MINUTES OF BOSTON RETIREMENT BOARD

Administrative Session

September 16, 2020

Boston Retirement Board, Room 716

Boston, Massachusetts 02201

TRUSTEES IN ATTENDANCE: Daniel J. Greene, Mayoral Appointed Member (Chairman); Maureen A. Joyce, *Ex Officio* Member; Thomas V.J. Jackson, Fifth Member; Michael W. McLaughlin, Elected Member; Michael D. O'Reilly, Elected Member. (All Members remotely present.)

STAFF IN ATTENDANCE: Timothy J. Smyth, Executive Officer; Padraic P. Lydon, General Counsel; John F. Kelly, Investment Analyst; Ellen M. McCarthy, Comptroller; Christine M. Weir, Operations Officer, Gregory Molina, Board Secretary. (All Staff remotely present.)

ALSO IN ATTENDANCE: Mike Manning, Kiley Fischer, Seth Goldman, NEPC; Daniel Heflin, Michael Romo, Torchlight Investors; Don Kuemmeler, Brian Heafey, K.C. Kriegel, PCCP; Justin Guichard, Bill Loskota, Michael Heck, Oaktree Capital, Lisa Vandermock; Segal. (All presenters remotely present.)

Administrative Session Convene

The Board voted unanimously via roll call (5-0) to enter into Administrative Session at approximately 10:03 a.m.

Previous Minutes

Motion made, and seconded, to accept the Administrative Session Minutes of the August 19, 2020 meeting as presented. Roll Call Vote: Member McLaughlin; Aye, Member O'Reilly; Aye, Member Jackson; Aye, Member Joyce; Aye, Chairman Greene; Aye.

Motion accepted (5-0)

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

Outstanding/Ongoing Investment Issues: John Kelly, Investment Analyst

- **Investment Update**
- NEPC

Real Estate Debt Search

Mr. Manning opened by giving a brief overview of the Real Estate Debt Search. The System's 2019-2020 Real Estate search issued in September 2019 and focused on identifying candidates across three distinct styles: Debt, Value-Add and Opportunistic. The Debt mandate is the last component of this search to be completed, and the three selected Debt finalists will be presenting today. The objective of today's presentations is to select a manager for the System's $10-30 million Real Estate Debt mandate.

In addition, NEPC will also provide preliminary analysis of the Core respondents along with recommendations on next steps.

Mr. Goldman addressed the Board with some analytics of the Managers presenting today. He started by framing the three groups. He grouped Torchlight and Oaktree as similar in nature than PCCP. PCCP is going to be more conservative in nature. They are going to be focused more on senior loans with a cap upside potential.

When looking at Torchlight and Oaktree, you're going to get a higher risk and higher return type of profile. Both strategies will be able to invest in both public and private debt opportunities. They will invest in senior debt as well as mezzanine and preferred equity. They are more opportunistic in nature.

The benchmark that NEPC uses is an equity benchmark for relative performance. Relative to the systems earlier equity commitments this year and the value added and opportunistic space, we would expect that the three groups presenting today would provide more downside protection. There will be more focus on yield and more seniority on the capitol stack.

The Board had no questions on the analysis of the three firms and the first presenter joined the virtual meeting.

- Torchlight Investors

Mr. Romo opened by providing an overview of Torchlight firm. The firm was founded in 1995 by Mr. Heflin. One of the differentiators of the firm is that they have been exclusively dedicated to commercial real estate debt since its founding. The firm has invested over $25 billion dollars and currently manage over $3 billion. The firm has done a variety of strategies focusing on their flagship fund, the debt fund series. We are in the market with our debt fund 7. (Seven)

Organizationally, they are based out of New York. They are very focused on getting the investment right going in. The firm wants to make sure that they have the protection in place for their investor's capital. The firm has five people on their investment committee. Mr. Heflin, Mr. Young, Mr. Chang, Mr. Dineen and Mr. Montalti. Each member has a veto right. Torchlight has teams that focus both on the public and the private side that gives the firm an insight of where they are finding deals both on the public side which gives the firm the diversity on where they can find their mandate. Therefor finding better opportunities in the CMBS space or the private market space. For a little more detailed firm overview; in 1998, Special Servicing platform is formed 2002, ING purchases 40% of Torchlight, in 2010, management buys back ING stake. Today, Torchlight is 100% employee owned.

