

BOARD OF EDUCATION RETIREMENT SYSTEM

Board Meeting Agenda

January 13, 2026

1. Calendar Item 1: Noting of the Minutes of the Meeting of the Board of Education Retirement System held on November 12, 2025 – **FOR CONSIDERATION AND ACTION.**
2. Executive Director's Update – **FOR DISCUSSION.**
3. Calendar Items 2-17: Ordinary Business – **FOR CONSIDERATION AND ACTION.**
4. Calendar Item 18: Grant Thornton 2025 Annual Audit Presentation – **FOR DISCUSSION.**
5. Calendar Item 19: Authorization for the Adoption of an Administrative Budget for Fiscal Year 2026 for the Board of Education Retirement System - **FOR CONSIDERATION AND ACTION.**
6. Calendar Item 20: Election of Co-Chairs of the Board of Trustees – **FOR CONSIDERATION AND ACTION.**
7. Calendar Item 21: Election of Members of the Executive Committee – **FOR CONSIDERATION AND ACTION.**
8. Calendar Item 22: Election of Members of the Disability Committee – **FOR CONSIDERATION AND ACTION.**
9. Calendar Item 23: Election of Members of the Audit Committee – **FOR CONSIDERATION AND ACTION.**
10. Calendar Item 24: NYC Office of the Actuary: June 30, 2023 Actuarial Valuation Report – **FOR DISCUSSION.**
11. Calendar Item 25: Authorization to Commit Funds for the Provision of System Maintenance Services for the Board of Education Retirement System – **FOR CONSIDERATION AND ACTION.**
12. Calendar Item 26: Annual Update on Climate Change – **FOR DISCUSSION.**

**Board of Education Retirement System
Meeting of the Board of Trustees
Summary Minutes
November 12, 2025**

Appearances:

Adriana Alecia (CEC Queens)
Marielle Ali, Trustee (Manhattan BP Rep)
Karine Apollon, Trustee (Chancellor Designee)
Debra Altman (CEC Staten Island)
Shirley Aubin, Trustee (Queens BP Rep)
Camille Casaretti, (Brooklyn BP Rep)
Marjorie Dienstag, Trustee (Mayoral)
John Dorsa, Trustee (Comptroller Designee)
Gregory Faulkner (Chair)
Anita Garcia, Trustee (Mayoral)

Anthony Giordano, Trustee (Mayoral)
Dr. Angela Green, Trustee (Mayoral)
Alice Ho, Trustee (Mayoral)
Rima Izquierdo Trustee (Bronx BP Rep)*
Faraji Hannah-Jones, Trustee (CEC Brooklyn)
Brenida Parsons, (CEC Bronx)
Maisha Sapp, Trustee (Mayoral)
Frank Sirabella, Trustee (Employee Member)
Yadira Jimenez, Trustee (Mayoral)

****Virtual Attendance***

Meeting commenced at approximately 4:23 PM.

Ms. Garcia arrived at the meeting at approximately 4:27 PM.

Agenda Item 1 Calendar Item 1: – Noting of the Minutes of the Meeting of the Board of Education Retirement System held on May 13, 2025. On a motion by Mr. Giordano and a second by Ms. Sapp, this item was unanimously approved.

Agenda Item 2 – Executive Director Update

Agenda Item 3 – Calendar Item 2 – 17: Ordinary Business. On a motion by Mr. Giordano and a second by Ms. Aubin, this item was unanimously approved.

Agenda Item 4 – Calendar Item 18: Adoption of the Actuary's Recommendation Regarding the Tier III/IV/VI Loan Insurance Premium Rate for Fiscal Year 2026. On a motion by Mr. Dorsa and a second by Ms. Garcia, this item was unanimously approved.

Agenda Item 5 – Calendar Item 19: Adoption of the Disability Committee's Recommendations. On a motion by Dr. Green and a second by Ms. Dienstag, this item was unanimously approved.

Mr. Hannah-Jones arrived at the meeting at approximately 4:41 PM.

On a motion by Mr. Giordano and a second by Ms. Ho, the Board unanimously approved amending the Minutes of the Meeting of the Board of Education Retirement System held on May 13, 2025, to include the virtual attendance of Marielle Ali and Shirley Aubin.

Agenda Item 6 – Calendar Item 20: Authorization to the Comptroller of the City of New York to Invest, Sell and Exchange the Funds of the Retirement System. On a motion by Mr. Giordano and a second by Ms. Aubin, this item was unanimously approved.

