BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
July 15, 2024

MEMBERS PRESENT:

Robert Hooper, Chair (via Zoom)
Munir Kasti, Vice Chair
David Mount
Matt Dow (via Zoom)
Tom Chenette
Katherine Schad

OTHERS PRESENT:

Hayley McClenahan
Brad Kukenberger
Lynn Reagan (via Zoom)
Chris Rowlins (via Zoom)
Kate Pizzi (via Zoom)
Richard Carey (via Zoom)

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1. CALL TO ORDER

Bob Hooper called the Retirement Board meeting to order at 9:31 AM.

MOTION by David Mount, SECOND by Katherine Schad, to continue the structure of the BERS Board's leadership with Bob Hooper as Chair and Munir Kasti as Vice Chair.

VOTING: unanimous; motion carries.

MOTION by Tom Chenette, SECOND by Katherine Schad, to approve the agenda.

VOTING: unanimous; motion carries.

2. PUBLIC FORUM (VERBAL)

2.1 Verbal Comments
None.

3. APPROVE MINUTES

3.1 June 24, 2024 Meeting Minutes, Draft

MOTION by Munir Kasti, SECOND by Tom Chenette, to approve the minutes of June 24, 2024 as presented.

VOTING: unanimous; motion carries.

4. APPROVE RETURN OF CONTRIBUTIONS

4.1 Paul Poltz, Class B $2,917/15; Effective Date of Benefit: 08/01/2024
4.2 Wendy Higgins, Class B $4,953.27; Effective Date of Benefit: 08/01/2024
4.3 Lori Leblanc-Bergeron, Class B $5,286.41; Effective Date of Benefit: 08/01/2024
4.4 Jenna Giguere, Class B $3,323.48; Effective Date of Benefit: 06/01/2024
4.5 Kimberly Carson, Class B $8,163.89; Effective Date of Benefit: 08/01/2024
4.6 Jacob Plasha, Class B $1,305.75; Effective Date of Benefit: 08/01/2024

MOTION by Munir Kasti, SECOND by David Mount, to approve the returns of contributions as presented.

VOTING: unanimous; motion carries.

5. APPROVE RETIREMENT APPLICATIONS

5.1 John A. Mason, Class B $909.57; Effective Date of Benefit: 07/01/2024; Payment Date: 07/15/2024

5.2 Theodore P. Miles, Class B $2,284.84; Effective Date of Benefit: 05/01/2024; Payment Date: 06/15/2024

MOTION by Munir Kasti, SECOND by David Mount, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

6. FIDUCIENT

6.1 BERS – June 2024 Flash Report
Ms. Pizzi provided an overview of asset class performance for the month ending June 30, 2024, which outlines performance across broad asset classes within the BERS portfolio for both June performance and calendar year-to-date performance. She said that generally, the U.S. economy is holding up well, that GDP numbers for Q1 were in line with expectations, and that May's employment and inflation numbers indicate that the Federal Reserve will implement at least one rate cut this year. She said that this has translated to high performance for global stocks in June (largely driven by U.S. markets), as demonstrated by the 14.2% growth in U.S. large cap equities for the month and 3.3% for calendar year 2024 to date. She noted that the developed markets and small cap markets were both down in June, however, at -1.6% and -0.9% respectively, but that emerging markets were up 3.9% for the month. She noted positive returns for core bonds of 0.9%, as well as outperformance in the riskier segments of the fixed income market, including high-yield and long-duration bonds. She spoke about real assets, noting that REITS performed well in June (2.9% growth).

6.2 Fiduciary Governance Review
Mr. Rowlins provided a review of the Fiducient Governance Calendar, which focuses on a particular governance topic each quarter to ensure that key fiduciary obligations and responsibilities are being met. He noted that the focus in Q2 is on fees and portfolio expenses and liquidity

reviews. He said that the weighted average expense ratio for the BERS portfolio is 17 basis points (0.17%), which is low due to the use of passive or indexed solutions in the portfolio. He noted that the other component of the fee is the US Bank fee, which is a 0.0125% asset-based fee and an annual fee for some of the private market strategies. He noted that there are actuarial and auditing expenses as well, but that these are not included in the portfolio per se. Mr. Rowlins then provided more detail about the underlying investment management fees in the BERS portfolio that comprise that 0.17% weighted average expense ratio. He spoke about the portfolio's liquidity structure, noting that 96.2% of the portfolio is liquid, 3.5% is semi-liquid (specifically, the UBS Trumbell Property Fund), and 0.3% are illiquid (generally private equity strategies).

6.3 Investment Portfolio Review as of 6/30/2024
Ms. Pizzi spoke about how broad market performance as of June 30, 2024 translates into performance for the BERS portfolio. She noted that at the end of June, total BERS assets were $244.8 million and include a one-month growth of 1.3% (or $3.2 million), which is in line with the benchmark. She said that the actual return for the fiscal year was 12.8%, compared to the benchmark of 12.1% and the discount rate of 7.1%, meaning that the portfolio was able to make some gains in the funded status of the overall plan. She noted that the yearly investment gains for this fiscal year translate to $28.5 million. She spoke briefly about allocations within the portfolio, noting that actual allocations are generally in line with target allocations. She spoke briefly about the portfolio's performance by asset class for the month and the fiscal year.

7. ADJOURNMENT

7.1 Motion to Adjourn

MOTION by Munir Kasti, SECOND by Tom Chenette, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned at 10:07 AM.

RScty: AACoonradt