# MINUTES OF BOSTON RETIREMENT BOARD

**Administrative Session**
June 18, 2026
Boston Retirement Board
Board Room 801, Boston City Hall
Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Sean F. Kelly, Chair/Elected Member; Karen T. Cross, Elected Member; Sally D. Glora, Mayoral Appointed Member; Scott M. Finn, Ex Officio Member; Dennis C. Callahan, Fifth Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Christine M. Weir, Deputy Executive Officer; John F. Kelly, Investment Analyst; Ellen M. McCarthy, Comptroller; Gregory Molina, Board Secretary.

ALSO IN ATTENDANCE: Michael Manning, Kiley Murphy, Michael Sullivan, Maya Doshi, Diego Sanabria, Charles Petruni of NEPC; Marcus Maier-Krug, Marc Gonyea, Zach Boyer of Arcmont; Greg Reynolds, Pat Jamieson of Comvest; Stephen Ketchum, Andrew Eversfield, Scott Selby of Sound Point. Gail Marrow, Brenda Chaney, Josefina Lascano, Connie Thibaut, Sandra Baler Segal, Janey Frank, Denise Berkley, Denise Henderson, Mary Ann Urban, Charles Johnson, James A. Philip of BTU/RTC; May Bishop, Karen Carpenter, Michael Canavan, Vivian Woo of Retirees; Edward Flynn of Boston City Council; Sydney Scanlan, Councilor Flynn Office; Grant Farrington, of Boston Municipal Research Bureau; Marylyn Marrion of Mass. Alliance for Retired Americans.

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## Convene

The Board voted unanimously via roll call (5-0) to enter the Administrative Session at approximately 10:00 a.m.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

Chair Kelly led the Board, staff and attendees in the pledge of allegiance to the American flag.

## Administrative Session Minutes

Motion made, and seconded, to ***accept*** the Administrative Session minutes of May 27, 2026, meeting as presented.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

Motion made, and seconded, to ***accept*** the Administrative Session minutes of May 27, 2026, Edward J. Spellman, Jr. interview meeting as presented.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Abstain (not present); and Chair Kelly: Aye.*

**Motion accepted (4-0)**

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

*COLA & COLA base*

Motion made, and seconded, to ***accept*** a three percent (3%) increase in the COLA

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

Motion made, and seconded, to ***accept*** an increase in the COLA to $18, 000.

*Roll Call Vote: Member Cross: Aye; Member Glora: Nay; Member Finn: Nay; Member Callahan: Naye; and Chair Kelly: Aye.*

**Motion rejected (3-2) Member Glora, Member Finn and Member Callahan voted nay.**

Motion made, and seconded, to ***accept*** an increase in the COLA to $17, 000.

*Roll Call Vote: Member Cross: Aye; Member Glora: Nay; Member Finn: Nay; Member Callahan: Naye; and Chair Kelly: Aye.*

**Motion rejected (3-2) Member Glora, Member Finn and Member Callahan voted nay.**

Member Cross expressed her desire to discuss the findings of the Systems actuary, Segal and the report from NEPC that states that the Retirement System can absorb and afford the increase of COLA for the retired members that they have already earned. Segal reported that it was reasonable for the increase.

Chair Kelly stated that the average COLA base in the State is $17,000. The proposal from Segal states that in fiscal year 2032 will pay off the COLA base increase. Spread out through FY32. Chair Kelly stated that that would be what he would advocate in favor of.

Member Cross stated that she has read over 30 letters advocating for this COLA increase. Including all the City Councilors. She went on to ask the Board Members that are not supporting this increase and asked what was the reason behind this vote.

Member Callahan stated that he has two concerns. One being the fiscal well-being of the city and second, he is not prepared today to vote for the increase.

Motion made, and seconded, to ***accept*** an increase in the COLA to $16, 000.

*Roll Call Vote: Member Cross: Aye; Member Glora: Nay; Member Finn: Nay; Member Callahan: Naye; and Chair Kelly: Aye.*

**Motion rejected (3-2) Members Glora, Finn and Callahan voted nay.**

*IT update*

Mr. Smyth stated that Mr. Dwyer submitted a written IT update for the Board's consideration. Ms. Weir stated that the System is working closely on cybersecurity. We are reviewing what we are doing with staff and DoIt on implementation with Mr. Oates. Ms. O'Keefe is working on testing as well as training for staff.

*Commonwealth Appropriation for FY27*

Mr. Smyth stated that the Commonwealth appropriation for FY27 for the teachers is available for the Board member's review.

