

MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

October 21, 2015

Boston Retirement Board, Room 716

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Michael W. McLaughlin, Elected Member; Michael D. O'Reilly, Elected Member; Thomas V.J. Jackson, Board Member; Sally D. Glora, *Ex Officio* Member.

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Padraic P. Lydon, General Counsel; Jonathan D. Lucas, Comptroller; John Kelly, Investment Analyst; Christine M. Weir, Operations Officer; Jean Petitti, Recorder.

ALSO IN ATTENDANCE: Michael Manning, Sean Ruhmann and Will Forde of New England Pension Consultants.

Convene

The meeting convened and entered Administrative Session at approximately 10:06 a.m. All in attendance were introduced and identified for the record.

Previous Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of September 16, 2015 as presented.

Motion accepted (5-0)

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

Mr. Smyth discussed the PERAC Education Administrative Report for the 3rd quarter of CY2015 with the Board.

Mr. Smyth informed the Board that Chapter 86 of the Acts of 2015 - An Act Changing the Name of the State Boston Retirement System to the Boston Retirement System has passed. Therefore, the official name of our agency is now the Boston Retirement System.

Mr. Smyth reported that, according to PERAC, the Boston Retirement System currently has the highest funded ratio of the major Retirement Systems in Massachusetts.

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

New England Pension Consultants

Real Estate (opportunistic mandate) Search Presentations

NEPC provided background on both AXA Real Estate and Brookfield Strategic Real Estate Partners, the two investment firms presenting today in the Board's opportunistic mandate real estate search. AXA and Brookfield then both presented their funds. Following the presentations, and discussion among NEPC, the Board, and Board Staff, the following motion was made:

Motion made, and seconded, to invest \$15 million in AXA Development Venture IV, which is a Non-US Fund that focuses on the European Primary Markets and \$20 million to Brookfield Strategic Real Estate Partners II, which is a Global Fund.

Motion accepted (5-0)

Performance:

NEPC reported that the portfolio was down -2.3% in September 2015 bringing the year to date performance to -3.3%. The negative performance in September was driven by total equities being down -3.8%.

Outstanding/Ongoing Financial Issues: Jonathan D. Lucas, Comptroller

Financial Update

Mr. Lucas reviewed the September 2015 financial snapshot report with the Board, noting that the September payroll went out timely to over 14,579 retirees totaling just under \$46 million. There were 60 new retirees and 129 refunds/transfers. Operational warrants totaling \$609,376.00 were paid out.

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

Operations Update

Ms. Weir provided an update on the payroll number for the month of September 2015. There were 76 possible retirees, (63 superannuation, 11 disability and 2 death of active members) of which 60 were processed (52 superannuation and 8 disability retirements) leaving 16 cases that did not make the payroll (11 superannuation retirements, two death of active members and three disability retirements). Of the 16 unprocessed cases: three did not return final papers; three were missing salary from BPS; three are in the process of a rollover; three are §10(2)(a) applications for termination retirement allowance in process; two are missing documentation; one BFD member was overpaid; and, one did not sign shift substitution paperwork in time.

CBA Update

Ms. Weir reported that the CBA project continues. All autonomous agencies have been contacted and the process of cleaning up the miscellaneous cases continues. There are approximately 190 files left to process.

Buy Back

The buyback project continues to move forward. Ms. Weir reported that 962 outstanding buybacks are open for the backlog project, 579 cases have been completed and 143 are ready for final review. Ms. Weir reported that of the 250 buybacks outstanding from the new request list (as opposed to the backlog list), 71 buybacks have been completed and 91 await review.

Staff Update

There are currently two open one year appointments, to assist with back log and at the front desk. Assistance at the front desk is necessary due to staff out on FMLA.

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

The following PERAC memos were offered for educational purposes:

PERAC Memo 20-2015 re tobacco list; and,

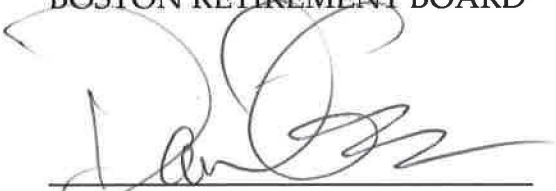
PERAC Memo 21-2015 re Board Member training.

Thomas Finneran v. State Board of Retirement, Boston Municipal Court

Mr. Lydon discussed the Finneran case where former House Speaker Thomas Finneran lost his pension after a conviction in a civil suit, but a Boston municipal court judge has ordered his state pension reinstated.

A roll call motion was made, and seconded, to enter Executive Session at approximately 12:11 pm.

Respectfully submitted,
BOSTON RETIREMENT BOARD



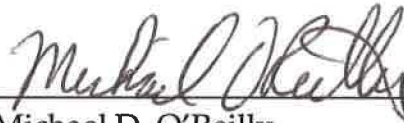
Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman



Sally D. Glora
Ex Officio Member



Michael W. McLaughlin
Elected Member



Michael D. O'Reilly
Elected Member



Thomas V.J. Jackson
Fifth Member