

BOARD OF EDUCATION RETIREMENT SYSTEM

Board Meeting Agenda

June 25, 2025

1. Calendar Item 1: Noting of the Minutes of the Meeting of the Board of Education Retirement System held on May 13, 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: Adoption of the Actuary's Recommendation Regarding the Tier III/IV/VI Loan Insurance Premium Rate for Fiscal Year 2026 – **FOR CONSIDERATION AND ACTION.**
5. Calendar Item 19: Authorization to the Comptroller of the City of New York to Invest, Sell and Exchange the Funds of the Retirement System – **FOR CONSIDERATION AND ACTION.**
6. Calendar Item 20: Authorization for the Adoption of an Administrative Budget for Fiscal Year 2026 for the Board of Education Retirement System - **FOR CONSIDERATION AND ACTION.**
7. Calendar Item 21: Adoption of BERS Bylaws – **FOR CONSIDERATION AND ACTION.**
8. Calendar Item 22: Authorization to Enter into an Agreement with Segal Marco Advisors to Provide Investment Consulting Services to the Board of Education Retirement System – **FOR CONSIDERATION AND ACTION.**
9. Calendar Item 23: Excluded Security Review – **FOR DISCUSSION.**
10. Calendar Item 24: Authorization to the Comptroller of the City of New York to Approve the Private Equity Emerging Manager Program - **FOR CONSIDERATION AND ACTION.**
11. Calendar Item 25: Developed Market ex US – **FOR CONSIDERATION AND ACTION.**
12. Calendar Item 26: Authorization to the Comptroller of the City of New York to Commit a Portion of the Private Equity Portfolio of the Board of Education Retirement System – **FOR CONSIDERATION AND ACTION.**
13. Calendar Item 27: Annual Plans Public Equity and Fixed Income – **FOR DISCUSSION.**

14. Calendar Item 28: Secondary Sale Update – **FOR DISCUSSION.**
15. Calendar Item 29: Annual Update on Climate Change – **FOR DISCUSSION.**
16. Calendar Item 30: STAR Report Review – **FOR DISCUSSION.**

**Board of Education Retirement
System Meeting of the Board of
Trustees Summary Minutes
May 13, 2025**

Appearances:

Adriana Alecia
Karine Apollon
Marjorie Dienstag
John Dorsa
Gregory Faulkner
Anthony Giordano
Dr. Angela Green
Naveed Hasan

Alice Ho
Rima Izquierdo
Dr. Darling Miramey
Donald Nesbit
Sharon Odwin
Maisha Sapp
Frank Sirabella

Meeting commenced at approximately 4:52 PM.

Agenda Item 1 – Calendar Item 1: Noting of the Minutes of the Meeting of the Board of Education Retirement System held on March 18, 2025. On a motion by Ms. Apollon and a second by Mr. Giordano, this item was approved with one abstention from Ms. Izquierdo.

Agenda Item 2 – Executive Director Update

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

Agenda Item 4 – Calendar Item 18: Authorization of the Rebalancing of Funds of the Board of Education Retirement System. On a motion by Ms. Apollon and a second by Ms. Ho, this item was unanimously approved.

Agenda Item 5 – Calendar Item 19: Adoption of the Actuary's Determination for the Final Fiscal Year 2025 Employer Contribution. On a motion by Ms. Apollon and a second by Mr. Giordano, this item was unanimously approved.

Agenda Item 6 – Calendar Item 20: Adoption of the Disability Committee's Recommendations. On a motion by Ms. Apollon and a second by Ms. Dienstag, this item was unanimously approved.

Agenda Item 7 - Calendar Item 21: Authorization to Amend an Agreement with Vitech Systems Sub LLC. On a motion by Ms. Apollon and a second by Ms. Ho, this item was approved with one abstention from Mr. Dorsa.

Agenda Item 8 - Calendar Item 22: BERS Operations Department Staffing Analysis. On a motion by Ms. Apollon and a second by Ms. Dienstag, this item was discussed.

Agenda Item 9 - Calendar Item 23: Budget Review. On a motion by Ms. Apollon and a second by Mr. Faulkner, this item was considered. On a motion by Mr. Dorsa and a second by Ms. Ali, the motion to table failed with three in favor (Ms. Ali, Ms. Aubin, Mr. Dorsa), thirteen opposed (Ms. Alicea, Ms. Apollon, Ms. Dienstag, Mr. Faulkner, Mr. Giordano, Dr. Green, Mr. Hasan, Ms. Ho, Ms. Izquierdo, Mr. Nesbit, Ms. Odwin, Ms. Sapp, Mr. Sirabella) and one abstention from Dr. Darling Miramey. On a motion by Mr. Faulker and a second by Ms. Dienstag, the motion to vote on the budget failed with opposition from Mr. Dorsa and two abstentions from Ms. Ali and Ms. Izquierdo.

Agenda Item 10 – Calendar Item 24: Authorization to Extend an Agreement with Industrial Staffing Services Inc. to Provide Temporary Staffing Services to the Board of Education Retirement System. On a motion by Ms. Apollon and a second by Ms. Ho, this item was approved with one abstention from Mr. Dorsa.

