

November 17, 2016  
Burlington Employees' Retirement Board –  
City Hall, Conference Room 12

Board Members Present:

- Jim Strouse - Via Phone
- Bob Hooper
- Bob Rusten
- Benjamin O'Brien
- Munir Kasti
- Jeff Wick

Others Present:

- Stephanie Hanker
- Richard Goodwin
- Barry Bryant – Dahab Assoc.
- Kim Sturetvant (9:05am via phone)

Called to order at 8:35am

1. **Agenda:**

Add agenda item 3a as Approval of Retirement Applications. Move Agenda item number 6 to item number 4, item 4 to 5, 5 to 6.

2. **Public Forum:**

No Public Present

3. **Approve Minutes of 10/20/2016:**

Bob Hooper moved to approve minutes as presented. Benjamin O'Brien 2<sup>nd</sup>. Motion carries 6:0

3a. **Approval of Retirement Applications:**

Bob Hooper moved to approve the presented retirement applications. Munir Kasti 2<sup>nd</sup>. Motion carries 6:0

4. **Discussion Regarding RFP Results for Project Management Services**

Rich Goodwin gave an update on the RFP that was put out for Project Management Services to assist in the pension software implementation. Rich Goodwin stated there was one bid, LRWP.

5. **Performance Presentation Dahab Associates:**

Barry Bryant presented the 3<sup>rd</sup> Quarter performance. Barry Bryant stated as of September 30, 2016 the system was valued at \$161,714,094, representing

an increase of \$6,303,411 from June quarter's ending value. Barry Bryant stated the portfolio returned 4.2%, which was .01% greater than the Burlington Policy Index's return and ranked in the 14<sup>th</sup> percentile of the Public Fund universe. Barry Bryant stated at the end of the third quarter, equities comprised 71.0% of the total portfolio, while real assets totaled 11.5%, the account's fixed income component comprised 16.9% of total value, while the remaining 0.6% was comprised of cash and equivalents.

The Board discussed fund cash and the use of the sweep account and general fund. Bob Rusten stated that money for benefit payments is paid out the general fund and at the end of the year a true up is done by withdrawing funds from the portfolio to reimburse the general fund for payments. Bob Rusten stated currently there is a large amount of cash in the sweep account due to the VPIC distributions, approximately 3.2 million. Barry Bryant stated that there is no reason to keep cash in account because you can liquidate and get a distribution within a short period of time. Bob Hooper stated in the account if we recognize or not we have the opportunity to put in allocation and get a larger return than if the funds stay in the sweep account. Bob Rusten stated that there are two issues, one being do we recognize the cash for reporting purposes for the fund and two, do we authorize Rich Goodwin and Bob Rusten the move of the fund into the asset portfolio. Barry Bryant stated the amounts can be reported separately on the performance reports.

Bob Hooper moved to pull the negative amounts out of the reports and use all that is left for reallocating and have the cash amounts reported separately on future performance reports. Jeff Wick 2<sup>nd</sup>. Motion carries 6:0

**6. Discussion Regarding Actuarial Assumption:**

Barry Bryant handed out the Asset Allocation Study November 2016 prepared by Dahab Associates.

**7. Other Business:**

Bob Rusten handed out a spreadsheet detailing disability retirement payments, roughly \$558,858.36 per year. Bob Rusten stated the board may want to start looking at if the disability amounts should be paid out of the retirement fund even though it is not a retirement benefit and come up with a different methodology to pay these benefits. Bob Rusten stated that paying these payments out of the fund lessens the amount in assets.

**8. Adjourn:**

Bob Hooper moved to adjourn. Bob Rusten 2<sup>nd</sup>. Motion Carries 6:0  
Meeting adjourned 9:35