

The background of the cover features a collage of US dollar bills, including a \$100 bill and a \$20 bill, with various details like the Lincoln Memorial and the word 'LINCOLN' visible. The bills are oriented diagonally.

2004 Annual Report

VERMONT STATE EMPLOYEES



CREDIT UNION

Our Focus is You

2004 Volunteers & Management

Volunteers

Directors

Term: Began / Ends

M. Jerome Diamond, President	1997 / 2006
Sarah Miller, Vice President	1994 / 2006
William T. Belongia, Treasurer	2000 / 2006
Randall Loso, Secretary	1999 / 2005
Kimberly B. Cheney	2002 / 2005
Monique Hayden	2003 / 2006
Paul Hill, Jr.	2001 / 2007
Agnes Hughes	2004 / 2007
Robert Murphy	1999 / 2005
Robert F. Shattuck	1990 / 2005
Brian Woods	1996 / 2007

Credit Committee

Nellie Gillander, Chair	1992 / 2007
Richard J. Cron	1996 / 2005
Helen Weed	1998 / 2006

Supervisory Committee

Normand Desrochers, Chair	1992 / 2005
Joseph Healy	1996 / 2006
Bertha Stygles	1986 / 2007

Management Staff

Steven D. Post	Chief Executive Officer
Terence Field	Finance Officer
Yvonne M. Garand	Business Development Officer
Lisa Hommel	Systems Administration Officer
Charles D. Karparis	Retail Officer
Steven Koenemann	Information Officer
Donna Russo	Human Resources Officer

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President's Report



M. Jerome Diamond
President

Vermont has a strong cooperative tradition, but today, our state's financial cooperatives are threatened. The VSECU issued a number of communications during the year about the battle we are waging in the Vermont statehouse to defend against the aggressive attacks made by the Vermont Bankers Association (VBA). As you recall, last year the VBA succeeded in killing the credit union modernization bill proposed by the Department of Banking, Insurance, Securities and Health Care Administration. Vermont credit unions regarded this bill, supported by Gov. James Douglas, to be fair to credit unions and their members, preserving our unique way of doing business.

The VBA has presented a laundry list of grievances against credit unions to our state legislators, but they are loudest in their demand that credit unions pay income tax on profits, claiming our tax-exempt status creates an unfair advantage. The VBA argument fails to note, however, that credit unions are not-for-profit cooperatives, and true to the principle followed by all cooperatives, we return profits earned to our member/owners as affordable products and services. Vermont's long-standing cooperative tradition includes grocery co-ops, electrical power co-ops, skiing co-ops and farm co-ops, all of which are tax-exempt. Yet, they appear to co-exist peacefully in the marketplace with for-profit, investor-owned operations. Why, then, are credit unions being singled out for taxation? Why is the VBA so determined to eliminate our ability to offer our members a different kind of financial institution?

Across the country, banks are attacking credit unions by characterizing the credit union movement as a spreading menace in the competitive marketplace, hindering their growth and ability to make a profit, but national statistics indicate otherwise. At the end of 2003, banks held over 14 times more assets than credit unions (\$9.077 trillion vs. \$629 billion). The average

banking institution was 15 times larger than the average credit union. The nation's largest bank, JPMorgan Chase, is as large as all U.S. credit unions combined.* Clearly, the facts do not support the argument, so why are banks spending so much time — and money — to restrict credit unions?

You should know your Credit Union is working hard to preserve the benefits of credit union membership that you enjoy today and have the right to enjoy tomorrow, but we need your help. I encourage you to contact your local legislators, letting them know that you want them to support this year's attempt to modernize the credit union statutes. H 149 is the bill.

My first year as president of the Board of Directors has drawn to a close. As I reflect on 2004, it gives me great satisfaction to be able to tell you that the careful planning and extraordinary efforts put forth by our volunteers and staff have built a solid framework for a prosperous year ahead in 2005. We are excited to be a part of that growth and activity.

