



Vermont State Employees Credit Union

2007 Annual Report

Chairman's Report



As a Director for more than ten years, I have great appreciation for the variety of responsibilities a board must accept in order to ensure the success of the organization. One of the greatest of these responsibilities is to understand the monumental changes taking place in the financial services industry and chart a course that keeps VSECUC financially strong while making it a relevant choice for our members.

Several years ago the Board assessed industry trends and saw a growing need for a stronger not-for-profit banking alternative in Vermont than existed. That's why your credit union was supportive of efforts, at both the state and national level, to pass legislation that protected and broaden consumers' access to credit unions. During this same time, the banking industry was consolidating into bigger, regional institutions — forever changing the landscape and leaving Vermonters with fewer local choices for financial services. So the Board embarked on a strategy to remove barriers to membership and promote participation in our cooperative to the greatest extent possible. With greater participation and resources, we believe that VSECUC can be Vermonters' best choice for essential financial services.

During the past year, our work to make VSECUC stronger proved to be both rewarding and challenging. In 2007, our credit union experienced positive but weaker membership growth than expected or desired. Deposit and loan growth was modest but encouraging, as we emerged from a multi-year investment plan that included an expanded branch network and numerous technology upgrades. As anticipated, these investments placed some financial and operational strains on the organization but, also as expected, those stresses have subsided. Today, access to the credit union is better than ever with more branches, online access and expanded call center hours of operations. In addition, our product offerings have expanded to include new certificates of deposits, small business services and a group fuel purchasing program.

In 2007, we also recommended changing the name of our credit union and took action to terminate a complicated life savings insurance program. Both of these initiatives were expected to be controversial but not as divisive as they

were. When the votes were counted on the name change initiative, it was clear the Board failed to propose an acceptable name or make a compelling case for the change — only 47% of the votes were in favor of the change when 67% were needed for approval. The action on the insurance program was a case of taking a long-term perspective and doing the greatest good for the greatest number of members. With the change, a \$200,000 annual expense and a future liability of as much as \$30 million was eliminated. We regret that this important step was met with negative resistance by some.

With similar long-range planning in mind, the Board made decisions to restructure and reduce some employee benefits in a plan to lower expenses and more effectively manage future liabilities. At the end of the year, our employees' defined-benefit pension plan was terminated and we enter 2008 with a 401k plan as the primary retirement program available to employees. Also, the employee post-retirement health benefit was amended at the end of the year, and it will be phased-out over the next ten years. Given life expectancy trends, investment uncertainty and the rapid escalation of health care costs, both of these benefits posed a serious threat to our ability to remain competitive and member-focused in the financial services industry of tomorrow.

Each year, the Board works to balance the diverse needs of many people — borrowers, savers, techies, traditionalists, employees, members, young, old and more. This challenge is unlike running a for-profit bank that retains a singular focus on benefiting just one group of people — stockholders. While we look to the future and anticipate the opportunities before us, we know the best hope for success in meeting the needs of such a diverse membership lies in our ability to make equitable and sometimes tough decisions that benefit the greatest number of people.

The Directors appreciate hearing from members on issues of importance to them and make every effort to be responsive and candid. We appreciate your business, loyalty and contribution to our credit union. We look forward to serving you in the coming year.

Respectfully submitted,
M. Jerome Diamond, Chairman

Treasurer's Report

In 2007 the financial services industry, credit unions included, was faced with continued shrinking margins and fierce competition to price products and services competitively. At VSECU this challenge was met with vision and prudent decision making. Add to that the exceptional efforts of the management team to control expenses in such a strenuous environment and the result is a healthy and financially stable organization.

Assets at the end of the year grew more than expected to \$365 million, an increase of \$16 million from year-end 2006. This growth was driven by deposits which grew nearly \$19 million from the previous year. Although basic savings rates are still relatively low in the financial services marketplace, VSECU offered one of the highest share savings dividend rates compared to other passbook savings rates all year long. At various times throughout the year we led the market with some of the highest yields on both certificate and money market accounts. This was our first full year of offering business services and deposit growth from business accounts was encouraging, contributing \$5 million to the overall increase in deposits. At the end of the year, the return to our members for saving at VSECU was in excess of \$8 million in dividends and interest, up \$1.7 million from the previous year.

