BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
September 16, 2024

MEMBERS PRESENT:
Robert Hooper, Chair
Munir Kasti, Vice Chair
David Mount (via Zoom)
Matt Dow (via Zoom)
Kyle Blake (via Zoom)
Tom Chenette
Katherine Schad

OTHERS PRESENT:
Hayley McClenahan
Brad Kukenberger
Lynn Reagan
Kate Pizzi

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1. CALL TO ORDER
Bob Hooper called the Retirement Board meeting to order at 9:32 AM.

MOTION by Tom Chenette, SECOND by Kyle Blake, to approve the agenda.

VOTING: unanimous; motion carries.

2. PUBLIC FORUM (VERBAL)
2.1 Verbal Comments
None.

3. APPROVE MINUTES
3.1 August 19, 2024 Meeting Minutes, Draft

MOTION by Tom Chenette, SECOND by David Mount, to approve the minutes of August 19, 2024 as presented.

VOTING: unanimous; motion carries.

4. APPROVE RETURN OF CONTRIBUTIONS

4.1 Donna L. Diaz, Class B $5,135.91; Effective Date of Benefit: 10/01/2024
4.2 Thomas Markinac, Class B $3,972.87; Effective Date of Benefit: 09/01/2024
4.3 Emily J. Davies, Class B $871.00; Effective Date of Benefit: 09/01/2024
4.4 Abigail Massell Class B $2,931.62; Effective Date of Benefit: 10/01/2024

MOTION by Kyle Blake, SECOND by Tom Chenette, to approve the returns of contributions as presented.

VOTING: unanimous; motion carries.

5. APPROVE RETIREMENT APPLICATIONS

5.1 Lisa Curtis, Class B $624.14; Effective Date of Benefit: 09/01/2024; Payment Date: 09/15/2024

5.2 William M. Suder, Class B $4,032.78; Effective Date of Benefit: 10/01/2024; Payment Date: 10/15/2024

MOTION by Tom Chenette, SECOND by Munir Kasti, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

6. FIDUCIENT

6.1 Investment Review as of August 31, 2024
Ms. Pizzi began by providing an overview of market performance for the month of August. She noted that the beginning of August was difficult, given recession fears and the geopolitical climate, which led to decreased interest rates and equity sell-off. However, she noted that the market shifted in a more positive way after the Federal Reserve's summit, particularly the more interest rate-sensitive areas (such as long-duration bonds), though core bonds were also up about. She said that equities were also up both in U.S. markets and international markets, though down in U.S. small cap markets (but returns remain positive for equities across the board year-to-date). She noted that in terms of real assets, commodities were down for the month, though other real assets and REITs were up.

Ms. Pizzi then spoke about how this market performance translates to the BERS portfolio. She reviewed the asset allocation across the portfolio, noting that real allocation is extremely close to targets. She noted that after accounting for management fees, the portfolio is up 1.9% ($4.7 million) for the month of August, which is in line with the benchmark. She said that the portfolio is up 17.2% ($38 million) year-to-date, ahead of the 16.6% benchmark. She said that having active managers in the fixed income space is what is driving the outperformance, and that equities are performing in line with their benchmarks. She provided more detail within each market sector on specific asset manager performance. She noted that there are no recommendations on any portfolio changes from Fiducient at this time.

6.2 UBS Trumbull Properties Fee Analysis
Ms. Pizzi then spoke about the offering from UMBS Trumbull Property Fund for their fee loyalty program. She said that they are permitting investors to voluntarily take funds out of the redemption program and receive a lower fee on those dollars (a 25% reduction for every dollar taken out of the redemption pool). She noted that all of the $8.5 million that BERS has invested in UBS is currently in the redemption queue. She said that from her perspective, it makes sense to take some funds out of the redemption pool but maintain enough of a buffer within the redemption pool to make sure that the funds are never capped out on the redemptions that come due. She presented 7 scenarios of redemption/loyalty program allocations with various proportions of funds in each for each scenario. She noted that the BERS portfolio typically sees about $342,000 in redemptions and $358,000 in distributions from UBS in the last year. She noted that there has been a significant

amount of interest in the UBS loyalty program, saying that about $1 billion has been moved out of their redemption pool into the loyalty program. She said that if the BERS Board decides to move funds into the loyalty program, they can move it back into the redemption pool with 60 days of notice, and they can monitor future redemption amounts and shift funding back to the redemption pool if that pool starts paying out larger redemptions. She said that if they retain 20% of the funds in the redemption pool and move 80% of it to the loyalty program, they would realize $17,000 in fee savings per year.

Mr. Mount said he would be more in favor of adjusting the ratio to 50/50 in the redemption pool and loyalty program. Mr. Dow said that since they can adjust this with 60 days' notice if they need to, he'd be in favor of a higher proportion of funds in the loyalty program. Mr. Kasti agreed, given the amount of active monitoring of the redemption pool and payouts that Fiducient is doing.

MOTION by Kyle Blake, SECOND by Matt Dow, that the BERS Board adopt the Fiducient recommended investment of Trumbull Properties – 20% redemption pool and 80% in loyalty program, such that amount of investment in redemption pool is not less than $1,711,131.

VOTING: unanimous; motion carries.

7. ADJOURNMENT

7.1 Motion to Adjourn

MOTION by Munir Kasti, SECOND by Matt Dow, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned at 10:09 AM.

RScty: AACoonradt