

**VERMONT PENSION INVESTMENT COMMITTEE**

**January 25, 2010**

***SPECIAL CONFERENCE CALL MEETING***

**VPIC Members Present:**

JEB SPAULDING, VICE-CHAIR, VT State Treasurer  
JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2011  
DICK JOHANNESSEN, Governor's Delegate, term expiring June 30, 2010  
WARREN WHITNEY, VSERS Representative, term expiring June 30, 2012

**VPIC Member(s) Absent:**

STEPHEN RAUH, CHAIR, VMERS Governor's Delegate, term expiring June 30, 2010  
VACANT, Governor's Delegate, term expiring June 30, 2012

**VPIC Alternate Members Present:**

STEVEN JEFFREY, VMERS *Alternate*, term expiring June 30, 2010  
ROBERT HOOPER, VSERS *Alternate*, term expiring June 30, 2012

**VPIC Alternate Member(s) Absent:**

JON HARRIS, VSTRS *Alternate*, term expiring June 30, 2011  
VAUGHN ALTEMUS, *Alternate* Governor's Delegate, term expiring June 30, 2010

**Also attending:**

Donna Holden, Clerk  
Stephen Wisloski, Director of Investment and Debt Management  
Bill Griffin, Chief Assistant Attorney General  
Jaye Pershing-Johnson, Assistant Attorney General

**CALL TO ORDER:**

The Vice-Chair, Jeb Spaulding, called the Monday, January 25, 2010 meeting to order at 1:08 p.m., which was held in the Treasurer's Conference Room, 109 State Street, Montpelier, VT.

Mr. Spaulding reminded the Committee of Mr. Rauh's decision to recuse himself in order to avoid any conflict of interest, and as stated in an e-mail from Mr. Rauh on January 20, 2010.

**ITEM 1:      **Notice of Resignation****

Mr. Spaulding and the Committee acknowledged receipt of the notice of resignation from Mr. Smith to Governor Douglas, effective January 25, 2010.

**ITEM 2:      **Discuss/Approve Staff Education Travel****

Mr. Spaulding advised the Committee of his recommendation that Mr. Wisloski attend the Financial Markets World educational seminar titled *Introduction to Hedge Funds* on January 26, 2010, to be held New York City. He said the estimated cost of attendance and travel was approximately \$1,200 - \$1,300, which would be proportionately divided among the systems.

**On a motion by Mr. Mackey seconded by Mr. Whitney, the Committee unanimously voted to approve the educational travel expenses for Mr. Wisloski to attend the *Introduction to Hedge Funds* seminar in NYC on January 26, 2010.**

**ITEM 3: VPIC Governance**

Mr. Spaulding summarized his January 5, 2010 proposal that the *six regular members elect a seventh independent Chair, and the Chair be subject to confirmation of the Senate, serve at the pleasure of the VPIC itself, and be compensated at 1/3 of the level of compensation of the State Treasurer, which would currently be \$30,000.*

Each member of the Committee and Mr. Hooper as alternate spoke to the proposal. The Committee discussed such questions as:

- Where would the funds for compensation come from
- Would the chair have a regular vote, or vote only in the event of a tie
- Why would Senate confirmation be considered
- Why has the topic been resurfaced and/or being re-considered
- What are the plans for selection, evaluation, termination, length of appointment, and compensation
- What are the expectations for candidate
- What are the expected qualifications and/or what would be appropriate experience
- Whether Administration would support additional spending
- Appointment and potential for cronyism
- Secession planning
- Underlying Board input
- What would the job description be

Mr. Griffin advised having position confirmation by the Senate, such as in other Board appointments, provides stature to the position and give the legislature ownership in the process.

Mr. Jeffrey advised under *Robert's Rules of Order for Small Boards and Committees*, the chair would have the right to vote, introduce motions, participate in debate, etc.

Upon further deliberation, **by consensus the Committee unanimously agreed:**

1. they supported the proposal for a seventh VPIC member,
2. the seventh VPIC member would be independent,
3. the seventh VPIC member would serve as Chair,
4. the Chair would be appointed by a majority vote of the VPIC members,
5. the VPIC Chair would vote only in the case of a tie,
6. if a member or alternate of the VPIC wanted to be considered for the position of Chair, that member or alternate would have to resign their existing seat and submit their name for appointment consideration,
7. they supported the proposed initial compensation of a sum equivalent to 1/3 of the current Treasurer's salary, or \$30,000.

**The Committee agreed** to Ms. Pershing-Johnson's recommendation that a policy regarding the matters of selection, evaluation, termination, length of appointment, etc. be developed by the Committee to govern the process.

**The Committee further agreed** a proposal including items discussed, would be circulated for comments and for Committee discussion/action at a conference call meeting on February 1, 2010 at 1:00 p.m.

Mr. Spaulding suggested and **the Committee agreed** that VPIC representatives notify their underlying Board Chairs and that the Governor's appointees notify the Administration of the recommendation, in the event a Board or the Governor wanted to provide input before a final recommendation was voted upon by the VPIC at their February 22, 2010 meeting.

**ITEM 5:      Adjourn**

**Hearing no objection, Mr. Spaulding declared the meeting adjourned at 2:10 p.m.**

***Next Meeting:***

February 1, 2010 – 1:00 p.m. – **Conference call**

February 22, 2010 and February 23, 2010 – **In-house** quarterly meeting.

Respectfully submitted,

*Donna Holden*, Clerk