Total loans at the end of the year were \$291 million, an increase of nearly \$14 million from 2006. In addition to this amount, we currently service over \$137 million in real estate loans originated over the years. Our mortgage rates attracted both purchasing and refinancing business. Mortgage loan balances increased by more than \$6 million from the previous year. Meeting the borrowing needs of our business members grew significantly as well increasing from

\$500,000 in 2006 to over \$4 million in 2007. Auto loans grew modestly from \$59 million to \$60.9 million. Our indirect lending program that allows members to finance automobile purchases at the dealership through VSECU was an important factor in this growth. While there is a cost to this service many members find value in the added convenience.

Our investment portfolio grew from \$47 million to just over \$54 million by the end of the year. The total income earned on the portfolio exceeded our forecast of approximately \$2 million. For most of the year investment rates were increasing and we were able to benefit from that trend, resulting in \$2.3 million in investment interest income.

The net income for the year was \$1 million, enough to meet our needs but well below industry norms. This amount is owned by our membership and retained to protect and ensure the safety and soundness of our credit union. With an expectation that the U.S. economy may slow down in the coming year, we recognize that members' needs and preferences may change and challenge us in 2008. Our strong financial position gives us the foundation to make decisions that will continue to benefit our members. And the more our members rely on VSECU, utilizing the products and services we offer, the better positioned we'll be to do even more for our membership. Member participation is central to our success. We thank you for choosing your credit union first.

Respectfully submitted,
Paul Hill, Jr., Treasurer

Credit Committee Report

Members of the Credit Committee and VSECU staff approved 7,522 member consumer loans in 2007. We take pride in the flexibility, policy and procedures, and philosophies we subscribe to that enables us to help more members, who otherwise may not be able to obtain financing elsewhere. The number of loans that were approved during the year illustrates this effort: 96% of all member applications reviewed were approved for a total of \$51.7 million.

We continue to look for ways to make home ownership, car buying, education and sometimes even basic living needs affordable through the variety of loan programs we offer. We encourage members to take advantage of our favorable rates and terms.

Respectfully submitted,
Nellie Gillander, Chair
Credit Committee

Number	Member Loans	Dollar	Percent
859	Credit Cards	\$2,715,675	5.25%
245	Dealer New Vehicles	\$4,561,022	8.80%
101	Dealer Used Vehicles	\$1,379,511	2.67%
14	Energy Efficient	\$85,536	0.17%
489	New Vehicles	\$8,257,116	15.96%
264	Overdraft Line of Credit	\$168,600	0.33%
439	Other	\$4,106,632	7.94%
411	Preferred	\$2,651,835	5.12%
2,803	Signature	\$8,512,711	16.45%
1,897	Used Vehicles	\$19,307,445	37.31%
7,522	TOTAL	\$51,746,082	100.00%

2007 Financial Statement

Statement of Financial Condition	2007	2006
Cash and Cash Equivalents	\$ 14,471,445	\$ 9,340,211
Investments	\$ 41,746,710	\$ 39,716,032
Loans to members, net of the allowance for loan losses	\$ 290,012,210	\$ 276,991,183
Loans held for sale	\$ 1,108,810	\$ 1,423,643
Property and equipment	\$ 9,185,354	\$ 9,590,091
National Credit Union Share Insurance Fund deposit	\$ 3,073,800	\$ 3,026,524
Other Assets	\$ 6,173,872	\$ 9,509,300
Total Assets	\$ <u>365,772,201</u>	\$ <u>349,596,984</u>
Liabilities and Equity		
Liabilities	\$ 2,227,217	\$ 6,806,311
Borrowed Funds	\$ 0	\$ 0
Commitments and contingent liabilities	\$ 0	\$ 0
Members' shares	\$ 325,958,271	\$ 306,982,773
Equity		
Retained earnings, substantially restricted	\$ 37,386,156	\$ 36,384,216
Other Comprehensive Income	\$ 85,785	\$ 0
Net unrealized gains (losses) on available-for-sale investments	\$ 114,772	\$ (576,316)
Total Liabilities and Equity	\$ <u>365,772,201</u>	\$ <u>349,596,984</u>
Statement of Income	2007	2006
Interest Income		
Interest on loans to members	\$ 17,240,914	\$ 15,376,897
Interest on investments and cash equivalents	\$ 2,269,382	\$ 2,094,580
	\$ 19,510,296	\$ 17,471,477
Interest Expense		
Dividends on members' shares	\$ 8,371,269	\$ 6,603,491
Net Interest income	\$ 11,139,027	\$ 10,867,986
Provision for loan losses	\$ 120,000	\$ 0
Net interest income after provision for loan losses	\$ 11,019,027	\$ 10,867,986
Non-interest income	\$ 3,670,943	\$ 2,590,991
	\$ 14,689,970	\$ 13,458,976
General and administrative expenses	\$ 13,688,030	\$ 12,782,555
Net Income	\$ <u>1,001,940</u>	\$ <u>676,421</u>