Sincerely,
M. Jerome Diamond, President

*Statistics provided by the Credit Union National Association's publication, "Commercial Banks & Credit Unions, Facts, Fallacies, and Recent Trends" (www.cuna.org)

Treasurer's Report



William T. Belongia
Treasurer

Your Credit Union has a responsibility to ensure that members are receiving the benefit of our financial cooperative, while maintaining a healthy balance sheet to support those benefits. In its simplest form, we are here to serve your financial needs while at the same time protecting your money. One of our commitments has been to maximize the financial benefits of membership through high dividend rates and low loan rates.

We began the year leading the market with both savings and loan rates and maintained our competitive position throughout the year. Beginning in 2001 the Federal Open Market Committee cut the Fed funds rate 13 times, reducing short term interest rates to a historical low by 2004. This put pressure on us to parallel market conditions and reduce our savings rates. Despite this pressure, we had a strong desire to maintain market leadership in our savings rates. We achieved that goal. While most competitors reduced their savings rates well below 1.0% your Credit Union remained steadfast and never dropped below a 1.0% dividend rate on the regular, special and IRA share accounts.

In June 2004, the Fed began raising rates with 5 consecutive increases in a six month period. As a result the Prime Rate moved from 4.0% in June to 5.25% by December, 2004. Our same market leading objective was applied on the loan side. While competitors were pressed to move in tandem with each rate hike, we were determined to hold off and keep our loan rates as low as possible. We achieved that goal as well. Our secured consumer loan rates increased no more than 25 basis points in 2004 compared to the 125 basis point increase in the Fed funds rate.

All of this is important to recognize because, while we are determined to make decisions that offer our members the best priced prod-

ucts and services, we still need to generate earnings to pay our members in the form of dividends, operational expenses and meet capital requirements. The combination of these commitments, market conditions and business strategies resulted in a modest year of growth while maintaining the financial strength of your Credit Union.

Financial Snapshot

Total assets grew to \$358 million representing a \$6.2 million dollar gain from the previous year. Loans grew 16% to a total of \$234 million while investments contracted by \$26 million with a year end investment portfolio of \$82 million. The reduction in the investment portfolio was used to fund another robust year of real estate lending since deposit growth was minimal in 2004.

The stock market's positive return in 2003 after three years of losses drew consumers back into equities in 2004. Our Credit Union, like other financial institutions, felt the impact of this disintermediation as members potentially directed more of their savings back into the market. Total shares grew a mere 2% from \$312 million to \$319 million at year end.

Total revenue fell short of our 2004 budget by just 1% ending the year with a net income of \$1.2 million. All major components of the income statement fell slightly below budget including interest income, interest expenses, and operational expenses.

In conclusion, your Credit Union ended the year with good earnings and a strong capital position reaching a high capital-to-asset ratio of 9.7% in December, 2004.

Respectfully submitted,
William T. Belongia, Treasurer

▼ **Supervisory Committee Report**

*Normand Desrochers, Chairperson
Joseph Healy
Bertha Stygles*

In accordance with the provisions of Title 8, Vermont Statutes Annotated, §2063, the Supervisory Committee oversaw a comprehensive audit of the books and affairs of the Vermont State Employees Credit Union for the twelve months ending August 31, 2004, performed by McGladrey & Pullen, LLP, of Boston, Mass.

We have reviewed the audited records and supporting footnotes to the financial statements. The Committee has presented the results of the audit to the Board of Directors. The Committee is satisfied that the work of the audit firm is accurate and complete.

A copy of the opinion audit and financial statement audit report presented by McGladrey & Pullen is available upon request. Please contact the Credit Union for additional information.

*Respectfully submitted,
Normand Desrochers, Chairperson*

▼ **Credit Committee Report**

*Nellie Gillander, Chairperson
Richard J. Cron
Helen Weed*

The VSECU experienced another busy year in consumer lending and its third highest volume year in mortgage lending. Home purchase activity was strong as VSECU was able to help almost twice as many members acquire a new home in 2004 as it did in 2003. Overall, VSECU closed 1,236 mortgage loans for its members in 2004.