Some of the investment types the firm invests in are mortgages and mezzanine loans, preferred equity, equity and CMBS. The firm conducts distressed debt workout, workout of 703 loans since inception with a total par amount of $11.0 billion and manage 230 properties since inception totaling $2.3 billion of real estate equity. Torchlight works with about 60 investors with 70% of the investors are U.S. public plans, much like the City of Boston. Through the process of working through the previous six and now the seventh fund we have been approved by 20 consultants. This speaks volumes of the track record of the firm's success through multiple cycles. Torchlight believes in diversification across major property types. Our investment and management portfolio consist of multifamily, office, retail, industrial and hospitality.

Torchlight executes a U.S. value-add strategy focused on four key principles. Sourcing Advantage; They have a network developed over two decades and special servicer relationships. High Current Income; Torchlight target income producing assets and high cash on-cash yield. Downside Mitigation; Attractive basis, defensive structuring and prudent leverage. Upside Optionality; Minimum multiple, opportunistic exit strategies and upside participation.

Torchlight has been much higher in the Capital Structure by targeting stabilized assets. 71% Of investments were in senior loans and IG CMBS since January 2019. There is much more cushion in the capital stack. The firm has been highly focused on the multifamily sector. 82% of direct investments were in multifamily since January 2018. The firm has avoided hotel and retail investments in recent years and subordinate CMBS deals. Which are investments that are much more prone to a down turn.

Torchlight has invested all the capital in Fund 6 and its extremely well positioned. Doing some down side analysis, the firm's base case is that it will exceed a 10% net investment return and a 1.45-equity multiple. This puts us in a position to go into Fund 7 with the ability to play offence. To date we've closed on just under $1.2 billion. We have just under $500 million more set to close in the next couple of weeks. We will have approximately $1.7 billion to draw from to completely go on the offence to take advantage of the opportunities that will come on the market in the next couple of months.

Mr. Heflin then stated that Torchlight had no idea that a pandemic was coming and that has veered the firm's mindset. As the year wore on in the credit cycle, things got more and more expensive, fundamentals aren't improving that much and the firm is going to be more and more conservative. This has positioned very well going into this crisis.

If this was a normal market you would have seen the stress beginning. What we have had instead is this health crisis and an incredible historic level amount of liquidity added to the system. Both in terms of fiscal policy and monetary policy. The treasury has been borrowing money hand over fist and the Fed has been printing money hand over fist. What we saw in March and April

Torchlight Debt Fund VII is Torchlight's 11th institutional fund. The Fund's flexible mandate allows Torchlight to invest across the capital stack and employ various strategies to navigate market cycles. Torchlight will be investing in Senior Loans, Mezzanine Loans and Participating Debt / JV Equity / Equity in the private markets and Investment Grade CMBS, Subordinate CMBS and Freddie Mac K-Series in the public markets.

Torchlight believes that the current commercial real estate environment presents an attractive investment opportunity to achieve net returns of 10% to 12%. Initial target portfolio allocation will consist of 30% public market investments and private market investments of 70%. Debt Fund VII will seek to blend investments with varying degrees of risk and return. Torchlight's priorities include; High cash yield, mitigate downside risk, disciplined underwriting and investments with potential upside.

Torchlight also believes that this pandemic will be handled to the point where it will become manageable and in addition to that, the technology, the information and the learning that comes out of this is going to be unprecedented.

Mr. Romo closed by stating that Torchlight having been through so many cycles he thinks this is the ideal environment for Torchlight to take advantage of the opportunities that are out there. Dan has touched on the ones we think are available. Given the firms experience and its sourcing capability, we think this will be a great vintage and Torchlight looks forward to working with the BRS.

