

Boston Retirement Board  
**Administrative Session Minutes**  
February 28, 2018  
Boston Retirement Board, Room 716  
Boston, Massachusetts 02201

IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Sally D. Glora, *Ex Officio* Member; Michael W. McLaughlin, Elected Member; Thomas V.J. Jackson, Fifth Member; Michael D. O'Reilly, Elected Member; Timothy J. Smyth, Executive Officer; Ellen M. McCarthy, Comptroller; John F. Kelly, Investment Analyst; Christine M. Weir, Operations Officer.

ALSO IN ATTENDANCE: Michael Manning and William Forde of NEPC

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Convene

Administrative session convened at 10:10 a.m., introductions made.

Previous Minutes

*Motion made, and seconded, to accept the Administrative Session Minutes of the January 24, 2018, meeting as presented.*

**Motion accepted (5-0)**

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

*ABC Update*

Mr. Smyth provided this update as Ms. Wong was out of state. To date, the absolute value of changes to accounts is \$402M.

Outstanding/Ongoing Investment Issues: John F. Kelly, Investment Analyst

*NEPC Discussion Items*

- Performance review, the Plan returned +17.9% in CY2017, ranking in the 7<sup>th</sup> percentile. Moving on to 2018 for the month of January the Plan recorded a net return of +3.6%.
- Cash flow update, gradual progress, private debt will drive down capital over time. There is a \$50 million redemption instruction in place with D.E. Shaw which won't be in till April. The other U.S. equities redemptions have been completed. The additional funding of International equities was completed and the \$75 million funding of new HFOF manager Blackstone will be completed on March 1. Since

the rebalancing for CY2018 will be done over time it will not be completely reflected in the February performance report.

- Real Estate search resulted in 53 respondents; NEPC distributed the respondent list. Real Estate is underweight 1.5% of the proposed 10% target. NEPC expressed their disappointment that TA Realty is limiting the commitment amount that would come in at cost and thus be eligible for the 6% write-up. The Board asked if TA will discuss this further at the March 2018 meeting. Given the time constraints to receive the additional 6% write-up and the 25 bps reduction in management fees TA Realty will be the first of multiple managers to present in the RE search. NEPC and staff will work with PERAC to ensure they have all the documentation needed in their review process in the event the Board does elect to hire TA given their time constraints.

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

*Financial Snapshot of January 2018*

Ms. McCarthy reviewed the January 2018 financial snapshot with the Board noting that the monthly payroll issued timely to 14,836 payees in the amount of \$49,632,739, as well as 64 non-contributing payees in the amount of \$347,997. Ms. McCarthy noted that 40 members refunded in the amount of \$833,841; 17 transferred to other boards in the amount of \$875,872; and, 4 Option B refunds were issued in the amount of \$129,831. Ms. McCarthy further stated that the operations warrant for January 2018 was \$1,839,543.

Ms. McCarthy also noted that she is still scheduling with PERAC to do the audit. PERAC should be in over the summer. Mr. McCarthy is also working with EY to establish a firm schedule. EY expects to be in by April for CY17 audit.

Ms. Glora asked about the valuation and census data that is given to Segal, Ms. McCarthy will be working on getting that info to KPMG for review.

Outstanding/Ongoing Operations Issues: Christine M. Weir, Operations Officer

*Operations Update*

Ms. Weir provided an update on the payroll number for the month of January 2018. There were 46 possible retirees, (31 superannuation, 12 disabilities, 3 DOA) of which, 29 were processed (25 superannuation, 1 death of active member and 3 disabilities). The breakdown of the 17 unprocessed cases was as follows:

- 1 waiting for guardianship appointment;
- 7 failed to return final papers timely;
- 1 looking for paternity test;

- 1 legal review;
- 2 revising DROs;
- 3 salary needed;
- 1 process of calculating; and,
- 1 workers comp/recoupment.

Outstanding/Ongoing Legal Issues: Padraic P. Lydon, General Counsel

The following PERAC memos and court decisions were discussed for educational purposes only:

- PERAC Memo #6-2018 re: Buyback and Make-up Repayment Worksheets;
- PERAC Memo #7-2018 re: NCPERS State and Federal Legislation;
- PERAC Memo #9-2018 re: Actuarial Data;
- PERAC Memo #10 re: Interest Rate set at 0.1%;
- PERAC Memo #11 re: Investment Related Issues and Concerns;
- PERAC Memo #12 re: PERAC v. CRAB et al;
- PERAC Memo #13 re: Mandatory Ethics Training;
- *PERAC v. Contributory Retirement Appeal Board*; and,
- *Plymouth Retirement Board v. Contributory Retirement Appeal Board*

*Waiver Request*

The following waiver request was presented for discussion and vote:

Peggy Kemp.....BPS.....\$46,617.87

*Motion made, and seconded, to approved waiver request of Peggy Kemp in the amount of \$46,619.87 as presented.*

**Motion approved 3-2 (Messrs. McLaughlin and O'Reilly voted nay)**

Adjourn

The Board voted unanimously (5-0) to adjourn at 11:18 a.m.

Respectfully submitted,  
BOSTON RETIREMENT BOARD



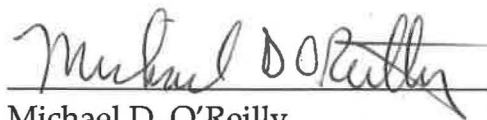
Daniel J. Greene  
*Mayoral Appointed Member, Chairman*



Sally D. Glora  
*Ex Officio Member*



Michael W. McLaughlin  
*Elected Member*



Michael D. O'Reilly  
*Elected Member*



Thomas V.J. Jackson  
*Fifth Member*