Consumer lending remained steady in 2004 with just a 2% fluctuation from 2003 with total originations of 5,614 secured and unsecured loans. Used auto loans, the top consumer lending category, declined from the previous year totaling 2,203 loans and \$773,000 less in origination. Despite continued low interest rate loans offered by manufacturers and dealers, our new vehicle loan rates kept us competitive which resulted in a 10% increase in new vehicle loan volume, up nearly \$1 million from the previous year. Unsecured loans showed the biggest increase in loan volume up \$835,000 or 19%.

Despite a fluctuating economy and global outlook, the VSECU remains steadfast. Our continued commitment to providing members with quality service and competitive rates to help them meet their lending needs remains our highest priority. We encourage our members to depend on our knowledge and expertise to make the best possible borrowing decisions and welcome your questions at any time. Thank you for your continued support and patronage of your credit union.

*Respectfully submitted,
Nellie Gillander, Chairperson*

▼ **Statement of Financial Condition**

	12/31/2004	12/31/2003
Assets		
Cash and Cash Equivalents	\$19,396,243	\$23,709,190
Investments	\$82,539,711	\$108,064,168
Loans to members, net of the allowance for loan losses	\$234,246,090	\$199,866,592
Loans held for sale	\$951,529	\$2,999,814
Property and equipment	\$10,938,815	\$8,543,096
National Credit Union Share Insurance Fund deposit	\$3,106,253	\$3,023,894
Other Assets	\$6,963,040	\$5,709,616
Totals	<u>\$358,141,681</u>	<u>\$351,916,370</u>
Liabilities and Equity		
Liabilities	\$4,129,398	\$4,993,370
Commitments and contingent liabilities	\$0	\$0
Total Liabilities	\$4,129,398	\$4,993,370
Equity		
Members' shares	\$319,647,005	\$312,571,725
Retained earnings, substantially restricted	\$34,725,301	\$33,487,039
Net unrealized gains (losses) on available-for-sale investments	(\$360,023)	\$864,236
Total Equity	\$353,012,283	\$346,923,000
Totals	<u>\$358,141,681</u>	<u>\$351,916,370</u>

▼ **Statement of Income**

	1/1/2004 – 12/31/2004	1/1/2003 – 12/31/2003
Interest Income		
Interest on loans to members	\$12,131,668	\$11,391,184
Interest on investments and cash equivalents	<u>\$3,255,883</u>	<u>\$4,516,675</u>
	\$15,387,551	\$15,907,859
Interest Expense		
Dividends on members' shares	<u>\$4,475,506</u>	<u>\$4,915,503</u>
Net interest income	\$10,912,045	\$10,992,356
Provision for loan losses	<u>\$396,000</u>	<u>\$417,403</u>
Net interest income after provision for loan losses	\$10,516,045	\$10,574,953
Non-Interest income	\$2,382,156	\$4,249,271
	\$12,898,201	\$14,824,224
General and administrative expenses	<u>\$11,659,939</u>	<u>\$11,481,436</u>
Net Income	<u>\$1,238,262</u>	<u>\$3,342,788</u>

CEO's Report



*Steven D. Post,
Chief Executive Officer*

We have worked hard to achieve great things this year. We sought a year of moderate growth so that we could focus on operations and planning. We worked aggressively to control operating expenses and focused on returning as much as possible to the members by retaining only a small amount of income as retained earnings. We ended the year slightly above our targeted net worth level and remained classified as a "well-capitalized" credit union by the National Credit Union Administration.

Much of 2004 was spent planning and executing our recent conversion to a new, modern data processing system. As a result of this transition, we believe we're well positioned to introduce innovative new products and services while maintaining the highest standards of reliability, accuracy, privacy and security. Our entire staff was instrumental in completing this extensive and complicated conversion and many saw long hours of overtime and weekend work during the process. So, it is with great admiration that I gratefully acknowledge their extraordinary efforts.

