BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

James T. Strouse
Chairman of the Board
Robert Hooper
Vice-Chairman

Stephanie Hanker
Retirement Administrator
802-865-7097
VT Relay – dial 711

Retirement Board Meeting Agenda
Burlington Electric Department, 2nd Floor Conference Room
Thursday November 17, 2016 – 8:30 AM

1. Agenda
2. Public Forum
3. Approve Minutes of 10/20/2016
4. Performance Presentation Dahab Associates
5. Discussion Regarding Actuarial Assumptions
6. Other Business
7. Adjourn

To: City of Burlington Pension Board
From: Barry Bryant
RE: Actuarial Assumption

To All:

You have asked us to provide a 20-year actuarial assumption for the Board to consider in reviewing the current 8.0% rate. We have done extensive modeling and have reached the conclusion that 7.5% is a reasonable 20-year assumption. We have broken down this assumption into 5-year periods, as requested, but believe it is impossible to accurately predict returns over such a short period of time.

Return Scenarios

Before we lay out the logic of this recommendation, we need to review the scenarios we used to model return.

- 20-Year Scenario: actual results for the 20 years ended Dec. 2015.
- 10-Year Scenario: actual results for the 10 years ended Dec. 2015.
- 20-Year and 10-Year Special Scenarios: actual results, with a 2% bond return.
- Projection Scenario: the current Wall Street consensus projection for 7-10 years.

Using these five scenarios and the City's asset allocation, we arrived at the following 20-year returns:

- 20-Year 9.1%
- 20-Year Special 8.2%
- 10-Year 8.0%
- 10-Year Special 7.5%
- Projection 6.5%

Selecting Return Scenarios

The question becomes, which scenario should we assume? Here are some facts to consider in making this determination.

1) Interest rates are at historic lows and should rise over the intermediate term (3-5 years). Bond values fall as interest rates rise. Bond returns are likely to be below long-term norms while interest rates normalize.

2) Valuation of the US equity market now is at the high end of its historical range, making multiple contraction over the intermediate term likely.

3) Equity returns have in the past been fairly stable over long periods of time.

Combining these three pieces we construct the following as the most reasonable expectation.

1) The next 10 years are likely to be come combination of the Projection and 10-Year Special scenarios due to low interest rates and multiple contraction.

2) The 10 years following that are likely to be close to the 10-year scenario, assuming normal interest rates and flat multiples.

Result

This leads us to return expectations broken down into five-year periods as follows:

Years 1-5	6.5%
Years 6-10	7.5%
Years 11-15	8.0%
Years 16-20	8.0%
Overall:	**7.5%**

Having said that, to repeat, we do not believe returns can be forecast accurately over periods of less than 20 years. The timing of changes in interest rates and equity valuation levels is influenced by factors that are unknown and unpredictable. A more accurate expression of our belief is: we think we will have a five-year period of relatively weak returns within the next 10 years, but we do not know when that 5-year period will occur.

Conclusion

The actuarial assumption should be thought of as a budgeting tool; raise it, and the city will be asked to put in less money now and more money later. Lower it, and the city will be asked to put in more money now and less money later. This is true regardless of whether the assumption is met by actual performance.

From the standpoint of funding the Plan, a lower actuarial assumption is always better, if the City meets its funding requirement. However, the City has other needs and a limited budget; tradeoffs must be made. Setting the actuarial assumption is a matter of making these tradeoffs.

We believe 8% was the most common assumption for plans such as Burlington as recently as five years ago. Assumptions have come down since then; the most common now is probably 7.5% or 7.75%. Using a 7.5% assumption would put the City within this broad consensus.

Burlington Employees Retirement System (BERS)
Request for Proposal
Benefits Administration System (BAS)
Oversight Project Management

LRWL Inc.
Suite 400
1800 Alexander Bell Drive
Reston, VA 20191

Offices in Sarasota, FL, Cincinnati, OH, and San Jose, CA

Contact: Jack Calcagno
Chief Marketing Officer
917-991-1602 (Direct)
703-385-3440 (Voice)
703-385-4491 (FAX)

E-Mail: calcagnoj@lrwl.com

November 11, 2016

Table of Contents

Table of Tables

Attachments

COVER LETTER

1800 Alexander Bell Drive
Suite 200
Reston, VA 20191
703-385-3440

November 11, 2016

Mr. Rich Goodwin and Ms. Stephanie Hanker
Director Financial Operations, Retirement/Insurance Administrator
Burlington Employees Retirement System
149 Church Street, 2nd Floor
Burlington, VT 05401

Dear Mr. Goodwin and Ms. Hanker:

LRWL Inc. (LRWL) appreciates the opportunity to submit this proposal to provide **Benefits Administration System (BAS) Oversight Project Management Services** to the **Burlington Employees Retirement System (BERS)** in response to your Request for Proposal (RFP) dated October 28, 2016.

LRWL provides the following confirmations and certifications:

- Our proposal and all price information are valid for 90 days.
- Our corporate name and contact information:
  - ✓ LRWL Inc.
  - ✓ 1800 Alexander Bell Dr. Suite 400
  - ✓ Reston, VA 20191
  - ✓ (703) 385-3440
  - ✓ Fax (703) 385-4491
  - ✓ Cell (703) 200-6021
  - ✓ E-mail: info@lrwl.com
  - ✓ URL – www.lrwl.com.

  LRWL's Federal Employer Identification Number (FEIN): 45-3941738

- This letter is signed by Leon Wechsler, LRWL President (phone: 703-385-3440), who is authorized to bind LRWL Inc. and is the primary contact with regard to our proposal to BERS.

LRWL is the **only nationwide** consulting firm whose operations specifically focus on supporting consulting to public retirement systems in their administrative solution, technology acquisition, subsequent implementation efforts and other technology and business process improvement activities. Our stated corporate mission is, **"*To assist public retirement systems in meeting the expectations of their customers.*"**

In our response to the RFP, we detail how LRWL will use our experienced resources and industry leading processes to provide BERS with services that will meet and in many cases, exceed the requirements and objectives of this important project.

LRWL brings a working partnership approach, proprietary methods, skilled consultants, and technical knowledge that will enable your team to reach the goals more quickly, but also with a high degree of quality and less risk. Our innovative – yet pragmatic – approach leads to better business results for our clients, and they consistently give us high marks in this regard.
We are looking long term for BERS' success. We offer:

- The right team - experienced resources that can support BERS' needs immediately upon contract approval.
- A time-tested approach; our proprietary approach has continued to evolve based on experience with more client success stories than any other firm in this industry – over 50 similar to BERS'.

And, we will leverage best practices from years of experience with organizations very similar to BERS, as well as our specialized expertise in public pension systems. This will lead to better outcomes for BERS than less experienced firms can offer.

Based on these qualifications and our confidence in this project's success, LRWL affirms our willingness to perform the services as described in this RFP.

LRWL has the availability of staff and other required resources necessary for performing all services and providing all deliverables within the time frames specified. The entire LRWL project team looks forward to working with BERS.

If you have any questions about our firm, our staff, our experience and qualifications, or our public retirement system client projects, please call me at (703) 385-3440.

All the best, and we look forward to working with you!

Very truly yours,

Leon R. Wechsler

Leon R. Wechsler
President

Enclosures

Cc: Jack Calcagno
Ben Lott
Ed Meyers

REPRESENTATIONS AND WARRANTIES

All firms are required to submit this executed copy as an attachment to the cover letter of the RFP.

A. The firm warrants that it maintains an errors and omissions insurance policy providing not less than $2 million of coverage for negligent acts or omissions, a copy of which will be submitted to the Mayor and City Council of Burlington (City) upon selection, and that such coverage will be applicable to the firm's actions, responsibilities and obligations under a Consulting Agreement.
B. The firm warrants that it will accept $90,000 as full compensation for the services more fully described in its response to the RFP and provided to the Mayor and City Council of Burlington under a Consulting Agreement. Except as to certain expenses provided enumerated in the Consulting Agreement, the firm shall not be entitled to the payments of any additional monies for reimbursement of expenses or for provision of any services (including attendance at meetings and hearings).
C. The firm warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations require by any government, governmental authority, or other regulatory authority with respect to all services, actions, responsibilities, and obligations contemplated to be rendered by the firm under an Investment Advisory Agreement.
D. The firm warrants that it meets all the minimum criteria applicable to the firm under this RFP.
E. The firm warrants that the person submitting this Proposal and executing these Representations and Warranties is duly authorized by the firm to submit this Proposal and execute these Representations and Warranties.

Acknowledged and Accepted:

Leon R. Wechsler

Leon R. Wechsler
LRWL Inc. President

MINIMUM QUALIFICATIONS, DELIVERABLES, AND STAFFING

In order to be considered, a vendor must meet, at a minimum, the following qualification requirements, provide the identified deliverables, and include the following staffing.

Experience — Vendor must have a minimum of 3 years of experience overseeing the installation and implementation of BAS systems.

LRWL meets and exceeds this qualification. We have provided the required consulting services to public sector clients, specifically and exclusively to public retirement systems, for more than 23 years. We have worked for 50 clients in a capacity similar to BERS' requirements.

At least one of the projects must have involved PTG. Previous experience with public retirement systems in Vermont is also desirable.

LRWL fully meets this qualification. We have worked with PTG successfully on the Baltimore Employee Retirement System implementation and welcome the opportunity to do so with BERS. We have done similar work for the Vermont Retirement Systems. And we have supported pension and benefit systems in all New England states.

The firm must have experience in supporting a minimum of 10 such BAS implementations.

LRWL meets and exceeds this qualification. We have consulted to over 75 public employee retirement agencies in over 30 states Our client list is included in Table 1 below; clients with similar scope as BERS are in **bold**. Attachment 1 includes one page descriptions of the projects we are using as references.