Supervisory Committee Report

In accordance with the provisions of Title 8, Vermont Statutes Annotated, Chapter 221, Section 31306, 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, 2007, performed by Wolf and Company of Boston, Massachusetts. We have reviewed the audited financial statements and supporting footnotes to the financial statements. The Committee has presented the results of the audit to the Board. The Committee is satisfied that the work of the audit firm is accurate and complete.

A copy of the opinion and financial statement audit report presented by Wolf and Company is available upon request. Please contact the Credit Union for more information.

Respectfully submitted,
Normand Desrochers, Chair
Supervisory Committee

Chief Executive Officer's Message



Each year, VSECU becomes more unique in the rapidly changing landscape of Vermont's financial services industry. We are now the fifth largest state-chartered financial institution in Vermont and the only one of those that is a credit union. Who would have thought that possible ten or fifteen years ago, let alone sixty-one years ago? We have evolved into a unique Vermont institution serving over 42,000 members throughout the state from all walks of life.

If it's not obvious to you how this happened, it is to us: the cooperative, non-profit business model continues to gain momentum in Vermont. We think it's because cooperatives are ideally suited for Vermonters with their sense of independence, self-determination and community.

Today, largely because of the resources our size provides, VSECU is better able than ever to provide Vermonters modern financial services as a cooperative in an environment that places service above profits. And compared to the consolidated, regional, national and international look of the banking industry, we remain approachable and local. We think our cooperative structure and size make us a great place for Vermonters to do business.

In 2007 we worked hard to make VSECU even better. Some of the new and improved services we developed included the following:

VBiz — we introduced our commercial services division to support the needs of small business owners and non-profit organizations (like us) in Vermont.

VHEAT — our group fuel buying program was expanded to help more members save money during the winter heating season.

Expanded Service Hours — our Call Center hours were expanded to 12-hour service from 7:00 am to 7:00 pm during the week. In addition, the Call Center and the Berlin and Williston branches are now open on Saturdays from 9:00 am to 1:00 pm.

New Member Program — we improved our outreach to, and advocacy for, every new member with an emphasis on outbound calling, written communications and availability to the member to educate and demonstrate the benefits and value of membership.

Youth Financial Literacy — as a founding member of the Vermont Jump\$tart Coalition which is working to teach basic financial management skills to our youth, VSECU is an integral part in raising awareness of this much needed competency.

Special Certificate Rates — we introduced special certificate rates and terms throughout the year to help members' savings grow.

Online Mortgage Services — we introduced a new web Mortgage Center where members can apply online for a mortgage if purchasing a home, refinancing an existing mortgage or looking for a home equity option.

These are highlights of some things we've done to be of greater value to our members. And we are entering 2008 with the same commitment to be a valuable resource to as many of our members as possible.

On behalf of the entire staff, thank you for your business and participation in our credit union. I hope that you'll call on us in the future if you're looking to save money, buy a house or car, or need an objective point of view when considering all of your financial choices.

Respectfully submitted,
Steven D. Post, CEO

Minutes *of the Sixtieth Annual Meeting of the Members of the Vermont State Employees Credit Union — March 26, 2007*

The Sixtieth Annual Meeting of the members of the Vermont State Employees Credit Union was held at the Barre Civic Center, Barre, Vermont, on March 26, 2007.

Board Chairman Jerry Diamond called the 60th Annual Meeting of the VSECU to order at 7:40 PM. He began by thanking Governor James Douglas for addressing the group and for his support of the credit union movement. He expressed his gratitude to everyone for their attendance at the meeting. Calling it a great endorsement of the democratic principles by which the credit union is run, he voiced his appreciation for the more than 10,500 members who had cast ballots on the name change proposal prior to the Annual Meeting. He said that, not many years ago, credit unions throughout the state had the opportunity to change their Bylaws. Virtually all of them did, giving the authority for nearly all aspects of voting on credit union matters to their respective Boards of Directors. These credit unions left only the election of Directors up to their memberships. The VSECU took a different path and chose to leave decisions regarding changes to the Bylaws or Articles of Association up to the members. This makes the VSECU the most democratic among its peers, which is why a vote where greater than 25% of members cast a ballot is commendable.

