

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

June 18, 2025

Boston Retirement Board

Conference Room 801, Boston City Hall

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; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Kiley Murphy, Colton Lavin, Michal Sullivan John O'Brian of NEPC; Owen Burns, Sean Barber of Hamilton Lane; Michael Dwyer, Consultant; Lou Mintz, Evan Lederman, Lionel Jolivot, Jessica Godt of JF Lehman; Julian Salisbury, Kevin Brooks of Sixth Street; Bernard Coady, Christopher Austin of Intermediate Capital Group; James Phillip, Mary Ann Urban, Denise Henderson, Janey Frank, Denise Berkley of BTU/RTC; Marilyn Marion, of Alliance for the retired; Gabriela Ramirez, Liam Rivas, Jordan Frias, Jessie Pervis, Jenifer Atallah, Danielle Rones, Anthony Wilnet, Matt Costas, Edward Flynn, Ben Weber of Boston City Council; Elisse Cadillac of, AFSCME; Brian Norton of AFL/CIO; Kevin Zarnoch, of BPPA; Grant Furnington of BMRB; Alice Young; Niki Griswold, of Boston Globe; Denise Henderson.

Convene

The Board voted unanimously via roll call (5-0) to enter the Administrative Session at approximately 9:03 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 05/23/2025 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

COLA & COLA base

Motion made, and seconded, to **approve** the COLA adjustment which has been set at three percent (3%) 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)

Motion made, and seconded, to **raise** the COLA base from \$15,000 to \$18,000 as presented.

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

Motion failed (3-2) (Members Finn, Glora and Jackson voted Nay)

Motion made, and seconded, to **raise** the COLA base from \$15,000 to \$17,000 as presented.

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

Motion failed (3-2) (Members Finn, Glora and Jackson voted Nay)

Motion made, and seconded, to **raise** the COLA base from \$15,000 to \$16,000 as presented.

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

Motion failed (3-2) (Members Finn, Glora and Jackson voted Nay)

IT & Cybersecurity update

As to cybersecurity, Mr. Dwyer stated we conducted a second tabletop exercise with several people from the Board's management team and Board Member Scott Finn. It was a success. Mr. Dwyer reported that the grant monies were primarily spent down for the tabletop exercises. There will be a written submission shortly. It is anticipated that approximately \$7,000 of State funds will be used for awareness training with staff.

As to the IT update, Mr. Dwyer noted that PTG and Baystate are surprisingly comparable in the overall price plan. However, there's a lot of work to be done. The PTG quote is front loaded, we want it backloaded.

The Baystate quote includes a \$50,000 scoping exercise, which Mr. Dwyer considered off-putting because it was meant to be a fixed price quote. There will be plenty of downstream work. Mr. Dwyer predicted that the Board will expend approximately \$10-\$11 million across seven years.

Both vendors were asked to provide cost information on what it takes to do the additional functionality around teacher population, TARP calculations, etc. PTG stated that it would cost approximately \$1 million of the \$3.5 million implantation or about 29%. Baystate said it was 10% of the implementation.

There was also discussion about the current contract with Vitech. Mr. Smyth suggested as next steps to have both vendors PTG and Baystate present to the Board at the July Board meeting.

Chairman Jackson would like to see a comparison document that the Board can review before and compare before they present. Mr. Dwyer will work on getting that to the Board members within the next two weeks. Member Glora would like to see what the vendor's staffing and back office capabilities look like to serve the System.

PERAC Memos, Reports and/or Forms for Board education:

- PERAC Newsletter 68-2025
- PERAC Memorandum 15-2025 re Violent Act Forms
- Massachusetts PERAC Federal Taxation Training slides by Ice Miller
- Commonwealth Appropriation for FY2026