Agenda Item 11 – Calendar Item 25: Authorization to Enter into a Lease Agreement. On a motion by Mr. Giordano and a second by Mr. Dorsa, this item was unanimously approved.

On a motion by Ms. Apollon and a second by Ms. Ho, the meeting was adjourned at approximately 6:22 PM.



■ **FY 2026
Administrative
Budget**

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► Proposed Administrative Budget FY 2026

Proposed Budget	\$47,822,678
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Personal services (PS)	\$34,829,963
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<u>Other than personal services (OTPS)</u>	<u>\$12,992,715</u>
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▀ Budget Trend

	FY2024	FY2025	FY2026 (proposed)
PS Budget	\$23,887,331	\$24,726,409	\$34,829,963
OTPS Budget	\$10,209,241	\$11,150,548	12,992,716
Total	\$34,096,573	\$35,876,957	\$47,822,678

Headcount

Full time employees	166	169	239
Temporary Staff	10	22	3



Key drivers for FY 2026

PS Budget

- **Required Changes: \$5.14M**
 - 6.52% increase in Fringe Rate : \$4.07M
 - 3.25% Contractual increases : \$544K
 - Title and level adjustments : \$531K
 - Decrease in Overtime : (\$124)K
- **Additional HC Request (70) : \$5.08M**



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



▸ *Thank you*

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BERS INVESTMENT MEETING

PUBLIC SESSION



May 15, 2024



STAR Implementation

How We Got Here

1. **Strategic & Tactical Accountability Review (STAR)** — McKinsey
2. **BAM Compensation Study** — Mercer
3. **Economically Targeted Investments (ETI) Review** — David Ehrenberg



Today's Agenda

1. Update on Ongoing STAR Implementation Work

- Investment Procurement
- Consultants

2. Draft Trustee Service Compact

- BAM's Mission, Service Aspiration Statement, and Service Commitments
- BAM's Annual Workplan & Trustee Annual Calendar
- Joint Manager Meeting Pilot
- BAM's Investment Advisory Delegation
- An Annual Corpus Budget & Resource Update



Investment Procurement Update

Under the current system there are 20+ handoffs, taking 24 to 36 months per contract

BAM aims to remove ~12 handoffs and reduce the process to 7-12 months by

1. Hiring a **BAM ACCO** and a dedicated **BAM Legal Resource**, and shifting Chief ACCO responsibility to CIO
2. Exploring changes to the Procurement Policy Board rules to align public market procurement process with private market procurement process

BAM has received internal approval to move forward



Consultants

Consultants are hired by trustees, but work closely with BAM to support trustees

With input from consultants, STAR provided recommendations to

- Standardize level of support across consultants
- Improve collaboration between consultants and BAM
- Improve coordination between specialty and general consultants

In 2025, we will be putting out an RFP for general and specialty consultants on your behalf

BAM will propose updates to the RFPs to align with STAR recommendations. Trustees will edit and approve as always



Trustee Service Compact

In Your Draft Trustee Service Compact

Each year, as part of the Trustee Service Compact review process, there will be an opportunity to review and approve

- The BERS IPS, including in particular the sections on
 - **Investment Beliefs** (new)
 - Role of Comptroller
- Trustee Service Compact
 - BAM's Mission, Service Aspiration Statement, and Service Commitments
 - BAM's Annual Workplan & Trustee Annual Calendar
 - **Joint Manager Meeting Pilot**
 - BAM's Investment Advisory Delegation
 - **An Annual Corpus Budget & Resource Update**



Establishing Your Investment Beliefs

A central component of STAR implementation will be to work together to establish your system-specific Investment Beliefs. This process will

1. Align BAM and Trustees on codified & fact-based fund-level investment beliefs
2. Formally codify and update system-specific asset class-level strategies

These Investment Beliefs will reflect the unique preferences of your individual fund and will enable BAM to better customize your investment options

Once complete, these Investment Beliefs will live within your Investment Policy Statement and will inform your Trustee Service Compact



