

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

March 19, 2025

Boston City Hall, Room 801

Boston, MA 02201

TRUSTEES IN ATTENDANCE: Thomas V.J. Jackson (Chairman); Karen T. Cross, Elected Member; Sally Glora, Mayoral Appointed Member; Scott Finn, *Ex Officio* 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 Dwyer; William Oates; Kiley Murphy and Michael Sullivan of NEPC; Janey Frank, Maryann Urban, James Phillip, Denise Berckley, Sandra Segal of BTU/RTC; Ellisa Cadillic of BPL/AFSCME; Andrea Milyko of BPHC.

Administrative Session Convene

The Board voted unanimously via roll call (4-0) to enter into Administrative Session at approximately 9:02 a.m.

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

Motion approved (4-0)

Past Minutes

*Motion made, and seconded, to **accept** the Administrative Session Minutes of the February 25, 2025 meeting as presented.*

Roll Call Vote: Member Cross: Aye; Member Finn: Aye; and, Chairman Jackson: Aye (Member Glora abstained as she had not been appointed).

Motion approved (3-0)

Mr. Jackson requested that the meeting go out of order and go into Executive Session in order to hear disability applications. The Board voted unanimously via roll call (4-0) to enter into Executive Session at approximately 9:03 a.m. and re-entered Administrative Session at approximately 9:35 a.m.

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

Motion approved (4-0)

The Board voted unanimously via roll call (4-0) to re-enter Administrative Session at approximately 9:35 a.m.

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

Motion approved (4-0)

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

2025 Special Board Election update

Mr. Smyth informed the Board that the election was on schedule. The voting is being handled by an outside third-party vendor responsible for conducting the electronic voting first then the hard copy votes. Mr. Smyth noted that the ballots are being mailed from upstate New York, so there may be a little lag time. Staff has been made aware and information is available on the System's home page.

Mr. Smyth reported that results will not be available until the Monday after the election. The one issue that Mr. Smyth was made aware of was the flimsiness of the paper ballot. As to the next election, the System may consider an envelope with ballots, however, that would be an added expense. The other option is to go completely electronic. Mr. Smyth is not sure if all members would like that, but it is an option.

Open Meeting Law extension

Mr. Smyth informed the Board that in their packet there is a memo from PERAC regarding the open meeting law extension.

IT update

Mr. Dwyer opened by stating that he and Bill Oates have spent several weeks scoring proposals and following up with email and telephone references including follow up since the February 2025 BRS Board meeting. The Cybersecurity grant provides for \$67,500 of state funds towards professional services to improve the current BRS IRP and to plan and conduct two TTX sessions. A smaller grant of \$7,500 is a "state match" that we are using for enhanced staff and counterparty cybersecurity awareness.

They found no vendor that had verifiable HSEEP-specific TTX activity. However, the “finalist” vendors they present to the Board have extensive cybersecurity depth and credible capabilities. While they had described all meetings as on site, all but one vendor positioned as TTX on site but planning and review meetings via web meetings; given current BRS renovations, that seems fine.

References have tended to shuffle the ordering in that it is hard to promote a vendor whose references don’t respond to multiple requests. Phone conversations describing masterful facilitation of similar exercises and the perceived cyber “chops” to fit to any framework elevated Offerors; the two DeepSeas references, A VP/CISO and CIO offered sophisticated explanations for their support.

The recommendation of Mr. Dwyer and Mr. Oates was as follows:

<u>Position</u>	<u>Offeror</u>	<u>Price</u>
1	DeepSeas	\$39,100
2	Janus Associates	\$39,800
3	Securance	\$27,192

It was noted that DeepSeas acquired GreyCastle who led the 2022 cybersecurity assessment for BRS. In the final analysis, we trust that Bill Oates and Greg McCarthy can monitor project activities to maintain HSEEP compliance.

Motion made, and seconded, to proceed with the cybersecurity contract negotiations.

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

Motion approved (4-0)

Pension Software Executive Summary

Mr. Oates continued with the update. He stated, as time races by and existence with Vitech ranges from disappointing to infuriating to frightening, we are underway on the replacement path. Mr. Smyth has focused on a go live date of no later than December 2026.

Work is nearly complete on round 1 of background and design artifacts to present to interested vendor(s). While BRS can ably cover the Ch 32 functionality we see a need for project management, infrastructure support, and as

development gets underway software testers. The Board, staff and consultants discussed vendors, timelines, operations, The Boston Retirement System's procedures, merger of two vendors, teachers, proprietary information.

