

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

October 16, 2024

Boston Retirement Board
Room 801, Boston City Hall
Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Michael D. O'Reilly, Elected Member; Karen T. Cross, Elected Member; Scott Finn, Ex Officio Member; Thomas V.J. Jackson, Fifth Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Christine M. Weir, Deputy Executive Officer; John F. Kelly, Investment Analyst; Natacha Thomas, General Counsel; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Michael Manning, Alec Brickell, Kiley Murphy of NEPC; Owen Burns, Sean Barber of Hamilton Lane.

Administrative Session Convene

The Board voted unanimously via roll call (5-0) to enter into Administrative Session at approximately 9:10 a.m.

Roll Call Vote: Member O'Reilly: Aye; Member Jackson: Aye; Member Cross: Aye; and, Chairman Greene: Aye. and Member Finn: Aye.

Motion accepted (5-0)

Past Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of the September 17, 2024 meeting as presented.

Roll Call Vote: Member O'Reilly: Aye; Member Jackson: Aye; Member Cross: Aye; Member Finn: Aye and Chairman Greene: Aye.

Motion accepted (5-0)

Outstanding/Ongoing Administrative Issues: Timothy J. Smyth, Executive Officer

Chairman Voting

Mr. Smyth opened by stating that the first item on his agenda was an issue brought up by member O'Reilly at the previous Board meeting. Mr. Smyth contacted the applicable statute. Mr. Smyth read the statute into the record for the

Board. There is no mention in the statute about frequency of voting, for instance, annually, biannually, etc.

The Board discussed the duties of the chairman, monetary gain, removal of member from the Board, current appointment and voting frequency. The Board decided to hold an election in next month's Board meeting.

Motion made, and seconded, to hold an election for Chairman of the Boston Retirement System at the November 25, 2024 Board meeting.

Roll Call Vote: Member O'Reilly: Aye; Member Jackson: Nay; Member Cross: Aye; Member Finn: Aye; and, Chairman Greene: Nay.

Motion accepted (3-2) (Member Jackson and Chairman Greene voted, Nay.)

Invitation to bid on Room 816

Mr. Smyth stated that the invitation to bid for room 816 is in and he raised the issue with Property Management that Member O'Reilly brought up at the last Board meeting about union labor. Informed us that the City requires prevailing wages.

Annual Open Meeting Law Certification

Mr. Smyth stated that Board members are required to get certify receipt of the on the open meeting law materials yearly. Once the Board members sign the documents, they will be filed with the clerk.

PERAC Memos

Mr. Smyth informed the Board that there were three PERAC memos for the Board to review.

Standard Agenda for 2025

Mr. Smyth has drafted a standard agenda for CY 2025 with proposed dates. The Board was asked if they knew of any conflicts with the dates picked for the meetings. The Board decided to keep the 9:00 AM start time and June meeting was changed to *June 25, 2024*. The Board agreed and the agenda will be filed with the City Clerk.

Documents Presented: 1. Administrative Session Minutes of 9.17.2024, 2. PERAC MEMO #24 2024, 3. PERAC Memo 25-2024 re Mandatory Retirement Board Member Training, 4. PERAC Memo 26-2024 re Hartnett Decision, 5. THL Equity

Fund X - Boston Retirement Board Recommendation, 6. Invitation to Bid for Room 816.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Hamilton Lane September recommendation

Mr. Burns recommended a \$10 million investment in THL Equity Fund 10. THL partners were formally known as Thomas H. Lee partners, a Boston based firm.

They have recently rebranded as THL with a longstanding placement in the Real Estate space. They have been a manager of your portfolio for many years. This would be the systems seventh fund investing with this group. They have been around since 1974

The Fund is raising just over \$6 billion to invest in financial technology and services, health care and technical business services. They have a 54-person investment team. They have a strong strategic resource group, this is a group that drives operational improvements. They are fully integrated with the investment team. THL performance has done well, generating a NET of over 15%. We recommend a two-year relationship.

Motion made, and seconded, to allocate \$10 million to THL Equity Fund 10.

Roll Call Vote: Member O'Reilly: Aye; Member Jackson: Aye; Member Cross: Aye; Member Finn: Aye; and, Chairman Greene: Aye.

Motion accepted (5-0)

International Small Cap Equity Search

Mr. Manning stated that the international small cap equity search was issued in compliance with the PERAC guidelines that require a review every seven years. At the September meeting, NEPC presented the list of search respondents and a review of the System's existing manager, Segall Bryant and Hamill. Six of the respondents were selected for additional analysis, which will be presented today. Today's discussion will focus on identifying finalists to interview at the November meeting. Acadian Asset Management LLC, Allspring Funds Management, LLC, FIAM LLC, Global Alpha Capital Management Ltd., Segall Bryant & Hamill, LLC and Strategic Global Advisors, LLC. were the firms that responded.

Mr. Brickell stated that often these managers differ by asset class. Fundamental and Quantitative. Fundamental class is what you expect. You can

usually have one portfolio manager that's making the calls. They are the ones getting analyst information to look into different funds. Where Quantitative, is a bit more systematic. What they do is give you a more math and data, to look into companies that are more attractive and they think they are going to out perform and use the data, algorithms to build a portfolio.

