

Boston Retirement Board
Administrative Session Minutes
January 24, 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 Board 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: Luella Wong; Michael Manning, Jake Mallinson (NEPC); Jacqueline Rose, Martino Ghessi, Matthias Alt (Park Square); Josh Davis, DeAngelo (Stellus); Steven Shapiro, Brendan McDonough (Golden Tree Asset Management).

Convene

Administrative session convened at 9:10 a.m. with a unanimous roll call to enter Executive Session, reconvened in administrative session at 9:38 a.m.

Previous Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of the December 20, 2017, meeting as presented.

Motion accepted (5-0)

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

ABC Update

Luella Wong presented an update on the ABC team. No active accounts have been worked on.

Selection of 5th Board Member

Mr. Smyth reported that only Mr. Jackson timely applied with two applicants filing after the deadline and one applicant withdrawing his nomination.

Motion made, and seconded to reelect Thomas V.J. Jackson as the 5th member of the Boston Retirement Board.

Motion accepted (4-0) (Mr. Jackson abstained)

Outstanding/Ongoing Financial Issues: Ellen McCarthy, Comptroller

Financial Snapshot

Ms. McCarthy reviewed the December 2017 financial snapshot with the Board noting that the monthly payroll issued timely to 14,867 payees; in the amount of \$49,712,450. The payroll of 65 non-contributing retirees totaled \$325,142. There were 14 new superannuation retirees, 0 survivor beneficiaries and 3 new disability retirees.

Ms. McCarthy noted 51 members refunded for a total of \$879,032, 14 transferred accounts in the amount of \$359,913 and there was 1 Option B refund in the amount of \$9,208.

Ms. McCarthy noted that operations warrants for December 2017 were \$1,248,153.

Ms. McCarthy noted that she is still scheduling with PERAC to do the audit. She is also working with Ernst and Young to schedule deadline for CY17 audit.

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

Operations Update

Ms. Weir provided an update on the payroll number for the month of December 2017. There were 35 possible retirees (24 superannuation, 9 disabilities, 2 DOA), of which 17 were processed (14 superannuation, 2 DOA and 1 disability). The breakdown of the 18 unprocessed cases was as follows:

- 1 waiting for guardianship appointment by Probate Court;
- 7 members failed to return final papers timely;
- 1 looking for paternity test;
- 1 legal review;
- 1 revising DRO;
- 1 salary needed;
- 1 may withdraw section 6 application;
- 3 in process of calculations;
- 1 workers comp/recoupment; and,
- 1 pending with DALA.

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

Private Market Managers, Credit Manager Search

Three managers presented to the Board for a potential \$60M investment with a 4% target.

- Park Square, Credit Opportunities III was represented by Jacqueline Rose, Martino Ghezzi, Matthias Alt. It was established in 2004, three funds in all, credit specialist, largest European manager which is the lead lender in large companies with at least \$1B in assets.
- Stellus, Credit Fund II was represented by Josh Davis, Dean D'Angelo. Established in 2012, private debt financing to US lower middle market companies. (\$10-\$50M) Less competitive market, to produce higher yields.
- Golden Tree Asset Management, Distressed Fund III was represented by Steven Shapiro and Brendan McDonough. Founded in 2000, specializes in loans they don't originate, secondary loans. Opportunistic fund, that doesn't invest in one market.

Motion made, and seconded to hire Golden Tree Asset Management, Distressed Fund III, for \$60M in the private debt space.

Motion accepted (5-0)

NEPC Discussion Items

- Asset class assumptions, reducing high yield, private equity, emerging markets and private debt. Proposed mix is to allocate to varying markets to rebalance the portfolio.
- Discussion about focusing on an International Equity 2018 search.
- Preliminary December Flash Report presented. The portfolio is doing so well that the real estate portion can't keep up. Looking into new opportunity which needs to be done by March 2018. Discussion on open end real estate search and a value end real estate search.

Adjourn

The Board voted unanimously (5-0) to adjourn at approximately 12:37 p.m.

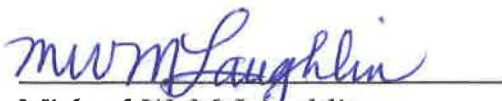
Respectfully submitted,
BOSTON RETIREMENT BOARD



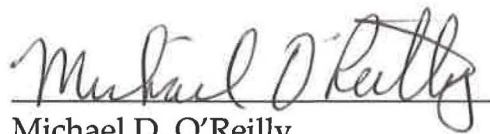
Daniel J. Greene
Mayoral Appointed Member, Chairman



Sally D. Glora
Ex Officio Member



Michael W. McLaughlin
Elected Member



Michael D. O'Reilly
Elected Member



Thomas V.J. Jackson
Fifth Member