

## **MINUTES OF BOSTON RETIREMENT BOARD**

### **Administrative Session**

May 23, 2025

Boston Retirement Board

Pavilion Conference Room, Boston City Hall Plaza

Boston, Massachusetts 02201

**TRUSTEES IN ATTENDANCE:** Thomas V.J. Jackson (Chairman); Karen T. Cross, Elected Member; Sally Glora, Mayoral Appointed Member; Scott Finn, *Ex Officio* Member; Sean F. Kelly, Elected Member.

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

**ALSO IN ATTENDANCE:** Michael Manning, Kiley Murphy, Colton Lavin of NEPC; Kathy Riley, Andrew Luoungo, of Segal; Owen Burns, Sean Barber of Hamilton Lane; Michael Dwyer, Consultant; Denise Berkley, James Phillip, Mary Ann Urban, Janey Frank of BTU/RTC; Jordan Frias of City Council; Jessie Pervis of Boston City Council; Elisse Cadillac of AFSCME; Brian Norton of AFL/CIO; Edward Flynn, of City Council; Gabriela Coletta of Boston City Council; Kevin Zarnoch of BPPA; Sam Dillon of Firefighter Local 718.

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### **Administrative Session Convene**

The Board voted unanimously via roll call (5-0) to enter into Administrative Session at approximately 9:00 a.m.

*Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly, Elected Member; Member Glora: Aye and, Chairman Jackson: Aye.*

**Motion accepted (5-0)**

### **Past Minutes**

Motion made, and seconded, to **accept** the Administrative Session Minutes of the April 16, 2025 meeting as presented.

*Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly, Elected Member; Member Glora: Aye and, Chairman Jackson: Aye.*

**Motion accepted (5-0)**

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

### *Annual Actuarial Valuation*

Ms. Riley presented Preliminary Actuarial Valuation as of 01/01/2025. Because the System is so close to full-funding, the Board decided to produce annual valuations, as opposed to biannual valuations. Ms. Riley made a thorough review of her findings and explained the salient points, particularly as to asset returns and liabilities.

As to the cost of increasing the COLA base, Ms. Riley noted her report contains the additional unfunded liability and employer normal cost was included if the COLA base were increased from \$15,000 to \$16,000, \$17,000 and \$18,000, as well as the new funding schedule the additional cost of increasing the COLA base. The four alternatives amortize the unfunded liability due to increasing the COLA base over three, four, five or six years, with an initial payment in fiscal 2025 and subsequent payments increasing 8.85% each year. Some of these alternatives extend funding of the increase in the COLA base beyond the full funding of the existing unfunded liability. This approach to amortizing the unfunded liability is referred to as layered amortization.

At this time Chairman Jackson asked if the Board had any questions. He continued by stating he knows that there are various organizations being represented with multiple representatives. Maybe if those present can choose one person to speak and please keep it brief. Councilor Edward Flynn, Councilor Gabriela Coletta, Jordan Frias representing Councilor Ben Weber and Jessie Pervis representing Councilor Ruthzee Louijeune all provided statements in support of a COLA base increase. In addition, various union representatives and stakeholders also provided statements in support of a COLA base increase.

### *IT & Cybersecurity update*

Mr. Dwyer stated that overall the grant projects and associated requirements are on track, but with two open concerns. First, progress on the awareness portion is proving to compete directly with the federal track and is doubly challenging during renovations; there are near term plans taking shape. Second, CISA Hygiene consists of a network vulnerability scan from CISA (Cybersecurity and Infrastructure Security Agency); DoIT already participates so the need is met for BRS.

In addition, pension software was discussed.