The Board and NEPC staff discussed the responders and the strength of their proposal's performance and track record. Also discussed was the systems current relationship with current manager. The Board decided to have Segall Bryant & Hamill, LLC, Allspring Funds Management, LLC and Global Alpha Capital Management Ltd to come I and present to the Board at November Board meeting

Real Estate Search

Ms. Murphy stated that the 2024 real estate search focused on value-add and opportunistic strategies to fulfill the System's annual commitments to the real estate program. The total recommended commitment amount for 2024 is ~\$75 million with the ability to commit more. As a reminder, the value-add candidates were evaluated first, and the Board selected Mesirow and TerraCap for commitments of \$25 million each. At today's meeting we will revisit the opportunistic respondents and determine next steps for the search.

The top tiered respondents were, Brookfield Strategic Real Estate Partners V, Sculptor Real Estate Fund V, Starwood Distressed Opportunity Fund XIII and Kayne Anderson Real Estate Partners VII.

The Board agreed to conduct a Real Estate search to be done in December. The Board decided to have Sculptor Real Estate Fund V, Kayne Anderson Real Estate Partners VII and AEW Partners Real Estate Fund X to present in December Board meeting

September 2024 Flash Report

Mr. Manning reported that the plan was up +1.5% through the month of September, 2024 and +16.5% in the one-year period. The performance was up +9.15 YTD.

Infrastructure (Private Equity) Search

NEPC would like to issue an infrastructure search on behalf of the System to fulfill the annual commitment to private equity. The recommended commitment amount is \$30 million, as outlined in the 2024 private equity pacing

plan. As a reminder, the System makes commitments to private markets each year and the annual pacing plan is used to determine the commitment amounts.

Work Plan-2024

	OCT	NOV	DEC	JAN	FEB
TOTAL PLAN					
Asset Allocation					Annual AA Review
Performance		Q3			
Education / Review					
TRADITIONAL					
Search / Presentations	Int'l SC Equity Analysis	Presentations			
HEDGE FUNDS					
Program Planning					
Search / Presentations		Search Review	Presentations		
PRIVATE MARKETS					
Program Planning					
Search / Presentations	Issue PE Search		Review Respondents	Analysis/ Presentations	
Performance		Q2			
REAL ESTATE					
Program Planning					
Search / Presentations	Opportunistic Search Review	Presentations			
Performance		Q2			

Mr. Manning stated that NEPC has included an updated work plan with the meeting materials.

Outstanding/Ongoing Financial Issues: Ellen M. McCarthy, Comptroller

October 2024 Financial Snapshot

Ms. McCarthy reported the October 2024 pension payroll as follows: Contributory payroll: \$64,126,812; Contributory Payees: 15,776; Non-contributory payroll: \$351,796; Total Non-contributory payees: 37; Regular Retirees: 34; Survivor/Beneficiary Retirees: 1; Disability Retirees: 7; Option C/Disb Surv 7; Members Refunds: 67 for \$688,550; Members Transfers: 48 for \$2,185,329; Option B Refunds: 1 for \$ 72,561; and, Operational Warrants: \$722,437.

Ms. McCarthy informed the Board that on the October cash flow statement, that staff has collected all of the appropriations for fiscal year 2025. With the exception of BHA, who put themselves on a monthly plan but Ms. McCarthy is

trying to push back to get them to pay up front. BHA should pay by July 1. They continue to exhibit an array of excuses on why they have to pay monthly.

Documents Presented: 1. September snapshot for calendar year 2024. 2. 08.2024 MMDT Reconciliation. 3. 08.24_Adjusting Entries_Summary (2). 4. 08.24_Adjusting Entries_Summary (1). 5. 08.24_Cash Receipts_Summary (1). 6. 08.2024 MMDT (2). 7. 08.2024 MMDT (1). 8. 08.2024 Direct Deposit. 9. 08.2024_Cash Receipts by Journal Entry. 10. 08.2024_Cash Disbursements by Journal Entry (2). 11. 08.2024_Cash Disbursements by Journal Entry (1). 12. Warrants_08. 13. Warrants_08. 14. BRS Cash Projections 2024_AUGUST (1). 15. TB_08.2024. 16. GL_08.2024.

Outstanding/Ongoing Operations Issues: Christine M. Weir, Deputy Executive Director

September 2024 payroll update

Ms. Weir provided an update on the payroll numbers for the month of September, 2024:

42	Total possible retirements
33	Superannuation cases
2	Death of active cases
7	Disability cases
2	Pre-Retirement Deaths
28	Cases made it to payroll
6	Cases did not make it to payroll

Ms. Weir informed the Board that staff is currently working on October payroll which is the Systems busiest month. To date we have processed approximately 119 cases. The System usually averages around 40 cases.

As for CBA and BBP calculations, we ran some preliminary figures. Since January 2024, we've calculated approximately 409 cases of collective bargaining agreements that were all signed. We get them several months after they are signed. Staff are doing retirees only.

Mr. Smyth stated that the System is taking steps to get outside help for these tasks.

Legal Issues: Natacha Thomas, General Counsel

None.

Respectfully submitted,
BOSTON RETIREMENT BOARD



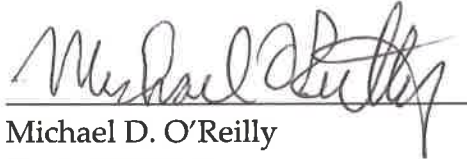
Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman



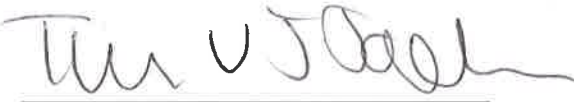
Scott M. Finn
Ex Officio Member



Karen T. Cross
Elected Member



Michael D. O'Reilly
Elected Member



Thomas V.J. Jackson
Fifth Member