

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

August 11, 2005

Members present:

ELIZABETH PEARCE, REPRESENTING JEB SPAULDING, Vice-Chairperson, VT State Treasurer
ROBERT HOOPER, VSEA member (term expiring September 2006) – **via conference call**
WILLIAM HARKNESS, VSEA member (term expiring September 2005)
JAMES REARDON, Commissioner of Finance & Management
LINDA McINTIRE, Commissioner of Human Resources
JANICE ABAIR, Retired Vermont State Employees' Association

Members absent:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)
DICK JOHANNESSEN, Governor's Delegate

Also attending:

Donna Holden, Board Coordinator
Heidi A. Nelson, Disability Retiree
Paul Langevin, Cert. Rehab Counselor – via conference call
Karl Kroner, Great-West Retirement Services
Mike McShane, Assistant Attorney General

The acting Chairperson, Elizabeth Pearce, called the meeting to order at 8:15 a.m. on Thursday, August 11, 2005, held in Room 10, Capitol Building, Montpelier, VT.

ITEM 1: Approval of minutes for July 14, 2005

On a motion by Mr. Hooper seconded by Mrs. McIntire, the Board unanimously voted to approve the minutes of July 14, 2005, as submitted.

ITEM 2: Discuss/Act on Continued Disability Retirements for:

**Lori Lumbra-Stewart
Heidi A. Nelson**

At 8:17 a.m. on a motion by Mr. Harkness seconded by Ms. Abair, the Board unanimously voted to enter into executive session, pursuant to Title 1 §313, to discuss medical information.

Ms. Holden and Mr. McShane were invited into the executive session.

At 8:34 a.m. the Board exited executive session.

Mr. Hooper made a motion seconded by Mr. Harkness, to approve the continued disability retirement for Lori Lumbra-Stewart, as recommended by the Medical Review Board. *Motion failed.* Mr. Hooper, Mr. Harkness, and Mr. Reardon voted yes. Mrs. McIntire, Ms. Pearce, and Ms. Abair voted no.

Mrs. McIntire made a motion seconded by Ms. Abair, to remand the Lori Lumbra-Stewart case back to the Medical Review Board and request that a specific Independent Medical Exam (IME) be performed. *Motion failed.* Mrs. McIntire and Ms. Pearce voted yes. Mr. Reardon, Mr. Harkness, Mr. Hooper, and Ms. Abair voted no.

On a motion by Mrs. McIntire seconded by Mr. Reardon, the Board unanimously voted to remand the Lori Lumbra-Stewart case back to the Medical Review Board.

Heidi Nelson appeared before the Board to discuss the Medical Review Board's recommendation to discontinue approval of her disability retirement. Mr. Langevin joined the meeting via conference call.

At 9:00 a.m. on a motion by Mrs. McIntire seconded by Mr. Reardon, the Board unanimously voted to enter into executive session, pursuant to Title 1 §313, to discuss medical information, and receive legal counsel.

Ms. Holden, Mr. McShane, Heidi Nelson, and Mr. Langevin were invited into the executive session.

Ms. Nelson and Mr. Langevin were excused from the executive session while the Board received legal counsel. Mr. McShane and Ms. Holden remained.

At 9:53 a.m. the Board exited executive session.

On a motion by Mr. Reardon seconded by Mrs. McIntire, the Board unanimously voted to uphold the findings of the Medical Review Board regarding the status of disability for Heidi A. Nelson, pursuant to statute, and based on the findings and recommendation of the Medical Review Board.

Ms. Pearce advised Ms. Nelson she would receive a notice and request for financial information.

ITEM 3: Actuarial Cost Analysis Request

The Board reviewed a July 6, 2005, request from Jane Woodruff, Executive Director Department of State's Attorneys and Sheriffs, seeking an actuarial cost analysis of the cost to extend Group D and/or Group G to the 14 State's Attorneys.

On a motion by Mr. Hooper seconded by Ms. Abair, the Board unanimously voted to remove the item from the table.

Mr. McShane advised the Board there was no legal basis to charge an agency for an actuarial cost analysis, however, if the Board did charge for the expense, the funds would have to be remitted to the general fund.

Mr. Hooper withdrew his second to the original motion made in this matter on June 9, 2005. Due to a lack of a second the June 9, 2005 motion to authorize the actuarial analysis failed.

On a motion by Mr. Hooper seconded by Mr. Harkness, the Board unanimously voted to place this item on the next meeting's agenda.

Mr. Hooper left the meeting.

Mrs. McIntire left the meeting during the next item.

ITEM 4: §457 Deferred Comp Plan 2/05 Quarterly Report

Karl Kroner appeared before the Board. He reported a Q2/05 asset balance of \$190.48 million with 5,828 members, of which 5,436 were State and 392 were Municipal employees. The Plan's average account balance was reported at \$32,683 with average annual contributions per member at \$1,203.

The Board asked for information regarding the national average contributions per year for similar plans compared to the VT Plan. Also requested was information regarding the actual average member balances for the VMERS members, time weighted, to compensate for the addition of new entities and members.

Ms. Pearce advised the Board that Great-West would assume the Third-Party Administration of the SDIA plan effective September 30, 2005. Mr. Kroner will provide an update on the SDIA transition at the November meeting.

ITEM 5: Any other business to come before the Board

None.

Next Meeting Dates:

The next scheduled VPIC meeting is August 17 & 18, 2005.

The next scheduled conference call meeting of the Board will be September 8, 2005

Adjournment:

Due to a lack of a quorum, Ms. Pearce declared the meeting adjourned at 10:44 a.m.

Respectfully submitted,

Donna Holden, Board Coordinator
for
Cynthia Webster, Secretary to the Board