

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

August 22, 2018

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: Padraic P. Lydon, General Counsel; Ellen M. McCarthy, Comptroller; John F. Kelly, Investment Analyst; Christine M. Weir, Operations Officer and Tara Jeanetti, Board Secretary.

Convene

The meeting convened and entered Administrative Session at approximately 10:08 a.m. All in attendance were identified for the record and introductions were made.

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

ABC Project Update, Luella Wong

Ms. Wong provided an update of work in progress as they work to wrap up the ABC project. She reported that Refunded, Retired, Deceased and Transferred members are all expected to have a zero balance. The remaining accounts with those member statuses will be zeroed with a single transaction unless they are flagged as an exception by the ABC team or the subject matter experts in the department. For example, if the account is flagged as "work in progress" or "likely a duplicate account", it will not be zeroed. The ABC work with wrap up soon and the team will transition to full focus on DQ (data quality). Some team members have already started on the DQ effort.

Travel to Carlyle Conference

Proposed travel expenses were offered to the Board for investment analyst John Kelly to attend the Carlyle Conference for one day. The anticipated expenses was largely air-flight of approximately \$300.

Motion to pay travel expenses for John Kelly to attend the Carlyle Conference.

Approved 5-0

Outstanding/Ongoing Investment Issues: John F. Kelly, Investment Analyst

Emerging Market Debt

Discussed the search analysis presented by NEPC on the shortlist of 12 respondents to the Emerging Market Debt Search. The discussion included the manager's, risk, performance, size and strategy style. After which the Board agreed upon five managers to present as finalists at the September Board meeting. The finalists chosen were Aberdeen, GMO, Loomis Sayles, Manulife and Wellington.

Performance

NEPC presented the 2nd quarter 2018 Investment Performance Analysis. This detailed relative and absolute performance for the Plan which returned 8.6% over the trailing one year period. This ranked in the 31st percentile of its peer universe and outperformed its allocation index by some 20 basis points.

July 2018 Flash Report

NEPC provided the preliminary July performance report which showed the Total Plan was up +1.7% for the month and +2.0% YTD through July of 2018.

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

Financial Snapshot

Ms. McCarthy reviewed the July 2018 financial snapshot with the Board noting that the monthly payroll issued timely to 14,935 payees in the amount of \$50,839,897. The payroll of 60 non-contributing retirees totaled \$318,870. There were 35 new superannuation retirees, 4 survivor beneficiaries and 5 new disability retirees. Ms. McCarthy noted that 50 members refunded for a total of \$968,668, there were 20 transfers in the amount of \$1,418,209 and there were 4 option B refunds in the amount of \$176,055. She stated that operations warrants for July 2018 were \$145,126.

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

Operations Update

Ms. Weir provided an update on the July 2018 pension payroll. There were 58 potential new cases (42 superannuations, 10 disabilities & 6 DOAs), of which 43 were processed (35 superannuations, 5 disabilities & 3 DOAs). Explanations for why the 15 cases did not make the payroll was as follows:

- 1 waited on a transfer;
- 1 waited on Paternity;
- 7 members did not return their final papers;

- 1 had incomplete documents;
- 1 member was out of the country;
- 1 needed additional info to calculate;
- 1 recoupment;
- 1 needed salary from BPS; and,
- 1 waited on dependent children information.

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

Legal Update

The following PERAC memos were provided for educational purposes only:

- PERAC Memo #22-2018 re Public Records Law Side Letter Provisions;
- PERAC Memo #23-2018 re Reinstatement to Service; and,
- PERAC Memo #24-2018 re Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors.

The following court case was discussed for educational purposes only:
O'Leary v. Lexington Ret. Board & PERAC, CR-15-30 (CRAB dec. 07.23.2018).

Executive Session

The Board voted unanimously (5-0) to enter into Executive Session at approximately 11:21 a.m.

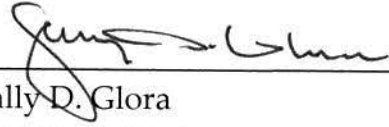
Adjourn

The Board voted unanimously (5-0) to exit Executive Session and adjourn from Administrative Session at approximately 11:27 a.m.

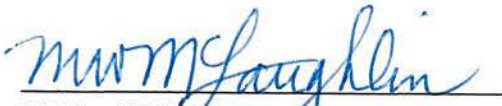
Respectfully submitted,
BOSTON RETIREMENT BOARD



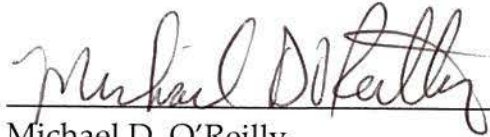
Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman



Sally D. Glora
Ex Officio Member



Michael W. McLaughlin
Elected Member



Michael D. O'Reilly
Elected Member



Thomas V.J. Jackson
Fifth Member