Documents Presented: 1. Agenda of 06.18.2025 Administrative Session. 2. Administrative Session Minutes of 05.23.2025. 3. Boston Retirement System - Cost of Increasing the COLA Base Effective July 1, 2025. 4. Boston Retirement System - Preliminary Valuation Results as of 01/01/2025. 5. COLA Base list from PERAC as of 05.16.2025 6. Letter from AFT of MA in support of COLA base increase to \$18,000. 7. Letter from BASAS in support of increasing COLA. 8. Letter from BTU in support of COLA base to \$18,000. 9. Letter from City Councilor Benjamin Weber in support of COLA base increase. 10. Letter from Constantia Thibaut in support of increasing COLA base to \$18,000. 11. Letter from City Councilor John FitzGerald in support of COLA base increase. 12. Letter from Janey Frank in support of COLA base increase. 13. Letter from State Reps. MacGregor and Consalvo in support of COLA base increase. 14. Letter from City Councilor Brian Worrell in support of COLA base increase to \$18,000. 15. Letter from Karen Perry Daley. 16. Letter from City Councilor Erin Murphy in support of COLA base increase to \$18,000. 17 Letter

from City Councilor Henry Santana in support of COLA base increase to \$18,000. 18. Letter from City Councilor Enrique Peppen in support of COLA base increase to \$18,000. 19. Letter from City Councilor Edward Flynn in support of COLA base increase. 20 Letter from City Councilor Elizabeth Braedon in support of COLA base increase. 21. Resolution in support of a COLA base increase for City of Boston retirees. 22. Letter from Mary Ann Urban in support of COLA base increase. 23. Letter from City Councilor Edward Flynn in support of COLA base increase. 24. Letter from City CFO in support of 3 per cent COLA. 25. Letter from City CFO against COLA base increase. 26. BRS Pension Software Proposal Pricing and Staffing Tables 2025. PERAC Newsletter 68-2025. 28. PERAC Memo 15-2025 re Violent Act Forms. 29. Massachusetts PERAC Federal Taxation Training slides by Ice Miller. 30. Commonwealth Appropriation Letter for FY2026 from PERAC.

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

May 2025 Financial Snapshot

Ms. McCarthy reported the May 2025 pension payroll as follows: Contributory payroll: \$65,199,654; Contributory Payees: 15,865; Non-contributory payroll: \$348,356; Total Non-contributory payees: 36; Regular Retirees: 29; Survivor/Beneficiary Retirees: 5; Disability Retirees: 1; Option C/Disb Surv 4; Members Refunds: 68 for \$1,426,037; Members Transfers: 34 for \$1,212,493; Option B Refunds: 3 for \$165,933; and, Operational Warrants: \$794,403.

Ms. McCarthy noted that we are currently under audit with PERAC. Also, Ernest & Young should be done with their audit in July. Ms. McCarthy was hopeful that EY would present their financial statement to the Board next month.

Documents Presented: 1. May snapshot for calendar year 2025. 2. Boston Retirement System GASB 67_68 as of December 31, 2024. 3. General Ledger_04.2025. 4. 04.25_Cash Receipts - Summary. 5. 04.25_Adjusting Entries Summary. 6. 04.25_Cash Disbursements Summary. 7. 04.2025 BRS Cash Projections. 8. 04.2025 Direct Deposit Bank Account Statement. 9. 04.2025 MMDT Bank Account Reconciliation. 10. 04.2025 Operating Bank Account Reconciliation. 11. 04.2025 MMDT Bank Account Statement. 12. Warrants Paid_04.2025. 13. 04.2025 Retirement Payments Bank Account Statement. 14. Trial Balance_04.2025. 15. 04.2025 Operating Bank Account Statement.

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 May 2025:

51	Total possible retirements
42	Superannuation retirees
1	Disabilities retirees.
8	Death of an active member
28	Completed cases/to payroll
3	Superannuation cases
1	Disability cases
8	Death of active
14	Didn't make it to payroll all Superannuation

Military Buyback Project

Ms. Weir reminded the Board that the Massachusetts legislature enacted the Hero Act last year that impacts members and their ability to purchase military service. In short, the 180-day rule for purchasing service is no longer in effect. All active vested members must be in an agreement by August 8, 2025, a one time opportunity to purchase. Board staff is actively working through a large volume of military purchases and generating invoices. A key point for non-vested Members is that they have one year after their vested date to purchase.

CBA & Vacation Leave Buybacks Recalculations

The number of outstanding CBA and vacation leave buyback recalculations is 767. Of which, the Fire Department totaled 231 (70 have been completed); the Police Department totaled 467 (130 have been completed). The other departments have smaller numbers. For instance, SENA totaled 41 (7 have been completed).

