

May 21, 2015
Burlington Employees' Retirement Board
Burlington Electric Department

Board Members Present: Jim Strouse Matthew Dow
 Bob Rusten Daniel Gilligan
 Munir Kasti Bob Hooper
 Benjamin O'Brien (via phone)

Others Present: Stephanie Hanker
 Kim Sturtevant

1. **Agenda:**
No Changes to the presented agenda
2. **Approve Minutes of 04/16/2015 & 05/14/2015:**
Bob Hooper moved to approve minutes as presented. Munir Kasti 2nd.
Motion carries 7:0.
3. **Approval of Bills:**
Bob Hooper moved to approve bills as presented. Matt Dow 2nd. Motion
carries 7:0.
4. **Ratify Refund / Rollovers:**
Bob Hooper moved to approve rollover/refunds as presented. Daniel
Gilligan 2nd. Motion carries 7:0.
5. **Approve Retirement Applications:**
Bob Hooper asked to have the class of employee listed for retirements. Bob
Hooper moved to approve the presented applications. Matt Dow 2nd. Motion
carries 7:0.
6. **Discussion Regarding Investments:**
Jim Strouse stated he would like to defer indefinitely the search for an
investment consultant as Dahab is who was hired and there is no reason not
to trust the feedback and recommendations from them. Bob Hooper stated
he does think there should be a reexamination as the State does. Jim Strouse
stated the Board should get on with the investment process and no one is
more qualified right now and the Board should ask Barry Bryant to come and
provide specific recommendations and debate from there. Bob Rusten
suggested that Barry Bryant be asked specifically if the Board should stay
with VPIC, if no, were do we go, also ask about what the impact is
administratively and determine additional information and analysis, the

Board wants to confirm if VPIC is not the best place. Bob Hooper asked Barry Bryant can also be prepared to answer the expectations for staff needed, and to have all of the answers provided in writing. Jim Strouse stated that it has only been six years since the Board has not been involved in the entire investment process and it seemed like very little burden to the staff. Bob Hooper stated that the Board should make sure that we are equipped to make the suggested changes before moving ahead. Munir Kasti stated he would like an official recommendation in writing addressed to the Board from Dahab stating specifically if the Board should move away from VPIC and recommendations of investment models. Bob Rusten stated that maybe hiring a third party to come in and let the Board know if they are making the right decision. Bob Hooper agreed with Bob Rusten about the third party. Bob Rusten moved to request a formal letter from Dahab with a recommendation as to our continuing to have our percentage be managed by VPIC, subject to getting a letter from Dahab, and having no further analysis as to staying with VPIC. Daniel Gilligan 2nd. Motion carries 7:0.

Bob Rusten suggested hiring a chief investment officer. Jim Strouse stated the asset levels were not at that point and the Board probably could not afford that. Bob Rusten stated there were four options for the investment process that he saw, 1. To have the Board do all of the research and the determinations, 2. Hire an advisor who would provide advice but the Board made all of the decisions and the advisor would have no fiduciary responsibility, 3. Hire an advisor with joint fiduciary responsibility or 4. Delegate all the responsibility and decisions. Bob Rusten stated that he is okay to initiate the process to move money out of VPIC to a custodian and then to index the funds, as this would stop the fees and could have better returns potentially, we could live with Dahab, subject to fully understanding what Barry Bryant's role is and initiate a RFP for investment managers later. Jim Strouse stated he would contact Barry Bryant and have him pick out a custodian and bring the paperwork to the next meeting with him and hopefully he can send them electronically prior to the meeting for review. Bob Rusten stated Barry Bryant should be prepared to come to the next meeting with a letter from Dahab as voted on, a plan of how to manage the money for the next six months, a recommendation of how to implement, clarity of Dahab's role in the six months and indicate if there are additional costs, plan to initiate RFP for investment advisor in next six months and during the six months review maybe modify the investment policy. Bob Rusten stated that the Board should notify the City Council if the Board does move to remove the funds from VPIC. Jim Strouse stated he would contact Barry and ask for the letter that for voted on requesting, an explanation of Dahab's role, come with custodian bank and documents needed, also ask him to provide any other systems they may have in their repertoire and see how they are invested and have a plan of action.

7. Other Business:

Bob Rusten asked if the Board should meet twice a month as regular meetings going forward. Bob Hooper stated he felt that once things start rolling in he feels that the Board will need to. Jim Strouse stated we should discuss after the next meeting with Barry.

Jim Strouse stated there was a disability retiree who received a retroactive social security payment and now owes the retirement system a large sum of money to pay back the offset. Jim Strouse stated the Retirement Administrator has been unsuccessful in getting a response from the retiree. Jim Strouse stated he felt that the payments from the City should stop until the debt is repaid, but would Kim Stuartevant to check and make sure that is legal. Bob Hooper made a motion for the Retirement Administrator to take action on the recommendation of the City Attorney in regards to the payment of the disability retiree who has an owed debt to the retirement office. Daniel Gilligan 2nd. Motion carries 7:0.

Bob Hooper moved to adjourn, Bob Rusten 2nd. Motion carries 7:0. Meeting Adjourned 10:35am.