

Burlington Employees Retirement System
Board Meeting Minutes
August 15, 2013

Board Members Present: James Strouse Bob Hooper
Munir Kasti Ben O'Brien
Matthew Dow Richard Goodwin
Jeff Wick (8:39 AM) John Federico

Others Present: Marina Collins Colin McNeil
Kimberly Sturtevant

James Strouse convened meeting at 8:37 AM.

1. Agenda: No Changes.
2. Approval 07/25/2013 Minutes: Mr. Kasti moved to approve, seconded by Mr. Goodwin. Motion carried 7:0.
3. Approval of Bills: Mr. Hooper moved to approve, seconded by Mr. Kasti. Motion carried 7:0. Mr. Wick entered at 8:39 AM. The board noted the "city" portion of the Buck Consulting bill has been consistently high. Mr. Goodwin commented that the City has been working with Buck to come up with solutions to the unfunded liability.
4. Consideration of Retirement Applications: Mr. Hooper moved to approve, seconded by Mr. Goodwin. Motion carried 8:0.
5. Ratify Refund/Rollover of Contributions: Mr. O'Brien moved to approve, seconded by Mr. Kasti. Motion carried 8:0.
6. Draft Policy – Kim Sturtevant, City Attorney: Ms. Sturtevant presented a draft policy titled: Hearing for suspension/revocation of disability retirement benefits. Ms. Sturtevant said that the policy guides the board on the steps to conduct a hearing prior to the suspension or termination of disability benefits. Mr. Hooper asked if a City Attorney would be present when the board held these hearings. Ms. Sturtevant responded "yes". Mr. Kasti and Mr. Hooper asked about item E, specifically whether the beneficiary can choose not to attend. Ms. Sturtevant responded that the beneficiary can send a representative that they choose to convey the information and respond to questions by the board if they choose. Mr. Hooper asked about whether this could create a situation whereby the board may not be able to make a decision. Ms. Sturtevant responded that the board could adjourn the meeting and specifically request the beneficiary be present or request additional information but that at some point you would close the hearing and make a decision. Board members had a few minor changes, which Ms. Sturtevant will amend.

Mr. Hooper moved to adopt the policy as amended, seconded by Mr. O'Brien. Motion carried 8:0.

7. Executive Session: Mr. Hooper moved to enter into executive session to discuss litigation for which premature disclosure may put the BERS at risk, at 8:50 AM, seconded by Mr. Kasti. Motion carried 8:0. Board moved out at 9:09 AM. Mr. Hooper moved to hold a hearing on September 26, 2013 and asked that Colin McNeil write and send appropriate notice to John Preston on the board's behalf, seconded by Mr. Kasti. Motion carried 8:0.

8. Other Business: Mr. Kasti remembered the January 2013 board meeting when Paul Sisson informed the board that the City was going to cover the additional unfunded liability associated with the over 65 people who were retroactively admitted to the system by increasing the tax rate. Mr. Kasti asked Mr. Goodwin if he would bring an update to the next meeting. Mr. Goodwin agreed. Mr. Kasti also asked Mr. Goodwin if he had anything to report back regarding the RFP process for Actuarial Services. Mr. Goodwin agreed and said that the board would all agree that our plan is complex and it would be a significant task for a new Actuary but he agreed that we should do this and would report back next month. Mr. Goodwin mentioned that when he spoke with Moody's they indicated that when comparing our unfunded liability to other plans we are not in bad shape, that we are still credit positive, however it is not enough to raise our credit rating. He mentioned that the City is looking at the entire RFP process and schedule. Mr. Hooper brought up the Retirement Summit Resolution. There was general discussion and Mr. O'Brien asked whether the board should send a letter to Mr. Rusten to gather more information; such as next steps, etc. Mr. Hooper opined that his concern was that we get into something that is less manageable than what we have now. Mr. Goodwin suggested that Mr. Rusten has been working on both sides, meaning sitting in union negotiations as well as a member of the summit and is working to solve the underfunding. Mr. Strouse thought it will be interesting to see the FY13 valuation; to see how the favorable returns the fund has seen will influence the valuation and the contribution.

9. Adjournment: Mr. Hooper moved to adjourn at 10:20 AM, seconded by Mr. O'Brien. Motion carried 8:0.