Table 1 - LRWL Client List

New Jersey DPB	*Texas* MRF	***North Dakota* PERS**
New York SLRS	***Georgia* ERS**	***San Bernardino County* ERA**
Ohio PERS	***Indiana* TRF (School)**	***Los Angeles Fire & Police* PS**
California STRS	***Massachusetts* TRS**	*District of Columbia* RB
***North Carolina* DST RSD**	***Nevada* PERS**	*Colorado* FPPA
***Wisconsin* ETF**	*Louisiana* SERS	***Fairfax County* ERS**
***Pennsylvania* PSERS (School)**	***West Virginia* CPRB**	***San Diego City* ERS**
Virginia Retirement System	*Illinois* SERS	***Alameda County* ERA**
***Georgia* TRS**	***Idaho* PERS**	***Denver* ERP**
Illinois MRF	***Kentucky* TRS**	***Virgin Islands* GERS**
***Mississippi* PERS #1**	***Hawaii* ERS**	*Kern County* ERA
***Mississippi* PERS #2**	***Connecticut* OSC**	***Austin* ERS**
***Bahamas* NIB**	***Maine* PERS**	***City of San Jose* DRS**
Maryland SRA	***New Mexico* PERA**	***San Mateo County* ERA**
Tennessee CRS	***New Hampshire* RS**	*Fort Worth* ERF
Puerto Rico RS	*New York City* PPF	***Tulare County* ERA**
***Iowa* PERS**	*Oklahoma* PERS	*City of Fresno* RS
***Kentucky* RS**	***Rhode Island* ERS (#1)**	*Tacoma* CERS
***Missouri* PSRS / PEERS**	***Rhode Island* ERS (#2)**	***San Luis Obispo Co* PT**
***Indiana* PERF (State)**	***Vermont* OST/RD**	***El Paso Fire & Police* PF**
***Ohio School* ERS**	***State-Boston* RB**	***Charlotte Firefighters'* RS**

1. Background

Please provide your firm's full name and address of the main office as well as the name, address, and phone number of the professional within the office that will be assigned specific responsibility for consulting services with BERS.

- LRWL Inc.
- 1800 Alexander Bell Dr. Suite 400
- Reston, VA 20191
- Voice (703) 385-3440
- Fax (703) 385-4491
- Cell (703) 200-6021
- E-mail: info@lrwl.com
- URL – www.lrwl.com.

Below we identify staff to work on the BERS project:

- **Leon Wechsler** – Program Director and Project Advisor – overall project direction and point of contact
- **Edward P. Meyers** – Principal Consultant and Oversight Project Manager – on-site, day to day support to the project – assigned half time
- **John Van Dunk** – Project Specialist – experienced in working with PTG on our recently completed Baltimore project; available to provide PTG-focused experience
- **William R. Morrow** – Project Specialist – Technology – available to address specific technical issues
- **Peter Cole** – Project Specialist – Imaging – available to support specific imaging related issues.

Please provide a valid Federal Tax Identification Number with the proposal.

45-3941738

Please provide a brief history of your firm including the length of time your firm has been in business, the period of time your firm has provided services similar to those to be provided to BERS.

LRWL was founded in 1981. For nearly 23 years, beginning in 1993, LRWL has been providing consulting services exclusively to public funds of the specific nature now requested by BERS. As such, our stated corporate mission is, *"... to assist public retirement systems in meeting the expectations of their customers."* As a result of its decision to concentrate on the public pension system arena, LRWL is now the preeminent provider of such consulting support to public employee system clients, such as BERS.

LRWL is the only consulting firm whose operations are specifically focused on supporting public retirement systems, nationwide.

Our headquarters office is located in Reston, VA. Our consultants are based throughout the U.S. To support our clients across the country, we have a number of regional offices; today they include: Sarasota, Cincinnati, and San Jose.

Describe mergers, acquisitions, name changes, or any material developments in the ownership structure of your organization over the past three years. Please provide financial statements and/or discussion of all sources of firm revenues including any revenues generated from affiliates.

LRWL was founded in 1981 as a Virginia corporation under the name L. R. Wechsler, Ltd. Recently, the firm entered into a tax free transaction within the IRS Code, to become a Florida corporation under the name LRWL Inc. The ownership and management have remained the same. There have been no acquisitions or mergers – all growth has been organic. The sources of firm revenue consist solely on those fees generated by our primary business focus, which are our technology, operations, and management consulting business to public pension and benefits clients.

As 100% of our revenue is derived from the public pension industry, we would allocate the revenue as follows:

- Oversight Project Management/Quality Assurance - 45%
- Project Management - 20%
- Procurement Assistance - 25%
- General/Miscellaneous Consulting - 10%.

Please identify any lawsuits that your firm is a party to or has been a party to in the past five (5) years, even if such suits were settled out of court or by arbitration.

LRWL has no pending lawsuits or past litigation. There are no pending, threatened, or past bankruptcy proceedings.

Identify any contract terminations and the reasons for such terminations in the past five (5) years.

LRWL has never had a contract terminated for default or any other reason.

Explain in detail, any possible conflict of interest or perceived conflict that might be created if your firm is chosen for this engagement.

LRWL maintains complete independence and objectivity with respect to all hardware, software, and consulting firms. LRWL has no conflict of interest.

Please list the owners of the firm (from largest to smallest with respect to ownership) and their ownership percentages over the past three years. Please include individuals and all other entities. Describe any planned material changes in your organization in detail.

Leon and Marysue Wechsler are owners of LRWL Inc. Leon owns approximately 67% of the stock; Marysue owns approximately 33% of the stock.

There are no planned changes in the organization.

Please provide names of at least two (2) clients lost over the past five (5) years.

Please provide contact name, address phone number, and reason for their loss.

LRWL has never lost a client other than those whose engagements have been completed. We would be happy to include contact information for those engagements that have been completed if BERS desires. We have provided additional references in Organization of Proposal Detail Question 4 - References

2. PROPOSED STAFF

Please provide a resume of each key proposed person to be assigned to the BERS project, including the following information:
Name: **Title:** **Role:** **Total years of technical experience:** **Total years with the firm:** **Technical qualifications related to this work:** **Educational qualifications:** **Total current number of assigned clients Lead.**

Table 2 - LRWL Proposal Staff

Name	Role	Technical Expertise (Years)	Years Pension Experience/# Pension Projects	Time Employed at LRWL (Years)	Degree	Current Assigned Clients	Role Details
Leon Wechsler	Program Director	40+	23/50+	35	▪ BS Mechanical Engineering MS Computer Science	▪ NYC PPF ▪ WI ETF ▪ Austin ▪ SamCERA	▪ Program Director ▪ Remove project impediments ▪ Provide strategic direction and best practices
Eddie Meyers	Oversight Project Manager	25	25/7	4	▪ BS Accounting	▪ San Luis Obispo Pension Trust Fund	▪ Planning ▪ On-site ▪ Reviewing deliverables and processes ▪ QA and test guidance
John Van Dunk	PTG Specialist	18	34/16	8	▪ BA Social Sciences	▪ SJ ORS	▪ Available to support PTG-related issue
Will Morrow	Technical Resource	32	13/11	11	▪ BS Business Admin ▪ BA Economics ▪ MS Public Policy	▪ San Mateo CERA	▪ Available to support technical issues
Peter Cole	Imaging Resource	40+	19/39	14	▪ BS Civil Engineering ▪ MS Civil Engineering	▪ Illinois TRS	▪ Available to support imaging issues

Below are summary resumes of the professionals assigned to the BERS account and their respective areas of responsibility. Their detailed resumes can be found in Attachment 2.

- Leon Wechsler – Program Director and Project Advisor
- Edward P. Meyers – Principal Consultant and Oversight Project Manager
- John Van Dunk – Project Specialist – Senior Consultant – PTG focused – if needed
- William R. Morrow – Project Specialist – Technology – if needed
- Peter Cole – Project Specialist – Imaging – if needed

Mr. Leon Wechsler, PE, President of LRWL, has been actively involved in more than 55 projects in the public employee retirement arena – all of them including pension technology and business process reviews aimed at identifying needs, completing feasibility assessments and plans, evaluating system requirements, and defining technology / organizational / processing changes to improve the delivery of customer services. Many of these projects also included the development of comprehensive RFPs and subsequent oversight project management and quality assurance (OPM/QA) services in support of the implementation of the improvement initiatives. He has close to 25 years of retirement and insurance experience. *He will provide overall project direction.*

Mr. Ed Meyers, Project Manager / Senior Consultant, and business executive with over 25 years of expertise in the management and financial aspects of technology enablers. Prior to joining LRWL, he was the Operational Administrator of a large Taft-Hartley fund. Since joining LRWL over 4 years ago, he has participated in five public pension retirement system activities that have included RFP development, oversight project management, and quality assurance. He has first-hand experience with the products and implementation methodologies of several pension solution providers. He has supported KYTRS, MSPERS, and ERSRI and SLOCPT in exactly the same role as he will play with BERS. *He will be the day-to-day, on-site OPM consultant at BERS.*

Mr. John Van Dunk, Senior Consultant, has 33 years of experience, the preponderance of which has been as a senior consultant / project manager supporting system development and conversion initiatives on behalf of a wide array of defined benefit, defined contribution pension, insurance, and savings plans. He brings to his assignments well-honed skills in the areas of system assessment, functional requirements definition, options analysis, gap analysis, scope definition, solution design and integration, testing, and data conversion – as well as an overall expertise in IT and project planning, project scheduling, project oversight and management, and staff development. His public pension clients have included NYCERS, NYCBERS, SJORS, VIGERS, PRGERS, and Baltimore Employees Retirement System. *His familiarity with PTG – its approach and product – makes him a valuable resource to be called upon as needed.*

Mr. Will Morrow, Project Manager / Senior Consultant, has almost 32 years of experience as a management consultant and technology executive, leading and guiding IT professionals in private and public sector settings. Since joining LRWL over 11 years ago, he has brought to his assignments extensive technical and business expertise, and the capability to implement and adapt architectures for Web-based technology solutions, and effective management approaches that promote and measure IT investment relevance and performance. Most recently, he has focused on project management responsibilities for major technology initiatives in the public retirement environment. Will’s expertise in supporting over 18 projects encompasses IT strategy and planning; project planning, control, and performance measurement; information system design, development and support; management of customer-vendor relationships; organizational guidance during technology transformations and business process reengineering.

