

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
VERMONT STATE TEACHERS' RETIREMENT SYSTEM**

**JOINT Meeting of the Boards
May 17, 2005**

VSERS Members present:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)
CATHERINE SIMPSON, VSEA Alternate (term expiring September 2006)
JEB SPAULDING, Vice-Chairperson, VT State Treasurer
LINDA McINTIRE, Commissioner of Human Resources
JANICE ABAIR, Retired Vermont State Employees' Association
DICK JOHANNESSEN, Governor's Delegate

VSERS Member(s) absent:

JAMES REARDON, Commissioner of Finance & Management
ROBERT HOOPER, VSEA member (term expiring September 2006)
WILLIAM HARKNESS, VSEA member (term expiring September 2005)

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2007)
MARIE DUQUETTE, Governor's delegate
JEB SPAULDING, VT State Treasurer

VMERS Member(s) absent:

W. JOHN MITCHELL, II, Vice-Chairperson, Employee Representative (term expiring July 1, 2005)
DAVID LEWIS, Employer Representative (term expiring July 1, 2006)

VSTRS Members present:

JOSEPH MACKEY, Chairperson (Active No. 29334), term expiring July 1, 2005
JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008
THOMAS CANDON, representing Commissioner of BISHCA
VAUGHN ALTEMUS, representing Commissioner of Education
JEB SPAULDING, VT State Treasurer

VSTRS Member(s) absent:

JON HARRIS, Vice-Chairperson (Active No. 25669), term expiring July 1, 2007

Also attending:

ELIZABETH PEARCE, Deputy Treasurer, Representing JEB SPAULDING, VT State Treasurer
Donna Holden, Board Coordinator
Cynthia Webster, Director of Retirement Operations

Ms. Pearce provided an overview of the RFP and finalist selection process, distributed a copy of the questions posed to each firm being interviewed, and cost proposals submitted by the finalists with their completed RFPs.

Ms. Pearce advised the Boards, and also distributed, information regarding Gabriel, Roeder, Smith's involvement and recent termination by CalSTERS.

Also discussed was the proposal for an actuary audit, depending on the outcome of the actuary firm selected.

The Vermont State Teachers' Retirement System Chairperson, Joe Mackey, declined to call the quorum of the Board to order, upon the recommendation of Mr. Kaplan, and sighting the Board would not be taking action.

The Vermont State Employees' Retirement System Chairperson, Warren Whitney, called the Board to order at 1:45 p.m. on Tuesday, May 17, 2005, at the Suzanna's Restaurant Conference Room at the Hilltop Inn, Airport Road, Berlin, VT. Mr. Whitney deferred chairmanship of the meeting to Mr. Mackey, for the purpose of actuary finalist presentations.

The Vermont Municipal Employees' Retirement System Board of Trustees was in session from their morning meeting.

ITEM 1: Actuary Finalist Interviews

Gabriel, Roeder, Smith & Co.: William B. (Flick) Fornia, Lead Consultant, Paul Zorn, Research Consultant, and W. Michael Carter, Lead Actuary, appeared before the Boards.

Milliman Inc.: Althea Schwartz, Lead Consultant, and Becky Sielman, Lead Consultant, appeared before the Boards.

Mr. Spaulding arrived at the meeting during the next presentation.

Mellon Consulting: David Driscoll, Principal and Consulting Actuary, Tom Cavanaugh, National Director of Governmental Consulting Practices and Consulting Actuary, and Dan Sherman, Director and Consulting Actuary, appeared before the Boards.

Ms. Abair left the meeting.

ITEM 2: Board Discussion/Action

Mr. Whitney led a discussion of the actuary finalist presentations, asking Board members, staff, and guests for comments in several areas of evaluation.

On a motion by Mr. Spaulding seconded by Ms. McIntire, the Vermont State Employees' Retirement System unanimously voted to retain Mellon Consulting, and direct staff to initiate fee negotiations.

Adjournment

On a motion by Mr. Johannesen seconded by Ms. McIntire, the Vermont State Employees' Retirement System Board unanimously voted to adjourn at 5:44 p.m.

ITEM 3: VETA/VOF Investment Presentation

Due to a lack of Board member availability and time of day, this item was not addressed.

Respectfully submitted,

Donna Holden
Board Coordinator