

**BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
FINAL
October 2, 2020**

MEMBERS PRESENT:

Robert Hooper, Chairperson
Munir Kast, Vice-Chairperson
Patrick Robins
David Mount
Matthew Dow
Daniel Gilligan
Ben O'Brien
Katherine Schad

OTHERS PRESENT:

Rich Goodwin
Justin St. James
Bob Rusten
Jim Strouse
Eileen Blackwood
Steve Lemanski

1.0 CALL TO ORDER AND AGENDA

Mr. Hooper called the Retirement Board meeting to order at 8:30 AM.

The agenda as presented was approved unanimously.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0 CONTINUATION OF SEPARATION AGREEMENT FOR JASON BELLAVANCE

3.01 Continuation of Separation Agreement For Jason Bellavance

Mr. Gilligan pointed out that the retirement ordinance uses a three-year average to calculate pensions and not a five year average, and asked the City Attorney to weigh in. City Attorney Blackwood replied that the five-year average does apply in this situation for employees in Mr. Bellavance's tier.

Mr. Hooper said that the ordinance also only uses base salary, but that the current calculations are using base salary and the settlement amount. City Attorney Blackwood replied that the separation agreement stipulates the payment of \$100,000 per year for three years, and that it is considered wages for purposes of calculations in the retirement system.

Mr. O'Brien asked about future implications of arrangements like this settlement agreement, expressing concern that it could set a precedent and affect the health of the retirement system in the long term. City Attorney Blackwood replied that the current calculations are actuarially designed so that the funds put in now will pay for the benefit down the road.

Mr. Robins said he had concerns that this settlement sets precedent for the calculation of average final compensation as total compensation in future, when it currently does not. City Attorney Blackwood replied that the settlement categorizes the \$100,000 per year as wages, not as total compensation for the employee.

Mr. Gilligan asked whether the decrease in assumed rate of return over the next several years will have an impact on the calculations for pension payments and the retirement system. Chief Administrative Officer Schad replied that the assumed rate of return is scheduled to decrease by 0.1% per year and asked Mr. Lemanski whether he would consider changing the calculations based on that different assumption in order to keep the retirement system whole. Mr. Lemanski replied that he would need to rerun calculations to provide exact numbers, but estimated that the downward adjustment in assumed rate of return could increase the net current value of the anticipated increase in retirement benefit.

Mr. Robins emphasized his continued concern that overtime is included in the pension payment calculations as affected by the settlement agreement. Mr. O'Brien and Mr. Kasti concurred, and Mr. Kasti requested that the calculations be made using the 7% assumed rate of return.

MOTION by Ben O'Brien, SECOND by Daniel Gilligan to approve three years of service credit for Jason Bellavance.

DISCUSSION:

- City Attorney Blackwood asked whether the Retirement Board would like the assumed rate of return to be recalculated to reflect the future decrease.

MOTION TO AMEND by Munir Kasti, SECOND by Katherine Schad, to accept the amount based on the 7% assumed rate of return and a salary of \$100,000 year for the next three years.

VOTING ON AMENDMENT: unanimous; motion carries.

VOTING ON MOTION AS AMENDED: unanimous; motion carries.

4.0 OTHER

4.01 Other Agenda Items
None at this time.

5.0 ADJOURNMENT

5.01 Motion to Adjourn

MOTION by Ben O'Brien, SECOND by Munir Kasti, to adjourn the meeting.

VOTING: unanimous; motion carries.

With no further business and without objection the meeting adjourned at 9:16 AM.

RScty: AACoonrad