Member Kelly asked if there were more resources needed for these tasks. Ms. Weir stated that we have hired people, but that this requires a complete recalculation. This is not a task where we could simply hire temporary labor. In order to correctly recalculate these benefits requires strong aptitude in Chapter 32 benefit calculations. In addition, we have added additional meetings during the week to ensure additional QA cases will be completed. The majority of the staff assigned to these recalculations are working 10-hour days and any downtime is diverted to these recalculations.

Outstanding/Ongoing Legal Issues: Natacha Thomas, General Counsel

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

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Private Debt Search

Ms. Murphy stated that the private debt search was issued in April on behalf of the System, in alignment with the annual pacing plan, which targets approximately \$100 million in private debt commitments for 2025. The search focused on three strategy types: credit opportunities, direct lending, and niche lending. At the May meeting, three credit opportunities finalists were selected to present at today's meeting, JF Lehman Credit Opportunities Fund II, Sixth Street Opportunities Partners VI and Intermediate Capital Group Europe Fund IX.

The other two parts of the search are Direct lending and Niche lending and those will follow this search. We have put together additional analysis of that subset of managers and we will review those today with the objective of narrowing down that list to about two or three each for interviewing. Mr. Lavin proceeded to give an overview to the Board of the three managers presenting at today's meeting.

JF Lehman

Mr. Mintz opened by thanking the Board on its ongoing partnership in the Equity space and looks forward to the opportunity to present today. Founded over 30 years ago, J.F. Lehman & Company ("JFL"), is a leading alternative asset manager focused exclusively on the aerospace, defense, government, maritime, environmental and infrastructure sectors and companies possessing the differentiated technical capabilities that originate from operating in these industries. JFL manages over \$8 billion across all investment funds.

JFL focuses on Middle-market companies within core sectors, typically \$100 million to \$1.5 billion of debt. Industries, businesses and management that we know well and have underwritten. They focus on less volatile businesses with limited direct exposure to weakening U.S. consumer or political whims. They invest in companies with high-value, long-life-cycle assets for enhanced collateral protection. Increasingly complex, stringent regulatory frameworks create non-discretionary demand and barriers to entry. We look for a strong-cash-flow profile from resilient core businesses even if over-levered (i.e. Environmental., good business / bad balance sheet). We primarily invest in corporate debt that offers price appreciation, attractive coupon yields and discounted entry valuations in loan to own scenarios.

Mr. Jolivot continued by outlining JFL'S go forward pipeline for Credit Fund 2. Currently Fund 2 has ~\$6B Upsize Capacity from existing positions, ~\$12B pipeline in substantial capacity with ~20 new names, large investable universe >\$300B of loans/bonds. There is opportunity for high-quality deployment through upsizing of existing positions, new pre-identified targets and tailored strategies for accessing large, growing addressable markets. We seek a 17.5% target return.

Sixth Street

Mr. Brooks opened by stating that Sixth Street was founded 16 years ago, the founding partners came out of Golden Sachs. Coming from that heritage, we were schooled in how to use the flexibility of a balance sheet. Not to be restrained by a fund that you can only do this or you can only do that. To migrate depending on where we see the opportunity.

The Sixth Street key elements of investment philosophy are the following: Development and migration, Theme based portfolio construction of platform themes, Downside protection / Upside nodes, Flexible Capital to Match Assets / Liabilities, Risk Management / Value Creation. The Opps fund family migrates across a broad portfolio of themes. Some of the broad thematic include Private Equity structured solutions, financial institutions rebalancing and dislocated rate sensitive assets. Our in-sector priority themes are; Healthcare, Energy, Sports, Consumer Data and Communications.

Intermediate Capital Group

Mr. Austin stated that they are here to present their current fund, ICG Europe IX. ICG has a 36-year track record of compelling, risk-adjusted returns across market cycles, \$112bn in AUM, with 21 locations and 686 employees. ICG is a global platform with local on the ground presence. We are a flexible capital provider of bespoke investment solutions.