Clients include SamCERA, CalSTRS, MDSRA, MOPSRS, and OHPERS. *Will can be called upon if there are technical issues that need to be addressed.*

Mr. Peter Cole, PMP, Project Manager / Senior Consultant, has over 19 years of retirement experience supporting over 39 public employee retirement systems (pensions, insurance, and benefits) since joining LRWL over 14 years ago. He is particularly adept at developing precise RFPs and facilitating other procurement related efforts to include requirements definition and implementation oversight. His clients include MEPERS, MATRS, NHRS, NYSLRS, VTRS, WIETF, KYTRS, WVCPRB, ILTRS to name but a few. His specialty is in the area of imaging – having worked on over three dozen such projects in the public pension environment. *He is available to address any areas related to imaging.*

3. Approach

Describe your understanding of the services covered in this RFP.
Please provide BERS with a detailed description (maximum of two pages) of your firm's approach to this project.
Identify the clients where the proposed approach has been used.

We understand the services that BERS has identified in this RFP. They include the following: assist in overseeing the implementation of the new Benefits Administration System (BAS) by assisting BERS in the overall management of the project including team management and collaboration, project planning, tracking results, facilitating testing and training, and reporting project status.

All the references provided in Table 3 – LRWL References have utilized our Oversight Project Management capabilities. While we have limited the number of client contact information to 12 clients, we would be happy to extend that number to 100% of our entire client base. Our goal is "*To assist public retirement systems in meeting the expectations of their customers*." Additionally, our goal is to assure that BERS' Board of Trustees and BERS management and staff's expectations are fully met.

Our team has performed this service on 50 similar contracts. Our team is very skilled and experienced in delivering these services. In addition to meeting the requirements above, our firm has delivered the following related services during the OPM phase of various projects:

- Oversight project management
- Liaison and coordination between the BAS solution provider and the client
- Monitoring and reporting on deliverables and costs as well as potential problems
- Coordinating work plans and project phasing
- Ensuring quality of deliverables
- Issues tracking and escalation
- Risk Management services
- Recommending modifications and refinements to the scope, schedule, approach, budget, and phasing of the project
- Evaluation of the performance of the selected BAS vendor
- Collaborate extensively with client staff on any and all related business process modifications necessary to implement the project including recommendations on organizational changes
- Facilitating test planning, test script development, extensive testing, test reporting, etc.

As requested in the RFP, LRWL plans to provide all of the services identified, plus those that we know are required and which are described in the **OPM**ANAGEMENT **Tools®** in Attachment 3. This will include a ½ FTE, on-site project manager to:

- Develop/maintain/review the work plan
- Develop/maintain/review status reports
- Facilitate all requirements, design, test, and training activities
- Participate in all appropriate meetings – requirements confirmation, design reviews, test planning, data analysis, data conversion – to ensure that all appropriate topics and best practices are addressed

- Develop/maintain/review issues tracking logs
- Develop/maintain/review risk tracking logs
- Ensure the success of the project: On time, On scope, On budget, and On quality

Deliverables will include:

- Provide on-site support
- Review compliance with the project schedule
- Ensure risks and issues are being properly managed
- Review of requirements specifications and designs
- Facilitate development of and execution of testing
- Develop and ensure compliance with acceptance criteria
- Participate in project status meetings
- Deliver bi-weekly and monthly written status reports.

Objectives to be supported include:

- OPM will ensure contract estimates of all required resources, including human resources, equipment products, and the services supplied for each item. These aspects that need to be estimated are: quality, time, cost, and price are compared and measured to the budget, and the written contract.
- The OPM will consider the following when estimated resources: 1.What are the risks? 2. What tools can be automated, and streamlined to optimize workflow? 3. Is the implementation plan sufficiently detailed? 4. Are the requirements fully defined?
- OPM will be responsible after the plan is clearly defined to ensure time scheduling is achieved by defining the Critical Path of the project, and balance the human resources required to complete this project in an agreed-upon time frame.
- OPM will ensure the multi-phase implementation completes adequate testing, tuning activities, on -site support, clearly defines training requirements, documents tasks, initial support requirements, and includes hand-over to staff.
- OPM will work with City, and PTG to elevate the overall level of customer service. The goal of the team: provide the ability of vested / active employees, and retirees the tools that automate desired changes; perform what-if scenarios on future benefits, and make routine inquiries to their retirement record.
- OPM will clearly define the roles and responsibilities of PTG, OPM, and City staff.
- OPM will clearly define tasks, sub-tasks, activities, effort, and skills required to complete this project, and create a milestone list that will require buy-in, and approval of City staff.
- The schedule by Stage / Phase and Major Tasks of this project will require the OPM to produce an agreed-upon Milestone List within six weeks of the start of the project.

4. REFERENCES

Please provide information for three (3) references of current or recent clients similar in size and nature to BERS, for whom the firm is providing or has provided similar services. For each reference, please include client name, address, the telephone number and name of a contact person, and description of service provided.

We provide the following references as requested. All 12 include activities identical to those requested by BERS.

We have also provided letters of reference in Attachment 4 and 1 page project descriptions in Attachment 1 for all of the cited projects below.

Table 3 - LRWL References

System	Participants (000)	Contact Information
Alameda County Employees' Retirement Association	20.1	Kathy Foster Assistant Chief Executive Officer 475 14th St., suite 1000 Oakland, CA 94612 kfoster@acera.org (510) 628-3000
City of Austin Employees' Retirement System	11.5	Russell Nash Deputy Executive Director 418 D. Highland Mall Blvd. Austin, TX 78752 Russell.Nash@coaers.org (512) 458-2551
Baltimore City Employees Retirement System	19.2	Roselyn Spenser Executive Director 7 East Redwood St, 13th Fl Baltimore, MD 21202-1904 rspencer@BCERS.org (443) 984-3214 x204
The Retirement Services Department City of San Jose	11.2	Roberto Pena Executive Director 1737 North First Street, Suite 580 San Jose, CA 95112 robert.pena@sanjoseca.gov (408) 794-1000
Denver Employees Retirement Plan	19.3	Steven Hutt Executive Director 77 Pearl Street Denver, CO 80203 shutt@derp.org (303) 839-5419
Fairfax County Employees' Retirement System	22.4	Jeanne Carr Executive Director 8001 Forbes Place, Suite 300 Springfield, VA 22151 Jeanne.carr@fcps.edu (703) 426-3900

System	Participants (000)	Contact Information
Los Angeles Fire and Police Pensions	25.8	Ray Ciranna General Manager 360 East Second Street, Suite 400 Los Angeles, CA 90012 ray.ciranna@lafpp.com (213) 279-3015
Milwaukee Employees Retirement System	26.8	Martin Matson Former Deputy Director (Currently City Comptroller) Office of the Comptroller 200 E. Wells St., Room 404 Milwaukee, WI 53202-3546 mmatson@milwaukee.gov (414) 286-3321
Employees' Retirement System of Rhode Island	58.3	Zachary J. Saul Director of Finance Employees Retirement System of Rhode Island 50 Service Avenue Warwick, RI 02886 zsaul@ersri.org (401) 462-7625
San Diego City Employees' Retirement System	20.2	David Bond Chief Information Officer San Diego County Employees Retirement System 401 West A Street, Suite 400 San Diego, CA 92101 Dbond@sdcers.org (619) 525-3647
San Luis Obispo County Pension Trust	4.8	Carl Nelson Executive Secretary and CIO 1000 Mill St. San Luis Obispo, CA 93408 cnelson@co.slo.ca.us (805) 781-5465
Tacoma Employees' Retirement System	5.6	Cathy Marx Financial Supervisor 3628 S. 38th Street Tacoma, WA 98409 cmarx@cityoftacoma.org (253) 502-8655

5. COSTS

Bidding Vendors must submit a detailed cost schedule that identifies all costs for accomplishing the services outlined in this RFP. The cost schedule should clearly identify and break out all cost components. Please provide hourly rate(s) and an estimate of the hours expected to be applied to provide the services requested.

Based on PTG's proposed implementation plan of 4 months 13 days, we provide the following cost estimate; we base it on 5 months – assuming that BERS will want some support post go live.

80 hours per month (1/2 FTE) for 5 months = 400 hours

400 hours * $225/hour = $90,000

The hourly rate is all inclusive – it includes all travel expenses.

We will invoice BERS monthly for services along with a written status report in a mutually agreeable format describing activities during the month, issues, and plans for the subsequent month. Terms are net 30 days.

If additional support is needed during the scheduled five months or beyond, LRWL staff are available at the same hourly rate as above. We would mutually agree on the scope of such an effort and execute a contract amendment.

City Of Burlington Employees Retirement Plan

Performance Review
September 2016

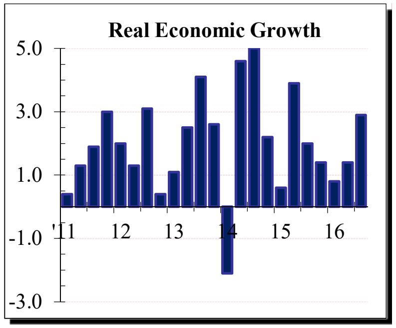
DAHAB ASSOCIATES

New York Massachusetts Pennsylvania Florida

ECONOMIC ENVIRONMENT

A Strong Pickup

The second quarter ended with investors breathing a sigh of relief when the Brexit vote was not followed by instant catastrophe. While there is sure to be long-term uncertainty over when, how, and even if Brexit will actually happen, for now those concerns don't seem to be worrying the economy too much. In the US, employment was healthy, housing prices pushed upward, both the manufacturing and service sectors gained ground, consumer confidence was strong, and the Fed held rates steady. GDP in the third quarter advanced 2.9%, stronger than the prior four quarters.



Overall, it was a good quarter in a good year, despite what feels like a mediocre quarter in a bad year.

- September brought 156,000 new hires, though the unemployment rate inched up to 5.0%. The latter was mainly attributable to the number of unemployed workers who had gained enough confidence to restart their job searches. New jobs were strongest in the professional, business services, and healthcare categories. Clearly, job gains have eased, averaging 178,000 so far this year vs. 229,000 for the same period last year. Average hourly earnings rose six cents in September to $25.79; the wage gains were viewed as an encouraging sign by both the Fed and the rank and file. For the fiscal year ended September, wage gains have been a healthy 2.6%.