The following PERAC Memorandum was provided for Board education:

- PERAC Memo 14-2025 re Mandatory Retirement Board Member Training

**Documents Presented:** 1. Administrative Session Agenda of 05.23.2025.pdf 2. Administrative Session Minutes of April 16, 2025. 3. 03.2025\_Adjusting Entries Summary. 4. Boston Retirement System - Cost of Increasing the COLA Base Effective July 1, 2025. 5. Boston Retirement System - Preliminary Valuation Results as of 01/01/2025. 6. Cost of Increasing the COLA Base Effective July 1, 2025. 7. Cover letter to City Clerk attaching COLA base cost memo and preliminary valuation as of 01.01.2025. 8. COLA Base list from PERAC as of 05.16.2025. 9. Letter from AFT of MA in support of COLA base increase to \$18,000. 10. Letter from BASAS in support of increasing COLA - received 05.14.2025. 11. Letter from BTU in support of COLA base to \$18,000. 12. Letter from City Councilor Benjamin Weber in support of COLA base increase. 13. Letter from Constantia Thibaut in support of increasing COLA base. 14. Letter from City Councilor John FitzGerald in support of COLA base increase. 15. Letter from Janey Frank in support of COLA base increase. 16. Letter from State Reps MacGregor and Consalvo in support of COLA base increase. 17. Letter from Karen Perry Daley. 18. Letter from City Councilor Henry Santana in support of COLA base increase. 19. Letter from City Councilor Enrique Peppen in support of COLA base increase. 20. Letter from City Councilor Edward Flynn in support of COLA base increase. 21. Letter from City Councilor Elizabeth Braedon in support of COLA base increase. 22. Resolution in support of a COLA base increase. 23. BRS Board of Trustees Cybersecurity and Pension Software Rpt. 24. PERAC Memo 14-2025 re Mandatory Retirement Board Member Training.

**Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst**

*Private Debt Search*

Mr. Manning stated that the private debt search was issued in April on behalf of the System, in line with the annual pacing plan which calls for ~\$100 million in private debt commitments in 2025. The search focused on direct lending, niche lending, and credit opportunities strategies. A total of 92 responses were received, varying by sub-strategy, fund size, geographic exposure, and sector focus.

Mr. Manning stated the biggest subset is Direct Lending, that may warrant narrowing and additional research for further consideration. The other two lists of sub strategies are smaller. Chairman Jackson stated that it makes sense, if we try to get some managers to come to the June meeting.

Under the Direct Lending strategy Mr. Lavin highlighted the following managers. Arcmont, Blue Torch, HarbourVest, MC Credit and PennantPark. The Board decided on having Arcmont, Blue Torch, HarbourVest, Pennant Park and MC Credit to research further for interview potential.

As for Niche lending Mr. Lavin highlighted Oaktree and Pathlight. Chairman Jackson and the Board stated that they would like to see Pathlight, Mesirow, Brookfield, EnTrust Global, Galvanize and Marathon for further review.

In the Credit Opportunities strategy, Mr. Lavin highlighted Intermediate Capital Group and Sixth Street Fund. The Board decided to have Intermediate Capital Group, Sixth Street Fund and J.F. Lehman & Co to meet with the Board at the June Meeting..

#### *Q1 2025 Performance Summary*

Mr. Manning stated that the System has less in U.S. Equity but more in International Equity than other public plans. The System has more exposure to alternatives than its peers. Mr. Manning noted that the System has less risk or volatility than comparable plans. That comes from the additional diversification of the alternatives and larger International Equity exposure. The System has had medium level performance returns but lower levels of risk. As a plan, we intentionally diversified and it worked.

#### *April 2025 Flash Report*

Mr. Manning reported that the plan was +0.6% in the month of April 2025; +1.2 year to date and +7.1 % in the one-year period.

## Work Plan for 2025

	JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<b>TOTAL PLAN</b>												
Asset Allocation		AA Review Approved New Targets										
Other/ Education		NEPC Market Outlook		Approved Updated IPS								
<b>TRADITIONAL</b>												
Traditional Commitments		Terminated Crescent										
Traditional Review												
<b>HEDGE FUNDS</b>												
HF Review		<i>Presentations</i> Blackstone, Evanston, Grosvenor, Magnitude										
HF Commitments		Retained Blackstone & Grosvenor										
<b>PRIVATE MARKETS</b>												
PE/PD Program Planning	Infra Finals Blackstone, ICG, Macquarie	Pacing Plan		Issued PD Search								
PE/PD Commitments	<i>Infrastructure</i> Blackstone - 20 Macquarie - 20											
<b>REAL ESTATE</b>												
RE Program Planning		Pacing Plan										
RE Commitments												

### *Hamilton Lane recommendation re Stripes VII, LP*

Mr. Burns opened stating that Stripes Management, LLC ("General Partner"), ("Stripes") is a 17-year-old New York firm. Stripes VII, LP ("Fund") has a Target Size/Hard Cap of \$1.6 billion to \$1.7 billion. The Asset Class is Private Equity with a Growth Equity strategy in the United States primarily in the consumer and enterprise software industry. Mr. Burns went on to state that the fund targets returns of 3.0x to 5.0x gross multiple; 2.5x to 4.0x TVPI. Hamilton Lane recommends a \$10 million allocation by the System into the Stripes VII, LP ("Fund").

