

**BURLINGTON RETIREMENT BOARD
CITY HALL, 1ST FLOOR BUSHOR CONF ROOM
OR
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
June 21, 2022**

MEMBERS PRESENT:	Robert Hooper (Chair) Patrick Robins David Mount Ben O'Brien
MEMBERS ABSENT:	Munir Kasti Dan Gilligan Katherine Schad Matthew Dow
OTHERS PRESENT:	Rich Goodwin Chris Rowllins Kate Pizzi Hayley McClenahan

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:05 AM.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

3.0. APPROVE MINUTES

3.01 Minutes of May 16, 2022

MOTION by Robert Hooper, SECOND by Patrick Robins, to approve the minutes of May 16, 2022 as presented.

VOTING: unanimous; motion carries.

4.0 APPROVE RETURN OF CONTRIBUTIONS

4.01 Approve Return of Contributions

Approve Return of Contributions	Amount	Effective Date of Benefit
Karl J. Tremblay, Class B	\$5,596.91	06/01/2022
Tyeastia Green, Class B	\$11,531.28	06/01/2022

MOTION by Robert Hooper, SECOND by Ben O'Brien, to approve the return of contributions applications as presented.

VOTING: unanimous; motion carries.

5.0 ADMINISTRATIVE UPDATES

5.01 Letter of Resignation – Dan Gilligan 07/01/2022

MOTION by Patrick Robins, SECOND by Ben O'Brien, to accept the letter of resignation.

VOTING: unanimous; motion carries.

5.02 Retirement Administrator – Job Interviews

Finance Director Goodwin noted that they have chosen a candidate and will be moving forward with the hiring process over the next several weeks.

6.0 FIDUCIENT

6.01 Monthly Investment Update – May 2022

Ms. Pizzi began by providing an overview of activity in May and the first part of June. She said that May was a mildly positive month amid volatility inter-month. She reported that core fixed income returned +0.6% during May despite the Federal Reserve's highly anticipated 0.50% increase in the Fed Funds interest rate. She noted that during the month, shorter-term bonds outperformed longer-term bonds, and equity markets were volatile despite closing relatively flat with international stocks slightly outperforming US. She also noted that there was somewhat of a reprieve for the real asset class in May, driven largely by the real estate sector. She reported that inflation continued to increase with May's CPI reading coming in at 8.6%, causing the Federal Reserve to again hike interest rates another 0.75% in June an effort to tamp down inflation. She said that this negatively impacted both fixed-income and equity markets so far in June. She noted that inflation continues to be driven by energy prices, housing prices, food prices, and to a lesser extent autos.

Ms. Pizzi then provided a broad overview of asset allocation as of the end of May, pointing out the total invested assets of approximately \$229.2 million. She noted that approximately \$4.1 million of that is in prepaid pension benefits that must be repaid to the City at the end of the fiscal year (ending June 30, 2022), so the net total for the plan is \$225.1 million.

Ms. Pizzi then walked through the portfolio dashboard. She noted investment returns of +0.4% for the portfolio, translating to around \$925,000 in investment gains for the month. She called attention to actual versus target allocations, noting a small overweight in domestic

equities and an underweight to international equities, though she said that Fiducient at this time doesn't believe that action needs to be taken to rebalance that.

Ms. Pizzi then summarized the manager performance. She noted particularly that the BlackRock Strategic Income manager has performed well and has shielded the portfolio from too drastic of a decrease in this fiscal year. She said that in terms of other allocations, managers are performing in line with benchmarks. She said that Fiducient's recommendation is to continue to adhere to the current allocation.

Mr. Mount asked if Fiducient is anticipating a recession. He also asked what strategies should be implemented in the event of a recession. Ms. Pizzi replied that the fixed-income allocation provides some measure of protection in the portfolio. She said that while the likelihood of a recession is debatable, there will likely be difficult economic times in the next year as inflation continues at elevated levels.

Mr. Hooper asked if workforce shortages are generalizable across sectors and geographic locations. Ms. Pizzi replied that shortages seem to be affecting multiple industries and geographies, and that the decline in immigration is likely contributing to some of the pressure on the workforce.

6.02 Committee Education: Environmental Considerations in Real Asset Investing
None at this time.

7.0 ADJOURN

7.01 Motion to Adjourn

MOTION by Patrick Robins, SECOND by Ben O'Brien, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned without objection at 10:10 AM.

RScty: AACoonrad