2004 saw another VSECU branch office open at 1755 Essex Road in Williston. Like each of our new branches in Rutland, Burlington, and Berlin, it uses modern equipment and technology to operate as efficiently as possible. And, like all of our new branches, it is staffed with competent, caring professionals working to deliver you great service. We also found a way to "bring back" more of that personal touch by replacing that dreaded "automated attendant" with our live Call Center Member Service Consultants.

Other services we implemented involve your personal security. In 2004, our Members' Advantage newsletter featured a number of stories on protecting yourself from identity theft and internet scams. In addition, we now partic-

ipate in Verified by Visa and MasterCard SecureCode, which help protect you from unauthorized use of your card when you shop online with participating merchants. We made our mortgage loan programs even more attractive and affordable, beginning with My Community Mortgage, an affordable alternative to a conventional home loan. We also added a Land Loan, which makes a good partner to our Construction Loan, and our new 7-year adjustable rate mortgage. And lastly, one of our greatest achievements in 2004 was to sow the seeds of a program for our younger members ages 6-17. We launched our KIDShare and TEENShare programs with the goal to encourage young members to "save, share and spend" their money wisely.

Finally, I want to update you regarding legislation in Vermont's statehouse pertaining to Vermont's credit unions. Through the continued efforts of the VSECU, the Vermont Credit Union League, and other state-chartered credit unions, our legislators are learning about the value credit unions bring to our state. Our not-for-profit cooperative structure sets the bar for what financial services should cost absent the for-profit motive. The Vermont Bankers Association, on the other hand, continues its efforts to influence legislators to limit the benefits credit unions provide their members and, indeed, all Vermonters. In the end it will be up to credit union members throughout the state to make sure each and every legislator understands the real truth: Credit unions play a vital role in the lives of Vermonters and are an essential component of a fair and balanced financial services industry. Bankers operate for profit. Credit unions do not!

*Respectfully submitted,
Steven D. Post, Chief Executive Officer*

Minutes

of the Fifty-Seventh Annual Meeting of the Members of the Vermont State Employees Credit Union March 29, 2004

The Fifty-Seventh Annual Meeting of the members of the Vermont State Employees Credit Union was held at the Barre Civic Center, Barre, Vermont, on March 29, 2004. Steven Post, Chief Executive Officer of the Credit Union, welcomed the members and guests in attendance and thanked Gus' Catering for providing yet another wonderful meal.

Manager Post introduced Governor James Douglas and explained that proposed legislation to modernize the laws governing state-chartered credit unions in Vermont had been submitted to the Legislature by the Douglas administration. He said the VSECU supported the legislation as well as the governor for having submitted it. He then turned the podium over to Governor Douglas, who was greeted by a round of applause and a standing ovation. During his remarks, Governor Douglas thanked Manager Post for the invitation to the meeting and thanked Board President Robert Shattuck for the fourteen years he had served on the Board, especially the last four when he served as Board President. Governor Douglas said that cooperatives of all kinds, be they electrical cooperatives, food co-ops, or financial cooperatives, have deep roots in Vermont and play an important role in Vermonters' lives. He talked about how the VSECU was important in his and his family's lives and expressed his support for the pending credit union legislation, urging members to contact their Legislators and express their support as well. He concluded his remarks saying he was honored to be able to speak at the meeting again this year and that he was proud to be a member of the VSECU.

Once Governor Douglas had left, President Shattuck called the 57th Annual Meeting of the VSECU to order at 7:50 PM. He began by thanking everyone for their attendance at the meeting and also thanked Gus' Catering for an excellent meal. He then introduced the Volunteer Members of the Credit

Committee, Supervisory Committee, and Board of Directors:

Credit Committee
Nellie Gillander, Chair
Richard Cron
Helen Weed

Board of Directors
Jerome Diamond, Vice President
Sarah Miller, Treasurer
Margaret Brown, Secretary
Will Belongia
Kimberly Cheney
Monique Hayden
Paul Hill, Jr.
Randall Loso
Robert Murphy
Brian Woods

Supervisory Committee
Normand Desrochers, Chair
Joe Healy
Bertha Stygles

President Shattuck said they were a dedicated and hard working group of people. He noted that Director Murphy and his wife, Lynda, were celebrating their fortieth anniversary. President Shattuck then introduced his parents, who were attending their first Annual Meeting and will have been married sixty-three years this summer.

