

## MINUTES OF BOSTON RETIREMENT BOARD

### **Administrative Session**

October 22, 2025

Boston Retirement Board

Board Room 816, Boston City Hall

Boston, MA 02201

TRUSTEES IN ATTENDANCE: Thomas V.J. Jackson, Fifth Member (Chairman); Karen T. Cross, Elected Member; Sally D. Glora, Mayoral Appointed Member; Scott M. 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; Emerson Pena, Assistant General Counsel; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Michael Manning, Kiley Murphy, Michael Sullivan of NEPC; Michael Dwyer, Consultant; Ric Lewis, Dan Pottorff, Nik Haigh of Tristan Capital Partners; Tammy Jones, Kunle Shoyombo, Rich Cadigan of Basis Investment Group; Aaron Greenberg, Joe Fergus of Oaktree Capital; Owen Burns, Sean Barber of Hamilton Lane (remote); Janey Frank, Denise Berkley of BTU/RTC; Marylyn F. Marrior of Alliance for Retired Americans.

### Convene

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

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

**Motion accepted (5-0)**

### Administrative Session Minutes

*Motion made, and seconded, to **accept** the Administrative Session of the September 18, 2025, meeting as presented.*

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

**Motion accepted (5-0)**

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

*Group Classification of Municipal Protective Services Security Guards*

Mr. Smyth stated that group classification for Municipal Protective Service guards has become an issue relative to the PERAC audit. MPS security guards are employed by the City's Property Management & Construction Department.

Mr. Smyth noted that years ago, this department was actually the Boston Municipal Police who had arrest powers, some carried weapons and were actually classified as Group 4. However, the Municipal Police were disbanded and merged with the Boston Police Department leading the creation of the now Municipal Protective Services. Since 2007, BRS has classified these members as Group 2. It was noted that up until 2021, they were considered special police officers and perhaps that was where Group 2 classification originated. Today the MPS security guards do not have arrest powers and should be classified as Group 1 members consistent with the finding in the PERAC audit.

*Motion made, and seconded, to classify Municipal Protective Service Security Guards as Group 1 Members.*

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

**Motion accepted (5-0)**

*Motion made, and seconded, to seek advisory opinion from PERAC on 2007-2021 classification.*

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

**Motion accepted (5-0)**

*Project Manager Office for pension software*

Mr. Dwyer opened by stating that following the September Board meeting, the two references provided by ACS were contacted. There are additional details below but both reviews were positive with one party indicating they would use ACS again and the other that are currently doing so. The potential for a BRS intern to replace one of the proposed testers will not work out; the full proposed team of four (4) FTEs will be needed resulting in a 12 -month cost of \$1,004,363.50.

#### ACS PRICING AND STAFFING

<u>Role</u>	<u>FTE's</u>	<u>Monthly Cost per FTE</u>	<u>Monthly Subtotal</u>
Program Manager	1	\$21,675.54	\$21,675.54
System Architecture	1	\$24,665.27	\$24,665.27
QA Tester/Analyst II	1	\$20,180.68	\$20,180.68
QA Tester/Analyst I	1	\$17,190.95	\$17,190.95

**Total:**

\$83,712.43

Mr. Dwyer went on to state that Mr. Oates spoke to Steve Walsh from Mass Health and Hospitals who provided very positive feedback on ACS. It has been 3+ years with good results. They work well with the client, have good technical experience and Mr. Walsh would definitely hire them again.

*Pension Software*

Mr. Dwyer stated that they are in the process of escalating PTG contracting.

*Motion made, and seconded, to **approve** ACS in a project manager office role.*

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

**Motion accepted (5-0)**

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

Mr. Smyth informed the Board that there are PERAC memos in the Board package: He also stated the importance of the mandatory training for Board members.

- PERAC Memo 25-2025 re tobacco company list
- PERAC Memo 26-2025 re mandatory training

**Documents Presented:** 1. Agenda of 10.22.2025 Administrative Session. 2. Administrative Session Minutes of 09.18.2025 3. BRS Board Cybersecurity and Pension Software Report 2025 4. Board Memo regroup classification of Protective Services security officers 5. PERAC Memo 25-2025 re tobacco company list. 6. PERAC Memo 26-2025 re mandatory training.

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

*Private Debt Search*

Ms. Murphy opened by stating that the real estate search was issued in alignment with 2025 pacing plan, targeting approximately \$90 million in commitments across debt, value-add, and opportunistic strategies. The Board previously selected finalists for the debt and opportunistic categories and identified six value-add respondents for further review. At today's meeting, the real estate debt finalists will present as outlined below. NEPC recommends committing \$15 to \$30 million for the debt segment of the search.

