

July 16, 2015
Burlington Employees' Retirement Board
Burlington Electric Department

Board Members Present: Jim Strouse Matthew Dow (9:20am)
 Bob Rusten Daniel Gilligan (Via Phone)
 Munir Kasti Bob Hooper

Others Present: Stephanie Hanker
 Barry Bryant – Dahab Associates-
 (Via Phone 9:25am – 9:55am)

1. Agenda:

Jim Strouse added item number 1.A for election of a Board Chair, Vice Chair and Secretary.

1.A Elections:

Benjamin O'Brien moved to elect James Strouse as Board Chair, Robert Hooper as Board Vice Chair and Stephanie Hanker as Board Secretary. Munir Kasti 2nd. Motion Carries 6:0

2. Approve Minutes of 06/18/2015:

Jim Strouse stated a change to agenda item number 7 first paragraph on page 2, "show" should be shawdow. Bob Hooper moved to approve the minutes with the change identified. Bob Rusten 2nd. Motion carries 6:0.

3. Approval of Bills:

Bob Hooper moved to approve bills as presented. Bob Rusten 2nd. Motion carries 6:0.

4. Ratify Refund / Rollovers:

Bob Hooper moved to approve rollover/refunds as presented. Munir Kasti 2nd. Motion carries 6:0.

5. Approve Retirement Applications:

Bob Hooper moved to approve the applications presented. Benjamin O'Brien 2nd. Motion carries 6:0.

6. Discussion of VPIC Funds

Jim Strouse stated the Board needs to go carefully into this transition to make it as smooth as possible for VPIC, if the decision is made to withdraw funds. Bob Rusten moved as the BERS Board believes that it having direct

control determining where to invest the City's pension assets is in the best interest of our pension fund moved formally and request we notify VPIC that we withdraw our funds no later than December 31, 2015. Munir Kasti 2nd. Motion Carries 5:0:1. Bob Hooper abstained from the vote because he sits on both the VPIC Board and the BERS Board. Jim Strouse stated if more time is needed from VPIC the Board can amend the date down the road. Bob Rusten stated that the Board in the coming months should have someone come in and provide education to the Board on the different types of funds so the Board can be comfortable making the decisions in the coming months on what types of funds to move to, and noted maybe it does not have to be all index funds, maybe passive funds. Munir Kasti suggested Barry Bryant should come in and provide some education to the Board.

Barry Bryant called in at 9:25am.

Bob Rusten stated that he felt the Board should consider meeting more than one time a month, suggesting meeting twice a month, once for regular business, another for education on assets and investments.

Barry Bryant stated he would contact VPIC and notify them of the Board's vote to withdraw the funds by the December 31, 2015 deadline. Jim Strouse stated to Barry Bryant the Board was looking for more education. Barry Bryant stated the Board needed to make asset allocation decisions, manager decisions, if the Board would like to index the funds or have active management. Barry Bryant stated the asset allocation is the biggest decision for the Board. Barry Bryant stated he would provide the Board with an asset allocation simulation and stated he thinks the Board should make one decision at a time. Jim Strouse asked if Barry Bryant would formally notify VPIC. Barry Bryant stated it should come from Jim Strouse and he would provide Jim with a draft. Bob Rusten stated he felt the Board should start with looking at the current investment policy statement and now that a decision has been made, update the statement to reflect the changes. Barry Bryant stated that is the best way to go, that way the Board is familiar with the how the decisions are made in the future. Barry Bryant stated he would have a draft ready before the August 20th meeting for the Board to review prior to the meeting. Bob Rusten stated he thought the Board should meet in two weeks to go over the investment policy statement. A special meeting was made for July 30, 2015.

7. Discussion of the City of Burlington Divestment Committee

Bob Rusten stated Board members were needed to introduce the concept of fiduciary responsibility to the City's Divestment Committee. Benjamin O'Brien stated he would present information. Jim Strouse stated he would go and present the information, but the Board should check and see if Allen Webster would be available to also attend and present information to the Board. Bob Rusten stated the meeting is July 28, 2015 at 8:30am in City Hall, conference room 12.

Munir Kasti moved to adjourn, Matt Dow 2nd. Motion carries 5:0. Meeting Adjourned 10:05am.