Determination of a Quorum:

Article 5; Section 1 of the VSECU Bylaws states that 1% of the membership must be present at the meeting in order to constitute a quorum. As of the meeting date, there were 39,046 members of the Vermont State Employees Credit Union and therefore 391 members had to be present to officially conduct the business of the Annual Meeting. All members of the Credit Union were asked to stand to determine if there was a quorum. President Shattuck noted for the record that 677 member tickets

had been sold and that it appeared most were in attendance.

President Shattuck declared that a quorum was present.

Proof of Notice of Annual Meeting:

President Shattuck stated that, in accordance with Article 5; Section 2 of the VSECU Bylaws, notice of the meeting had been mailed to all members and posted in the offices of the Credit Union.

Appointment of Parliamentarian:

President Shattuck proposed the meeting be conducted under Robert's Rules of Order and appointed Phil Cykon as Parliamentarian. There were no objections.

Reading of the Minutes of the 56th Annual Meeting:

President Shattuck entertained a motion to dispense with the reading of last year's minutes and accept them as printed.

Cedric Smith moved to approve the 56th Annual Meeting Minutes, the motion was seconded by Mylan Lawson and carried.

Officer Reports and 2003 Annual Report:

Manager Post took the podium and said he would discuss the Officer Reports and the 2003 Annual Report shortly. First, he had a very important topic to discuss with the members: the proposed legislation to modernize Vermont's credit union laws. Labeling its passage "critical," Manager Post explained the history of how the legislation had come to be and stated that the only group opposing its passage was the Vermont Bankers Association (VBA). He explained that credit unions in Vermont hold a mere 12-13% of Vermonters' money. He referred the members to the Call to Action, which had been distributed to members at their tables prior to the Meeting. He asked the members to contact their Legislators and ask them

to support passage of this legislation in a form that would strengthen Vermont's credit unions.

Manager Post said the final outcome of this legislation would have a monumental impact on not only the VSECU, but on every credit union. Since action taken at the State House within the next few days would be crucial, he had invited Joseph Bergeron, President of the Vermont Credit Union League (VCUL), to come and explain the work that had been done so far and what it means to Vermont credit unions and, potentially, credit unions nationwide.

Bergeron said there are 37 credit unions in Vermont serving approximately 260,000 members. He asked the members to recall what they were doing during the 1960s...if they were old enough to do so. He said that, in the 1960s, there were no Home Equity Lines of Credit, very few ATMs, limited availability of credit cards, no debit cards, and no 24-hour phone or Internet banking. If a person needed to do their banking, they had to go into their financial institution, likely with their passbook in hand. He observed that things had come a long way since then, which is why Vermont's credit unions had come together to work on the update to Vermont's credit union laws. He said only the VBA opposed the legislation; they would like to turn back the clock and restrict credit unions to the abilities they had in the 1960s. He cautioned that neither the VCUL nor the VSECU was anti-bank. He said banks do a lot of good for the people and businesses of Vermont; but so do credit unions. He concluded his remarks by saying that it is understandable that Vermont's banks want to grow and prosper, they should be allowed to do so, but not at the expense of other institutions.

Manager Post thanked Bergeron for his comments and the work he and the VCUL had done to promote the proposed legislation. He stated that copies of the 2003 Annual Report had

been distributed prior to the meal at each place setting. The Annual Report contained written reports from the President, Treasurer, Supervisory Committee, Credit Committee, and the CEO. He said that the Directors had also distributed a special Memorandum to the Members, which provided detailed information about the Credit Union's operations and recent business initiatives. On the reverse side was a chart containing data from all of Vermont's credit unions showing their asset size, average loan rate, and average deposit rate, among other factors. He expressed his belief that these two pieces of information reflected very positively on the hard and effective work of the Directors and Committeevolunteers. Before the floor was opened to questions, he recognized the many talented, dedicated employees who work to provide stellar member service and keep the Credit Union running. A round of applause followed.

