

Boston Retirement Board  
**Administrative Session Minutes**

March 21, 2018

Boston Retirement Board, Room 716  
Boston, Massachusetts 02201

IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Sally D. Glora, *Ex Officio* 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; Jean M. Petitti.

ALSO IN ATTENDANCE: Michael Manning, Michael Yang and William Forde of NEPC; Luella Wong.

ABSENT: Michael W. McLaughlin, Elected Member.

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Convene

Administrative session convened at 10:07 a.m. and introductions were made.

Previous Minutes

*Motion made, and seconded, to accept the Administrative Session Minutes of the February 28, 2018, meeting as presented.*

**Motion accepted (4-0)**

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

*ABC Update*

Ms. Wong provided an update on the ABC Project.

*Data Quality Project*

Mr. Smyth offered information relative to the need for a Data Quality ("DQ") project. He noted that the goal for the DQ team is to create an ongoing data quality improvement capability. The initial use is to support the proposed data quality remediation project. But, given the complexity, scale of BRS operations and reliance on accurate data as operations become continually more automated, it makes sense to maintain this capability into the future.

Mr. Smyth provided a memo to the Board that listed the following known data quality issues to be addressed over the next 1 to 2 years:

1. Duplicate V3 member accounts
2. Deceased members who have status other than "Deceased"
3. Missing deduction data (1999 – 2000)
4. Buyback Payment Duplicates
5. Multiple Active Benefit Applications
6. Service with no deductions
7. Teacher 22 pay period with zero hours
8. "Earnings only" COB employees but have Member Rate Dates and other member-oriented data needing reset, clean up
9. Non-pensionable earn codes with deductions
10. Member record and deduction data alteration as a shortcut
11. Mass Mailings address, status and other follow up
12. Group 2 job code, member classification
13. PERAC Annual Statement
14. Find incorrect patterns for SSN, phone #, email, etc.
15. Tolerance / validation such as member date, contribution rate
16. Toggling between Group 1 and 4, active / inactive status, etc.
17. Primary job flag maintenance for duals
18. §3(8)(c) updates based upon CBA Recalculations
19. Assist with automatic final average salary function
20. COLA reimbursement from State
21. Sec 105 transactions and reporting
22. Disbursement Schedule manipulation
23. Verify automated annual COLA allocation (Domestic Relations Orders)
24. Assist with automating creditable service function

After discussion about the need for a DQ project, the following motions were made:

*Motion made, and seconded, to retain Luella Wong as a project manager at \$150 per hour no more than 15 hours per week for CY18.*

**Motion accepted (4-0)**

*Motion made, and seconded, to retain Robert Sweeney, Eliza Williams and two yet to be hired Financial Data Analysts up to 06/30/2020.*

**Motion accepted (4-0)**

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

*2018 Real Estate Search*

Sean Ruhmann and Nicole Dutra Grinnell from TA Realty Partners presented their Open-End Core Fund. TA Realty offered a favorable fee discount (70 bps management fee), which is significantly lower than most core real estate funds. Additionally a portion of LP commitments will be able to buy into the portfolio at cost resulting in an expected uplift for LP's of about 6%.

During the course of discussion between Board members and NEPC, Mr. Manning noted that this was a "unique opportunity."

*Motion made, and seconded, to invest \$40 million with TA Realty's Core Property Fund.*

**Motion accepted (4-0)**

*Cash Flow Rebalancing Update*

NEPC updated the Board that the newly approved target to International Developed Equities (Todd, Panagora & Fisher) by adding \$150 million and the full funding of the Blackstone HFoF at \$75 million were both completed. The IR+M Core/TIPs mandate was partially funded with \$20 million. BRS shall receive an additional \$50 million redemption from US Equities (D.E. Shaw) in April 2018. A portion of which (\$30 million) shall be used towards fully funding the IR&M Core/TIPS allocation.

*Plan Performance update*

The total Portfolio was down a net -2.6% for the month of February 2018; while the CY to Date net performance was +0.6%.

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

*Financial Snapshot of February 2018*

Ms. McCarthy reviewed the February 2018 financial snapshot with the Board noting that the monthly payroll issued timely to 14,871 payees in the amount of \$50,262,832, as well as 64 non-contributing payees in the amount of \$324,600. Ms. McCarthy noted that 27 members refunded in the amount of \$605,622., 25 transfers to other boards in the amount of \$1,210,091; and, 2 Option B refunds were issued in the amount of \$87,347. Ms. McCarthy further stated that the operations warrant for February 2018 was \$647,601.

Ms. McCarthy noted that there were some issues with the data sent to our actuary, in that the vendor process reduced data inclusion by one week, but new information has been sent. Ms. McCarthy noted that she had met with Ernst & Young to prepare for the upcoming audit and both are being proactive to move the audit along.

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

*Operations Update*

Ms. Weir provided an update on the payroll number for the month of February 2018. There were 75 Possible retirees (57 Superannuation, 16 Disabilities & 2 death of active), of which 54 were processed. As to the 21 cases that did not make the payroll, Ms. Weir noted the following explanations:

- 6 waiting for salary;
- 1 in process of calculating;
- 1 Legal Issue;
- 1 Missing Documents;
- 1 Recoupment;
- 7 failed to return final papers timely;
- 1 member is considering rescinding retirement;
- 1 waiting for Guardianship paperwork;
- 1 revised DRO; and,
- 1 waiting for Paternity results.

*CBA Update*

Mrs. Weir provided an update that the staff is keeping up with recalculating members retirements as payroll provides the information to the board.

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

*PERAC Memos and/or Court Decisions*

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

- PERAC Memo #14-2018 re Interest Payments in Certain Situations

*Request for Survivor Benefits*

*Motion made, and seconded, to adopt the Hearing Officer's recommended opinion and approve Ms. Vernetta Brown-Grady's application for §12(2)(d) survivor benefits.*

**Motion Accepted (4-0)**

*Waiver Request*

Kim Gaddy ..... BPD ..... \$10,838.84

*Motion made, and seconded, to deny this request for waiver because it was not made in a timely manner.*

**Motion accepted (4-0)**

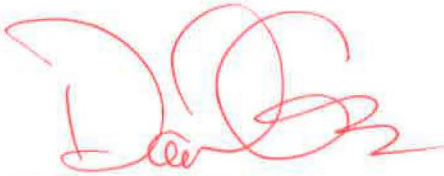
Enter Executive Session

The Board voted unanimously (4-0) to enter executive session at 11:51 a.m.

Adjourn

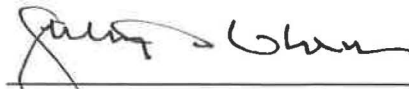
After reconvening in administrative session, the Board voted unanimously (4-0) to adjourn at 12:13 p.m.

Respectfully submitted,  
BOSTON RETIREMENT BOARD



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Daniel J. Greene  
*Mayoral Appointed Member, Chairman*



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Sally D. Glora  
*Ex Officio Member*

*Absent 3/21/18 meeting*  
Michael W. McLaughlin  
*Elected Member*

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Michael D. O'Reilly  
*Elected Member*



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Thomas V.J. Jackson  
*Fifth Member*