- Home prices rose another 1.1% in August, the latest month available. Year-over-year, prices have risen 6.2%. Price gains have been chugging along for 55 straight months and are only 5.6% below their April 2006 peaks. Notably, prices in eighteen states have reached new highs. In particular, price hikes were over 10% in both Oregon and Washington during the latest year. However, in three states prices remained far off their prior peaks: Nevada (-31%), Florida (-23%) and Arizona (-22%).

- September's manufacturing activity grew 2.1%, reaching 51.5% (greater than 50% represents growth). New orders and production climbed 6% and 3.2%, respectively. Minerals, furniture, textiles and food all advanced; but, printing, coal, oil and wood products were key laggards. The service sector rose almost 6% in September to a robust 57.1%. Business activity and new orders components reached 60%. 14 out of 18 industries reported growth, with agriculture, forestry, and fishing, and retail the big winners. Only mining, real estate, entertainment, arts, and educational services declined.

- Consumer confidence correlated with manufacturing and service activity, as the Consumer Confidence Index climbed to 104.1. That level was the highest reported since the beginning of the Great Recession in 2008-2009. Workers were encouraged regarding their current situations as well as their expectations for the next six-months.

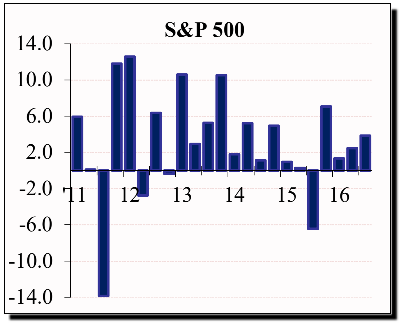
- The Bloomberg Commodity Index fell 3.9% in the third quarter. Abundant supplies accounted for the big losses: natural gas (-8%), lean hogs (-32%), wheat (-14%), and soybeans (-17%). However, several "soft" agricultural commodities and metals rose in price. Sugar climbed 10%; cotton was up 6%; zinc soared 13%; and nickel prices surged 11%. There were some signs of inflation, mainly due to relatively higher oil prices and wages.

- Economists were equally divided in their views regarding a Fed rate hike, as were the Fed Board members themselves. But a majority voted against such a hike, based on somewhat weak business spending and inflation still below target. Given that decision, the Board's late September press release intimated that there likely would be a rate increase in the near-term. Our understanding is to expect a small one by year-end.

DOMESTIC EQUITIES

Record Highs

It was a risk-on quarter for US stocks with economic indicators that were largely positive. Higher-than-expected earnings by major companies helped, and every major index was positive. Some indexes even touched all-time peaks before declining a bit by quarter-end. With such positive sentiment, the S&P 500 rose 3.9%, and a turnaround among the NASDAQ's better known tech companies drove that index up 10%. The more cyclical company-based DJIA lagged the other major indices, gaining just 2.8%. The growth indices performed better than their value counterparts, with the most significant difference occurring among large-cap names; the Russell 1000 Growth Index added 4.6% vs. 3.5% for the Russell 1000 Value Index. Smaller-sized stocks leaped past their large-cap brethren. As evidence, the Russell 2000 Index rose 9.0% vs. 4.0% for the Russell 1000. REITs, a new, separate S&P sector, ended its string of top-performing quarters; correspondingly, the NAREIT Index fell a modest 1.2%.



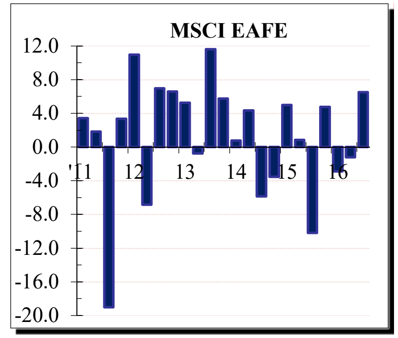
Computer technology was the best-performing S&P sector, with outsized price gains by Apple, Google and Microsoft. Runner-up was the much smaller transportation sector (+11.2%), as rails and airline stocks performed well due to higher capacity utilization and low energy prices. Finance stocks advanced 6.2%, despite the infamous dealings at Wells Fargo. On the other hand, investors disfavored utilities, a safe haven and dividend-driven sector that declined 2.2% after a long run. Energy was another weak performer, adding only 1.3% amid rising oil inventories.

S&P's dividend yield fell slightly, to 2.1%. Higher corporate earnings reduced the index' price/earnings ratio from 23.6 to 22.6. Nonetheless, the P/E remains historically high.

INTERNATIONAL EQUITIES

A Surge in Developed and EM Markets

Developed countries outside the US delivered solid results as investors digested the global impact of Brexit. Emerging market countries advanced everywhere, whether in Europe, Asia, Latin America, the Middle East or Africa. The political and military climate around the world was mixed, calming down in some locations but intensifying in the Middle East and Asia. The MSCI EAFE Index returned 6.5%, thereby outperforming the S&P by 2.5%. The Euro region was up 7.4%, aided by Germany's 10.0% gain. Germany, the largest Euro component, benefited from Bayer, SAP and BASF price gains. Deutsche Bank's balance sheet woes prevented an even higher return. France, which has the second-highest Euro weight, posted 6.4%. Ireland and Spain added 7.5% and 9.5%, respectively. However, Italy was the one major Euro country to trail (+2.3%), as its poorly-funded banks struggled.



The UK rose 4.0%, a surprising outcome after the initial post-Brexit forecasts. A smooth leadership transition from David Cameron to Theresa May helped steady things, as did the Bank of England lowering the benchmark interest rate. On the other side of the world, the Australian market gained 8.0% on the heels of its mining and large bank stock advances. Japanese stocks climbed 8.8%, reflecting the countries vote of confidence in PM Abe and his announced new spending program. Hong Kong was a big winner, spiking 11.9% on the strength of higher casino gaming revenues. Overall, EAFE stock exchanges parked their worries about low GDPs, the Brexit fallout and the continuing refugee crises to turn in good results.

Emerging market performance easily surpassed those of the US and other developed markets. The MSCI EM Index returned 9.2%. The big four countries, Brazil, Russia, India and China, known collectively as BRIC, account for almost half of the index weighting.

- The **Chinese** market roared anew, generating a stellar 14% return. China also reported 6.7% GDP growth and double-digit price gains by tech giants Alibaba, Tencent and Baidu.
- The **Brazilian** market advanced 11.4%. Investors viewed the change in leadership from President Rousseff to President Temer as favorable to business. At the same time, shares of energy giant Petrobras jumped 42% as that company worked to reduce its debt level. China's stability also helped the Brazilian economy, as Brazil's raw materials exports would undoubtedly benefit from Chinese economic expansion.
- The **Russian** market's 8.9% gain reflected increased confidence that its economy would manage to work around western sanctions and

benefit directly from the recent spike in oil prices. Lukoil, the country's biggest oil conglomerate, skyrocketed 20% and Russian bank and grocery store stocks followed suit.

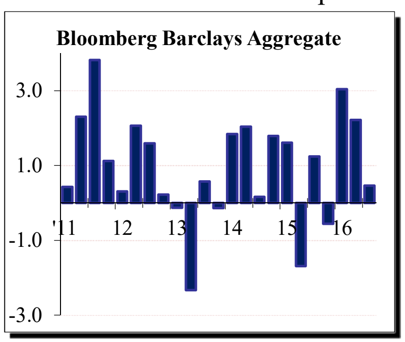
- The **Indian** market rose just 5.9%. Yet, investors had confidence that PM Modi would eliminate still more of the regulations preventing businesses from becoming truly global. As a start, India's parliament approved a tax during the quarter making it easier to conduct business within the country.

Tech shares in both Taiwan and South Korea drove up those markets 12.4% and 11%, respectively. Despite its mobile phone problems, Korea's Samsung shares advanced and investors returned to the peninsula. Closer to home, Mexican shares lost 2.2% as its currency weakened and concerns arose regarding the future of US manufacturing there. The bigger losses occurred in the Philippines (-5.2%) and Turkey (-5.3%), where both countries experienced political firestorms.

BOND MARKET

Nominal Gains

Bond yields took a breather from their relentless race downward, and the bond market continued to provide positive returns in a year where rising rates were supposed to lower returns. The fact that US Treasuries still offered a relatively high yield and also represented a safe haven remained important for investors around the world. The Fed sent a strong signal that it would soon raise the benchmark Fed Funds rate, a contributing factor to the late September yield increase. Noticeably higher wage rates foretold a possible uptick in inflation and also helped to send yields upward. The 10-year Treasury yield moved from 1.52% in June to 1.64% by September. However, the 30-year Treasury remained steady at 2.35%, as investors focused on the short-end of the yield curve. We continue to see bonds as a safety-based allocation for investors, and continue to advise they take their risk allocations in stocks.



The Bloomberg Barclays Aggregate Index rose 0.5%. The substantial Treasury component lost 0.3%, with long Treasuries falling 0.4%; but the corporate bond market told a better story. Corporates gained 1.4% and long-dated names added almost double that or 2.6%. Investors reasoned that the business cycle was not over and while quarterly earnings weren't spectacular, they were at least acceptable. Industrial corporates gained the most (+1.6%) and utilities the least (+0.8%). Securitized debt performed in a narrow range; the residential mortgage-backed (MBS) and commercial mortgage-backed (CMBS) sectors each added 0.6%, while the very short maturity asset-backed (ABS) securities provided 0.2%.

For investors willing to bear default risk, the high yield (junk) bond market was THE place to be. The combined high yield index posted a 5.6% return, better than the S&P and DJIA. The more risk assumed, the higher the return. BA debt (the highest junk credit category) earned 4.4%; single B names gained 5.7%; CAA bonds jumped 8.2%; lower credits rose even more. The rationale isn't obvious, given the slow growth economic environment. Part of the answer lies in the unceasing reach for yield when other debt instruments provide very little yield or return. Also, as noted above, the business cycle still has momentum.

Non-US sovereign debt (G-6 developed countries) performance was flat. It ranged from -0.7% for Japan to +2.3% for Italy. EM sovereign debt returns were varied, as usual. However, only Turkey experienced a negative outcome (-1.7%). Most country debt returns ranged between the low and high single digits. Notable was Venezuela, a country with sky high inflation and a rapidly deteriorating economy. Nonetheless, its bonds soared 26.7% for the quarter and 54.4% YTD. This is partly attributable to the trajectory of oil prices, which first bottomed and then climbed during the year.