Chairman Diamond then introduced the volunteer members of the Credit Committee, Supervisory Committee, and Board of Directors:

Credit Committee
Nellie Gillander, Chair
Richard Cron
Helen Weed

Supervisory Committee
Normand Desrochers, Chair
Joseph Healy
Bertha Stygles

Board of Directors
Sarah Miller, Vice Chairman
Paul Hill, Jr., Treasurer
Randall Loso, Secretary
Kimberly Cheney
Agnes Hughes
Robert Murphy
Allen Ploof
Judith Rosenstreich
Brian Woods

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 41,694 members of the Vermont State Employees Credit Union and therefore 417 members needed 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. Chairman Diamond noted for the record that 573 member tickets had been sold and that it appeared most were in attendance.

Chairman Diamond declared that a quorum was present.

Proof of Notice of Annual Meeting:

Chairman Diamond 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. Certification will be kept on file at the credit union that both the posting and the mailing were done within the time frame set forth in the Bylaws.

Appointment of Parliamentarian:

Chairman Diamond proposed the meeting be conducted under Robert's Rules of Order and appointed Jackie Hughes as Parliamentarian. There were no objections.

Reading of the Minutes of the 59th Annual Meeting:

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

Paul Irons moved to approve the 59th Annual Meeting Minutes, the motion was seconded by Nancy Post and carried.

Officer Reports and 2006 Annual Report:

Chairman Diamond stated that copies of the 2006 Annual Report had been distributed prior to the meal at each place setting. The Annual Report contained written reports from the Chairman, Treasurer, Supervisory Committee, Credit Committee, and the CEO.

Chairman Diamond called for a motion to accept the reports as printed.

Ed Miller moved to accept the Reports as printed. Wallace Farnum seconded the motion. The floor was then opened for discussion. There being no discussion, Chairman Diamond called for a vote. The motion carried.

Election of Officers:

Chairman Diamond then stated that, in accordance with the Bylaws, elections would be held for three three-year positions on the Board of Directors. He expressed his appreciation to the three members who served on the Nominating Committee: Will Belongia, Chair of the Committee, Roger Dumas, and Giovanna Peebles. He thanked them for their work, noting that the Report of the Nominating Committee was printed on the bottom of the front side of the Agenda for the night's meeting. He explained that the Bylaws also provide an alternate means by which a member can be nominated to serve as Director: Submission of a petition to the Supervisory Committee. The Report of the Supervisory Committee also appeared on the bottom of the front side of the Agenda. No members had submitted petitions to declare candidacy. Thus there were three candidates for three open positions on the Board. Similarly, there was one candidate for the single open position on the Credit Committee.

Jenny Brown moved to have the Secretary cast one ballot for the slate of nominees for election to the Board of Directors and the Credit Committee. The motion was seconded by Reginald Welch and carried.

Although there had not been a balloted election for open positions on the Board or Credit Committee, ballots regarding the question of whether to amend the Credit Union's Articles of Association and Bylaws to change the name of the Credit Union had been sent to each member eligible to vote. The Credit Union's Bylaws prescribe a method by which such voting must be held and delegates the duty for oversight of such a vote to the Supervisory Committee. Due to the importance of this particular issue, the Supervisory Committee retained the services of an independent and professional third party to oversee the voting. The Committee chose Election Services Corporation (ESC) to perform this service. All ballots cast prior to the start of the Annual Meeting had been received and recorded in the offices of ESC. Representatives from ESC were on hand to take possession of any ballots cast during the meeting. Early absentee voting concluded as of 5:00 PM. The voting process will come to a close

once members in attendance at the Annual Meeting who have not already voted are given the opportunity to cast a ballot.

Chairman Diamond said that, as Chairman of the Board, he would like to address the membership about the motion to change the name of the credit union. So, in accordance with Robert's Rules of Order, he turned control of the meeting over to Vice Chairman Miller. Vice Chairman Miller thanked Chairman Diamond and explained that, first, she would seek a motion to change the name of the Credit Union as presented in the Notice of the Annual Meeting. She would then open the floor to discussion and, finally, allow members who had not yet done so to cast their ballots. She reminded those in attendance that the Bylaws specifically state that any matter subject to early absentee voting may not be amended from the floor.