President Shattuck called for a motion to accept the reports as printed.

Parker Brown moved to accept the Reports as printed. Malcolm Fielder seconded the motion. The floor was then opened for discussion.

John Taylor rose and stated he was there to speak to what he saw as the declining bottom line of the Credit Union. He noted that $\frac{3}{4}$ of the interest income earned by the Credit Union was being used to run the organization and said that was unacceptable: more of it should be returned to the members via higher dividends. He said it did not matter to him that other institutions paid even lower dividends than the Credit Union.

Manager Post explained that the percent of income necessary to run the Credit Union was more a function of the current national interest rate environment than a function of the way the business was being run. The Credit Union's

income is generated from loans to members and from gains on its investments. When the current national interest rate cycle eventually begins to turn upward, thus increasing rates, operating expenses will remain relatively unchanged, and the percentage of income used to run the business will decrease.

Taylor then observed that operating expenses had increased 22% in 2003 over 2002 levels. Manager Post agreed, saying that the full costs of running the new branches were reflected all at once in 2003. He said expenses as a percentage of assets is the truest measure of how effectively a credit union is performing. The VSECU has the lowest expense-to-asset ratio among full-service, non-subsidized credit unions in Vermont. He explained that the \$2.4 million increase in operating expenses for the new branches had been paid for, in part, by the income generated by the 6000 new members who had joined at those locations: roughly \$1.1 million. The remaining \$1.3 million in increased operating costs was borne by the proceeds from a sale of a portion of the Credit Union's investment portfolio that had amassed significant gains.

Taylor asked that, if the Credit Union was building for the future stability of the institution, how much more money would be put into the organization rather than returned to the members. Manager Post replied that the Credit Union exists to provide services to its members. There are three major components to the people the Credit Union serves: those who are more interested in deposit earnings, those who are more interested in loan rates, and those who are more interested in low cost, convenient financial services. Each of those components represents a return to the member. The Board of Directors is tasked with balancing those needs and wants all at the same time.

With discussion ended, President Shattuck

called for a vote. The motion carried.

Election of Officers:

President Shattuck then stated that, in accordance with the Bylaws, elections would be held for three three-year positions on the Board of Directors. He said that the Bylaws specifically provide for two ways by which a member can be nominated to serve as Director: selection by the Nominating Committee or by submitting a petition to the Supervisory Committee. Nominations from the floor are not allowed.

President Shattuck recognized the three members who served on the Nominating Committee: Peter Barranco, Chair of the Committee, Joanne Heath and Cheryl Fischer. He thanked them for their work and announced the names of the three members the Committee had chosen to nominate for the three open Director positions: Paul Hill, Agnes Hughes, and Brian Woods. President Shattuck then stated that no petitions had been submitted to the Supervisory Committee this year.

President Shattuck pointed out to the members in attendance that a complete list and brief biography of the candidates was printed on the reverse side of the Agenda, along with the Nominating and Supervisory Committees' Reports. Also included in that listing was the one member nominated by the Committee for a three-year term to fill the single open position on the Credit Committee: Nellie Gillander.

Since nominations had been made in accordance with the Bylaws, President Shattuck called for a motion for the Secretary to cast one ballot for the slate of Director and Credit Committee nominees.

Parker Brown moved to have the Secretary cast one ballot for the slate of Director and Credit Committee nominees. The motion was seconded by Wallace Farnum and carried.

New Business:

President Shattuck said he would entertain a motion to authorize the Board of Directors to Borrow funds on behalf of the members.