Documents Presented: 1. Administrative Session Agenda of 03.19.2025.pdf. 2. Administrative Session Minutes of February 25, 2025. 3. Email from PERAC re Open Meeting Law waivers. 4. BRS Board of Trustees Cybersecurity and Pension Software Update for 2025_0319. 5. PERAC move to Medford update.

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

February 2025 Financial Snapshot

Ms. McCarthy reported the January 2025 pension payroll as follows: Contributory payroll: \$64,931,054; Contributory Payees: 15,842; Non-contributory payroll: \$348,356; Total Non-contributory payees: 36; Regular Retirees: 38; Survivor/Beneficiary Retirees: 1; Disability Retirees: 11; Option C/Survivor Disbursement: 15; Member Refunds: 61 for \$1,312,986; Members Transfers: 17 for \$1,658,821; Option B Refunds: 6 for \$ 213,500; and, Operational Warrants: \$584,296.

Ms. McCarthy informed the Board that she is coordinating with EY on the System's annual audit. Staff is completing the annual statement to send to Segal for the valuation of 2025.

Documents Presented: 1. February 2025 financial snapshot. 2. 01.25_Adjusting Entries Summary. 3. Warrants_01.2025 (preliminary) 4. 1.25_Cash Disbursements Summary. 5. 01.2025 MMDT Bank Account Reconciliation. 6. 01.2025 BRS Cash Projections. 7. 01.2025 Direct Deposit Bank Account Statement. 8. 01.2025 MMDT Bank Statement. 9. 01.2025 Operating Bank Account Reconciliation. 10. 1 01.2025 Retirement Payments Bank Account Statement. 11. 01.2025 Operating Bank Account Statement. 12. 01.2025 Operating Bank Account. 13. (Preliminary) Trial Balance_01.2025.

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

February 2025 payroll update

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

52	Total possible retirements
43	Superannuation retirees
8	Disabilities retirees

- 1 Death of an active member
- 49 Completed cases/to payroll
- 40 Superannuation cases
- 8 Disability cases
- 1 Death of Active
- 3 Did not make payroll

Mr. Weir reported that Staff continues to work on the buybacks and CBA calculations. It's a slow process but we continue to get them done.

Renovation of Room 816 update

Ms. Weir stated that construction is on target. The floors will be going down this week with no delay. We have also selected a vendor for the office furniture.

Legal Issues: Natacha Thomas, General Counsel

Ms. Thomas stated that there were no legal issues on the agenda.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

Core Real Estate Redemptions

Ms. Murphy opened by reminding the Board that in February of 2023 the System requested partial redemptions from open-end core real estate due to an overweight position. The System requested redemptions from Intercontinental and Invesco. An uptick in redemption requests caused queues to develop across core real estate funds, and as a result, BRS has only received a portion of the total redemptions requested.

As the System is currently underweight in real estate, NEPC recommends rescinding the redemption request from Intercontinental to maintain asset levels within the real estate program. In 2023, BRS requested partial redemptions from two open-end core real estate funds due to an overweight position at 11.3% (10% target).

Redemption Requests

<u>Manager</u>	<u>Requested Amount</u>	<u>Received</u>	<u>In Queue</u>
Invesco	\$20m	\$14.8m	\$5.2m (26%)
Intercontinental	\$20m	\$1.6m	\$18.4m (92%)

Mr. Kelly noted an uptick in redemption requests caused queues to develop across core real estate funds. BRS is currently underweight real estate at

8.3%. NEPC's recommendation: Rescind the Intercontinental redemption request to maintain the real estate asset. NEPC staff, board and Board staff discussed the recommendations and alternatives.

*Motion made, and seconded, to **rescind** the remainder of the redemption request for Intercontinental Real-estate to maintain the Real-estate Asset.*

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

Motion approved (4-0)

February 2025 Flash Report

Mr. Sullivan reported that the plan was -0.2% through the month of February 2025; +1.9% year to date; and, +7.6% one year.

Work Plan

Mr. Sullivan stated that NEPC has included an updated work plan in its monthly materials.

Documents Presented: 1. NEPC March 2025 Meeting Materials.


Adjourn from Administrative Session

The Board voted unanimously via roll call (4-0) to adjourn from Administrative Session at approximately 10:50 a.m.

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

Motion approved (4-0)

Respectfully submitted,
BOSTON RETIREMENT BOARD



Thomas V.J. Jackson
Chairman, Fifth Member



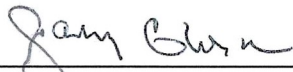
Scott Finn
Ex Officio Member



Karen T. Cross
Elected Member

Vacant

Vacant
Elected Member



Sally D. Glora
Mayoral Appointee