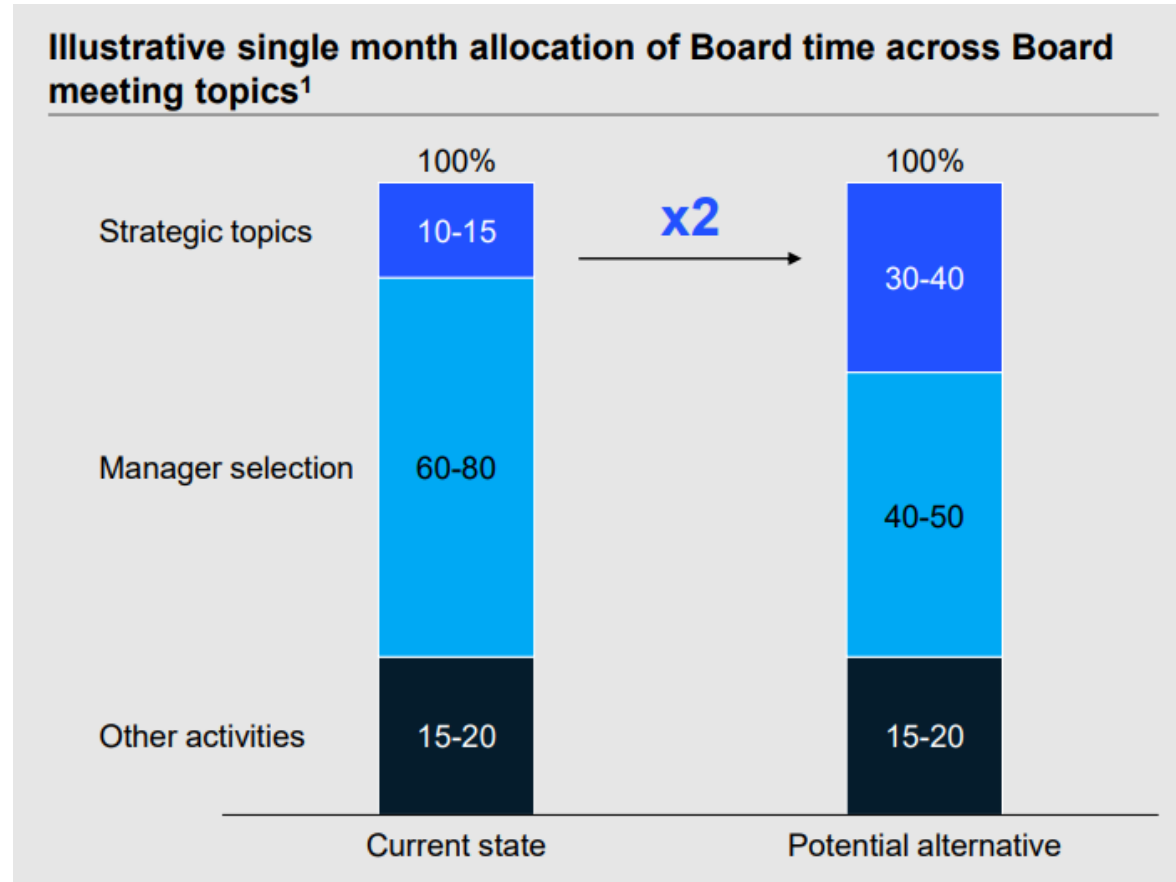
Joint Manager Meeting Proposal

Allocate Board time to strategy —

Adjust Board agendas to increase time allocation towards high-impact strategic topics

Consolidate repetitive meetings —

Create a single forum that allows managers to present to all Boards



Joint Manager Meeting Structure

BAM is proposing to pilot a Joint Manager Meeting from September to December

1. A Joint Manager Meeting (1hr)

- Presentations from new managers
- All trustees invited, not required
- Allows for reallocation of BAM time toward investment management by limiting repetitive manager presentations and condensing presentation timelines

2. System-specific Investment Meetings (1.5hrs)

- Focus on System-specific strategic topics, including portfolio construction, performance reviews, fee analysis, risk updates, etc.
- Systems vote on both new and re-up manager recommendations

3. Ongoing Education Sessions

- Weekly Thought Leadership Speaker Series
- Quarterly cross-system deep dives



Sample Monthly Calendar

November	
Joint Manager Meeting	Takes place at the start of the month
Manager Presentations	
BAM Cross-System Updates	
System-Specific Investment Meetings	Tacks on to board Regular Meetings
Standing Topics	
<ul style="list-style-type: none">• Preliminary performance update• Consultant presentations• Voting on managers	
Strategic Discussion — Review of service compact, annual budget, and strategic priorities	Follows recurring cadence
Education Sessions	
Thought Leadership	
Investment risk	



Joint Manager Meeting Process

1. BAM sends trustees a **list of managers** expected to be recommended to the boards in the next month, identifying which investments will be presented at the joint manager meeting
 1. Trustees can request that additional managers present at the JMM as needed
2. BAM sends trustees system-specific **monthly packages** with new cover note
3. Joint Manager Meeting takes place at the beginning of the month
4. Individual board meetings take place immediately after Regular Board Meetings