CASH EQUIVALENTS

Still Nothing

While Treasury-bills still offered virtually no net return, there may be hope for the near-term future. Should the Fed raise its benchmark rate, T-bill and money market fund returns should rise accordingly.

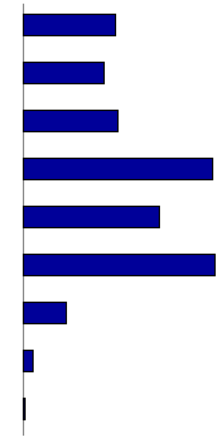
MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.9	1.4
Unemployment	5.0	4.9
CPI All Items Year/Year	1.50	1.00
Fed Funds Rate	0.50	0.50
Industrial Capacity	75.4	75.4
US Dollars per Euro	1.12	1.10

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	**4.4**
S&P 500	**3.9**
Russell Mid	**4.5**
Russell 2000	**9.0**
MSCI EAFE	**6.5**
MSCI Emg Mkts	**9.2**
NCREIF ODCE	**2.0**
Aggregate Index	**0.5**
90 Day Tbills	**0.1**



EQUITY RETURN DISTRIBUTIONS

QUARTER

	VAL	COR	GRO
LC	**3.5**	**4.0**	**4.6**
MC	**4.4**	**4.5**	**4.6**
SC	**8.9**	**9.0**	**9.2**

TRAILING YEAR

	VAL	COR	GRO
LC	**16.2**	**14.9**	**13.8**
MC	**17.3**	**14.2**	**11.2**
SC	**18.8**	**15.5**	**12.1**

MARKET SUMMARY

* **GDP in the third quarter advanced 2.9%.**
* **Unemployment ticked up to 5%.**
* **CPI increased 1.5% year over year.**
* **The dollar weakened very slightly, against the Euro.**
* **Growth stocks produced stronger returns than their value counterparts, last quarter. Smaller names outperformed the larger cap sizes.**

INVESTMENT RETURN

On September 30th, 2016, the City of Burlington Employees Retirement System was valued at $161,714,094, representing an increase of $6,303,411 from the June quarter's ending value of $155,410,683. Last quarter, the Fund posted withdrawals totaling $195,581, which partially offset the portfolio's net investment return of $6,498,992. Since there were no income receipts for the third quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling $6,498,992.

For the cumulative period since September 2006, the account has posted net withdrawals totaling $12.8 million and recorded net investment gains totaling $62.7 million. Since September 2006, if the portfolio returned a compound annual rate of 8.0% it would have been valued at $225.2 million or $63.5 million more than its actual value as of September 30th, 2016.

RELATIVE PERFORMANCE

Total Fund

For the third quarter, the portfolio returned 4.2%, which was 0.1% greater than the Burlington Policy Index's return of 4.1% and ranked in the 14th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 8.7%, which was 0.7% below the benchmark's 9.4% performance, ranking in the 73rd percentile. Since September 2006, the account returned 4.8% on an annualized basis and ranked in the 95th percentile.

Equity

During the third quarter, the equity component returned 5.6%, which was 0.2% greater than the MSCI All Country World index's return of 5.4% and ranked in the 49th percentile of the Global Equity universe.

Real Assets

For the third quarter, the real assets segment gained 2.1%, which was 2.5% greater than the Real Assets Blended Index's return of -0.4%.

Fixed Income

The fixed income portfolio gained 0.2% during the third quarter, 0.1% below the Intermediate Aggregate Index's return of 0.3% and ranked in the 82nd percentile of the Broad Market Fixed Income universe.

ASSET ALLOCATION

At the end of the third quarter, equities comprised 71.0% of the total portfolio ($114.8 million), while real assets totaled 11.5% ($18.5 million). The account's fixed income component comprised 16.9% ($27.4 million) of total value, while the remaining 0.6% was comprised of cash & equivalents ($1.0 million).

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 09/06
Total Portfolio	4.2	4.2	8.7	4.5	7.0	4.8
PUBLIC FUND RANK	(14)	(14)	(73)	(94)	(94)	(95)
POLICY INDEX	4.1	4.1	9.4	4.5	6.8	----
Equity	5.6	5.6	----	----	----	----
GLOBAL EQUITY RANK	(49)	(49)	----	----	----	----
MSCI AC WORLD	5.4	5.4	12.6	5.8	11.2	4.9
ACWI EX US	7.0	7.0	9.8	0.6	6.5	2.6
MSCI EAFE	6.5	6.5	7.0	0.9	7.9	2.3
MSCI EMG MKTS	9.2	9.2	17.2	-0.2	3.4	4.3
RUSSELL 3000	4.4	4.4	15.0	10.4	16.4	7.4
S&P COMPLETION	7.2	7.2	13.3	7.4	16.2	8.2
Real Assets	2.1	2.1	----	----	----	----
REAL ASSETS IDX	-0.4	-0.4	3.7	2.3	3.2	2.8
NCREIF ODCE	2.1	2.1	10.1	12.4	12.4	6.0
NCREIF TIMBER	0.7	0.7	3.3	7.6	6.9	6.4
BLP COMMODITY	-3.9	-3.9	-2.6	-12.3	-9.4	-5.3
Fixed Income	0.2	0.2	----	----	----	----
BROAD MARKET FIXED RANK	(82)	(82)	----	----	----	----
GLOBAL AGGREGATE	0.8	0.8	8.8	2.1	1.7	4.3
GLOBAL AGG EX US	1.0	1.0	11.7	0.8	0.7	3.8
AGGREGATE INDEX	0.5	0.5	5.2	4.0	3.1	4.8

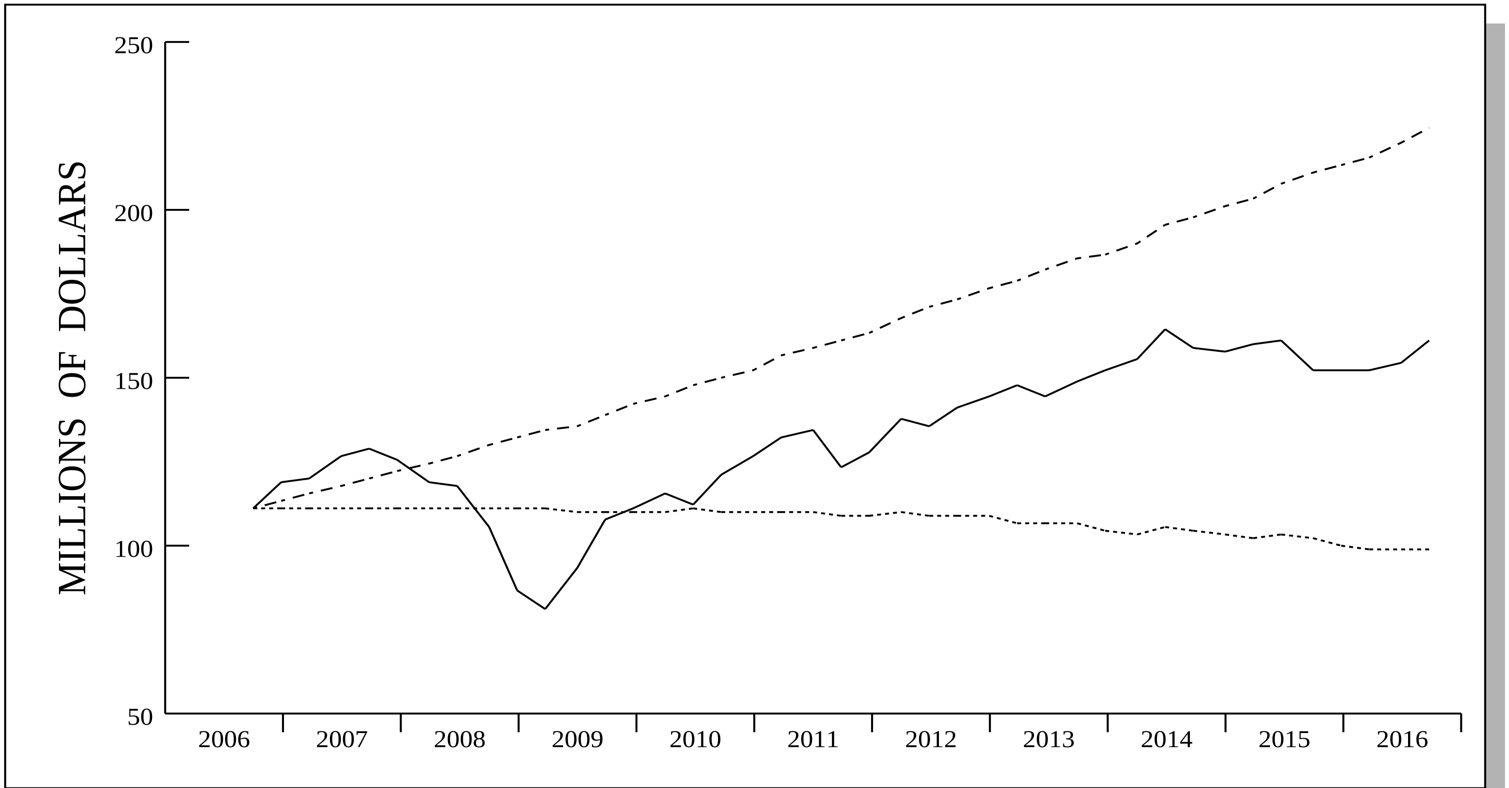
ASSET ALLOCATION

Equity	71.0%	$ 114,769,046
Real Assets	11.5%	18,524,507
Fixed Income	16.9%	27,377,410
Cash	0.6%	1,043,131
Total Portfolio	100.0%	$ 161,714,094

INVESTMENT RETURN

Market Value 6/2016	$ 155,410,683
Contribs / Withdrawals	-195,581
Income	0
Capital Gains / Losses	6,498,992
Market Value 9/2016	$ 161,714,094