Chairman Diamond moved, on behalf of the Board, to change the name of the Credit Union to Veristate Credit Union as presented in the Notice of the Annual Meeting and stated in the ballot material. The motion was seconded by Nancy Post.

Chairman Diamond rose to speak to the motion. Alfred Blakey raised a Point of Information, noting that Robert's Rules of Order limit debate to ten minutes per person.

Chairman Diamond said that, years ago, there had been no competition between credit unions, since most membership eligibilities were based on a person's employment. About 15 years ago, things began to change. Names of credit unions changed. Credit union charters changed. Suddenly anyone who lived or worked in certain counties was eligible to join a credit union. Other credit unions began to seek out the VSECU's members. Credit unions in Chittenden County that have numerous branches began to draw the VSECU's members away. In the late 1990s the VSECU Board made a decision: In order to successfully compete, the VSECU needed a community charter, too. Today the VSECU has a 7-county field of membership. Branches and ATMs have been added to increase convenience for those members who do not live in Central Vermont. He noted that 80% of the new members who joined the VSECU in 2006 did so under the community charter; 5% of the new members were state employees. Had it not been for the decision to expand to a community charter, the Credit Union would not have seen any membership growth. A year ago the need for a new name was again discussed with the members at the Annual Meeting. Hundreds of members were polled in focus groups to see what qualities a new name should include. The results were clear. Any new name should be inclusive, short, and not give the impression that one needed to be a state employee to join. A naming committee of three Directors and three members of management met with a consulting firm and reviewed close to 400 names. Eventually that committee chose Veristate Credit Union, which met the criteria established by the focus groups. He said that Board had done its duty: They analyzed a changing financial marketplace and made the best decision they could. The VSECU is the last major Vermont credit union to change its name. He said the final decision rests with the members.

Chet Briggs asked whether the Board would continue the effort to change the Credit Union's name if the vote goes down, perhaps with a more popular choice of a name. Vice Chairman Miller replied that first the Board wanted to see the outcome of the vote. Their attention had been focused on getting this motion to pass and they did not have a contingency plan.

Sheila Lowe said she disliked the fact that money had been spent on the name change proposal. She felt the current name is simple and understandable and asked what the change would cost. Vice Chairman Miller explained that the Credit Union had spent a lot of money on public relations in the past six years to educate consumers that they did not have to be a state employee to join, but it had not been successful. Chairman Diamond added that members would not be required to purchase new checks or get new credit or debit cards immediately if the name change vote passed, so there would be no direct costs to each member. He said that the costs associated with changing the name would be equivalent to \$5 per member over a three year period.

John Turner said he has been a member for thirty years and that he appreciates the hard work the staff and volunteers do for the Credit Union. He recognizes and respects the need to grow the institution, adding that words are important, they mean something. He suggested going back to the drawing board and finding a more suitable name.

Alfred Blakey noted that 10,500 members had voted without the benefit of hearing the discussion going on at the meeting. He asked about the balloting process and how the ballots were kept secret. Steven Post, CEO, replied that a lot of time had been spent preparing for the balloting. It was important to the Board that the identity of each person casting a ballot be unknown, which is why all ballots were handled by a third party. Blakey stated that he considers the balloting to be invalid since it did not strictly adhere to Robert's Rules of Order. He asked whether the ballots already cast had been counted and was told they had not.

Mark Garon said he disagreed with holding on to "state employee" as the part of a new name. He agreed with the idea of changing the name, even though he did not like the choice being proposed. He said that if 80% of new members are non-state employees, then the Credit Union needs to focus on non-state employees. He added that hearing an ad on the radio that begins with "Vermont State Employees" just serves to turn people's ears off so they miss the rest of the message, whatever it may be.

Chet Briggs suggested that a contest be held to choose a new name for the members to vote on. Post explained the risks of holding a contest to choose a name that ultimately might be unusable due to trademark issues or not being able to register it with the Secretary of State's office.

Paul Hennessey said he had been a member for 38 years. He felt that the name is not the driving force behind growing members. He said a better avenue for growth would be referrals from existing members happy with rates and service.