Current State of Corpus

BAM's current budgeted corpus headcount is **70**

With an annual budget of **\$11.1M** at current compensation levels



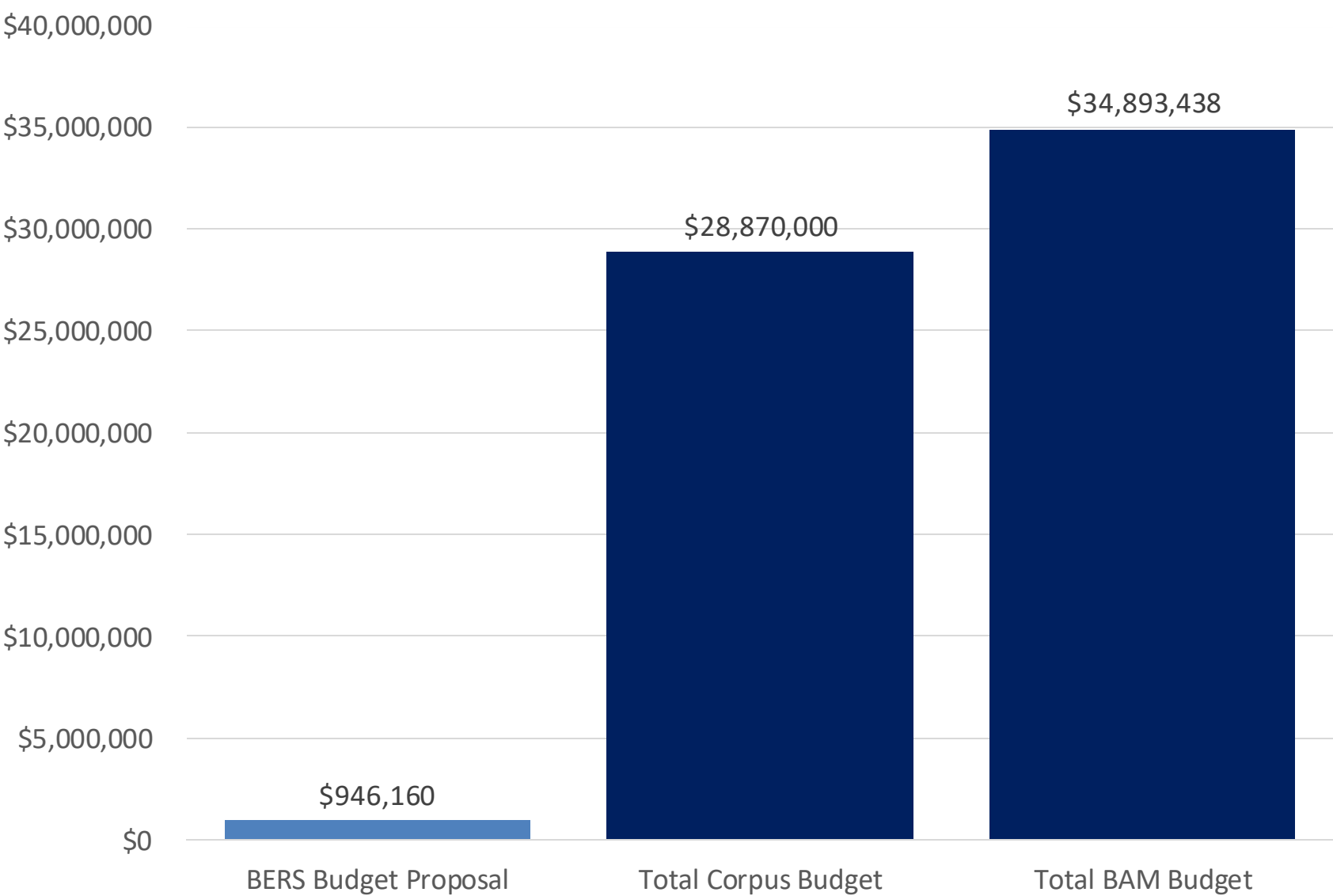
This resourcing proposal would

1. Increase headcount based on STAR recommendations to 127, reflecting
 1. Increase in AUM
 2. New Asset Allocation
 3. Improved System-specific Customization
2. Raise current team member salaries based on market comparisons from Mercer study
3. Reallocate team members to corpus funding