Agenda Item 7 - Calendar Item 21: Adoption of an Amendment to the Investment Policy Statement of the Board of Education Retirement System. On a motion by Ms. Aubin and a second by Mr. Giordano, this item was considered. On a motion by Mr. Giordano and a second by Ms. Garcia, the Board unanimously approved amending the proposed resolution to require that to approve any new public market managers or programs between 250M and 350M, it is contingent on providing the Executive Committee agenda to the full Board of Trustees and if five or more trustees raise a question, then the item must be tabled and added to the next Board of Trustees Meeting. If that meeting does not occur, then the item may be heard and voted on automatically at the next Executive Committee meeting.

Agenda Item 8 - Calendar Item 22: Adoption of an Amendment to the Authority and Procedure of the Executive Committee of the Board of Education Retirement System. On a motion by Mr. Giordano and a second by Ms. Ho, this item was unanimously approved with the corresponding language as voted on in Calendar Item 21. .

Agenda Item 9 - Calendar Item 23: Authorization to the Executive Committee to Approve Certain Transactions. On a motion by Mr. Giordano and a second by Ms. Ho, this item was approved with one opposition from Mr. Dorsa.

Ms. Jimenez left the meeting at approximately 5:55 PM.

Agenda Item 10 – Calendar Item 24: Fiscal Year 2026 Budget Presentation. There were no motions to discuss this item, and it was bypassed for action items.

Agenda Item 11 - Calendar Item 25: Authorization to Enter into an Agreement with Segal Marco Advisors to Provide Investment Consulting Services to the Board of Education Retirement System. On a motion by Mr. Giordano and a second by Ms. Ho, this item was unanimously approved.

Agenda Item 12 - Calendar Item 26: Authorization to Enter into an Agreement with Capstone Strategy Group, LLC to Provide Automated Identity Verification Solution for Integration into the Board of Education Retirement System Comprehensive Pension Management System. On a motion by Mr. Giordano and a second by Ms. Ho, this item was unanimously approved.

Agenda Item 13 - Calendar Item 27: Authorization to Amend an Agreement with Vitech Systems Sub LLC. On a motion by Ms. Aubin and a second by Ms. Ho, this item was unanimously approved.

Agenda Item 14 - Calendar Item 28: Annual Update on Climate Change. There were no motions to discuss this item, and it was bypassed for action items.

Agenda Item 15 - Calendar Item 29: Developed Market ex US. Mr. Giordano made a motion to consider, which was seconded by Ms. Aubin. No discussion or vote occurred due to loss of quorum.

On a motion by Mr. Giordano and a second by Ms. Aubin, the meeting was adjourned at approximately 6:22 PM.



■ **FY 2026
Administrative
Budget**

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► Proposed Administrative Budget FY 2026

	FY 2026 70 Headcount	FY 2026 14 Headcount
Proposed Budget	\$47,822,678	\$45,105,237
Personal services (PS)	\$34,829,963	\$29,442,077
<u>Other than personal services (OTPS)</u>	<u>\$12,992,715</u>	<u>\$15,663,160</u>

▀ Budget Trend

	FY2024	FY2025	FY2026 70 Headcount	FY2026 14 Headcount
PS Budget	\$23,887,331	\$24,726,409	\$34,829,963	\$29,442,077
OTPS Budget	\$10,209,241	\$11,150,548	12,992,716	\$15,663,160
Total	\$34,096,573	\$35,876,957	\$47,822,678	\$45,105,237
<u>Headcount</u>				
Full time employees	166	169	239	183
Temporary Staff	10	22	3	53

Key drivers for FY 2026 PS Budget

Key Drivers	FY 2026 70 HC	FY 2026 14 HC
Additional HC Request	\$5.08M	\$2.00M
6.52 % increase in Fringe Rate	\$4.07M	\$1.74M
3.25 % Contractual Increases	\$544K	\$544K
Overtime increase/(decrease)	(\$124k)	\$257K



Key drivers for FY 2026

OTPS Budget

- \$1.32M – Vitech Maintenance and Support
- \$350K – Velocity License and Support
- \$350K – Computer, network configuration and other hardware
- \$230K – Virtual Desktop infrastructure
- \$200K – Telecommunications – Cloud based solution
- \$200K – Automated Identity Verification solution
- \$190K – Rent and Overheads
- **(\$903K) – 65% reduction in the Temporary staff cost with 70 HC**
- **\$1.2M – Increase in the Temporary staff cost with 14 HC**



▸ *Thank you*

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AUTHORIZATION FOR THE ADOPTION OF AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2026 FOR THE BOARD OF EDUCATION RETIREMENT SYSTEM