Eugene Tardie said that he never thought he was eligible to join the VSECU until an acquaintance told him he could; the current name had been an obstacle for him. He suggested the membership keep in mind the age group of those the Credit Union is trying to attract; they would likely appreciate the new name. If the vote is negative, then the money spent already would be wasted. He encouraged all to think of the next step they wanted to take.

The question was called by Malcolm Fielder and seconded by Richard Pittsley. The motion to call the question passed.

Vice Chairman Miller then instructed each member who would like to cast a ballot to raise a hand and a ballot would be brought to them. She explained how to complete the ballot. Each member voting needed to place their name and full address on the outside of the envelope. John Taylor rose to question the voting procedure. He wanted to know how the Credit Union would ensure that members who cast a ballot at the meeting had not already voted. Post explained the verification process to which each ballot cast is subjected, whether cast via early absentee voting or at the meeting. Alfred Blakey asked whether a signature was required on the ballot and said he had seen some people writing their names and addresses on their ballots. As a result he said he felt this further complicated the balloting process. Post told him his feelings had been noted.

Vice Chairman Miller explained that the official tally of the votes would be delivered to the Supervisory Committee by ESC. In accordance with the Bylaws, the results would be posted online and in the lobbies of the credit union within 48 hours. Once she determined that no one else wished to cast a ballot, Vice Chairman Miller declared the balloting closed and instructed the Supervisory Committee and Election Services Corporation to proceed with the counting of the ballots and to report the results to the Board of Directors. She then turned control of the meeting back over to Chairman Diamond.

New Business:

Chairman Diamond explained that the meeting had concluded with a vote in previous years. That is no longer the case. Section 31302, paragraph 11 of the new credit union statute empowers the Board of Directors to borrow funds to carry on the functions of the Credit Union and establishes a borrowing limit of 20% of assets unless a higher limit is approved by the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration. As a result there was no need for a motion to vote on borrowing limits.

Other Business:

Post asked Director Woods to come to the stage and presented him with a plaque that read: "Presented to Brian Woods, Director 1996 – 2007, in appreciation of your dedicated service and outstanding contribution to the Vermont State Employees Credit Union."

He expressed his thanks to Director Woods for his 11 years of service on the Board of Directors. He said Director Woods had been through many interesting times while on the Board and had always stuck to the principles and values of the credit union movement. Perhaps his greatest legacy will be the VSECU's Environmental Mission Statement. Since his first days on the Board, Director Woods had worked to ensure the Credit Union was an environmentally friendly and responsible organization. His legacy will live on for many years.

Director Woods thanked the members of the Credit Union for allowing him to serve on the Board. He said he could not have done it without their support. He also noted that this year's Annual Meeting was a carbon-neutral event, meaning that renewable energy credits had been purchased to offset the carbon dioxide emissions from members' travel to and from the meeting, the preparation of the dinner, and the lights, etc. used during the meeting. He encouraged everyone to consider serving as a volunteer for the Credit Union. He closed by saying he had learned a lot during his time on the Board.

Door Prize Winners:

Chairman Diamond introduced Recording Secretary Perry Thompson to oversee the drawings for the door prizes. Recording Secretary Thompson entertained the crowd as he drew the winning numbers and distributed the various prizes. The prizes and their winners were as follows:

Pottery Lamp	Valerie Beaudin
Gardener's Package	Rachel Cubit
Vermont Teddy Bear	Carmen Gale
Car Care Package	Don Brown
Coffee Break Gift Basket	Marion Frink
Fisherman's Delight Package	Jen Champney
I Love Vermont Gift Basket	Bob Parsons
\$50 Gift Certificate to your Favorite Restaurant	Wayne Hersey

Two additional prizes, not listed on the Agenda, were also given away:

\$60 Gift Certificate to the Main Street Grill	Shirley Lay
\$500 Cash	Elizabeth Barcomb

Everyone who cast a ballot as well as those who attended the Annual Meeting was eligible to win one of the three Grand Prizes. Since the verification of the ballots had not yet been completed, the winners of those prizes were drawn the following day:

Nintendo Wii	Erika Burke
Apple iPod	Burt Marsh
Dell Computer	Greg E. Masure

Adjournment:

A motion was made by Charles Jensen and seconded by Robert Shattuck at 8:50 PM to adjourn the Sixtieth Annual Meeting. The motion received unanimous approval.

Respectfully submitted,
Perry H. Thompson, Recording Secretary

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