Mr. Smyth offered the following PERAC issued documents for Board education:

- PERAC Investment Report
- PERAC Memo 16-2026 re 91A Prosper Tasks
- PERAC Memo 17-2026 re PROSPER Login Enhancements
- PERAC Memo 18-2026 re tobacco company list

**Documents Presented:** 1. Administrative Session Agenda for 06.18.2026 Board Meeting. 2A. Administrative Session Minutes of 5.27.2026 Board Meeting; 2B. Administrative Session Minutes of 5.27.2026 Board Meeting Spellman Interview; 3A. Boston Retirement System - Preliminary Results of the January 1, 2026, Actuarial Valuation; 3B. Boston Retirement System – Cost of Increasing the COLA Base Effective July 1, 2026; 3C. City Council Resolution in support of COLA base increase; 3D. Commonwealth Appropriation for FY27; 3E. Cover letter to City Clerk re COLA and COLA base vote and attachments; 3F - 3Z29. Letters in support for COLA increase; 4. IT and Cybersecurity Board update June 2026; 5. PERAC Investment Report 2025; 5A. PERAC Memo 16-2026 re 91A Prosper Tasks; 5B. PERAC Memo 17-2026 re PROSPER Login Enhancements; 5C. PERAC Memo 18-2026 re tobacco company list.

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

*Private Debt Search*

Mr. Manning opened by stating that the private debt search was issued in line with the annual pacing plan, which calls for approximately $115 million in commitments in 2026. The search focused on $25 - $50 million direct lending, $30 - $60 million distressed, and $30 - $60 million in credit opportunities strategies. The respondents were reviewed at the May meeting, and the Board selected seven finalists to interview. The direct lending candidates will present today, and the distressed and credit opportunities candidates will present in August.

*Arcmont*

Mr. Krug opened by thanking the Board for having them present. Arcmont is a market-leading European Private Credit firm that was founded in 2011 with $43 billion raised since inception and $42 billion deployed since inception. They have over 150 team members across 11 offices with a global presence and a European focus.

Mr. Gonyea continued by stating that in direct lending the firm has deployed $39.3 billion. They make first lien senior secured loans with the option to include small exposure to subordinated loans. As for returns, Arcmont has a robust track record in their award-winning platform with a tried and tested formula over 13 years of successful investing. They have a Direct Lending 10.55% gross IRR, Net 8.1% IRR (unlevered), 11.7% IRR (levered). The target returns for Arcmont's Direct Lending Fund V, now, are 10% - 12%. They have been in that ballpark for a while.

Mr. Gonyea believes capital integration avoids losses. That is the number one determinant of a good or bad return yield. That means conservative loans and they look to be senior secured in the capital structure. They are backing high quality Private Equity companies that are buying these businesses. Mr. Krug went on to thank the Board for their consideration.

*Comvest*

Mr. Jamieson started by introducing himself and Mr. Reynolds. They wanted to communicate to the Board that they have been a leading market lender in this segment of the market for over 20 years. Demonstrating disciplined underwriting and consistent credit performance across multiple market cycles. They count on a broad, diversified origination platform across strategies, leveraging deep LP relationships to drive proprietary deal flow, stronger selectivity, and creative structuring. They have an experienced investment team with 25 years' average industry experience across senior management with a deep, scalable bench of 160 investment professionals. Mr. Jamieson stated that they focus on capital preservation through conservative structuring and covenant packages.

The firm has $21.5 billion of assets under management. $28.5 billion capital invested and $17.0 billion of realizations. They focus on underbanked sectors (e.g., non-sponsored borrowers) that drive yield premium and downside protections. Multi-channel originations network (over 3,500 deal sources) surfaces proprietary deal flow outside of the more competitive market sectors. Mr. Reynolds continued that their industries of focus are healthcare, financial services, specialty finance, business and technology services, industrials and consumer / retail. Comvest is part of the private credit arm of Manulife Investment Management.

*Sound Point*

Mr. Ketchum introduced himself and gave a short introduction of himself and the firm. He stated that Mr. Eversfield is the person running their middle market business. Mr. Eversfield started by stating that the firm was founded in 2008 by Stephen Ketchum and 5 Principles of Stone Point, joined later by Blue Owl and Assured Guaranty as equity partners. They have ~$44 billion in assets under management from a global client base. Sound Point focused on providing credit solutions for our investors & partners. Headquartered in New York, with offices in London, Greenwich, West Palm Beach, San Francisco & Hermosa Beach. They have 200 employees; 85 investment professionals.

Sound Point's U.S. Direct Lending philosophy and overview. They Provide predominantly first lien loans to U.S. companies with $10 - $50 million EBITDA, focusing on downside protection and conservative deal structures, employ a disciplined underwriting process via a consistent and repeatable investment approach, paired with ongoing active portfolio management. They seek to deliver current cash income from predominantly first lien, secured, floating rate instruments in Direct Lending. The aim is to deliver consistent performance, targeting 7 - 9% unlevered and 10 - 12% levered fund level net returns.

Sound Point targets the core middle market due to its attractive risk / reward characteristics. They target established businesses with strong track records, sophisticated sponsors that value partnership with lenders and groups with direct access to sponsors and management teams. They have consistent, robust deal flow in a less competitive segment as lenders have pushed upmarket. Mr. Ketchum thanked the Board for their consideration.