Member McLaughlin stated he could not access NEPC materials and asked what was the recommended investment in the real estate debt search. Mr. Goldman responded that the mandate was for $10-30 million.

- PCCP

Ms. Kriegel opened by introducing Mr. Kuemmeler and Mr. Heafey. PCCP Credit 10 Fund is targeting to raise of $1.5 billion with an eight to 10 net return. The firm is offering some early close incentives and fee discounts based on commitments and the funds closing will be in this first quarter. PCCP is anticipating a $500 to $600 million will be closed within the next two weeks and about $1 billion by year end.

With respect to our strategy, we make loans against real estate to generate a predictable current return and to get repaid upon maturity. PCCP has been a consistent lender in the US for the past 22 years with the same exact approach in multiple cycles. This is a time-tested strategy to the firm. They don't see this as a distressed opportunity or a market play but they do believe that the opportunity set will widen out and favor the correction.

Mr. Kuemmeler then went on to present and stated that he has been doing commercial credit for 35 years in the real estate space and 22 years running PCCP. They have 50 professionals and cast a pretty wide coverage of the United States allowing them to be relatively selective and see about $25 billion worth of opportunities across the country. Private credit has always given them opportunity over the same amount of risk.

They key is that they can do about $2.5 to $3 billion a year of closing activity across all our platforms giving us repeat borrowers and direct business with no change in strategy. Sometimes the market is pro lender sometimes pro borrower, this is one of those times that it's a pro lender market. Having come off the cycle changes and Covid, terms are moving towards favoring the lender today.

Mr. Heafey then continued by stating that PCCP is led by 12 partners who were employed by PCCP during the GFC, managing liquidity and workouts and investing through the subsequent recovery. PCCP has a cycle tested track record with over $16.5 billion of debt investments originated since 1998 across 491 loans and a 9.6% net return since inception across PCCP's value-add debt strategies. They have deep relationships with experienced sponsors, borrowers, brokers and market players. Fifty percent (50%) of our business are people they have done business with before. They are proud of their team, PCCP's 37 senior investment professionals average over 19 years of experience in the real estate market and over 11 at PCCP.

Ms. Kriegel continued and stated that that the firm has a 22-year track record and committed over $22.7 billion to debt and equity transactions since inception. It's a SEC registered investment adviser. PCCP has an approximate $11.6 billion AUM as of December 31, 2019. They run a national platform with over 100 employees across four offices in New York, Los Angeles, San Francisco and Atlanta and is majority owned by PCCP employees. Firm is ownership made up of 13 employee shareholders and select senior management and 2 large strategic institutional shareholders.

PCCP has a diversified client base consisting of institutional investors from across the globe. Including five (5) of the 15 largest U.S. public pension plans, five (5) of the 10 largest commercial banks in the U.S, several prominent U.S. insurance companies, One (1) of the three (3) largest sovereign wealth real estate investors in the world and additional institutional investors in the U.S., Europe, Middle East and Asia. The firm's investor mix consist of 70% of their investors are from Public / Private Pension funds. Their investment committee is unified across both their debt and equity platforms which gives them more information sharing capabilities and that gives them more insight inside their target markets and deeper relationships with their borrowers.

Mr. Heafy then discussed PCCP's Credit X Fund strategy. The strategy is not new to them, it's a closed-end real estate debt fund with a $1.5 billion target size and a target 8-10% net return1; 90% expected to be paid current. They believe the market has swung back to a lender's market typical of correcting and early recovery periods of a market cycle. They will seek to take advantage of the opportunity to provide senior loan financing in a liquidity-constrained market, originate traditional senior loans to borrowers seeking financing for new acquisitions or who are forced to refinance existing maturing debt at lower leverage. The firm provides financing in the form of three to five-year senior loans secured by institutional real estate collateral to institutional lenders who are liquidity-constrained and seeking financing solutions to stabilize their portfolios. PCCP utilizes structural and financial leverage if available and accretive to returns to take advantage of improved lending conditions –wider spreads, index floors, lower advance rates, improved loan covenants and structured so the borrower has to hit performance hurdles.