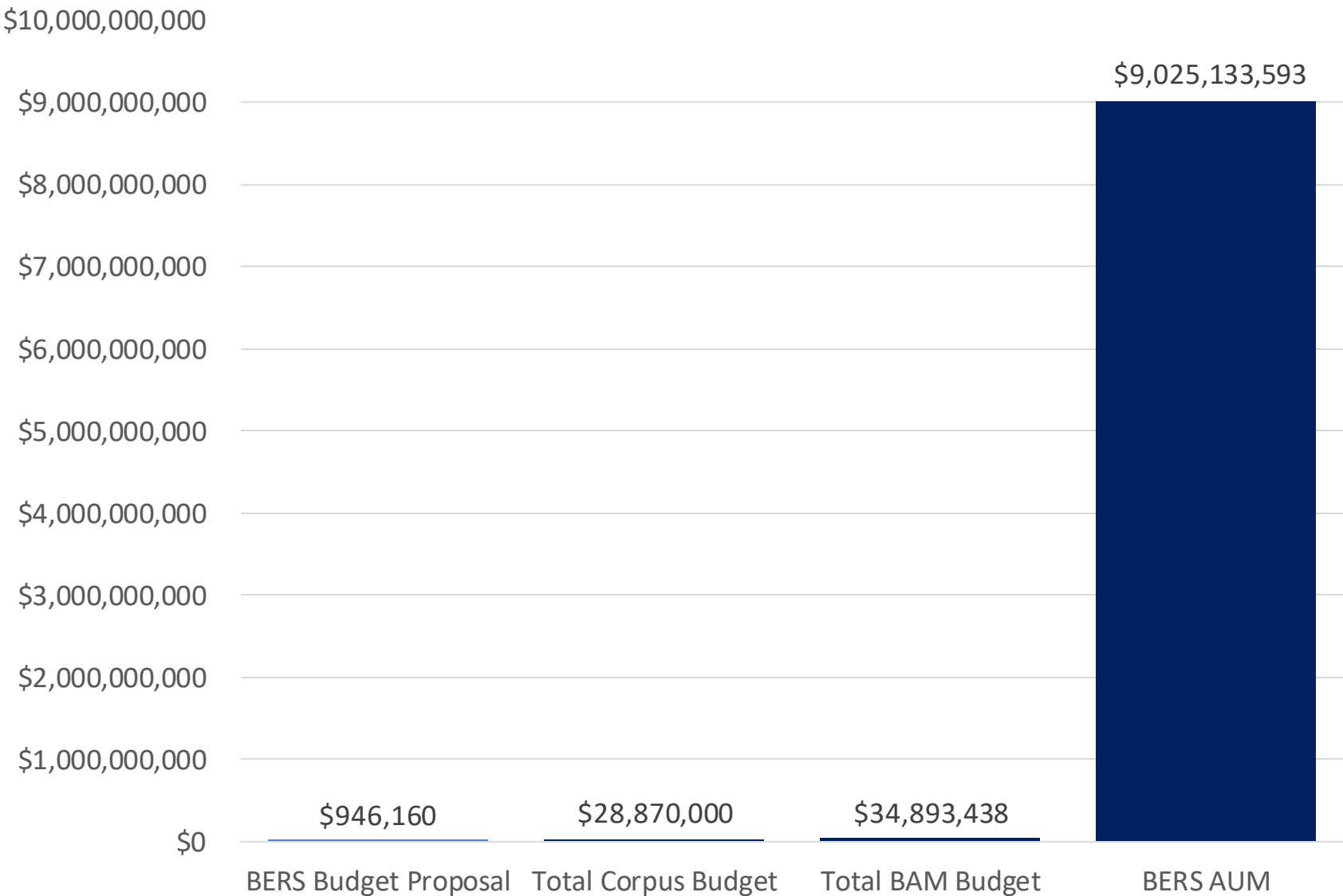
BAM corpus funding would be approximately one basis point (0.01%) of the AUM of the five combined systems



BERS Corpus Budget Proposal



BERS Corpus Budget Proposal



Proposed Total Corpus Headcount by Team

Team	Current Corpus	New Resources	Shift to Corpus	Proposed Corpus
CIO	1	-	-	1
Investment Team	39	14	(2)	51
ETIs	-	3	3	6
Risk Management	6	2	1	9
Compliance	4	-	-	4
Operations	10	-	8	18
Financial Reporting	2	1	2	5
Technology Support	3	-	1	4
Contracts	3	-	6	9
Corporate Governance	2	-	6	8
DEI & EM Strategy	-	1	1	2
ESG Integration	-	-	4	4
Private Market Legal Team	-	-	6	6
Total	70	21	36	127



Compensation Study Recommendations

The Mercer study produced market comparisons for the 75th and 50th percentiles, comparing BAM to

1. Government/Not-for-Profits
2. Financial Services
3. Public Pensions
4. Endowments and Foundations

Mercer recommends that we pursue compensation at their 75th percentile level given that

1. Our AUM is the third largest in the country
2. Our structure is uniquely complex
3. We do not have an incentive program but compete for talent with funds that do



BAM's Compensation Principles

1. **Competitive Compensation** — Seeking competitive salaries that enable BAM to attract and retain diverse talent
2. **Flattened Distribution** — Flattening the significant spread between the highest- and lowest-compensated employees in the Mercer study
3. **Public Sector Context** — Aiming for compensation that is appropriate given the public sector context and New York City and State government context

On average, BAM is proposing salaries that are 3% lower than Mercer's 50th percentile total compensation and 22% lower than the 75th percentile



Compensation Study Mapping

The Mercer Compensation Study proposed suggested salaries for 25 standardized roles within the Bureau of Asset Management

BAM has mapped each of the unique roles across the organization to one of these 25 standardized roles

BAM will be creating compensation ranges, with the proposed salaries at the top of the range

Compensation ranges will be structured based on pre-defined education and experience qualifications