INVESTMENT GROWTH

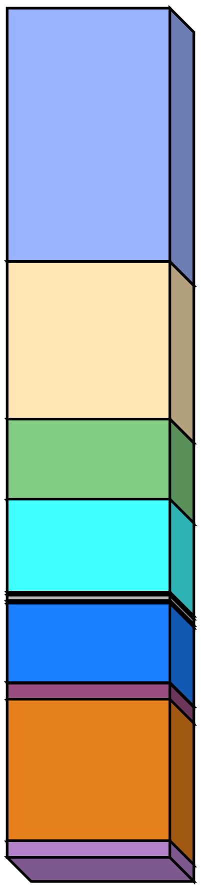


ACTUAL RETURN
8.0%
0.0%

VALUE ASSUMING
8.0% RETURN $ 225,192,573

	LAST QUARTER	PERIOD 9/06 - 9/16
BEGINNING VALUE	$ 155,410,683	$ 111,808,656
NET CONTRIBUTIONS	-195,581	- 12,819,259
INVESTMENT RETURN	6,498,992	62,724,696
ENDING VALUE	$ 161,714,094	$ 161,714,094
INCOME	0	8,608,390
CAPITAL GAINS (LOSSES)	6,498,992	54,116,308
INVESTMENT RETURN	6,498,992	62,724,696

MANAGER ALLOCATION AND TARGET SUMMARY



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	$48,630,347	30.1	30.0
Mellon Smid Cap (SMID)	$30,216,912	18.7	18.0
Mellon EAFE (INEQ)	$15,612,285	9.7	10.0
Mellon Emerging Mkts (EMKT)	$17,872,964	11.1	10.0
Hamilton Lane II (PREQ)	$491,547	0.3	0.5
Hamilton VII A (PREQ)	$1,238,616	0.8	0.9
Hamilton VII B (PREQ)	$706,375	0.4	0.6
UBS (REAL)	$15,253,279	9.4	8.0
Molpus (TIMB)	$3,271,228	2.0	2.0
Mellon Int. Gov/Cred (ITFI)	$27,377,410	16.9	20.0
Cash (CASH)	$-2,179,084	-1.3	0.0
Key Bank (CASH)	$3,222,215	2.0	0.0
Total Portfolio	**$161,714,094**	**100.0**	**100.0**

INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value June 30th, 2016	Net Cashflow	Net Investment Return	Market Value September 30th, 2016
Mellon Large Cap (LCC)	3.9	46,826,352	0	1,803,995	48,630,347
Mellon Smid Cap (SMID)	6.6	28,352,332	0	1,864,580	30,216,912
Mellon EAFE (INEQ)	6.4	14,668,936	0	943,349	15,612,285
Mellon Emerging Mkts (EMKT)	9.0	16,392,711	0	1,480,253	17,872,964
Hamilton Lane II (PREQ)	0.4	540,388	-51,100	2,259	491,547
Hamilton VII A (PREQ)	1.8	1,198,519	17,830	22,267	1,238,616
Hamilton VII B (PREQ)	-0.8	723,997	-11,890	-5,732	706,375
UBS (REAL)	---	0	15,000,000	253,279	15,253,279
Molpus (TIMB)	2.3	3,271,228	-76,435	76,435	3,271,228
Mellon Int. Gov/Cred (ITFI)	0.2	42,319,104	-15,000,000	58,306	27,377,410
Cash (CASH)	---	0	-2,179,084	0	-2,179,084
Key Bank (CASH)	---	1,117,116	2,105,098	1	3,222,215
Total Portfolio	**4.2**	**155,410,683**	**-195,581**	**6,498,992**	**161,714,094**

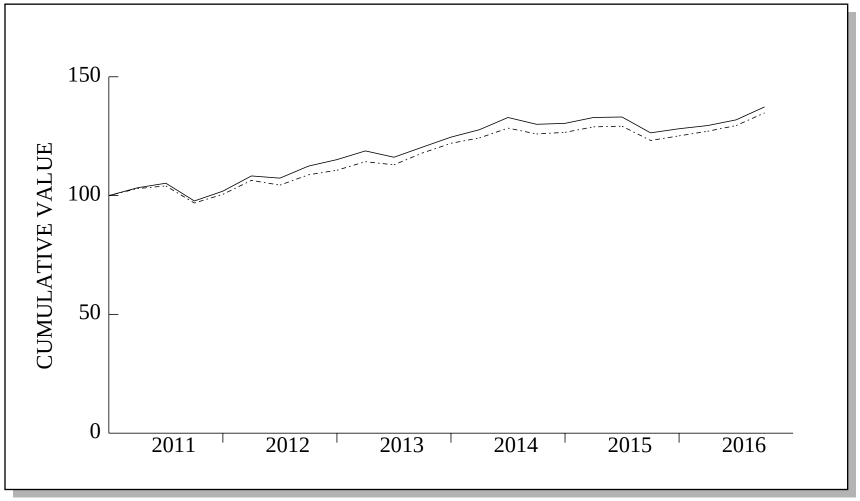
MANAGER PERFORMANCE SUMMARY

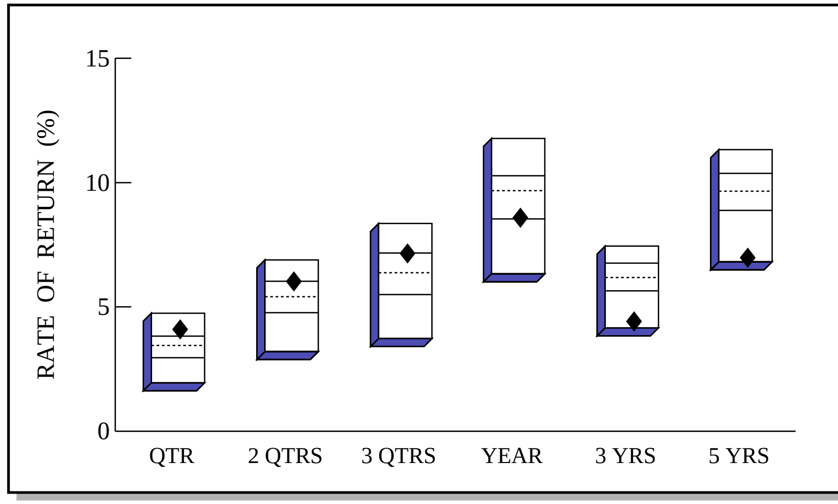
Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 09/06 or Inception	
Composite	(Public Fund)	4.2 (14)	4.2 (14)	8.7 (73)	4.5 (94)	7.0 (94)	4.8 (95)	09/06
Policy Index		*4.1 ----*	*4.1 ----*	*9.4 ----*	*4.5 ----*	*6.8 ----*	*---- ----*	
Mellon Large Cap	(LC Core)	3.9 (54)	3.9 (54)	---- ----	---- ----	---- ----	6.4 (38)	03/16
S&P 500		*3.9 ----*	*3.9 ----*	*15.4 ----*	*11.2 ----*	*16.4 ----*	*6.4 ----*	
Mellon Smid Cap	(Smid Cap)	6.6 (36)	6.6 (36)	---- ----	---- ----	---- ----	10.4 (18)	03/16
Russell 2500		*6.6 ----*	*6.6 ----*	*14.4 ----*	*7.8 ----*	*16.3 ----*	*10.4 ----*	
Mellon EAFE	(Intl Eq)	6.4 (67)	6.4 (67)	---- ----	---- ----	---- ----	5.1 (69)	03/16
MSCI EAFE		*6.5 ----*	*6.5 ----*	*7.0 ----*	*0.9 ----*	*7.9 ----*	*5.2 ----*	
Mellon Emerging Mkts	(Emerging Mkt)	9.0 (46)	9.0 (46)	---- ----	---- ----	---- ----	9.7 (64)	03/16
MSCI Emg Mkts		*9.2 ----*	*9.2 ----*	*17.2 ----*	*-0.2 ----*	*3.4 ----*	*10.0 ----*	
Hamilton Lane II		0.4 ----	0.4 ----	-13.8 ----	1.5 ----	6.2 ----	8.3 ----	12/10
S&P Completion		*7.2 ----*	*7.2 ----*	*13.3 ----*	*7.4 ----*	*16.2 ----*	*10.8 ----*	
Hamilton VII A		1.8 ----	1.8 ----	3.4 ----	14.0 ----	12.8 ----	12.8 ----	09/11
S&P Completion		*7.2 ----*	*7.2 ----*	*13.3 ----*	*7.4 ----*	*16.2 ----*	*16.2 ----*	
Hamilton VII B		-0.8 ----	-0.8 ----	1.5 ----	8.5 ----	7.3 ----	7.3 ----	09/11
S&P Completion		*7.2 ----*	*7.2 ----*	*13.3 ----*	*7.4 ----*	*16.2 ----*	*16.2 ----*	
Molpus		2.3 ----	2.3 ----	9.3 ----	7.9 ----	3.9 ----	3.3 ----	12/10
NCREIF Timber		*0.7 ----*	*0.7 ----*	*3.3 ----*	*7.6 ----*	*6.9 ----*	*6.2 ----*	
Mellon Int. Gov/Cred	(Int Fixed)	0.2 (76)	0.2 (76)	---- ----	---- ----	---- ----	1.8 (67)	03/16
Int Gov/Credit		*0.1 ----*	*0.1 ----*	*3.5 ----*	*2.8 ----*	*2.4 ----*	*1.7 ----*	

MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
0.0	Mellon NSL SIF	S&P 500	N/A
0.0	Mellon SL SMID SIF	Russell 2500	N/A
-0.1	Mellon NSL INTL SIF	MSCI EAFE	N/A
-0.2	Mellon NSL EM SIF	MSCI Emg Mkts	N/A
-6.8	Hamilton Lane Secondary Fund II	S&P Completion	-27.1
-5.4	Hamilton Lane Fund VII Series A Offshore	S&P Completion	-9.9
-8.0	Hamilton Lane Fund VII Series B Offshore	S&P Completion	-11.8
1.6	Molpus Sustainable Woodlands Fund II	NCREIF Timber	6.0
0.1	Mellon NSL IGC BIF	Int Gov/Credit	N/A
0.1	**Total Portfolio**	**Policy Index**	**-0.7**