Mr. Heafy went on to brake down a typical PCCP loan. In an asset of $100 million, PCCP is making a loan of $70 million against that asset. So, there is $30 million of equity. That equity would go in first, they would make their $70 million loan. They would then look with their many sources of capital. Be it selling an A note or using one of their lines to finance it. They would then take the piece that is 45 - 70%, they would then have the control position on that asset. They would control any modification or any changes that would occur along the time. They would have low leverage, two to one leverage across the portfolio. They would then take that loan that's liable +450 and they would turn it into a liable +810 piece that gets into the 11% gross IRR range. We lever with groups that we have known for many years like Wells Fargo and US Bank.

Mr. Kuemmeler concluded by stating that being able to give institutional service is what gives you flow without complications of bank hierarchy. As Brian said, senior loans. We have to understand the business plans. That's really what we are doing, sifting through lots of business plans. Who is going to rehab the apartment correctly? Who is looking at the roll over at the office? Myself and my peers have our personal capital right next to yours and that has been really good for our intuitional partners over this time. From pension funds to international investors that see that as really great alignment.

- Oaktree Capital

Mr. Heck opened by giving a brief summary of the firm and its Debt Fund III (Three). To date the BRS has been partners for over 10 years on a couple of different strategies so I won't spend much time on refreshing you on Oaktree but the most important thing I can convey is Oaktree's approach on investing. The firm was founded in 1995, Oaktree is a leading global investment management firm focused on alternative markets. Assets under management of $122 billion in contrarian, value-oriented, risk-controlled investment strategies. They partnered with Brookfield Asset Management in 2019, creating one of the largest and most comprehensive alternative investment platforms globally. Oaktree manages assets for a wide variety of clients, including many of the most significant investors in the world. 69 of the 100 largest U.S. pension plans. The main pension fund of 39 states in the United States, Over 400 corporations, Over 320 university, charitable and other endowments and foundations and over 400 non-U.S. institutional investors and over 15 sovereign wealth funds.

To move on. Oaktree's investment philosophy is one of primacy of risk control. They believe in, Avoid the losers and the winners will take care of themselves. They put an emphasis on consistency. A superior record is best built on a high batting average rather than the hope that great years will outweigh dismal ones. They instill an importance of market inefficiency. It is only in less-efficient markets that hard work and skill are likely to produce superior returns. Oaktree bets on benefits of specialization. Our team members' long-term experience gives us a substantial advantage. They emphasize macro-forecasting not critical to investing. A bottom-up value approach to investing is most productive. Lastly, disavowal of market timing. Bargains are purchased without reliance on guesses about the market's future direction. All of Oaktree's strategies operate pursuant to an investment philosophy that has remained unchanged since our founding in 1995.

Mr. Guichard continued by stating that he'll cover what differentiates their firm from other performing debt funds their team and their extensive investment experience and where they're finding the best opportunities to deploy capital.

Across Oaktree's Real Estate Platform, they have $9.6 billion of AUM in Real Estate Opportunities. Real Estate Debt and Real Estate Income strategies. They are active in top 50 U.S. real estate markets as well as major European and Asian markets. They have seven offices worldwide in Los Angeles, New York, London, Hong Kong, Seoul, Sydney and Tokyo. Their focus on this strategy given the focus on real estate debt, is that they expect to perform through the term of the loan is on developed markets with strong creditors protections. Their priorities outside the U.S. are in northern Europe, U.K., Australia, South Korea and Japan.

Oaktree's established real estate investments across strategies have been in the areas of real estate opportunities. Its inception in 1994, AUM $5.4bn and committed capital of $11.9bn. The focused areas are commercial, residential, corporate platforms, opportunistic credit, global ex-U.S. Vehicles fundraising and closed-end fund.

