

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

October 26, 2005

Members present:

JEB SPAULDING, Vice-Chairperson, VT State Treasurer
JAMES REARDON, Commissioner of Finance & Management
LINDA McINTIRE, Commissioner of Human Resources

Members absent:

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)
WILLIAM HARKNESS, VSEA member (term expiring September 2007)
ROBERT HOOPER, VSEA member (term expiring September 2006)
DICK JOHANNESSEN, Governor's Delegate
JANICE ABAIR, Retired Vermont State Employees' Association

Also attending:

Donna Holden, Board Coordinator
Cynthia Webster, Director of Retirement Operations
David Driscoll, Buck Consultants
Tom Gorman, Deputy Auditor of Accounts
Bill Rice, Director of Law and Policy
Vaughn Altemus

Due to the lack of a quorum, the Vice-Chairperson, Jeb Spaulding was unable to call the meeting to order, which was held in Room 10 of the Vermont Statehouse, State Street, Montpelier, VT.

At 8:25 a.m. Mr. Spaulding welcomed Mr. Driscoll.

ITEM 1: Actuarial Valuation

Mr. Driscoll provided a review of the *June 30, 2005 Actuarial Valuation*. Mr. Driscoll reported the FY'06 adjusted recommended contribution at \$20,417,881, FY'07 recommended contribution at \$21,336,496, and FY'08 at \$22,297,103.

Mr. Driscoll agreed to provide additional information as timely as possible, using several scenarios. Mr. Spaulding will provide a matrix, which would include an equivalent valuation of the plan using the EAN (entry age normal) funding method vs. the current FIL (frozen initial liability) method, changes the assumed rate of return to 8.25% vs. the current 8%, a re-amortization of the unfunded liability, etc.

Next Meeting Dates:

The next scheduled *in-house* disability meeting is November 10, 2005.
The next scheduled quarterly VPIC meetings is November 29th & 30th, 2005

Adjournment:

At 10:00 a.m. due to the lack of a quorum, Mr. Spaulding thanked Mr. Driscoll, Board members, and guests for attending.

Respectfully submitted,

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