

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

April 21, 2004

Board members present:

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2004)

DAVID LEWIS, Employer Representative (term expiring July 1, 2006)

JEB SPAULDING, Vermont State Treasurer

MARIE DUQUETTE, Governor's delegate

Board members absent:

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

Also attending:

Cynthia Webster, Director of Retirement Operations

Michael McShane, Assistant Attorney General

The Chairperson, Steve Jeffrey, called the **conference call** meeting to order at 9:37 a.m. on Wednesday, April 21, 2004, in the Treasurer's Office at 133 State Street, Montpelier, Vermont.

ITEM 1: Approval of the minutes of February 20, 2004

By consensus of the Board it was agreed to postpone action on approval of the minutes to the May 18, 2004 meeting.

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

Arla K. Foster

Denise Smith-Mahoney

The Board reviewed Mr. McShane's written opinion that states the initial application considers the applicant's "own occupation" for purposes of qualifying for a disability retirement benefit. The Board also discussed the meaning of 24 V.S.A., §5056 and §5057 with Mr. McShane. Mr. McShane rendered an oral opinion of §5057 to be "own occupation" when the Medical Review Board recommends an annual review.

On a motion by Mr. Spaulding seconded by Ms. Duquette, the Board unanimously voted to approve the disability retirements for Arla K. Foster and Denise Smith-Mahoney, as recommended by the Medical Review Board with the recommended review to be consistent with Title 24 §5056 & §5057.

The Board requested a written opinion from the Attorney General's Office regarding:

- Clarification of §5056 regarding the appropriate timeframe for a member to file their application,
- Clarification of §5057 regarding the status of occupation subject for review, i.e. "own occupation" vs. "any occupation",

- Clarification of §5057 regarding the consequences to a retiree if upon review the Medical Review Board determines a disability no longer exists.

ITEM 3: Any other business to be brought before the Board

The Board was invited to attend the next meeting of the Vermont State Retirement System Board of Trustees scheduled for May 13, 2004 at 8:00 a.m. The meeting will address disability retirement processes, current trends, explanation of disability benefits, and other issues related to disability retirement.

Next Meeting Dates:

The next scheduled quarterly investment meeting is Tuesday, May 18, 2004.

On a motion by Ms. Duquette seconded by Mr. Lewis, the Board unanimously voted to adjourn at 10:17 a.m.

Respectfully submitted,

Cynthia Webster
Secretary to the Board

GOALS

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

TO DO's

<u>Who</u>	<u>What</u>	<u>When</u>	<u>Done</u>
** = for possible 2004 legislative changes			
CLW/All	Adopt final policy re: joining entities w/prior service liabilities (7/11#3)		ASAP
CLW	Send letter to Fidelity re: info provided to potential DC members (7/11 #6)		ASAP
D Minot	Question letter from NEPC (7/11 #8)		ASAP
D Minot	List (annually) of all alternative investments (8/22 #3)	11/21/03	
NEPC	Global bonds, high yield, hedge funds education (8/22 #4)	11/21/03	
All	Examine new funding methods w/actuary (10/29 #2)		ASAP
Dave M	Provide the Board with a copy of the latest Green Mountain Capital annual report (12/30 #5)		ASAP
CLW	Research RPC's memberships (12/30 #10)		2/20/04
All	Discuss the 2% investment allocation to alternative Investments (2/20 #5)		5/18/04
CLW	Obtain a legal opinion re §5056&5057 (4/21 #2)		ASAP