

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

June 10, 2004

Members present:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2004)
ELIZABETH PEARCE, Deputy Treasurer Representing JEB SPAULDING, VT State Treasurer
ROBERT HOOPER, VSEA member (term expiring September 2004)
CINDY LAWARE, Commissioner of Personnel
ROB HOFMANN, Commissioner of Finance & Management

Members absent:

GORDON MACARTHUR, Retired Vermont State Employees' Association
WILLIAM HARKNESS, VSEA member (term expiring September 2005)
DICK JOHANNESSEN, Governor's Delegate

Also attending:

Cynthia Webster, Director of Retirement Operations

The Chairperson, Warren Whitney, called the conference call meeting to order at 8:08 a.m. on Thursday, June 10, 2004 in the Treasurer's Office at 133 State Street, Montpelier, VT.

ITEM 1: Approval of minutes for May 20, 2004

On a motion by Mr. Hooper seconded by Ms. Pearce, the Board unanimously voted to approve the minutes of May 20, 2004, as submitted.

ITEM 2: Discuss/Act on additional funds options for 457 Plan

The Board discussed the addition of socially responsible (green) fund options to the plan.

Mr. Hooper cautioned the Board that the plan fund options should be diversified enough to ensure there is no attempt or appearance of steering members towards the green funds.

On a motion by Mr. Hooper seconded by Ms. Pearce, the Board unanimously voted to authorize the 457 Consultant, NEPC, to initiate manager searches in the area of Socially Responsible Funds (green funds) for each asset class.

ITEM 3: Any other business to come before the Board

Mr. Whitney advised the Board that he had received a complaint from a disability retirement appellant and his legal counsel regarding the evidentiary hearing process and the expeditious scheduling of pending appeal cases.

Mr. Whitney recommended reconvening the sub-committee who drafted the evidentiary hearing procedure to add a process for pre-hearing conferences.

On a motion by Mr. Hooper seconded by Mr. Hofmann, the Board unanimously voted to authorize Mr. Whitney to reconvene the disability retirement evidentiary hearing sub-committee.

The Board discussed a recent internal problem with an administrative error that resulted in a loss of interest in a 457 Plan member's account. He advised the Board that a \$90 payment for lost interest was required to make the member whole, which was charged to the Plan as an administrative expense.

Discussion ensued regarding the procedure and remedy.

On a motion by Mr. Hooper seconded by Mr. Hofmann, the Board unanimously voted to approve the \$90 payment as an administrative expense.

Mrs. Webster advised the Board of her planned attendance at the NASRA Annual Conference in Ashville, NC August 6-11, 2004. Mr. Whitney requested Board members contact him if also interested in attending.

Mr. Hofmann left the meeting.
Mr. Hooper left the meeting.

Ms. LaWare said she would like to attend but scheduling on short notice was a problem and asked that information regarding annual conferences for organizations such as NASRA and NAGDCA be provided far enough in advance so it can be worked onto her schedule.

Ms. Webster will forward the information.

The Board discussed whether they needed to act on annual disability reviews. It was the consensus of the Board to continue the current process of approving all Medical Review Board recommendations for continued benefits.

The Board agreed to move the June 16, 2004 business meeting to July 8, 2004.

Due to lack of a quorum, Mr. Whitney declared the meeting adjourned at 8:42 a.m.

Respectfully submitted,

Cynthia L. Webster
Executive Secretary to the Board

GOALS

The Board established the following list of goals to be addressed in the future:

- Form a *Policy Development* sub-committee

TO DO's

<u>Who</u>	<u>What</u>	<u>When</u>	<u>Done</u>
------------	-------------	-------------	-------------

** = for possible legislative changes