

Burlington Employees Retirement System  
Board Meeting Minutes  
May 19, 2011

Board Members Present:

Munir Kasti	James Strouse
Richard Goodwin	Benjamin O'Brien
Ray Nails	

Others Present:

Marina Collins	Barry Bryant
Susan Leonard	Melissa Nigro
Napoleon Stephenson	Nikki Fuller
Colin McNeil	

James Strouse convened the meeting at 9:00 AM.

1. Agenda: No changes.
2. Approval of Minutes 4/28/11: Mr. Nails moved to approve, seconded by Mr. Kasti. Motion carried 5:0. There was some discussion about service credit under disability retirement and a correction to item # 6.
3. Approval of Bills: Mr. Nails moved to approve, seconded by Mr. Goodwin. Motion carried 5:0.
4. Approval of Retirement Applications: Mr. Nails moved to approve, seconded by Mr. O'Brien. Motion carried 5:0.
5. Ratify Refund/Rollover of Contributions: Mr. Nails moved to approve, seconded by Mr. Kasti. Motion carried 5:0.
6. Hamilton Lane Fund VII: Mr. Bryant began by explaining that the board approved a 4% allocation to Private Equity several years ago, which was a 3.4 million commitment and last month the board discussed rounding out that 4% by considering the Hamilton Lane Fund VII. Melissa Nigro and Napoleon Stephenson from Hamilton Lane introduced themselves and Mr. Stephenson talked about the Secondary Fund II as well and that they have already returned 23% to BERS in the form of distributions. Mr. Stephenson discussed the process by which Hamilton Lane selects private equity investments. Ms. Nigro discussed Fund VI, explaining that they built it out over a three year period with 29 investments'. The Fund VII overview, on page 20 shows that they are at 16.56 IRR in less than one year and that the fee is 85 bps. She explained that the life of this fund is a twelve year commitment with 2 one-year extension periods. In comparison to Fund II, the commitment was about 8 years. Mr. Nails asked about liquidity and what if we wanted to get our money out? Mr. Bryant responded that you would probably be on the losing end and that you want to see the investment through to the end. Ms. Nigro explained that the fund will move with a process of capital draws and peak at about 75-80% of total commitment. The presentation ended.
7. Fund Performance 3/31/2011 – Barry Bryant, Dahab Associates: Mr. Bryant moved through the next Asset Class grouping of BERS managers with Domestic Equity being the focus. Mr. Bryant provided the board with a handout and discussed the VPIC investment structure of each of the domestic equity investments, specifically, Pimco Stocks +, SSgA Eq Weight, T Rowe Price, Champlain, SSgA R2500, SSgA R2000G and Wellington SCV. Mr. Bryant moved into a short

narrative about economic indicators and into fund performance. He discussed lackluster or relatively poor performance for the quarter in VPIC but mentioned, however that the year was pretty good. Mr. Bryant indicated that for the next quarterly meeting he will present the Fixed Income and Alternative Asset education to the board. Mr. Strouse asked when do we get to think about whether or not to stay with VPIC, that we don't want to lose any opportunity and thought that the VPIC portfolio was way too complex. Mr. Bryant answered that he thinks we need a full five years before we decide. Nikki Fuller and Colin McNeil joined the meeting. Ms. Fuller presented to the board that a formal RFP process is not needed for the additional Hamilton Lane investment, it has already been authorized. Mr. Nails moved to commit an additional \$2.5 million to the Private Equity Fund VII subject to the City Attorney's office approving the contract provisions, seconded by Mr. Goodwin. Motion carried 5:0.

8. Executive Session: Mr. Nails moved to enter into executive session at 10:48 AM, seconded by Mr. Kasti. Motion carried 5:0. The board moved out of executive session at 11:28 AM. Mr. Nails moved to authorize BERS legal counsel, specifically, Colin McNeil, to draft a letter to Mr. John Preston, per the court's suggestion that we attempt resolution of the matter, seconded by Mr. Kasti. Motion carried 5:0

Susan Leonard gave the board a brief update on AFSCME negotiations and reported that the City Council passed a resolution that can be found on the City website.

9. Adjournment: Mr. Nails moved to adjourn, seconded by Mr. Goodwin. Motion carried 5:0.