

**BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING**
Final
May 17, 2021

MEMBERS PRESENT:

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

OTHERS PRESENT:

Rich Goodwin
Chris Rowllins
Kate Pizzi
Jim Strouse
Justin St. James
Paul Plunkett

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order.

The agenda was adopted without objection.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0 APPROVE MEETING MINUTES

- April 19, 2021

MOTION by David Mount, SECOND by Ben O'Brien, to approve the April 19, 2021 minutes as amended.

- **Amendment: reflect that Ben O'Brien voted in opposition to accept a COLA increase of 0% as presented by the City administration on January 21, 2021.**

VOTING: unanimous; motion carries.

4.0 APPROVE RETIREMENT APPLICATIONS

4.01 Approve Retirement Applicants

- Barry Simays, Class A, \$6,670.41
- Bruce Maysilles, Class B, \$187.95
- Douglas Chamberlain, Class B, \$2,068.94
- Thomas Nash, Class A, \$4,082.48

MOTION by Ben O'Brien, SECOND by Munir Kasti, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

5.0 FIDUCIARY ADVISORS (FORMERLY DIMEO) PRESENTATION

7.01 Updates on Reallocation

Ms. Pizzi provided an update on the reallocation within the public equity sector equities that was agreed-upon at the prior Retirement Board meeting on April 19. She said that the first tranche of that trade was implemented, which resulted in a \$10,000,000 transfer from small cap into international developed market equities.

7.02 Discuss Fossil Fuel Divestment Report

Ms. Pizzi introduced the report, noting that it evaluates the current exposure within the BERS portfolio and discusses the potential cost and implementation around fossil fuel divesting. She noted that the report is not designed to indicate whether the Retirement Board has made a decision about divesting, but serves to present the facts and potential fiduciary impacts to the City Council.

Mr. Gilligan asked about the increase in fees associated with divesting. Ms. Pizzi replied that one cost is bringing on a custodial bank and the increment management investment cost is \$170,000 per year. She said that the total cost for divesting amounted to \$200,000 per year. She noted that fees are not included in the performance differentials within the reports.

Mr. Hooper emphasized that the exposure is very low. Ms. Pizzi said that this sector of the market tends to be much more volatile, so removing exposure to this sector of the market would reduce volatility.

MOTION by David Mount, SECOND by Patrick Robins, that the Burlington Employees Retirement Board in consideration of its fiduciary responsibilities to the City's retirement system adopts the Examination of Fossil Fuel Investment Alternatives Report-April 2021 prepared by Fiduciary Advisors and authorizes Chair Robert Hooper to transmit this Report to the Burlington City Council as a full answer to the questions asked by that body in their November 23, 2020 resolution and to report that the BERS Board shall, in consideration of its fiduciary responsibilities, evaluate the recommendations in the report and make all changes it deems appropriate for plan participants.

VOTING: unanimous; motion carries.

MOTION by Daniel Gilligan, SECOND by Patrick Robins, to forward the Annual Report as amended.

VOTING: unanimous; motion carries.

6.0 ADMINISTRATION UPDATES

6.01 Administration Updates

Finance Director Goodwin provided an update on the fiduciary responsibility insurance that BERS is looking to secure. Mr. Plunkett said that they have modeled a \$5,000,000 limit of liability for defense costs. He said a policy of that size requires a \$100,000 deductible. He noted sub-limitations that are within the limited liability. He noted that the policy would not pick up any past exposure. He said that the policy gives BERS control in selecting counsel. Attorney St. James noted that this policy would be the City's first line of defense and that each board member would be listed. Mr. Plunkett noted that the premium for a \$5,000,000 policy is \$28,549 annually. Mr. Hooper confirmed that this is not an expense of the fund but an administrative cost.

MOTION by Ben O'Brien, SECOND by David Mount to recommend that the fiduciary liability insurance is introduced into the Fiscal Year 2022 budget.

VOTING: unanimous; motion carries.

7.0 COMMUNICATION: SMALL CHECKS

7.01 Communication: Small Checks

No discussion at this time.

8.0 ADJOURN

8.01 Motion to Adjourn

Without objection the meeting was adjourned.

RScty: AACoonrad