Motion made, and seconded, to **allocate** \$10M USD to Stripes VII, LP for Private Equity space as recommended by Hamilton Lane.

Roll Call Vote: Member Kelly: Aye; Member Cross: Aye; Member Finn: Aye; Member Glora: Aye and, Chairman Jackson: Aye.

**Motion accepted (5-0)**

**Documents Presented:** 1. NEPC May 2025 Meeting Materials. 2. NEPC Private Debt Education May 2025 3. Hamilton Lane Materials.

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

*May 2025 Financial Snapshot*

Ms. McCarthy reported the April 2025 pension payroll as follows: Contributory payroll: \$65,458,620; Contributory Payees: 15,883; Non-contributory payroll: \$348,356; Total Non-contributory payees: 36; Regular Retirees: 45; Survivor/Beneficiary Retirees: 1; Disability Retirees: 8; Option C/Disb Surv 11; Members Refunds: 46 for \$545,797; Members Transfers: 31 for \$ 1,289,047; Option B Refunds: 4 for \$180,459; and, Operational Warrants: \$1,273,158.

Ms. McCarthy noted that the Board's financial documents were included in the Board package for their review and offered to answer any questions.

**Documents Presented:** 1. May snapshot for calendar year 2025. 2. 03.2025 MMDT Bank Account Reconciliation. 3. 03.2025 Direct Deposit Bank Statement 4. 03.2025 Operating Bank Account Statement. 5. 03.2025 Retirement Payments Bank Statement. 6. 3.2025 MMDT Bank Account Statement. 7. 03.2025\_Adjusting Entries by Account ID. 8. 03.2025\_Cash Disbursements by Account ID. 9. 03.2025\_Adjusting Entries by Journal Entry. 10. 03.2025\_Adjusting Entries Summary. 11. 03.2025\_Cash Disbursements Summary. 12. 03.2025\_Cash Receipts Summary. 13. 03.2025\_Cash Receipts by Account ID. 14. 03.2025\_Cash Receipts by Journal Entry. 15. General Ledger\_03.2025. 16. Trial Balance\_03.2025. 17. Warrants Paid\_03.2025.

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

*May 2025 payroll update*

Ms. Weir provided an update on the payroll numbers for the month of April, 2025:

51	Total possible retirements
40	Superannuation retirees
8	Disabilities retirees.
3	Death of an active member
44	Completed cases/to payroll
33	Superannuation cases
3	Disability cases
3	Death of active
7	Didn't make it to payroll all Superannuation

Ms. Weir stated that member Kelly wanted numbers for CBA's and vacation buyback. Next month Ms. Weir will submit more detailed information, but for Fire members only, the System had 228 recalculations. There are 98 at the last stages in our QA department. Once they are QA'd they will be placed into payroll and 55 have been put on payroll. We do have two new resources and are doing our due diligence.

**Legal Issues: Natacha Thomas, General Counsel**

Ms. Thomas stated that there were no legal issues to discuss in the administrative session.

**Adjourn from Administrative Session**

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter into Executive Session at approximately 10:57 a.m.

*Roll Call Vote: Member Cross: Aye; Member Finn: Aye; Member Kelly: Aye; Member Glora Aye; and Chairman Jackson: Aye.*

**Motion accepted (5-0)**

Respectfully submitted,  
BOSTON RETIREMENT BOARD



Thomas V.J. Jackson  
*Chairman*



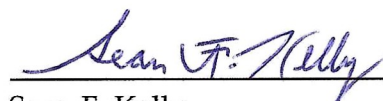
Scott T. Finn  
*Ex Officio Member*



Karen T. Cross  
*Elected Member*



Sally D. Glora  
*Mayoral Appointed Member*



Sean F. Kelly  
*Elected Member*