

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

June 10, 2010

VSEERS Members present:

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2011)
Paul White, Jr., VSEA Representative (term expiring September 1, 2010) - via telephone
Jeff Briggs, VSEA Alternate (term expiring September 1, 2011) – via telephone
Robert Hooper, VSEA Representative (term expiring September 1, 2010) – via telephone
Roger Dumas, Vice-Chairperson, VRSEA Representative (term expiring September 1, 2010) – via telephone
Susan Zeller representing James Reardon, Commissioner of Finance & Management (ex-officio)
Richard Johannesen, Governor's Delegate (ex-officio) – via telephone
Caroline Earle, Commissioner of Human Resources (ex-officio)
Jeb Spaulding, VT State Treasurer

Members absent:

None

Also attending:

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board
Stephen Wisloski, Director of Investment & Debt Management
Donna Holden, Contracts and VPIC Coordinator
Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Kevin Gaffney, called the Thursday, June 10, 2010 meeting to order at 9:06 a.m., which was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

The Chairperson thanked the Board members for their patience with the late changes to the Board meeting agenda. Mr. Hooper advised Mr. Briggs that he would not be there for the entire meeting and that Mr. Briggs would need to vote on the items.

ITEM 1: **Approve the Minutes of: May 20, 2010**

On motion by Mr. Spaulding, seconded by Mr. Johannesen, the Board voted unanimously to approve the minutes of May 20, 2010 as amended.

ITEM 2: **Discussion with Dr. Davignon regarding Medical Review Board processes and procedures**

Ms. Webster indicated to the Board members Dr. Davignon would be present at the August 12th in-house meeting.

ITEM 3: **Discuss/Act on disability retirement recommendations for:**

**Michael R. Charron
William G. Morgan
Tammie Southworth
Brenda L. Yelle**

On motion by Mr. Dumas, seconded by Mr. White, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Michael R. Charron, without review.

On motion by Mr. Dumas, seconded by Mr. White, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for William G. Morgan, without review.

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board voted unanimously to enter Executive Session at 9:11 a.m. pursuant to Title 1, § 313 for the purpose of discussing the disability retirement for Tammie Southworth.

(Donna Holden was invited to enter the Executive Session.)

The Board exited Executive Session at 9:34 a.m.

(Ms. Holden left the meeting.)

On motion by Mr. Briggs, seconded by Mr. Dumas, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Tammie Southworth with a one-year review contingent upon additional material being provided by Ms. Webster and Ms. Holden.

On motion by Mr. Spaulding, seconded by Mr. Dumas, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Brenda Yelle, with a one-year review.

ITEM 4: Discuss/Act on emergency withdrawal applications for:

**Darrin J. Gannon
Trevor Maranville**

On motion by Mr. Dumas, seconded by Mr. Briggs the Board voted unanimously to approve the emergency withdrawal request for Darrin J. Gannon as recommended by Great West.

The Board discussed the necessity for financial counseling. Ms. Webster informed the Board the account representative from Great West informs the members of the tax implications surrounding an emergency withdrawal.

The Board discussed foreclosures. Ms. Earle advised the Board about the military pay differential that is available to State of Vermont employees who are deployed. The Board discussed the reasons why a State employee may not be aware of this benefit. Mr. Spaulding advised the Board the information Lisa Helme provides at deployment seminars that she attends.

Ms. Webster reminded the Board that Chip Sanville may not be signing off on all emergency withdrawal applications, but he is reviewing them. The Board discussed the military pay differential as it related to Mr. Maranville. Ms. Earle advised the Board her office will make sure Mr. Maranville is aware of the military pay differential.

On motion by Mr. Dumas, seconded by Ms. Zeller and after a friendly amendment, the Board voted unanimously to approve the emergency withdrawal request for Trevor Maranville up to the amount recommended by Great West.

Ms. Webster distributed to the Board members the Attorney General's opinion clarifying Disability Statutory Provisions as provided by Ms. Holden.

ITEM 5: Discuss/act on VPIC Chair's recommendation to change rate of return assumption

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 members. Mr. Spaulding indicated VPIC agreed to have a joint meeting with the three Boards on July 27th in order to make a decision at that time. 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 an annual review of the rate. Mr. Spaulding advised the Board they did not need to take any action at this meeting. Mr. Spaulding further advised the Board this discussion was in preparation for the July 27th meeting where a discussion and decision would be made with the other Boards. The consensus of the Board was the rate of return assumption did need to be lowered, but to put this item on the agenda for the July 8th conference call meeting for further discussion before the July 27th meeting.

ITEM 6: Discuss attendance at upcoming Education Forum and NAGDCA conference

Mr. Spaulding advised the Board of the educational forum being presented by the Federal Reserve Bank of Boston that he was asked to present at. The Board members discussed their desire to attend the forum.

On motion by Mr. Spaulding, seconded by Ms. Zeller, the Board voted unanimously to approve reimbursement for mileage and one night's hotel for any Board member that chose to attend the Boston education forum and did not have another source of reimbursement.

Ms. Webster provided the Board information about the NAGDCA conference. The Board discussed their opinions of the NAGDCA conference and the relevance for trustees. The

consensus of the Board was to be provided with a short list of the most relevant educational conferences applicable to trustees.

ITEM 7: Any other business to be brought 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.

The Board briefly discussed Stable Value funds and the new Federal proposals.

ITEM 8: Adjournment

On motion by Mr. Dumas, seconded by Ms. Zeller the Board unanimously voted to adjourn at 10:55 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is a conference call meeting on July 8, 2010 at 9:00 a.m.

Respectfully submitted,

Cynthia L. Webster
Secretary to the Board