Proposed Salary by Role

Compensation Study Title	Current Salary	Estimated May 2024 Salary	Proposal	50% - Proposed	Proposed Compared to 50% %	75% - Proposed	Proposed Compared to 75%
Chief Investment Officer	350K	394K	550K	-223K	-29%	-560K	-50%
Deputy Chief Investment Officer	300K	338K	475K	17K	4%	-159K	-25%
Asset Class Head	250K	281K	400K	-69K	-15%	-83K	-17%
Chief Operating Officer	200K	225K	400K	-58K	-13%	-358K	-47%
Chief Risk Officer	250K	281K	400K	20K	5%	-273K	-41%
Chief Compliance Officer	177K	199K	300K	-29K	-9%	-212K	-41%
Senior Investment Officer	175K	197K	300K	34K	13%	-60K	-17%
Investment Officer	134K	151K	200K	13K	7%	-21K	-10%
Senior Investment Analyst	95K	107K	125K	4K	3%	-14K	-10%
Investment Analyst	60K	68K	85K	-2K	-2%	-1K	-1%
Senior Investment Operations Manager	120K	135K	200K	-34K	-15%	-57K	-22%
Investment Operations Manager	97K	109K	150K	-8K	-5%	-68K	-31%
Senior Investment Operations Officer	96K	108K	125K	21K	20%	-7K	-5%
Investment Operations Officer	83K	94K	100K	-19K	-16%	-50K	-33%
Investment Operations Analyst	60K	68K	85K	-16K	-16%	-43K	-34%
Compliance Officer	115K	129K	150K	-8K	-5%	-37K	-20%
Senior Compliance Analyst	95K	107K	110K	36K	49%	26K	31%
Compliance Analyst	70K	79K	85K	-13K	-13%	-26K	-23%
Director of Contracts	140K	158K	200K	-2K	-1%	-28K	-12%
Deputy Director of Contracts	110K	124K	150K	-19K	-11%	-31K	-17%
Senior Contract Analyst	86K	97K	125K	7K	6%	-17K	-12%
Contract Analyst	69K	78K	85K	7K	9%	-5K	-6%
OGC Counsel	165K	186K	300K	-88K	-23%	-184K	-38%



Proposed Total Corpus Cost by Team

Team	Current Corpus	New Resources	Shift to Corpus	Proposed Corpus
CIO	550,000	-	-	550,000
Investment Team	10,325,000	3,175,000	-	13,500,000
ETIs	-	900,000	700,000	1,600,000
Risk Management	1,485,000	500,000	125,000	2,110,000
Compliance	645,000	-	-	635,000
Operations	1,650,000	-	1,075,000	2,725,000
Financial Reporting	425,000	300,000	500,000	1,225,000
Technology Support	625,000	-	200,000	825,000
Contracts	250,000	-	780,000	1,030,000
Corporate Governance	425,000	-	1,235,000	1,545,000
DEI & EM Strategy	-	125,000	200,000	325,000
ESG Integration	-	-	900,000	900,000
Private Market Legal Team	-	-	1,800,000	1,800,000
Total	16,380,000	5,000,000	7,515,000	28,870,000



Appendix – BAM Resourcing Proposal

STAR Recommendations

Directional

Directional

Functions		FTE as of Jan '24	Potential incremental hiring needs ¹	Additional resourcing may be needed to accommodate...
Investment roles	Private Equity	5	+9-12	<ul style="list-style-type: none">Growing private markets allocation (29% from 24%) and need to source/diligence more deals (i.e., 47 deals in 2024 vs. 33 in 2023)Asset class strategy with greater complexity (e.g., infra co-invest)Trustee customization (e.g., type of manager, climate solutions) requires diligencing of more managers
	Real Estate	5	+0-5	
	Infrastructure	4	+0-5	
	Alt. Credit	3	+2-5	
	ETI	2	+2 ²	
Non-Investment roles	Trustee service	3-4	+1-2	<ul style="list-style-type: none">Enhancements in Trustee service (e.g., expand education, tailor reporting)Building BAM-dedicated support capabilities – i.e., tech/data infrastructure, ACCO/legal needs for procurement, HR talent management
	IT/IS	5 ⁴	+2-4	
	Procurement (ACCO/Legal)	14 ⁴	+1-3	
	HR	<1 ⁴	+1	
	Operations	As investment staff scale to meet future demands, potential for a corresponding resource demand on back-office		

BAM's investment team may need to hire +13-29 FTEs to address current and future workload needs

Enhancing services providing to Trustees may require an additional 1-2 FTEs

Such an increase may have additional implications on back-office staffing (e.g., operations)

Total +18-39 priority positions to be filled (against BAM's 24 vacancies³ as of 1/24)



Mercer Findings – 50th Percentile

Compensation Study Title*	Current Salary**	Estimated May 2024 Salary	50% Comparison	50% Comparison - May 2024
Chief Investment Officer	350K	394K	773K	96%
Deputy Chief Investment Officer	300K	338K	458K	36%
Asset Class Head	250K	281K	469K	67%
Chief Operating Officer	200K	225K	458K	103%
Chief Strategy Officer	200K	225K	385K	71%
Chief of Staff	125K	141K	210K	49%
Chief Risk Officer	250K	281K	380K	35%
Chief Compliance Officer	177K	199K	329K	65%
Senior Investment Officer	175K	197K	266K	35%
Investment Officer	134K	151K	187K	24%
Senior Investment Analyst	95K	107K	121K	13%
Investment Analyst	60K	68K	87K	29%
Senior Investment Operations Manager	120K	135K	234K	73%
Investment Operations Manager	97K	109K	158K	45%
Senior Investment Operations Officer	96K	108K	104K	-3%
Investment Operations Officer	83K	94K	119K	27%
Investment Operations Analyst	60K	68K	101K	50%
Compliance Officer	115K	129K	158K	22%
Senior Compliance Analyst	95K	107K	74K	-31%
Compliance Analyst	70K	79K	98K	24%
Director of Contracts	140K	158K	202K	28%
Deputy Director of Contracts	110K	124K	169K	37%
Senior Contract Analyst	86K	97K	118K	22%
Contract Analyst	69K	78K	78K	0%
OGC Counsel	165K	186K	388K	109%



