

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

October 14, 2004

Members present:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)

CATHERINE SIMPSON, VSEA Alternate member (term expiring September, 2005)

DICK JOHANNESSEN, Governor's Delegate

JEB SPAULDING, VT State Treasurer

ROB HOFMANN, Commissioner of Finance & Management

Members absent:

CINDY LAWARE, Commissioner of Department of Human Resources

WILLIAM HARKNESS, VSEA member (term expiring September 2005)

ROBERT HOOPER, VSEA member (term expiring September 2006)

JANICE ABAIR, Retired Vermont State Employees' Association

Also attending:

Cynthia Webster, Director of Retirement Operations

Donna Holden, Board Coordinator

The Chairperson, Warren Whitney, called the **conference call** meeting to order at 8:05 a.m. on Thursday, October 14, 2004 in the Treasurer's Office at 133 State Street, Montpelier, VT.

ITEM 1: Approval of minutes for September 9, 2004

On a motion by Ms. Simpson seconded by Mr. Hofmann, the Board voted to approve the minutes of September 9, 2004, as submitted. Mr. Johannesen abstained.

ITEM 2: Discuss/Act on the Disability Retirement for:

John E. Froment

Rebecca Silvey

On a motion by Mr. Hofmann seconded by Mr. Johannesen , the Board unanimously voted to approve the Medical Review Board's recommendation for a disability retirement for John E. Froment and Rebecca Silvey.

Linda Britt

On a motion by Mr. Johannesen seconded by Ms. Simpson, the Board voted to approve the Medical Review Board's recommendation for a continued disability retirement for Linda Britt, with a one-year review. Mr. Hofmann abstained.

ITEM 3: Discuss 457 Third Party Administrator Contract Negotiations

Mr. Whitney advised the Board a new contract has been drafted, however, at the request of Bill Griffin, Chief Assistant Attorney General, David Minot asked Great-West to provide a detailed statement of the estimated revenue loss resulting from the fund changes. Details for a final fee schedule are also pending.

In addition to the notice Great-West will enclose in their quarterly statements to be mailed this month, the Treasurer's Office has prepared and arranged for a stuffer to accompany the October 28th paycheck, and included information in the VSERS and VMERS newsletters advising members of the 457 fund changes and meeting dates.

ITEM 4: November Disability Meeting Schedule

Mr. Whitney permitted Ms. Holden to explain that the November disability meeting, scheduled for the second Thursday of the month, would fall on the November 11, the Veteran's Day holiday. They suggested that disability cases be taken up a week later at the November 18th quarterly investment meeting. The Board agreed.

ITEM 5: Any other Retirement Business to Come Before the Board

Mr. Spaulding reminded the Board of the October 25th 3:00 p.m. meeting scheduled to meet with the system's actuary. He suggested the Board discuss the possible FY'07 budgetary impact resulting from the GASB 43 & 45 requirements to fund post-retirement benefits, i.e. health and life insurance.

Mr. Spaulding explained the Teacher's Board has already authorized Mr. Driscoll to prepare a report on the projected costs, and encouraged the Board to consider approval for a similar study and report. He cautioned that even though the state reimburses the insurance expenses, the impact to VSERS could be significant and getting that information to legislators and other offices earlier than later was prudent.

The Board agreed to discuss the matter with the actuary.

On a motion by Mr. Spaulding seconded by Mr. Hofmann, the Board unanimously voted to adjourn at 8:33 a.m.

Respectfully submitted,

Cynthia Webster
Secretary to the Board