In real estate debt; In its inception, 2010 AUM $2.5bn committed capital: $6.6bn. The focus areas are commercial first mortgages, commercial mezzanine Loans, residential first mortgages, real estate structured credit, real estate-related corporate debt vehicles fundraising. Real Estate Debt Fund III and separate accounts.

In the real estate income side. Its inception was in 2016, AUM: $1.7bn and committed capital has been $1.5bn, the focus has been on commercial – office and multifamily. Industrial Vehicles Fundraising, open-end fund and separate accounts.

Mr. Guichard then stated that Oaktree's Real Estate Debt-related Investment Capabilities are such that since 2010 they've conducted 524 transactions with total transaction volume of $16.2bn. This doesn't include the roughly $5bn credit related investments lead by real estate that were allocated by other co-investors' and funds at Oaktree.

Oaktree employs one of the largest investment team in the industry with significant experience of 25 years on average. They have cohesive leadership with over 13 years working together on average and a deep bench of 59-people on the team, including 23 managing directors.

Oaktree real estate debt purchases since COVID-19 Onset (march-july 2020) have been; $1.2 billion of capital deployed in real estate debt since the onset of the COVID-19 crisis. $977 million of which is related to structured credit, 52% average pre-COVID LTV and 9.5% YTW. The key areas of focus: CRE CLOs and SASB CMBS CRE. They have invested $6.6 across seven real estate debt funds and accounts. They have returned $5.6bn in principal and profits. They have achieved an IRR of 10.6%.

For Fund III we have increased the targeted returns from 10% with was the target for debt Funds I and II to 12% - 14% to reflect the exciting investment opportunities we are seeing today. We have also moved up our income target from 6-7% to 6*8% behind the same rational.

As said from the outset, this fund focuses on performing debt. Which means when we make the investment, again we expect to be repaid 100% of the principal and interest at maturity. While distressed debt is truly in the Oaktree DNA we do not expect to foreclose on these loans and assets.

Mr. Goldman asked how much of the funds would be allocated to U.S. opportunities? Mr. Guichard responded by stating. Consistent with Oaktree's position in Fund II. The firm has reduced its exposure in places like New York City where they saw a weaker real estate fundamentals. We have increased our exposure in Boston. Including the financing of 1000 Washington in the South End and the former Boston Globe building in Dorchester. They have increased they're exposure to the funds to the West coast and markets outside the U.S. Today they expect 20% of Real Estate Fund III could be invested outside the U.S. The majority of that is likely to be in Europe. They are evaluating a number of significant opportunities today and in addition They are seeing some exciting opportunities out of Australia that they think would be very attractive.

Mr. Loskota concluded the presentation by stating that Oaktrees' investment theme on structured credit focuses on three themes. Source; The seller is a mortgage REIT who was forced to sell due to repo margin call pressure during the coronavirus crash. Demonstrative of the team's strong relationships, the mortgage REIT reached out to Oaktree directly to provide liquidity. Oaktree purchased the portfolio of AA, A, and BBB- rated bonds as part of a bulk purchase at an attractive price, well below its market value 1-month prior. Analyze; There is limited exposure to those property types most impacted by the COVID-19 shutdown. The BBB rated bonds only have 11.1% exposure to hotels, and 5.5% exposure to retail, respectively. The bonds are secured by first mortgage loans originated between 2018 and 2020 by various mortgage REITs and private debt funds. Protect; There is significant credit enhancement to the bonds and the underlying mortgages are senior to the borrower's equity. The AA, A and BBB bonds have 34%, 29% and 22% credit enhancement, respectively and the bonds have low leverage with conservative loan-to-value ratios of 45%, 50% and 57%, respectively.

<u>Documents Presented</u>

Torchlight Investors firm presentation, PCCP firm presentation, Oaktree Capital firm presentation.

The Board went on to discuss with NEPC the topics of merits of all the presenters, timing of investments, selection of investment managers, preferred fee pricing, preferred returns, risk, comparisons of funds, long term relationship with Oaktree, International market, market during Covid pandemic and allocations of funds.