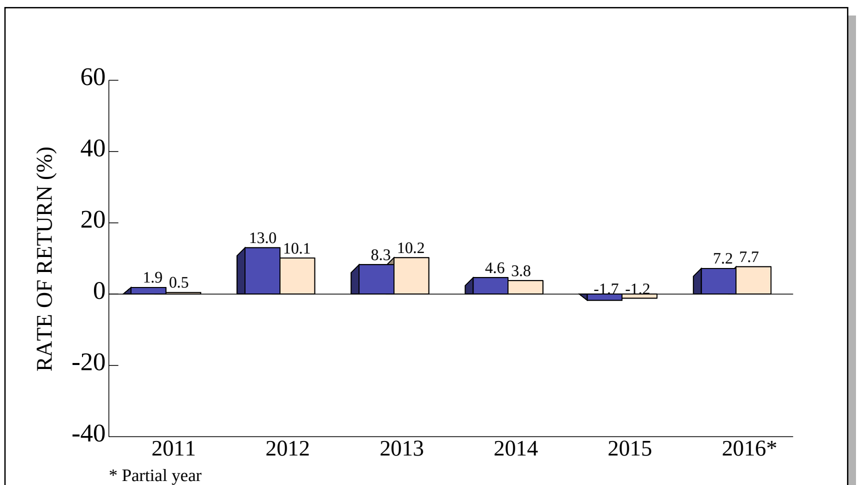
TOTAL RETURN COMPARISONS





Public Fund Universe

———	PORTFOLIO
-·-·-	POLICY INDEX



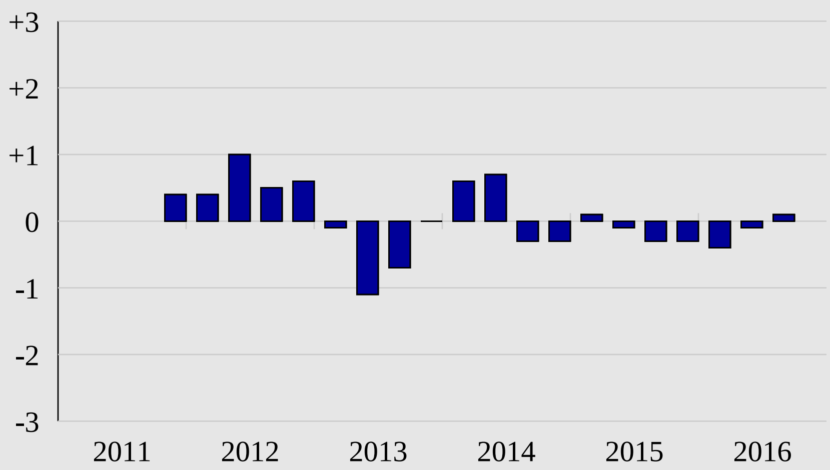
	QTR	2 QTRS	3 QTRS	YEAR	------ANNUALIZED------ 3 YRS	 5 YRS
RETURN	4.2	6.1	7.2	8.7	4.5	7.0
(RANK)	(14)	(24)	(25)	(73)	(94)	(94)
5TH %ILE	4.8	6.9	8.4	11.8	7.5	11.3
25TH %ILE	3.8	6.0	7.2	10.3	6.8	10.4
MEDIAN	3.5	5.4	6.4	9.7	6.2	9.7
75TH %ILE	3.0	4.8	5.5	8.5	5.7	8.9
95TH %ILE	2.0	3.2	3.7	6.3	4.2	6.8
Policy	***4.1***	***6.1***	***7.7***	***9.4***	***4.5***	***6.8***

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 5 YEARS

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX

VARIATION FROM BENCHMARK



Total Quarters Observed	**20**
Quarters At or Above the Benchmark	**10**
Quarters Below the Benchmark	**10**
Batting Average	**.500**

RATES OF RETURN

				---------Cumulative----------		
Date	Portfolio	Bench	Diff	Portfolio	Bench	Diff
12/11	4.2	3.8	0.4	4.2	3.8	0.4
3/12	6.3	5.9	0.4	10.8	9.9	0.9
6/12	-0.9	-1.9	1.0	9.8	7.8	2.0
9/12	4.7	4.2	0.5	15.0	12.3	2.7
12/12	2.4	1.8	0.6	17.8	14.3	3.5
3/13	3.2	3.3	-0.1	21.6	18.0	3.6
6/13	-2.3	-1.2	-1.1	18.8	16.6	2.2
9/13	3.7	4.4	-0.7	23.2	21.8	1.4
12/13	3.5	3.5	0.0	27.5	26.0	1.5
3/14	2.5	1.9	0.6	30.7	28.4	2.3
6/14	4.0	3.3	0.7	36.0	32.6	3.4
9/14	-2.2	-1.9	-0.3	33.0	30.0	3.0
12/14	0.3	0.6	-0.3	33.4	30.8	2.6
3/15	1.9	1.8	0.1	36.0	33.2	2.8
6/15	0.1	0.2	-0.1	36.2	33.4	2.8
9/15	-5.0	-4.7	-0.3	29.4	27.2	2.2
12/15	1.3	1.6	-0.3	31.1	29.2	1.9
3/16	1.1	1.5	-0.4	32.5	31.2	1.3
6/16	1.8	1.9	-0.1	34.9	33.7	1.2
9/16	4.2	4.1	0.1	40.6	39.2	1.4

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP

IRR Since Inception		**14.94%**	Annualized, Net of Fees
Market Value	**$**	**491,547**	Last Statement Date: 9/30/2016
Capital Commitment	$	3,400,000	100.00%
Paid In Capital	$	2,982,695	87.73%
Remaining Commitment	$	417,305	12.27%

Date		Contributions	% of Commitment		Recallable Distributions	% of Commitment		Distributions
Year 2009	$	518,361	15.25%	$	(151,904)	-4.47%	$	-
Year 2010	$	1,109,828	32.64%	$	-	-	$	(87,992)
Year 2011	$	607,254	17.86%	$	(115,109)	-3.39%	$	(361,234)
Year 2012	$	934,221	27.48%	$	-	-	$	(836,516)
2/26/2013	$	11,511	0.34%	$	-	-	$	(137,100)
3/8/2013	$	34,000	1.00%	$	-	-	$	-
3/29/2013	$	43,166	1.27%	$	-	-	$	-
6/10/2013	$	-	-	$	-	-	$	(144,307)
8/14/2013	$	-	-	$	-	-	$	(167,406)
9/26/2013	$	8,633	0.25%	$	-	-	$	(132,375)
10/18/2013	$	-	-	$	-	-	$	(110,666)
11/14/2013	$	-	-	$	(17,266)	-0.51%	$	(40,013)
1/14/2014	$	-	-	$	-	-	$	(143,432)
3/5/2014	$	-	-	$	-	-	$	(120,864)
3/31/2014	$	-	-	$	-	-	$	(63,310)
5/28/2014	$	-	-	$	-	-	$	(172,662)
6/27/2014	$	-	-	$	-	-	$	(71,978)
8/14/2014	$	-	-	$	-	-	$	(115,109)
9/11/2014	$	-	-	$	-	-	$	(132,375)
10/15/2014	$	-	-	$	-	-	$	(187,101)
11/21/2014	$	-	-	$	-	-	$	(44,892)
12/30/2014	$	-	-	$	-	-	$	(89,125)
2/26/2015	$	-	-	$	-	-	$	(59,245)
4/20/2015	$	-	-	$	-	-	$	(116,859)
7/17/2015	$	-	-	$	-	-	$	(78,675)
11/20/2015	$	-	-	$	-	-	$	(278,361)
1/28/2016	$	-	-	$	-	-	$	(38,549)
5/20/2016	$	-	-	$	-	-	$	(81,887)
8/19/2016	$	-	-	$	-	-	$	(46,080)
Total	**$**	**3,266,974**	**96.09%**	**$**	**(284,279)**	**-8.36%**	**$**	**(3,858,113)**

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series A Offshore

IRR Since Inception		**10.62%**	Annualized, Net of Fees
Market Value	**$**	**1,238,616**	Last Statement Date: 9/30/2016
Capital Commitment	$	1,500,000	100.00%
Paid In Capital	$	1,270,659	84.71%
Remaining Commitment	$	229,341	15.29%

Date		**Contributions**	**% of Commitment**		**Recallable Distributions**	**% of Commitment**		**Distributions**
7/27/2011	$	172,500	11.50%	$	-	-	$	-
9/27/2011	$	52,500	3.50%	$	-	-	$	-
11/15/2011	$	52,500	3.50%	$	-	-	$	-
12/30/2011	$	67,947	4.53%	$	-	-	$	-
4/24/2012	$	83,394	5.56%	$	-	-	$	(32,311)
6/24/2012	$	52,500	3.50%	$	-	-	$	-
8/23/2012	$	45,000	3.00%	$	-	-	$	(3,692)
10/15/2012	$	67,500	4.50%	$	-	-	$	(23,932)
11/21/2012	$	80,250	5.35%	$	-	-	$	-
3/12/2013	$	48,750	3.25%	$	-	-	$	(27,930)
2/14/2014	$	61,500	4.10%	$	-	-	$	-
5/20/2014	$	187,500	12.50%	$	-	-	$	(151,650)
7/14/2014	$	50,522	3.37%	$	-	-	$	(19,283)
1/6/2015	$	145,117	9.67%	$	-	-	$	(88,738)
12/8/2015	$	28,179	1.88%	$	-	-	$	(51,519)
7/22/2016	$	75,000	5.00%	$	-	-	$	(53,805)
Total	**$**	**1,270,659**	**84.71%**	**$**	**-**	**0.00%**	**$**	**(452,860)**

Valuations of non-public securities are provided by Hamilton Lane, based on current market and company conditions.

