

**BURLINGTON RETIREMENT BOARD
CITY HALL, 1ST FLOOR BUSHOR CONF ROOM
OR
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
May 15, 2023**

MEMBERS PRESENT:

Robert Hooper (Chair)
Munir Kasti (Vice Chair)
Patrick Robins
Matthew Dow
David Mount
Kyle Blake
Tom Chenette
Katherine Schad

OTHERS PRESENT:

Chris Rowllins
Kate Pizzi
Richard Carey
Hayley McClenahan

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:30 AM.

MOTION by Katherine Schad, SECOND by Patrick Robins, to adopt the agenda.

MOTION TO AMEND the agenda by Kyle Blake, SECOND by Patrick Robins, to amend the table in item #4.01 below to read "Allyson Nadeau" instead of "Allyson Skelton."

VOTING: unanimous; motion carries.

MOTION by Munir Kasti, SECOND by Patrick Robins, to adopt the agenda as amended.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

None.

3.0 APPROVE RETURN OF CONTRIBUTIONS

3.01 Approve Return of Contributions

Approve Return of Contributions	Amount
Julie Stein, Class B	\$5,089.37
Connor Poulin, Class A	\$8,668.79
Robert Hodlock, Class B	\$2,399.07
Aline Kwizera, Class B	\$1,368.59
Louisa Floystad, Class B	\$9,254.50
Jillian Waite, Class B	\$ 430.69

MOTION by Munir Kasti, SECOND by Patrick Robins, to approve the return of contributions as presented.

VOTING: unanimous; motion carries.

4.0 APPROVE RETIREMENT APPLICATIONS

4.01 Approve Retirement Applications

Approve Retirement Applications	Amount
Allyson Nadeau, Class A	\$2,212.93
Sharon Sweeney, Class B	\$ 518.70
Anne D'Alton	\$ 735.10
Christopher Nadeau, Class A	\$2,212.93
Eileen Dandelin, Class B	\$ 273.09

MOTION by Munir Kasti, SECOND by Patrick Robins to approve the retirement applications as amended.

DISCUSSION:

- **Mr. Blake asked how the payments for Allyson and Christopher Nadeau's payments are flowing, given that they are divorcing. Chief Administration Officer Schad replied that the retirement benefit is being split 50/50 between them through a QUADRO, or qualified domestic relations order, which is assigned by a judge to divide up this type of asset. She emphasized that this does not add to the benefit, but divides it up according to the court order.**

VOTING: unanimous; motion carries.

5.0 ADMINISTRATIVE UPDATE

5.01 BERS DROP for the BPD

Chief Administration Officer Schad noted that there are no updates related to the possible DROP. She said that the City is in discussion with the union but that those discussions are protracted. She said that she will provide updates to the BERS Board as she receives them.

5.02 Annual Report for City Council

Chief Administration Officer Schad said that the BERS board should anticipate providing an annual update to the City Council on its activities in the next month or so.

6.0 FIDUCIENT

6.01 Investment Updates as of April 30, 2023

Ms. Pizzi began by providing an update on markets as of the end of April, 2023. She noted that April was a muted month in terms of returns. She noted that returns overall were 0.6% for April. She noted modest growth in fixed income markets, growth in the U.S. large cap and international developed equities and lags in U.S. small cap and emerging markets, and modest returns on REITs and declines in commodities.

Ms. Pizzi then provided an overview of the BERS portfolio performance as of April 30, 2023. She noted a total ending market value of approximately \$219.7 million, which is up 1% for the month and up 7.4% from the beginning of the fiscal year. She spoke briefly about the target allocations. Mr. Kasti asked about the portfolio performance lagging behind the policy benchmark, and Ms. Pizzi explained that the two drags on the performance when compared to the benchmark are from UBS Trumbull Properties and from the BlackRock Strategic Income Opportunities.

6.02 Trumbull Properties Fund Loyalty Program Analysis

Ms. Pizzi began by noting that the BERS portfolio has about \$11 million currently in the fund. She said that Trumbull Properties Loyalty Fund would allow the investor to commit to a percentage of their investment remaining in the fund for a defined period of time (3 or 4 years) and would offer fee discounts depending on that time commitment. She noted that it is unlikely that the BERS portfolio will receive the totality of their \$11 million back from the Trumbull redemption pool in the next 3 to 4 years. She provided an overview of 3 different scenarios for the timing of redemption payments from Trumbull and how that would interact with the loyalty program, were BERS to sign up for it. She noted savings in each scenario, in a range of \$12,703 to \$29,719, which is not significant. She said that Fiducient does not think that it would be worth it for the BERS portfolio to join the loyalty program, given the insignificant savings and that it could obligate funds to remain in Trumbull that could have been paid back to BERS through the redemption process.

Mr. Blake asked what Fiducient would be proposing doing with the \$11 million from Trumbull once it is fully redeemed and back with the BERS portfolio. Ms. Pizzi replied that Fiducient would likely conduct another asset allocation study to determine where it would make the most sense to strategically allocate the funding. The board discussed whether they would continue in the redemption queue or also participate in the loyalty program, and general consensus was to stay the course in the redemption queue without signing up for the loyalty program at this juncture.

6.03 Committee Education: Active vs. Passive Investing

Ms. Pizzi provided an overview of the committee education topic related to active versus passive investing and management. She provided the definitions of each, noting that the goal of active management is to provide better risk-adjusted returns versus the broader market, while the goal of passive management is to provide similar risk-adjusted returns versus the index being tracked. She noted that active management is generally more hands-on and requires more depth of analysis than passive management. She said that the BERS portfolio generally represents an effective combination of both active and passive management, and that the portfolio has 70% of its investments in

passive index funds. She noted that both active and passive strategies can perform well, and said that Fiducient's general advice and strategy is to maintain a mix of active and passive management.

7.0 ADJOURN

7.01 Motion to Adjourn

The meeting adjourned without objection at 11:18 AM.

RScty: AACoonradt