Motion made, and seconded, to hire Oaktree Capital for the Real Estate Debt Fund III in the amount of $20 million. Roll Call Vote: Member Joyce; Aye, Member McLaughlin; Aye, Member Jackson; Aye, Member O'Reilly; Aye, Chairman Greene; Aye.

Motion accepted (5-0)

August Flash Report

Mr. Manning reported that the BRS investment portfolio return was up +2.8 for the month of August, net of all investment fees. The portfolio's fiscal YTD is at -2.3% as U.S. stock market rebound up 10% the Bond market up 6% everything else is trying to catch up. Overall a strong market. BRS Large Cap managers made 14.4% YTD. Driven by Zevenbergen Capital up 83.7%. International market is up collectively -7%.

NEPC Investments Rebalancing Plan

Mr. Manning stated that through mid-March, equity markets were down 20-30% in 2020 & bonds were slightly up, The System was approximately 4% underweight equities. NEPC recommended rebalancing TOWARD the System's target. 2% ($80 million) of the System's assets were rebalanced from fixed income to equities, Since March the equity markets have rebounded. Rebalancing toward the System's target by increasing equities has helped overall performance The System's equity portfolio is up ~35% since the March rebalance.

NEPC's Rebalancing Proposes a distribution of - $90 million from Equities; $50 from Zevenbergen, $20 from Rhumbline and $20 from Westfield. + 90 million to Fixed Income and Hedge Funds; $30 to BlackRock SIO, $30 to Aberdeen EMD and $30 to Hedge Funds

Motion made, and seconded, to adopt NEPC's rebalancing proposal to rebalance $90 million from Equities to Fixed incomes and Hedge Funds. Roll call vote; Member Joyce; Aye, Member McLaughlin; Aye, Member Jackson; Aye, Member O'Reilly; Aye, Chairman Greene; Aye.

Motion accepted (5-0)

Work Plan

Search	Date Issued	Candidate Review/Analysis	Finalist Presentations
Niche Lending	October 2019	February	June
Distressed Debt II	April	May	June
Int'l Equity (Growth)	February	May	July
Int'l Equity (Core)	February	July	N/A
Int'l Equity (Value)	February	September	TBD
Real Estate Debt	September 2019	August	September
Emerging Markets Eq.	August	October	TBD (Nov/Dec)

Mr. Manning stated that working towards next year's mandates NEPC will be focusing on Int'l Equity (Value) and Emerging Markets Eq.

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

- **Financial Update**

  Actuarial Valuation as of 01.01.2020

Ms. McCarthy introduced Ms. Lisa Vandemock from the Segal firm for the BRS Valuation report. Ms. Vandemock stated that the assumption changes is one of the main items that will move the liability excluding teachers. In Item nine we have actuarial that were changed with this valuation. The investment rate of return was decreased from 7.50% in the previous valuation as of January 1, 2018. To 7.05% in the January 1, 2020 valuation. As you may recall from the May, 2020 BRS Board meeting. The tables were reviewed and fairly recently pub tables 2010 came out which look at general employees, safety employees based on the analysis we updated to those tables. For these two assumptions changes, we increased the total unfunded liability by $463 million and the normal cost to just under $20 million for the system excluding teachers. As for teachers, there were similar changes in the investment return as well. The investment rate of return was lowered from 7.35% to 7.15%. On the teachers side the liability increased by approximately $98 million and normal cost to $4.4 million. The State sets the appropriation for the state employees including Boston teachers. They did not complete the evaluation this year but we understood that they were going to be moving to 7.15%. As for the BRS excluding teachers, we will look at those assets specifically and the building blocks that were reviewed at the May meeting. She believes that there are different asset allocations as well.

Segal did not complete a funding schedule for the teachers. The Commonwealth sets the appropriation for state employees including Boston teachers. The State appropriation was $162,976,424 for Fiscal year 2021. The total state appropriation is expected to increase by 9.63% through fiscal year 2023 and fully funded in 2026.

