

**BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
Final
August 6, 2020**

MEMBERS PRESENT:

Robert Hooper, Chairperson
Munir Kasti, Vice-Chairperson
Patrick Robins
David Mount
Matthew Dow
Katherine Schad

OTHERS PRESENT:

Alisha Abruntilla
Rich Goodwin
Justin St. James
Barry Bryant
Arthur Meizner

1.0 CALL TO ORDER and AGENDA

Robert Hooper called the Retirement Board meeting to order at 10:05 AM.

1.01 Motion to amend/adopt agenda

MOTION by Patrick Robins, SECOND by Munir Kasti, to adopt the agenda as written.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

None at this time.

3.0 APPROVE MINUTES – 7/16/2020

3.01 Approve Minutes of Meeting – 7/16/2020

MOTION by David Mount, SECOND by Munir Kasti, to approve the minutes of July 16, 2020.

VOTING; unanimous; motion carries.

4.0 WORKING SESSION: Request For Proposals (RFP)

4.01 Working Session: RFP Development

Arthur Meizner from Hooker & Holcomb began the discussion by orienting the Board to a number of foundational questions that could provide structure for a potential RFP, such as how the Board feels about its current advisor, satisfaction with long-term performance of their portfolio, frequency of portfolio reviews, written reports, in-person portfolio reviews, and the Board's position on alternative investments, such as limited partnerships (LPs).

MOTION by David Mount, SECOND by Patrick Robins, that the Retirement Board find the necessity to enter into executive session to discuss future contracts because premature disclosure would place the City at a substantial disadvantage.

VOTING: unanimous; motion carries.

The Retirement Board entered into executive session at 10:46 AM.

MOTION by Patrick Robins, SECOND by Munir Kasti, to exit executive session.

VOTING: unanimous; motion carries.

The Retirement Board exited executive session at 11:25 AM.

5.0 OTHER – BONDS POSSIBLE SOLUTION TO UNFUNDED LIABILITIES

5.01 Other

Barry Bryant provided a high-level overview of the potential to use pension obligation bonds to cover the City's unfunded liabilities. He said that because interest rates are low, the City could potentially issue a pension obligation bond and borrow funds at around 2-3% interest, and invest in such a way as to outperform borrowing costs.

Mr. Hooper asked Financial Director Goodwin and Chief Administrative Officer Schad whether pursuing a general obligation bond option is feasible for the City. Mr. Goodwin replied that at a bare minimum, the interest rate would need to be at or under 3% to entertain this option. He added that this action would have a neutral impact on the City's credit rating because it would be swapping one liability for another. Ms. Schad said that an analysis would need to be performed to determine how this would impact taxpayers, and that it would require approval from the Mayor and voters to authorize borrowing.

Mr. Robins said that this analysis would need to be modeled over a long timeframe before he would be comfortable with the option, and that it would be difficult to model because it's based on the assumption of the duration of liabilities.

Ms. Schad said she will pose the question internally and discuss whether it is feasible for the City to consider. Mr. Bryant added that if the City were to entertain this approach, they would need to move quickly.

Mr. Bryant then discussed the DAHAB report, saying that the City's portfolio performed better than most public plans in the second quarter—a 14.5% increase to the average of 11.1%. He added that index funds performed in line with other indices as expected, and that he is modestly optimistic about performance for the remainder of the year.

6.0 SET NEXT MEETING DATE

6.01 Set next meeting date

Dates for the next number of Retirement Board meetings are as follows:

- September 17th – 8:30-10:30 AM
- October 15th – 8:30-10:30 AM
- November 19th – 8:30-10:30 AM

7.0 ADJOURNMENT

7.01 Motion to Adjourn

MOTION by Patrick Robins, SECOND by Munir Kasti, to adjourn the Retirement Board meeting.

VOTING: unanimous; motion carries.

With no further business and without objection the meeting was adjourned at 11:35 AM.