- WHEREAS,** Chapter 307 of the Laws of 2002 was enacted on August 6, 2002; and
- WHEREAS,** Chapter 307 of the Laws of 2002 deems the administrative budget for the fiscal year beginning July 1, 2025 enacted by the retirement board to be effective as of the beginning of the fiscal year, and
- WHEREAS,** Chapter 307 of the Laws of 2002 authorizes the Retirement Board to establish a budget sufficient to fulfill the powers, duties and responsibilities set forth in the BERS rules and regulations and any other provision of law which sets forth benefits of members of the Retirement System and may draw upon the assets of the Retirement System to finance said budget; and
- WHEREAS,** the Executive Director and the administrative staff recommend as a budget for Fiscal Year 2026 a personnel services budget of \$ 34,829,963 that includes a fringe benefit cost of \$ 11,785,128 and an other than personnel services budget of \$ 12,992,716; and
- WHEREAS,** the Retirement Board has reviewed the Executive Director's budget request; now therefore be it
- RESOLVED,** that the Retirement Board of the Board of Education Retirement System adopts the Fiscal Year 2026 administrative budget and delegates to the Executive Director its powers within the authorized appropriation.

Respectfully Submitted,

Sanford R. Rich
Executive Director

AUTHORIZATION FOR THE ADOPTION OF AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2026 FOR THE BOARD OF EDUCATION RETIREMENT SYSTEM

- WHEREAS,** Chapter 307 of the Laws of 2002 was enacted on August 6, 2002; and
- WHEREAS,** Chapter 307 of the Laws of 2002 deems the administrative budget for the fiscal year beginning July 1, 2025 enacted by the retirement board to be effective as of the beginning of the fiscal year, and
- WHEREAS,** Chapter 307 of the Laws of 2002 authorizes the Retirement Board to establish a budget sufficient to fulfill the powers, duties and responsibilities set forth in the BERS rules and regulations and any other provision of law which sets forth benefits of members of the Retirement System and may draw upon the assets of the Retirement System to finance said budget; and
- WHEREAS,** the Executive Director and the administrative staff recommend as a budget for Fiscal Year 2026 a personnel services budget of \$ 29,442,077 that includes a fringe benefit cost of \$ 9,962,074 and an other than personnel services budget of \$ 15,663,160; and
- WHEREAS,** the Retirement Board has reviewed the Executive Director's budget request; now therefore be it
- RESOLVED,** that the Retirement Board of the Board of Education Retirement System adopts the Fiscal Year 2026 administrative budget and delegates to the Executive Director its powers within the authorized appropriation.

Respectfully Submitted,

Sanford R. Rich
Executive Director

MEMORANDUM

FROM: JOSAIAS RODRIGUEZ, DIRECTOR OF OPERATIONS
TO: SANFORD RICH, EXECUTIVE DIRECTOR
SUBJECT: BACKGROUND AND JUSTIFICATION FOR REQUEST FOR ADDITIONAL MAINTENANCE HOURS
DATE: JANUARY 9, 2026

Purpose

This memo serves to provide background and justification for our current request to the Board for the purchase of additional Vitech maintenance hours, highlighting the necessity of these hours to sustain continuous operations and effectively address ongoing challenges. In anticipation of the significant amount of work expected during fiscal year 2026, BERS requested 10,000 hours at a cost of \$2.5 million in their budget proposal. However, the budget for this year (fiscal year 2026) has not yet been approved by the Board, necessitating a rollover of last fiscal year's budget (fiscal year 2025), which only included 5,000 hours. Vitech has already executed these 5,000 hours to deliver on the work necessary for critical functionality changes, enabling the processing of Chapter 551 transfers and other core business functions.

Current Request for Maintenance Hours

We are seeking authorization to commit funds for up to 10,000 Vitech maintenance hours for the fiscal year 2026. This request includes an additional 5,000 hours (cost not to exceed \$1,185,000), beyond the 5,000 hours that have already been utilized based on the FY2025 budget. This request is essential for maintaining day-to-day operations and addressing a backlog that has accumulated due to various external factors since the implementation of the Comprehensive Pension Management System (CPMS) in 2017.

Background and Justification

1. Cumulative Out-of-Scope Work: Since the go-live of CPMS, numerous legislative, regulatory, and audit requirements have emerged, significantly increasing the work required from Vitech. These include actuarial updates, Secure 2.0 provisions, updates for ROTH and Auto Enrollment features, enhancements related to Chapter 551 and Chapter 716, and new integration requirements (e.g., ID.me).

2. Necessary Upgrades: The only functionality recognized as a capital expenditure was ROTH. Any functionality around ROTH was not covered under maintenance hours, as it required a capital investment. However, the effort from Vitech in terms of development and implementation remained the same, with costs allocated differently. This situation contributed to backlogs and extended delivery times for items that were covered under maintenance hours.

3. Sustained Increase in Maintenance Demand: The ongoing requirements and requests outside the original project scope have led to a consistent maintenance demand over the years. The total hours

billed for maintenance in recent fiscal years have remained similar due to this accumulation of demand, not because of a single new spike in requests this year.