The funded status for the BRS excluding teachers since the last valuation, was 77.4%. Decreased slightly to 74% on a market value basis. On the AVA basis. Decreased from 76.9% to 75%.

As for the funding schedule, after we bring in all the assets and liabilities and look at how we are going to fully fund the normal costs and the unfunded liability. Page 29 of the report has the complete schedule for this year. As you may recall, in the prior valuation. The system was set to be fully funded by 2025 with 8.85% increases. With this valuation, the 8.85% increases were kept but the schedule was extended two years in order absorb some experienced loss and those assumption changes increased the liability. To keep the appropriation increases at 8.5% the funding schedule was increased to 2027 noting a smaller payment in the 2027 schedule pushed out due to the increases in liability. Due to the assumption changes, the experience loss. Those assumption changes being the investment return and the mortality that we just discussed.

Motion made, and seconded, to approve the Segal_Actuarial Valuation as of 01.01.2020 report as presented. Roll Call Vote: Member Joyce; Aye, Member McLaughlin; Aye, Member O'Reilly; Aye, Member Jackson; Aye, Chairman Greene; Aye.

Motion accepted (5-0)

<u>August 2020 Financial Snapshot</u>

Ms. McCarthy reported Pension payroll contributors: $54,537,301 Total Contributory Payees: 15,144 Total Payees; Payroll1 (non-contributors :) $ 299,165; Total Contributory payees: 45; New Regular Retirees: 29; Survivor/Beneficiary Retirees: 1; Disability Retirees: 1; Members Refunds: 23 for $371,328, Members Transfers: 4 for $182,108; Option B Refunds: 6 for $208,067; Refunds and transfers: 33 for $761,502; Operational Warrants: $2,537,122. Operational Warrants are higher than usual due to Vitech payment.

<u>Documents presented</u>

Actuarial Valuation as of 01.01.2020 report, August 2020 Financial Snapshot.

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

- **August 2020 payroll update**

Ms. Weir reported the August 2020 payroll as such; 35 possible retirees. 33 superannuation's and one death of active and one disability case. 27 cases processed, 25 superannuation cases processed, one death of active and one disability case. 8 cases missed payroll, one did not want to sign final papers, three waiting salaries from BPS, one transfer and three did not on return final papers time. We have approximately 116 retirees for October. One of the challenges we continue to have is getting the salaries from BPS.

Member McLaughlin asked how he could assist. Ms. Weir stated that BRS needed the salaries and she would provide list to Member McLaughlin. Mr. Smyth stated that this has been an ongoing issue and that the BRS has reached out to the Superintendent's office to no avail. BRS staff now instructing Members to contact BPS directly for salaries. Member Joyce stated that she would like to help also. The Board discussed how to mediate the situation and intent to retire increases from Members.

<u>No documents presented</u>

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

- Legal Update

Mr. Lydon offered a PERAC memoranda for educational purposes only.

- PERAC Memo 27-2020 re Regular Compensation and Creditable Service Status of Certain Leaves
- Letter to PERAC re PWD Group Classification issue presented.

<u>Documents presented</u>

Letter to PERAC re PWD Group Classification issue, 09.02.2020, PERAC Memo 27-2020.

Member O'Reilly and Mr. Smyth discussed the privacy, paper ballots, online voting and Member participation for the upcoming BRS Board elections.

Motion made, and seconded, to go into Executive Session at approximately 12:29 p.m. Roll call vote; Member Joyce; Aye, Member Mclaughlin; Aye, Member O'Reilly; Aye, Member Jackson; Aye, Chairman Greene; Aye.

Motion accepted (5-0)

Respectfully submitted,
BOSTON RETIREMENT BOARD

Daniel J. Greene, Esquire
Mayoral Appointed Member, Chairman

Maureen A. Joyce
Ex Officio Member

Michael W. McLaughlin
Elected Member

Michael D. O'Reilly
Elected Member

Thomas V.J. Jackson
Fifth Member