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series B Offshore

IRR Since Inception		**5.24%**	Annualized, Net of Fees			
Market Value	**$**	**706,375**	Last Statement Date: 9/30/2016			
Capital Commitment	$	1,000,000	100.00%			
Paid In Capital	$	823,725	82.37%			
Remaining Commitment	$	176,275	17.63%			

Date		**Contributions**	**% of Commitment**		**Recallable Distributions**	**% of Commitment**		**Distributions**
7/27/2011	$	160,000	16.00%	$	-	-	$	-
9/27/2011	$	35,000	3.50%	$	-	-	$	-
12/28/2011	$	50,723	5.07%	$	-	-	$	-
4/24/2012	$	56,445	5.64%	$	-	-	$	(22,962)
6/24/2012	$	50,000	5.00%	$	-	-	$	-
8/23/2012	$	50,000	5.00%	$	-	-	$	(2,909)
11/21/2012	$	30,000	3.00%	$	-	-	$	(16,671)
1/3/2013	$	40,000	4.00%	$	-	-	$	-
8/12/2013	$	100,000	10.00%	$	-	-	$	(35,860)
2/14/2014	$	44,000	4.40%	$	-	-	$	-
5/20/2014	$	80,000	8.00%	$	-	-	$	(49,323)
7/14/2014	$	45,512	4.55%	$	-	-	$	(3,495)
12/8/2014	$	16,254	1.63%	$	-	-	$	(29,570)
1/20/2015	$	65,791	6.58%	$	-	-	$	(11,610)
8/3/2015	$	-	-	$	-	-	$	(9,735)
3/23/2016	$	-	-	$	-	-	$	(67,664)
7/18/2016	$	-	-	$	-	-	$	(10,836)
Total	**$**	**823,725**	**82.37%**	**$**	**-**	**0.00%**	**$**	**(260,635)**

Valuations of non-public securities are provided by Hamilton Lane, based on current market and company conditions.

Timber Investor Report
Molpus Sustainable Woodlands Fund II, LP

IRR Since Inception		**2.66%**	Annualized, Net of Fees
Market Value	**$**	**3,271,228**	Last Appraisal Date: 6/30/2016
Capital Commitment	$	3,400,000	100.00%
Paid In Capital	$	3,400,000	100.00%
Remaining Commitment	$	-	0.00%

Date		**Contributions**	**% of Commitment**		**Recallable Distributions**	**% of Commitment**		**Distributions**
2/28/2009	$	510,000	15.00%	$	-	-	$	-
9/30/2009	$	2,890,000	85.00%	$	-	-	$	-
4/30/2010	$	-	-	$	-	-	$	(19,365)
6/30/2010	$	-	-	$	-	-	$	(67,116)
12/31/2010	$	-	-	$	-	-	$	(28,663)
6/30/2011	$	-	-	$	-	-	$	(19,109)
12/31/2011	$	-	-	$	-	-	$	(38,218)
12/31/2012	$	-	-	$	-	-	$	(47,772)
6/25/2013	$	-	-	$	-	-	$	(76,435)
12/31/2013	$	-	-	$	-	-	$	(114,653)
3/31/2014	$	-	-	$	-	-	$	(47,772)
9/30/2014	$	-	-	$	-	-	$	(47,772)
12/31/2014	$	-	-	$	-	-	$	(28,663)
3/31/2015	$	-	-	$	-	-	$	(38,218)
9/30/2015	$	-	-	$	-	-	$	(47,772)
12/31/2015	$	-	-	$	-	-	$	(47,772)
6/30/2016	$	-	-	$	-	-	$	(28,663)
9/30/2016	$	-	-	$	-	-	$	(76,435)
Total	**$**	**3,400,000**	**100.00%**	**$**	**-**	**0.00%**	**$**	**(774,398)**

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	4.4	4.4	15.0	10.4	16.4
S&P 500	Large Cap Core	3.9	3.9	15.4	11.2	16.4
Russell 1000	Large Cap Core	4.0	4.0	14.9	10.8	16.4
Russell 1000 Growth	Large Cap Growth	4.6	4.6	13.8	11.8	16.6
Russell 1000 Value	Large Cap Value	3.5	3.5	16.2	9.7	16.1
Russell 2000	Small Cap	9.0	9.0	15.5	6.7	15.8
Russell 2000 Growth	Small Cap Growth	9.2	9.2	12.1	6.6	16.1
Russell 2000 Value	Small Cap Value	8.9	8.9	18.8	6.8	15.4
MSCI EAFE	Developed Markets	6.5	6.5	7.0	0.9	7.9
MSCI EAFE Growth	Developed Markets Growth	5.0	5.0	9.9	2.8	9.1
MSCI EAFE Value	Developed Markets Value	8.1	8.1	4.2	-1.0	6.6
MSCI Emerging Markets	Emerging Markets	9.2	9.2	17.2	-0.2	3.4
MSCI All Country World	Global Equity	5.4	5.4	12.6	5.8	11.2
MSCI All Country World Ex US	Global Equity (ex. US)	7.0	7.0	9.8	0.6	6.5

Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.5	0.5	5.2	4.0	3.1
Bloomberg Barclays Gov/Credit	Gov/Credit	0.4	0.4	5.9	4.2	3.2
Bloomberg Barclays Capital Gov’t Bond	Treasuries	-0.3	-0.3	4.0	3.3	2.2
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.2	1.2	8.3	5.4	4.8
Intermediate Aggregate	Core Intermediate	0.3	0.3	3.6	3.1	2.6
Intermediate Gov/Credit	Gov / Credit Intermediate	0.1	0.1	3.5	2.8	2.4
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.1	-0.1	0.9	0.8	0.6
Citi High Yield BB & B Index	High Yield Bonds	5.1	5.1	11.7	5.0	7.6
Bloomberg Barclays Global Treasury Ex US	International Treasuries	0.6	0.6	13.6	1.6	0.6
Citi World Gov’t Bond Index	International Fixed Income	0.3	0.3	9.7	1.8	0.8
Bloomberg Barclays Global Aggregate	International Fixed Income	0.8	0.8	8.8	2.1	1.7
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	1.0	1.0	11.7	0.8	0.7

Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	-1.4	-1.4	19.8	14.1	15.8
NCREIF NFI-ODCE Index	Real Estate	2.1	2.1	10.1	12.4	12.4
NCREIF Timber Index	Timber	0.7	0.7	3.3	7.6	6.9
Bloomberg Commodity Index	Commodities	-3.9	-3.9	-2.6	-12.3	-9.4
HFRI FOF Composite	Hedge Funds	2.4	2.4	0.5	2.1	3.2

APPENDIX - DISCLOSURES

* The Burlington Policy Index was constructed as follows:

  For periods since December 31, 2015:

30% S&P 500	18% Russell 2500	10% MSCI EAFE
10% MSCI EM	28% BC Intermediate Gov/Cred	
2% S&P Completion Index	2% NCREIF Timberland	

  For periods through December 31, 2015, this index uses the returns of the Manager Shadow Index.

* The Burlington Manager Shadow index is the weighted average of each manager portfolio’s beginning value multiplied by its current quarter benchmark return.
* The Real Assets Blended Index is comprised of equal parts:
  NCREIF ODCE NCREIF Timber Bloomberg Commodities (Formerly known as Dow Jones UBS Commodities)
* All values for the Pooled Cash account since June 2012 are subject to change. Audited statements are not provided for this account.
* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
* All returns for periods greater than one year are annualized.
* Dahab Associates uses the modified duration measure to present average duration.
* All values are in US dollars.

November 17, 2016
Burlington Employees' Retirement Board –
City Hall, Conference Room 12

Board Members Present:
- Jim Strouse - Via Phone
- Bob Hooper
- Bob Rusten
- Benjamin O'Brien
- Munir Kasti
- Jeff Wick

Others Present:
- Stephanie Hanker
- Richard Goodwin
- Barry Bryant – Dahab Assoc.
- Kim Sturetvant (9:05am via phone)

Called to order at 8:35am

1. ***Agenda***:
   Add agenda item 3a as Approval of Retirement Applications. Move Agenda item number 6 to item number 4, item 4 to 5, 5 to 6.

2. ***Public Forum***:
   No Public Present

3. ***Approve Minutes of 10/20/2016:***
   Bob Hooper moved to approve minutes as presented. Benjamin O'Brien 2nd. Motion carries 6:0

3a. ***Approval of Retirement Applications:***
   Bob Hooper moved to approve the presented retirement applications. Munir Kasti 2nd. Motion carries 6:0

4. ***Discussion Regarding RFP Results for Project Management Services***
   Rich Goodwin gave an update on the RFP that was put out for Project Management Services to assist in the pension software implementation. Rich Goodwin stated there was one bid, LRWP.

5. ***Performance Presentation Dahab Associates:***
   Barry Bryant presented the 3rd Quarter performance. Barry Bryant stated as of September 30, 2016 the system was valued at $161,714094, representing

an increase of $6,303411 from June quarter's ending value. Barry Bryant stated the portfolio returned 4.2%, which was .01% greater than the Burlington Policy Index's return and ranked in the 14th percentile of the Public Fund universe. Barry Bryant stated at the end of the third quarter, equities comprised 71.0% of the total portfolio, while real assets totaled 11.5%, the account's fixed income component comprised 16.9% of total value, while the remaining 0.6% was comprised of cash and equivalents.

The Board discussed fund cash and the use of the sweep account and general fund. Bob Rusten stated that money for benefit payments is paid out the general fund and at the end of the year a true up is done by withdrawing funds from the portfolio to reimburse the general fund for payments. Bob Rusten stated currently there is a large amount of cash in the sweep account due to the VPIC distributions, approximately 3.2 million. Barry Bryant stated that there is no reason to keep cash in account because you can liquidate and get a distribution within a short period of time. Bob Hooper stated in the account if we recognize or not we have the opportunity to put in allocation and get a larger return than if the funds stay in the sweep account. Bob Rusten stated that there are two issues, one being do we recognize the cash for reporting purposes for the fund and two, do we authorize Rich Goodwin and Bob Rusten the move of the fund into the asset portfolio. Barry Bryant stated the amounts can be reported separately on the performance reports.

Bob Hooper moved to pull the negative amounts out of the reports and use all that is left for reallocating and have the cash amounts reported separately on future performance reports. Jeff Wick 2nd. Motion carries 6:0

6. ***Discussion Regarding Actuarial Assumption:***
Barry Bryant handed out the Asset Allocation Study November 2016 prepared by Dahab Associates.

7. ***Other Business:***
Bob Rusten handed out a spreadsheet detailing disability retirement payments, roughly $558,858.36 per year. Bob Rusten stated the board may want to start looking at if the disability amounts should be paid out of the retirement fund even though it is not a retirement benefit and come up with a different methodology to pay these benefits. Bob Rusten stated that paying these payments out of the fund lessens the amount in assets.

8. ***Adjourn:***
Bob Hooper moved to adjourn. Bob Rusten 2nd. Motion Carries 6:0
Meeting adjourned 9:35