Terence Field moved that the Board of Directors be authorized to borrow funds on behalf of the members in accordance with the provision of 8 V.S.A. §2054, Paragraph 9, which establishes a borrowing limit equal to 10% of the Credit Union's share, deposit, and surplus account balances, in this case, up to \$30,000,000. The motion was seconded by Joshua Jarvis.

President Shattuck informed the members that such an authority was an important part of the Credit Union's asset/liability management plan. Any decision to borrow under this authority must come from the Board of Directors. He called the vote and declared the motion had carried.

President Shattuck asked if there was any other new business. Director Monique Hayden stood and announced she had a question for the Nominating Committee. She wanted to know if the Committee had excluded any candidates for nomination and, if so, why, since it was within the authority of the Committee to nominate more than one person for each open position. Chairman of the Nominating Committee, Peter Barranco, replied that the Committee had been well aware of the fact it could nominate more than one person for each open position had it so chosen. However, the Committee reached a consensus that it would choose one person for each position. Hayden expressed her disappointment with that approach and encouraged future Nominating Committees to put forth the names of all the qualified applicants. Chair Barranco replied that the purpose of a Nominating Committee was to narrow the field of applicants and if they were to put forth the names of all

the applicants there would be no need for a Nominating Committee.

President Shattuck reminded the members that there is a second method by which a member can become a nominee. If a person is not chosen by the Nominating Committee, or if a person chooses to forego that option, a member can submit a petition to the Supervisory Committee to become a nominee. He concluded by expressing his appreciation of the work the Nominating Committee had done.

Other Business:

Before proceeding with the door prize drawings, Manager Post said he would like to take a few minutes to pay tribute to the very dedicated work of President Shattuck, who had decided to step down as Board President at the conclusion of the Annual Meeting. He added that President Shattuck had one more year left on his term as Director and planned to work on Director development issues and to put programs in place to provide Directors with educational and training opportunities. Manager Post said that President Shattuck had completed more than thirty learning programs tailored for credit union volunteers and had been instrumental in bringing the Credit Union into the new century. There was a round of applause.

Manager Post then asked Board Secretary Margaret Brown to come to the podium. He said that Secretary Brown had also completed more than thirty learning programs during her tenure as a Director, which was ending as of this meeting. Manager Post described her as a wonderful asset to the Board of Directors who had served on every Board committee at some point in time and had missed only a handful of meetings during her ten years on the Board and its committees. There was a great round of applause and a standing ovation. Manager Post presented Secretary Brown with a plaque, which read:

"Presented to Margaret Brown, Director

1994-2004, Secretary 1999-2004, in appreciation of your dedicated service and outstanding contributions to the Vermont State Employees Credit Union."

and presented it to her, calling her a woman of few but very powerful words.

Door Prize Winners:

Manager Post introduced Lynette Kemp from the VSECU Business Development Department to oversee the drawings for the door prizes. Kemp thanked her helpers and asked for 12 children to come on stage to draw the winning tickets. The prizes and their winners were as follows:

Vermont Products Gift Package, Bill Fraser
Le Jardin du Soleil Wall Clock, Betty Crowell
Vermont Baked Beans Crock Package, Romeo Cyr
Time and Temperature Tabletop Clock,
Tom DiMatteo

Deluxe Garden Cart, Doug Bessette
Baxter Mantle Clock, Vicki Hill
Brew Station Coffee Maker, Mary Wells
Maritime Gimbel Tabletop Clock,
Cathy Hartshorn

\$125 Gift Certificate to Routhier's, Barbara Burk
Amanda Wall Clock, Leslie Davis

\$500 Cash, Sydney Perry
Super Prize – Gavin Grandfather Clock,
Richmond A. Young

Adjournment:

A motion was made by Joseph Healy and seconded by Parker Brown at 8:50 PM to adjourn the Fifty-Seventh Annual Meeting. The motion received unanimous approval.

Respectfully submitted,
Perry H. Thompson, Recording Secretary

Approved:
M. Jerome Diamond, President
Randall Loso, Secretary