

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

April 17, 2023

MEMBERS PRESENT:

Robert Hooper (Chair)
Munir Kasti (Vice Chair)
Patrick Robins
Matthew Dow
David Mount
Kyle Blake
Tom Chenette
Katherine Schad

OTHERS PRESENT:

Chris Rowllins
Kate Pizzi
Richard Carey
Hayley McClenahan

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:30 AM.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

3.0 APPROVE MINUTES

3.01 February 27, 2023 and March 20, 2023

4.0 APPROVE RETURN OF CONTRIBUTIONS WITH EFFECTIVE DATE OF BENEFIT OF MAY 1, 2023

4.01 Approve Return of Contributions

Approve Return of Contributions	Amount
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Emiyl Byrne, Class B	\$4,745.73
Nicholas Woolf, Class B	\$2,345.55
Kurt Thoma, Class B	\$8,349.33
Ashley Daniels, Class B	\$7,514.80
Jason Smith, Class A	\$35,261.07
James Cornell, Class A	\$17,208.58
Ronald Powell, Class B	\$429.50
Stephen Kelly, Class A	\$9,816.37
Patrick Crowley, Class A	\$11,171.33
Rebecca Palermon, Class A	\$28,533.10

5.0 ADMINISTRATIVE UPDATE

5.01 BERS 2023 DROP for the BPD

The BERS Board discussed the DROP. Chair Hooper asked whether employees are being held harmless in terms of extra contributions as a result of this drop. Mr. Blake replied that by offering this DROP, there will be a behavior change and employees will start electing from the system and start contributing sooner. He said that the DROP is important and budget-neutral. Mr. Robins asked if this is a one-time option, and Chief Administrative Officer Schad replied that it is. Mr. Robins and Chair Hooper emphasized the importance of conditioning the DROP on approval from the BERS Board. Mr. Blake said that once they get the information on the ADEC, the BERS Board could get together and develop a recommendation for the Board of Finance and City Council.

Chief Administrative Officer Schad said that she will work with the Administration to address the questions raised today and will provide further information to the BERS Board via email. The BERS Board will meet on April 20, 2023 at 5:00 PM to discuss this further.

5.02 Annual Report for City Council

6.0 FIDUCIENT

6.01 Investment Portfolio and Performance Update as of 3/31/2023

Ms. Pizzi began by discussing market performance over Q1 of 2023. She spoke about market themes for Q1 of 2023, noting that volatility has persisted across all segments of the market, that inflation will eventually trend lower but that the path may not be smooth, and that staying disciplined in the face of volatility has paid off in the long run for investors. She spoke about asset class returns for fixed income, noting that interest rate markets were highly volatile in Q1, credit sectors generally fared well, and that inflation expectations were volatile during the quarter. She said that in terms of equities, there was a large rebound in developed markets and that emerging markets saw a modest positive return. She spoke about real assets, noting a modest gain in U.S. REITs, but that commodities saw a sharp decrease, mostly driven by a pullback in the energy sector due to concerns of falling demand.

Mr. Rawlins spoke about how market performance impacted the BERS portfolio for the quarter. He noted that January was strong, February was weaker, and March recovered, showing overall growth for the quarter. He noted that the quarter is up 5.5% and is in line with the plan's benchmark. He said that this translates to growth of around \$11 million. He summarized how the portfolio is allocated across asset classes, noting the rebalancing activities that have been pursued, with the addition of the BlackRock Strategic Income Opportunities management strategy.

Mr. Rawlins then reviewed the Fiduciary Governance Calendar. He noted that Q1 focuses on fees, Q2 on practice and policy, Q3 on the municipal landscape, and Q4 on asset allocation focuses. He said that in April, they will provide education to the BERS Board on active versus passive investment strategies and management. He turned to the Q1 topics, which included portfolio expense analyses and liquidity review. He spoke briefly about the portfolio expense analysis conducted by Fiducient, noting that the estimated annual fees for the BERS portfolio is around \$334,000, or 0.15% of the full portfolio's value. He also spoke about the liquidity schedule for the BERS portfolio, speaking about the proportion of the portfolio that has ready liquidity.

7.0 ADJOURN

7.01 Motion to Adjourn

The meeting adjourned.

RScty: AACoonradt