4. Business Process Improvements and Functionality Enhancements: Business process improvements have been and will continue to be a recurring driver of maintenance hours. While some process changes deliver long-term efficiencies, they often require substantial Vitech system development and technical effort to implement (e.g., PPMS export, proof-of-life automation, workflow reengineering). These enhancements add functionality and automation that reduce manual work overtime but generate significant upfront system development hours that should be included in our maintenance-hours justification.

5. Audit-driven Enhancements: In response to findings and recommendations from external and internal audits, we have implemented and continue to implement system and process changes (for example, QPP RMDs and other corrective actions). These audit-driven improvements require substantive Vitech development and testing time and have materially contributed to maintenance-hour usage.

6. Persistent Backlog: Currently, we are managing approximately 800 open service tickets, necessitating vendor support to prevent degradation of service and delays in member-related operations such as retirements, transfers, payroll, and loans.

7. Regulatory Compliance and Timeliness: Several tasks related to legislative mandates have strict deadlines. Delays in addressing these items could lead to compliance issues and financial risks.

8. Historical Cost Overview: A summary of the previous fiscal years' maintenance expenses illustrates the need for consistent funding to properly support the system. The table below summarizes the total hours and costs incurred for Vitech maintenance services over the past fiscal years:

Fiscal Year	Total Hours	Total Cost
FY2019	2,681	\$549,512.50
FY2020	6,062	\$1,242,738
FY2021	12,075	\$2,613,750
FY2022	10,000	\$2,100,000
FY2023	10,000	\$2,050,000
FY2024	8,000	\$1,720,000
FY2025	4,895	\$1,163,476
FY2026 Q1	5,000	\$1,185,000

Planned FY26 Effort:

Below are key projects that were underway in Q1 of 2026 to ensure continuity and address necessary system updates:

1. **PPMS TDA Loans for Retirees:** Update the PPMS export and import process to include retiree TDA loan deductions; modify the Loans module to allow new applications with the retiree deduction codes, removing the direct payment requirement for retiree TDA loans.
2. **Proof of Life Effort:** Update the CPMS database based on reported death reports from Federal resources; track and notify retirees/alt payees/beneficiaries of uncashed pension checks based

on defined days; identify retirees based on age and check statuses, triggering the creation of proof of life affidavits that need monitoring for remittance; automatically pause and restart pensions based on response and activity criteria.

3. **Roth (Capital Expense)** – All Remaining Aspects: Address a series of remaining implementations for Roth that were delayed due to upgrades, including Loans, Transfers, SCP RO, Conversion/Rollover of Pre-tax, Reports; this includes the postponed Secure 2.0 requirement that mandates age/salary-based contributions to Roth only.
4. **Identity and Access Management:** DSS will be updated with a secure, independent MFA tool. This opens the door for new widgets, transactional offerings, enrollment, and uploads via DSS.
5. **RMD Batch Overhaul:** Revamp the RMD requirements that have evolved since Secure 2.0 to match current work processes.
6. **Pension/E-Stub Absorption:** FISA has discontinued quarterly statements and pension stubs to retirees, necessitating BERS to absorb all tasks associated with providing these services. This transition required a substantial developmental effort to manage these services effectively for just under 22,000 annuitants at BERS, ensuring continuity and quality in service delivery.
7. **Chapter 551 Transfers:** Make updates to the transfer out application and other changes to accommodate the revised transfer process for all Chapter 551.

Conclusion

The request for additional Vitech maintenance hours is critical to ensuring that BERS can continue to fulfill its mission without disruption to member services. This investment not only supports our immediate operational needs but also helps mitigate risks and improve efficiency moving forward.

JANUARY 2026

**AUTHORIZATION TO COMMIT FUNDS FOR THE PROVISION OF SYSTEM
MAINTENANCE SERVICES FOR THE BOARD OF EDUCATION
RETIREMENT SYSTEM**

WHEREAS, the Board of Education Retirement System (BERS) requires system maintenance services relating to its Comprehensive Pension Management System; and

WHEREAS, BERS has contracted with Vitech Systems Sub LLC. (Vitech) to provide such system maintenance services pursuant to the terms of an agreement between BERS and Vitech entered into on July 26, 2018; now therefore be it

RESOLVED, that the Board of Trustees authorizes the Executive Director of BERS commit funds for the provision of system maintenance services during Fiscal Year 2026 with a cost not to exceed \$1,185,000; and be it further

RESOLVED, that the Executive Director of BERS be authorized to receive and control funds and to direct the Comptroller of the City of New York to disburse funds in accordance with this agreement.

Respectfully Submitted,

Sanford R. Rich
Executive Director