Mercer Findings – 75th Percentile

Compensation Study Title*	Current Salary**	Estimated May 2024 Salary	75% Comparison	75% Comparison - May 2024
Chief Investment Officer	350K	394K	1.11 M	182%
Deputy Chief Investment Officer	300K	338K	634K	88%
Asset Class Head	250K	281K	483K	72%
Chief Operating Officer	200K	225K	758K	237%
Chief Strategy Officer	200K	225K	513K	128%
Chief of Staff	125K	141K	290K	106%
Chief Risk Officer	250K	281K	673K	139%
Chief Compliance Officer	177K	199K	512K	157%
Senior Investment Officer	175K	197K	360K	83%
Investment Officer	134K	151K	221K	47%
Senior Investment Analyst	95K	107K	139K	30%
Investment Analyst	60K	68K	86K	27%
Senior Investment Operations Manager	120K	135K	257K	90%
Investment Operations Manager	97K	109K	218K	100%
Senior Investment Operations Officer	96K	108K	132K	23%
Investment Operations Officer	83K	94K	150K	60%
Investment Operations Analyst	60K	68K	128K	90%
Compliance Officer	115K	129K	187K	44%
Senior Compliance Analyst	95K	107K	84K	-21%
Compliance Analyst	70K	79K	111K	41%
Director of Contracts	140K	158K	228K	45%
Deputy Director of Contracts	110K	124K	181K	46%
Senior Contract Analyst	86K	97K	142K	47%
Contract Analyst	69K	78K	90K	16%
OGC Counsel	165K	186K	484K	161%



JUNE 2025

**AUTHORIZATION TO ADOPT THE ACTUARY'S RECOMMENDATION REGARDING
THE TIER III/IV/VI LOAN INSURANCE PREMIUM RATE FOR FISCAL YEAR 2026**

WHEREAS, in accordance with the legislation establishing a Loan Program for Tier III/IV/VI members of the New York City Board of Education Retirement System, the Board of Trustees is required, at least annually, to review the Loan Insurance Premium Rate applicable to the Loan Program; and

WHEREAS, based on prior recommendations from the Actuary, such Loan Insurance Premium Rate has been set each year at 0.50% per annum of the outstanding loan balances for loans originating between July 1, 1991 and June 30, 1998, at 0.30% per annum of the outstanding loan balances for loans originating between July 1, 1998 and June 30, 2015, and at 0.20% per annum of the outstanding loan balances for loans originating between July 1, 2015 and June 30, 2025; and

WHEREAS, in a Report dated June 3, 2025, the Actuary has analyzed the experience and current status of the Loan Program, concluded that no change needs to be made and recommends to the Board of Trustees that the Loan Insurance Premium Rate be continued at 0.20% per annum of the outstanding loan balances for any loans originating during Fiscal Year 2026 (i.e., July 1, 2025 through June 30, 2026); now, therefore, be it

RESOLVED, that the Board of Trustees hereby adopts the recommendation of the Actuary as stated in a Report dated June 3, 2025, and stipulates the Tier III/IV/VI Loan Insurance Premium Rate be continued at its current rate of 0.20% per annum of the outstanding loan balances for any loans originating during Fiscal Year 2026 (i.e., July 1, 2025 through June 30, 2026).

Respectfully Submitted,

Sanford R. Rich
Executive Director

JUNE 2025

**AUTHORIZATION TO THE COMPTROLLER OF THE CITY OF NEW YORK TO INVEST,
SELL AND EXCHANGE THE FUNDS OF THE RETIREMENT SYSTEM**

- WHEREAS,** in order that the receipts of monies, as and when they are credited to the fund, may be invested at the earliest possible moment, it is necessary that the Comptroller of the City of New York (the Comptroller), as custodian of the funds of the Board of Education Retirement System (BERS), be authorized to invest the available cash funds of said System, as they accumulate; now therefore be it
- RESOLVED,** that the Comptroller, as custodian of the funds of BERS, is hereby authorized to invest the funds of said System during the period of July 01, 2025 to September 30, 2025, in any investment authorized pursuant to the Administrative Code of the City of New York, the Retirement and Social Security Law, the Education Law, the Banking Law or as otherwise authorized by the laws governing the investments of said System, provided the Trustees of said System have heretofore approved such investment or hereafter approve such investment; and be it further
- RESOLVED,** that during the term of this delegation, investments in any asset class or category not previously authorized by BERS shall be made by the Comptroller only with the prior approval of the Trustees of said System; and be it further
- RESOLVED,** that the Comptroller is authorized to hold, sell, assign, transfer or dispose of any of the properties, securities or investments in which any of the funds of BERS shall have been invested, including the proceeds of such investments and any monies belonging to such fund, subject to the terms, conditions, limitations and restrictions imposed by law upon the Trustees of said System; and be it further
- RESOLVED,** that the Comptroller is authorized to execute BERS' corporate governance policy, including casting BERS' proxy votes, engaging portfolio companies and regulators, and submitting shareowner proposals that have been approved by the BERS Board of Trustees or a Committee of the Board authorized to approve shareholder proposals; and be it further
- RESOLVED,** that any termination, expiration or revocation of this delegation to invest shall not affect any binding commitment previously made by the Comptroller pursuant to such delegation and the Comptroller shall have the power to discharge fully any such binding commitment according to its terms.