The Board, staff and NEPC discussed the firm's strategies and returns, levered and unlevered strategies and prior management firm relationships, presentations and fees.

Motion made, and seconded, to invest $20 million in Arcmont Direct Lending Fund V.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

Motion made, and seconded, to invest $20 million in Sound Point U.S. Direct Lending Fund IV.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

*Large Cap Equity Search*

Mr. Manning stated that the U.S. large cap equity search was issued in accordance with the seven-year search requirement. The search received over 100 responses and each respondent has been categorized across three equity styles: core, value, and growth. At today's meeting, NEPC will present the full list of respondents. The first step of the search process is to identify a shortlist of respondents from each sub-strategy to include in a comparative analysis alongside the incumbent managers.

NEPC, staff and the Board discussed the respondents in the Large Cap Core search. D.E. Shaw's U.S. Large Cap Core Enhanced Fund was analyzed and compared to incumbent manager RhumbLine. Mr. Manning stated that he would like to focus on the Large Cap Value space for Managers to present in August. Aristotle, Columbia Threadneedle are the incumbents. He asked the Board to let Mr. Kelly and NEPC know if there are additional managers that the Board wants analyzed. Eagle Capital Independent Franchise Partners, LSV and The London Company are all tier one (1) Managers with NEPC. In the Large Cap Growth space, Zevenbergen is the incumbent with Atlanta and Fidelity identified as tier one (1) Managers.

The Board discussed incumbent Manager RhumbLine in the Large Cap Core space and their successful track record, low management fees and daily liquidity.

Motion made, and seconded, to retain RhumbLine's S&P 500 Pooled Index Fund in the Large Cap Core investment space.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

*May 2026 Flash Report*

Mr. Sullivan reported that the plan performance in the month of May 2026 was +2.3%, the 1 year was +18.0%, year to date the fund has earned +6.5% and the 3-year was +12.6 %.

*Work Plan*

A work plan for CY26 was provided in the Board materials by NEPC and discussed.

**Documents Presented:** 6. NEPC June 2026 Meeting Materials; 6A. Arcmont presentation; 6B. Comvest; 6C. Sound Point.

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

*May 2026 Financial Snapshot*

Ms. McCarthy reported the May 2026 pension payroll as follows: Contributory payroll: $ 67,591,207 Contributory Payees: 16,007; Non-contributory payroll: $393,091; Total Non-contributory payees: 36; Regular Retirees: 37; Survivor/Beneficiary Retirees: 0; Disability Retirees: 5; Option C/Disb Surv: 9; Members Refunds: 80 for $ 2,350,741; Members Transfers: 20 for $ 1,445,553; Option B Refunds: 3 for $ 272,789 and, Operational Warrants: $ 461,987.

**Documents Presented:** 7. May snapshot for calendar year 2026; 7A. 04.26_Cash Disbursements Summary; 7B. 04.2026 Direct Deposit Bank Account Statement; 7C. 04.26_Cash Receipts Summary; 7D. 04. 2026 BRS Cash Projections; 7E. 04.2026 MMDT Bank Account Reconciliation; 7F. 04.26_Adjusting Entries Summary; 7G. 04.2026 Operating Bank Account Reconciliation; 7H. 04.2026 MMDT Bank Account Statement; 7I. 04.2026 Retirement Bank Account Statement (2); 7J. 04.2026 Operating Bank Account Statement (1); 7K. Warrants Paid_04.2026 (1); 7L. Trial Balance_04; 7M. General Ledger_04.

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

*May 2026 Pension Payroll update*

Ms. Weir went on to provide an update on the payroll figures for the month of March 2026:

51 Total new retirees
42 Superannuation cases
4 Pre Retirement Death

5 Disability cases

14 Total cases did not make it to payroll in May

*Backlog Processes update*

Ms. Weir stated that work vacation buybacks and CBA's project continue. There are no new numbers for this month seeing that payroll is next Wednesday and the numbers have not been tallied. Next month, she will present new percentages of completion to the Board.

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

Mr. Smyth stated to the Board that there are no new legal issues.

**Adjourn from Administrative Session**

The Board voted unanimously via roll call (5-0) to adjourn from Administrative Session and enter Executive Session at approximately 12:03 p.m.

*Roll Call Vote: Member Cross: Aye; Member Glora: Aye; Member Finn: Aye; Member Callahan: Aye; and Chair Kelly: Aye.*

**Motion accepted (5-0)**

Respectfully submitted,
BOSTON RETIREMENT BOARD

Sean F. Kelly
*Chairman/Elected Member*

Scott M. Finn
*Ex Officio Member*

Karen T. Cross
*Elected Member*

Sally D. Glora
*Mayoral Appointed Member*

Dennis C. Callahan
*Fifth Member*