*Tristan Capital Partners - Income Plus Strategy II*

Mr. Lewis opened by stating that there is an immediate and expanding \$50 billion financing gap in European real estate credit. This is as banks retrench due to regulatory requirements. There is a generational opportunity to achieve equity-like returns while taking credit risk as real estate fundamentals remain solid, valuations reset, and interest rates settle at elevated levels. They see a clear path to exploit European market inefficiencies due to dislocated markets, lack of capital, and less competition than in the US.

Tristan is one of the largest dedicated pan-European real estate platforms with a consistent 25-year track record. A superior access to deals/ data provides access to exceptional investment opportunities through team origination capabilities and extensive Tristan network across deepest and most liquid markets. They built their firm with a Fiduciary backbone providing total control of the investment process and transparent reporting to clients.

Mr. Pottorff continued by stating that TIPS II will be a continuation of the proven strategy of Fund I set to achieve 9% / 1.3x net returns with 95% from quarterly cash distributions. The whole loan only approach allows for a deep pipeline of deals and the ability to select most attractive risk adjusted investments. They will continue to implore a thoughtful portfolio construction focused on building a diversified, defensively posited, cash flowing portfolio.

#### *Basis - BIG Real Estate III*

Ms. Jones opened by stating that they were Founded during GFC in 2009 by her in partnership with the family office. They have deployed over \$2.8B / Closed over \$8.9B in 47 states. They are one of the few MWOB CRE managers. They count on an experienced team with a successful 16-year track record investing both family office & institutional capital.

Mr. Cadigan stated that Basis Invests across the capital stack in core, value-add and opportunistic assets. They maximize returns through diversification and protect against the downside. Basis is licensed by both Freddie Mac and Fannie Mae, which drives pipeline and provides take-out loan opportunities. They have a strong commitment to Affordable & Workforce housing.

Ms. Jones stated that Fund III is a Closed-end Commingled Fund Vehicle that will target investments in Mezzanine, Preferred/Structured Equity, Bridge Debt, B-Pieces, Distressed Debt, GP/LP Equity. They are targeting a 1H 2026 final close with \$355MM remaining to meet \$1.1B.

*Oaktree - Real Estate Debt IV*

Mr. Greenberg opened by thanking the Board for the continued relationship with Oaktree. He stated that Oaktree's real estate debt strategy invests in performing private credit and traded debt securities across real estate sectors, with a focus on securing downside protection and generating attractive risk-adjusted returns. The key differentiator of their strategy is their Unified Real Estate Team: Where debt and equity teams work alongside one another.

REDF IV will focus on the Value Reset in Commercial Real Estate, Banks Exiting Middle Market CRE and the Resilient Housing Market. Mr. Fergus continued by stating that the REDF IV has learned from the past. REDF IV boasts no capital markets mark-to-market leverage today. Office is not a focus and currently represents <1% of the portfolio. Senior positions and middle market focus; 91% are first mortgage positions. The Portfolio's singular real estate structured credit investment purchased at 41% discount to par. The firm has a 27-year Track Record in Real Estate Credit with \$9.5bn in Real Estate Debt AUM. 11-13% Net IRR Target and 6-8% Current Income Yield Target.

The Board, staff and NEPC staff discussed the responders and the strength of their proposal's performance and track record. Also discussed were the system's current relationship with current managers, fees, NEPC's ratings of managers, and commitment amount.

Motion made, and seconded, to *allocate* \$20 million to Tristan Capital Partners, Income Plus Strategy II Fund. 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)***

*October 2025 Flash Report*

Ms. Murphy reported that the plan was +2.2% in the month of September 2025; +4.5% in a three-month period; and +12.0 % YTD.

*Work Plan*

NEPC included an updated work plan with the meeting materials.

Chairman Jackson recused himself from the meeting at 10:35 a.m.

*Value Add – Real Estate Search*

Mr. Manning stated that going by the search timeline, today we'll review the candidates and identify 2-3 finalists to return in December with final presentations for a commitment of \$30-\$45m.

Mr. Manning gave the Board a short background on the firms that responded to the search. (Artemis Healthcare Fund III, Berkshire Value Fund VI, Blue Owl Real Estate Fund VII, Brookfield Real Estate Solutions II, Intercontinental U.S. Value Fund and TA Realty Value Add Fund XIV)

The Board and NEPC staff discussed the responding firms and their track record and recommendations from NEPC. The Board members (excluding Mr. Jackson) decided to invite Artemis Healthcare Fund III, Berkshire Value Fund VI, Blue Owl Real Estate Fund VII, Brookfield Real Estate Solutions II, Intercontinental U.S. Value Fund and TA Realty Value Add Fund XIV to present to the Board.

Chairman Jackson returned to the meeting at 10:49 a.m. after the Board decided which value add/real estate managers to bring in for presentations.

*Hamilton Lane Separately Managed Account recommendations*

Mr. Burns gave an overview of the two funds Avista Healthcare Partners IV and Bregal Sagemount V L.P. Based on the analysis presented herein, Hamilton Lane recommends a \$10.0 million commitment to the Avista Healthcare Partners IV and a \$10.0 million commitment to Bregal Sagemount V for Boston Retirement Board.

*Motion made, and seconded, to allow Hamilton Lane on the Boston Retirements Systems behalf to invest \$10 million Avista Healthcare Partners IV Fund.*

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

**Motion accepted (5-0)**

*Motion made, and seconded, to allow Hamilton Lane on the Boston Retirements Systems behalf to invest \$10 million to Bregal Sagemount V L.P. Fund as recommended.*

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

**Motion accepted (5-0)**

**Documents Presented:** 1. NEPC 2025 10 Meeting Materials. 2. Tristan presentation. 3. Basis BIG RE III presentation. 4. Oaktree REDF IV presentation. 5.



Hamilton Lane recommendation re Avista Healthcare Partners IV. 6. Hamilton Lane recommendation re Bregal Sagemount V.

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

*September 2025 Financial Snapshot*

Ms. McCarthy reported the August 2025 pension payroll as follows: Contributory payroll: \$66,706,699; Contributory Payees: 15,888; Non-contributory payroll: \$348,371; Total Non-contributory payees: 36; Regular Retirees: 35; Survivor/Beneficiary Retirees: 0; Disability Retirees: 9; Option C/Disb Surv: 7; Members Refunds: 69 for \$869,162; Members Transfers: 7 for \$68,702; Option B Refunds: 1 for \$3,211; and, Operational Warrants: \$816,051.

*Update on PERAC Audit*

Ms. McCarthy informed the Board that The PERAC audit is complete for calendar years 2018 - 2021. Overall, the audit went well. There were two findings. The first was related to outstanding checks that need to be reviewed. We have reached out to the Treasury and are working with them to get a listing of outstanding checks and to clear them from our accounts. In conjunction with the outstanding checks there is a balance in what is normally zero balance bank accounts that are not recorded on the GL. These accounts have not been recorded historically as they are considered zero balance, but with the outstanding check report not received from the Treasurer, there is a balance in these accounts. The second finding in the audit was related to the Security Office being classified as Group 2 when they should be Group 1. We are already in the process of correcting this. This misclassification was the result of changes in the legislature related to the job duties that were previously expected of Security Personnel and updated changes.

**Documents Presented:** 1. September 2025 Financial Snapshot. 2. 08.2025 BRS Cash Projections 3. 08.2025 Direct Deposit Account Statement 4. 08.25\_Cash Disbursements Summary 5. 08.25\_Adjusting Entries Summary 6. 08.25\_Cash Receipts Summary 7. New Retirement Account Listing\_20250724031351 8. 08.2025 Retirement Payments Account Statement 9. 08.2025 Operating Account Statement 10. Warrants Paid\_08.2025 11. Trial Balance\_08.2025 12. General Ledger\_08.2025 13. 08.2025 MMDT Bank Account Reconciliation 14. New Retirement Account Listing\_20250924203828 15. 08.2025 Retirement Payments Account Statement 16. 08.2025 Operating Account Reconciliation. 17. Preliminary PERAC audit (2018-2021) results.

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

*September 2025 payroll update*

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

- 26 Superannuation cases.
- 10 Accidental disability cases.
- 2 Carried over cases

*Backlog Processes update*

Ms. Weir stated that staff continue to process outstanding Military buybacks and receive affidavits from retired members. The response has been steady heading into the deadline for submission. Another mailing will go out after the deadline to members that have not provided affidavits.

**Documents Presented:** 1. Outstanding Military Buybacks as of 10.14.2025.

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

Mr. Smyth stated that there were no pressing legal issues at this time.

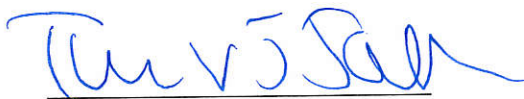
**Adjourn from Administrative Session**

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter Executive Session at approximately 11:24 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



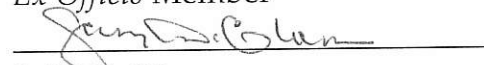
Thomas V.J. Jackson  
Chairman



Karen T. Cross  
Elected Member



Scott M. Finn  
Ex Officio Member



Sally D. Glora  
Mayoral Appointed Member



Sean F. Kelly  
Elected Member