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 \$ 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

ADOPTION OF BYLAWS

WHEREAS, the BERS bylaws require certain updates to ensure that such bylaws include a current and comprehensive framework for BERS governance; now therefore be it

RESOLVED, that the Board hereby adopts the bylaws attached as hereto.

Respectfully Submitted,

Sanford R. Rich
Executive Director

BOARD OF EDUCATION RETIREMENT SYSTEM

BYLAWS

Section I – Applicable Law

1. The Board of Education Retirement System of the City of New York (“BERS” or “The New York City Board of Education Retirement System”) and the Retirement Board (“the Board” or “the Board of Trustees”) were established in accordance with Education Law § 2575.
2. BERS and the Board operate in accordance with Education Law § 2575, the BERS Rules and Regulations, the Retirement and Social Security Law, the Administrative Code of the City of New York, the Internal Revenue Code, and all other applicable state and federal laws.

Section II – Meetings of the Retirement Board

3. All Board meetings shall be held at BERS executive office or at such place as may be determined by the Co-Chairs of the Board.
4. Monthly meetings shall be held on a date set by the Co-Chairs. At each meeting, either Co-Chair shall announce the date of the next monthly or annual meeting.
5. The annual meeting shall be held in January of each year.
6. Special meetings of the full Board of Trustees shall be held on the call of either Co-Chair with the concurrence of the other Co-Chair, or on the written request of a majority of the Board including at least one employee representative, provided, however, that notice of such meetings shall be given not less than twenty-four hours in advance and shall state the special matters to be considered. No other matters shall be considered at special meetings except with the consent of all the members present.
7. If a quorum is not present, the meeting shall be adjourned.
8. Trustees must attend all Board and Committee meetings in person, as required by Article 7 of the Public Officers Law (“the Open Meetings Law”). Attendance by videoconference may be permitted in very limited circumstances, within the Open Meetings Law and BERS Videoconferencing Procedures.
9. The agenda, resolutions, and other supporting documents for each Board meeting shall be distributed by BERS staff to the Board no later than two days prior to said meeting. Matters not on the previously distributed agenda shall be considered only by unanimous consent of those trustees present at the meeting.

Section III – Co-Chairs

1. At the annual meeting, the Board shall elect from its membership two Co-Chairs.
2. A majority vote of the entire Board, including at least one employee member vote, shall be necessary for election.
3. The official term of each Co-Chair shall continue from the date of the annual meeting until the annual meeting of the succeeding year, or until a successor is chosen.
4. In the event of a vacancy in the position of either Co-Chair one month or more before the unexpired term, a special election shall be held to complete the unexpired term.

Section IV – Board Composition

1. The membership of the Board consists of the Board of Education (a/k/a the Panel for Educational Policy) and two employee representatives elected by BERS membership, in accordance with BERS Rules and Regulations § 5a.

Section V - Retirement Board and Executive Director

1. The Board is the head of BERS, in accordance with Education Law § 2575(23)(a)(3) and BERS Rules and Regulations § 5.
2. All BERS employees are under the supervision of the Executive Director, in accordance with BERS Rules and Regulations § 5.
3. As head of BERS, the Board has the sole discretion to appoint, dismiss, and set the Executive Director's compensation.

Section VI – Committees

1. The Board shall constitute from among its members the following standing committees:
 - a) The Audit Committee, whose composition, duties, and procedure are governed by the Audit Committee Charter.
 - b) The Disability Committee, whose composition, duties, and procedure are governed by the Authority and Procedure of the Disability Committee.

- c) The Executive Committee, whose composition, duties, and procedure are governed by the Authority and Procedure of the Executive Committee.
2. The Board may amend the Charters and Authority and Procedure documents of the standing committees by resolution.
3. The Board may delegate duties to ad hoc committees, or form new standing committees, by resolution specifying the composition, duties, and procedure of such committees.

Section VII – Parliamentary Procedure

1. A quorum of the Board shall consist of a majority of the Board as a whole including at least one employee representative, in accordance with BERS Rules and Regulations § 5b and Education Law § 2575. The size of the Board as a whole includes any vacancies, in accordance with General Construction Law § 41.
2. Each act of the Board shall be introduced by a motion by any member with a second by any other member.
3. Each act of the Board shall be by resolution adopted following a majority vote by the Board as a whole, in accordance with BERS Rules and Regulations § 5b.
4. The concurrence of one employee representative shall be necessary for an act of the Board, in accordance with BERS Rules and Regulations § 5b.
5. The Board will follow Robert's Rules of Order in the conduct of its business except as otherwise noted in these Bylaws.

Section VIII – Order of Business

1. The order of business at all regular and annual Board meetings shall be as follows, provided that the Co-Chairs shall have the authority to revise the order of business for purposes of expediency:
 - a) