Mr. Harris indicated this item was added to the agenda in case anyone had any additional questions or concerns. Mr. Spaulding briefly reviewed the process for changing the rate of return assumption with the Board and what the VPIC recommendation was for the other two Boards. Mr. Spaulding indicated the joint meeting with the three Boards was scheduled for July 27, 2010 at 8:30 a.m. Mr. Spaulding indicated this meeting was so the Boards could further discuss this item with VPIC, the other Boards, the actuary and the investment consultant. There was a discussion about the change to the assumed rate of return for the other Boards, and the value of having a periodic review of the rate of return and having an end point as it related to the rate of return. There was a discussion about the increase in employer contribution rates when there is a reduction in the rate of return. There was a discussion about reducing the rate of return incrementally.

(Elizabeth Pearce and Stephen Wislowski entered the meeting at this time.)

Mr. Candon inquired what the real rate of return has been in the past, whether looking at a ten-year period, or even a 30 or 40-year period. There was a further discussion about reducing the rate of return incrementally and the review of the rate annually. The Board discussed reviewing this item privately on July 27<sup>th</sup> before making a final decision.

(Mr. Spaulding left the meeting at this time.)

**ITEM 4: SDIA Update**

**On motion by Mr. Altemus, seconded by Mr. Mackey, the Board voted unanimously to enter Executive Session at 4:05 p.m. pursuant to Title 1, § 313 for the purpose of discussing contracts.**

The Board exited Executive Session at 4:35 p.m.

(Ms. Pearce and Mr. Wisloski left the meeting.)

**ITEM 5: Any other business to be brought before the Board**

Mr. Candon indicated Mike Bertrand, the new Commissioner, has appointed him as designee to remain on the Board. Mr. Candon indicated he will provide Ms. Webster with the original of that letter.

**ITEM 6:     Adjournment**

**On motion by Mr. Altemus, seconded by Mr. McConnell, the Board unanimously voted to adjourn at 4:36 p.m.**

**Next Meeting Date:**

The next scheduled VSTRS meeting is an in-house meeting on Tuesday, August 10, 2010 at 9:00 a.m.

Respectfully submitted,

Cynthia L. Webster  
Executive Secretary to the Board