Mr. Austin stated that Intermediate implements a differentiated investment strategy. Consisting of a highly-structured financing approach across the capital structure. We offer non-vanilla transactions; preference for family or management-owned businesses. ICG provides a compelling risk/return profile versus traditional Private Debt & Private Equity.

Intermediate focuses on eight European countries. There are different laws, different regulations and different cultures. You need to understand that. So, having people on the ground that understand those cultures makes a huge

difference. Mr. Coady went on to state that the Private Debt landscape of Europe vs US is very different. Europe has a larger, untapped market opportunity. Regulatory complexity requires local expertise, a growing, fragmented market and fewer competitors which leads to better pricing & deals in Europe.

The Board, Board staff and NEPC discussed the merits of all three firms, other investors, track records, size of firms, investment sectors and other macro financial considerations before expressing their recommendations.

Motion made, and seconded, to allocate \$20 million to Intermediate Capital Group Europe Fund IX.

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

Motion accepted (5-0)

Motion made, and seconded, to allocate \$20 million to JFL Credit Opportunity Fund II.

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

Motion accepted (5-0)

Hamilton Lane recommendation re Great Hill Equity Partners Fund IX, L.P.

Mr. Burns opened by stating that Great Hill Partners, L.P. ("General Partner"), ("Great Hill"), is a 27-year-old Boston firm with offices in London with 57 investment professionals. Great Hill Equity Partners IX, L.P. ("Fund") has a Target Size/Hard Cap of \$5.0 billion. The Asset Class is Private Equity with a Buyout strategy in North America and Western Europe in the diversified industries space. The expected hold period per investment is 5 to 7 years with target returns of 25% gross IRR; 2.5x gross multiple.

Based on the analysis presented herein; Hamilton Lane recommends a \$10 million commitment to the Great Hill Equity Partners IX, L.P. ("Fund") by Boston Retirement Board. The Board and Hamilton Lane discussed the funds and its successes, fees, portfolio size, management team, and hold periods and size of investment.

Motion made and seconded, to **allocate** \$10 million to Great Hill Equity Partners IX, L.P. ("Fund").

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

Motion accepted (5-0)

May 2025 Flash Report

Mr. Sullivan reported that the plan was +2.7% in the month of May 2025; +3.8% year to date; and, +7.6% in the one-year period.

Work Plan

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL PLAN								
Asset Allocation								
Performance	Q1			Q2			Q3	
Education / Review		Asset Liability Study						
TRADITIONAL								
Search / Presentations					Issue EMD Search	Review	Review	Presentations
HEDGE FUNDS								
Program Planning								
Search / Presentations								
PRIVATE MARKETS								
Program Planning								
Search / Presentations	Review PD Respondents		Presentations Issue PE Search					
Performance	Q4			Q1			Q2	
REAL ESTATE								
Program Planning								
Search / Presentations	Issue RE Search		Search Review	Review/ Presentations	Presentations			
Performance	Q4			Q1			Q2	

Direct Lending Search Review

Mr. Lavin gave a brief analysis of the firms to the Board in which he highlighted Arcmont Direct Lending V. HarbourVest Direct Lending II, Blue Torch Credit Opportunities IV, MC Credit Fund IV and Pennant Park Senior Credit Fund II.

The Board, Board staff and NEPC discussed the recommended managers and the investment strategies of the firms. The Board decided to have Pennant Park Senior Credit Fund II and MC Credit Fund IV to present to the Board for investment services in this space at the July meeting.

Documents Presented: 1. NEPC June 2025 Meeting Materials. 2. JF Lehman Opportunities Fund II 3. Sixth Street Opportunities VI. 4. ICG Europe IX. 5.

Hamilton Lane - Great Hill Equity Partners Fund IX, L.P. Boston Retirement Board Recommendation.

Adjourn from Administrative Session

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter Executive Session at approximately 11:28 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



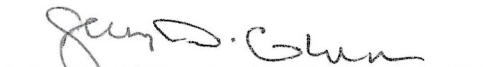
Thomas V.J. Jackson
Chairman



Scott T. Finn
Ex Officio Member



Karen T. Cross
Elected Member



Sally D. Glora
Mayoral Appointed Member



Sean F. Kelly
Elected Member