

Draft
October 03, 2019
Burlington Employees' Retirement Board
Conference Room 12

Board Members Present:

- Bob Hooper
- David Mount
- Beth Anderson
- Matthew Dow
- Pat Robins
- Benjamin O'Brian (Phone,
- Munir Kasti

Others Present:

- Stephanie Hanker
- Bob Rusten
- Richard Goodwin
- Justin St. James
- Barry Bryant – Dahab Associates (Phone)
- Steve Lemanski – H&H
- Rob Lessard – H&H

Called to order at 8:30am

1. **Agenda:**

Move to approve presented agenda David Mount. 2nd Munir Kasti. Motion carries 7:0

2. **Public Forum:**

Jim Strouse present, nothing to present

3. **Approve Minutes of September 03, 2019**

Beth Anderson moved to approve the presented minutes. Matthew Dow 2nd. Motion carries 7:0

4. **Approve Bills:**

Munir Kasti moved to approve presented bills. Pat Robins 2nd. Motion carries 7:0

5. **Ratify Refunds/Rollovers:**

Munir Kasti moved to ratify the presented refunds and rollovers. Pat Robins 2nd. Motion carries 7:0

6. Approve Retirement Applications:

Munir Kasti moved to approve the applications presented. Matthew Dow 2nd. Motion carries 7:0

7. Discussion Regarding Direct Rate Smoothing with Various Rates of Returns – Hooker & Holcombe

Steve Lemanski and Rob Lessard from Hooker and Holcombe presented to the Board various scenarios using direct rate smoothing outlining projected funding contributions and funded ratios.

First handout is a five year step down from 97% of traditional valuation ADEC using the current rate of returns recently approved.

Second handout looked at six separate scenarios. The first three without the \$300K collar, the final 3 with the collar

- Scenario 1 a 5 year step up from 97% of traditional valuation ADEC, phase down of discount rate from 7.5% to 7.0% over 5 years.
- Scenario 2 a 5 year step up from 97% of traditional valuation ADEC, phase down of discount rate from 7.5% to 7.0% over 4 years.
- Scenario 3 a 5 year step up from 97% of traditional valuation ADEC, phase down of discount rate from 7.5% to 7.0% over 2 years.
- Scenario 4 a 5 year step up from 97% of traditional valuation ADEC, phase down of discount rate from 7.5% to 7.0% over 5 years with a \$300K Collar on City contribution
- Scenario 5 a 5 year step up from 97% of traditional valuation ADEC, phase down of discount rate from 7.5% to 7.0% over 4 years with a \$300K collar on City contribution
- Scenario 6 a 5 Year step up from 97% of traditional valuation ADEC phase down of discount rate from 7.5% to 7.0% over 2 years with a \$300K collar on City contributions

Beth Anderson asked if H&H had a recommendation in regards to the collar. Steve Lemanski stated based on the City's assets and liabilities the recommendation needs to be more than \$400K. Steve Lemanski also stated he would recommend a consideration of a new amortization schedule but would recommend that once the Board has made a decision regarding the discount rate. Steve Lemanski stated the Board currently uses a 30 year amortization but industry standards are current 15-20 years.

Beth Anderson stated there are three decisions for the Board to consider, one, rate of return, two, going from 30 year to 20 year amortization, and three, 10 year to 5 year smoothing. Steve Lemanski stated looking at the rate of return first is correct because it is the most powerful assumption with impacts.

8. Possible Executive Session – Discussion regarding Investment Advisor

RFP:

Beth Anderson moved to enter executive session, Pat Robins 2nd. Motion carries 7:0. Enter executive Session 10:20am.

Pat Robins motion to exit executive session. Munir Kasti 2nd. Exit executive session 10:30am

9. Review and Approve Annual City Council Letter from the Board

Pat Robins moved to approve letter as presented. Benjamin O'Brien 2nd. Motion carries 7:0

10. Investment Policy Statement – Final Review and Approve

Pat Robins moved to approve statement as presented. Benjamin O'Brien 2nd. Motion carries 7:0

11. Schedule Next Meeting of the Retirement Board:

October 31, 2019 and November 20, 2019.

12. Other Business:

No other business.

13. Adjourn:

Munir Kasti moved to adjourn. Pat Robins 2nd motion carries 7:0