

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

September 21, 2016

Boston Retirement Board, Room 716

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Sally D. Glora, *Ex Officio* Member; Michael W. McLaughlin, Elected Member; Michael D. O'Reilly, Elected Member; Thomas V.J. Jackson, Fifth Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Padraic P. Lydon, General Counsel; Jonathan D. Lucas, Chief Financial Officer; John Kelly, Investment Analyst; Christine M. Weir, Operations Officer; Jean Petitti, Recorder.

ALSO IN ATTENDANCE: Michael Manning and Sean Gill of NEPC.

Convene

The meeting convened and entered Administrative Session at approximately 10:09 a.m. All in attendance were identified for the record and introductions were made.

Previous Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of August 29, 2016, as presented.

Motion accepted (5-0)

Outstanding/Ongoing Administrative Issues: Timothy I. Smyth Executive Officer
Proposed Supplementary Regulation re Membership Eligibility

Mr. Smyth asked the Board if they had any final questions or concerns pertaining to the updated draft of the proposed supplementary regulation pertaining to membership eligibility with the retirement system.

It was noted that while the regulation limits membership to those employees who work at least 20 hours per week, the "once a member always a member" policy would remain in effect for those members who presently work less than 20 hours.

Ms. Glora explained that, from the City's point of view, all employees are hired as "provisional," as opposed to "temporary" or "seasonal". Therefore, for

clarity, Mr. Smyth will strike the word "provisional" and add the word "seasonal."

Mr. Smyth pointed out that, in §1.03(2) of the draft supplementary regulation, all TARP-eligible positions had been identified, primarily for the benefit of staff. This list will be available for staff but will not be included in its entirety in the proposed regulation. In regards to substitute teachers, there are different classifications. Full-time or "cluster" substitutes are members. There is also language in the statute stating that once a substitute works a certain number of days in a year they become members as well. Mr. Smyth will update the draft to reflect these changes and the regulation will be on the October 2016 Board meeting agenda for Board vote.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst
New England Pension Consultants

Private Equity Separate Account Search

This search was issued in June 2016 to identify candidates to manage a customized separate account on behalf of BRS. The manager will have discretion to invest roughly \$100 million in aggregate over 3 years, across the buyout, growth, venture, special situations, and co-investments strategies.

NEPC provided a list of respondents along with additional analysis to help in the initial phase of evaluating candidates. After an extensive review and discussion of all the candidates, the Board chose Mesirow, Hamilton Lane and Harbourvest to make presentations at the October 2016 meeting. NEPC will provide further comprehensive analysis of the three presenting candidates in October as well. The full analysis will focus on each candidate's proposed structure, expected number of investments and commitments, geographic breakout, strategy allocations and fees.

August 2016 Flash Report

The total plan up was up +0.6% for the month of August, which brings the total plan up to +5.0% year to date. The August performance was driven by Emerging Market and Small Cap equities which were up +2.2% and +1.4% respectively.

Outstanding/Ongoing Financial Issues: Jonathan Lucas, Chief Financial Officer

Financial Snapshot

Mr. Lucas presented the August 2016 financial snapshot to the Board. He noted that the August 2016 payroll went out timely to 14,643 payees and totaled just under \$48 million. In addition, there were 73 refunds and transfers totaling \$1,311,897 and operational expenses of approximately \$310,000.

Outstanding/Ongoing Operations Issues: Christine M. Weir, Operations Officer
Operations Update

Ms. Weir provided an update on the payroll number for the month of August 2016. There were 59 possible retirees, (43 superannuation, 11 disabilities & 5 death of an active member) of which 43 were processed. The breakdown of the 15 unprocessed cases is as follows:

- 2= Updating DRO;
- 3= In Process;
- 1= Issue with over-payment;
- 2= Process of buyback, roll-over;
- 3= Missing Salary (BPS); and,
- 4= Did not return final papers.

Buy Back Project

The buyback project continues to move forward. Ms. Weir reported that 126 outstanding buybacks are open for the backlog project, 50 are ready for review and 193 cases were closed due to incomplete information. Ms. Weir reported from the new buyback list 137 were completed and 65 are waiting for review. Currently there are 202 open workflows.

Outstanding/Ongoing Legal Issues: Padraic P. Lydon, General Counsel

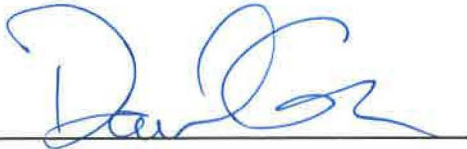
The following PERAC memo was discussed for educational purposes only:

PERAC Memo 22-2016 re Forfeiture of Retirement Allowance for Dereliction of Duty by Members

Adjourn

Board voted (5-0) to exit Executive Session and adjourn from Administrative Session at approximately 1:25 p.m.

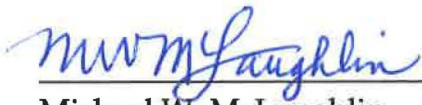
Respectfully submitted,
BOSTON RETIREMENT BOARD



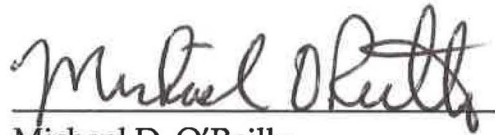
Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman



Sally D. Glora
Ex Officio Member



Michael W. McLaughlin
Elected Member



Michael D. O'Reilly
Elected Member

Absent 10/19/16 meeting
Thomas V.J. Jackson
Fifth Member