



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 or
800-253-0191

****Special Meeting****
Retirement Board Meeting Agenda
Burlington Electric Department
April 08, 2015 – 9:00 AM

1. Agenda
2. Discussion of Actuarial Methods and Assumptions
3. Other Business
4. Adjourn

Non-Discrimination

The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status or genetic information. The City is also committed to providing proper access to services, facilities, and employment opportunities. For accessibility information or alternative formats, please contact Human Resources Department at 865-7145.

April 08, 2015
Burlington Employees' Retirement Board
Burlington Electric

Board Members Present: Jim Strouse (via phone) Matthew Dow
Bob Rusten Jeff Wick
Munir Kasti Daniel Gilligan (via phone)
Benjamin O'Brien

Others Present: Stephanie Hanker
David Driscoll (via phone)
Kim Sturtevant

1. **Agenda:**

No Changes to the presented agenda

2. **Discussion of Actuarial Methods and Assumptions:**

The Board was provided a spreadsheet from David Driscoll from Buck consultants showing multiple options for amortization.

Bob Rusten stated the three goals for the Board to keep in mind, level fund the City's contribution for the next three years to be no more than nine million dollars, in seven years be 85% funded and have triggers in place with steps to get back if the funding declines. Bob Rusten asked David Driscoll if the Board went with the open group method with a 13 year amortization in 2016 the unfunded liability would be \$58 million. David Driscoll stated yes, but, the GASBY would require the calculation to be based on the closed group method form of calculation. Munir Kasti asked if the Board does go with the open group method would that be a violation of GASBY. David Driscoll stated no, it is just a matter of having to use the calculation of the closed group method is required for the GASBY reporting. Bob Rusten stated using the 13 year amortization would accomplish all the goals set. Munir Kasti stated that the investments would still need to meet the 8% rate of return. Jeff Wick asked what the Board needs to do to keep on track and go in the same direction as the sheet. Bob Rusten stated that future changes through negotiations should further help. Bob Rusten stated using the 13 year schedule hits all the targets and goals and would allow a break for taxpayers possibly. Munir Kasti asked if the Board can do a mixture of the amortization schedule, using the 11 year first payment, use the 12 year for the second payment then go to the 13 year schedule, as the amounts are still under the target 9 million. David Driscoll stated that yes that could be done.

Bob Rusten moved starting in FY16 the open group method be used subject to the number of years of amortization. No Second, Motion Fails.

Bob Rusten moved that we move to the open group method defined under the 13 year amortization. No Second, Motion Fails.

Bob Rusten moved that we move to the open group method and in FY16 the City Contribution be based on the 11 year amortization in FY17 the City Contribution be based on the 12 year amortization and in FY18 and going forward the City Contribution would be based on the 13 year amortization.

Benjamin O'Brien 2nd.

Jim Strouse asked if there was discussion on the motion.

Bob Rusten amended the motion to move to the open group method and in FY16 the City Contribution be based on the 11 year amortization in FY17 the City Contribution be based on the 12 year amortization and in FY18 and going forward the City Contribution would be based on the 13 year amortization, as long as the City Contribution does not exceed the target 9 million.

Bob Rusten stated that this sheet only takes into consideration the funding, not other expenses that are still added to the ARC.

Bob Rusten amended his motion to move to the open group method and in FY16 the City Contribution be based on the 11 year amortization in FY17 the City Contribution be based on the 12 year amortization and in FY18 and going forward the City Contribution would be based on the 13 year amortization as long as the required contribution not exceed \$9 million.

Jeff Wick asked if the amortization can just state \$9 million for the first three years. Bob Rusten stated it should not be an add-on but part of the amortization schedule.

Benjamin O'Brien 2nd the amended motion.

Bob Rusten withdrew his motion.

Benjamin O'Brien withdrew his 2nd. Motion Fails

Bob Rusten moved to go to the open group method and follow the 13 year amortization schedule with the required contribution to equal \$9 million for fiscal years 16, 17 and 18. Matt Dow 2nd. Motion carries 7:0

Bob Rusten asked that the valuation be updated with an addendum to include the changes voted on.

David Driscoll stated the Board should hold an educational session on the open group method so the Board will be comfortable speaking about it.

3. Other Business:

No other business

Benjamin O'Brien moved to adjourn, Munir Kasti 2nd. Motion carries 7:0.
Meeting Adjourned 10:15am.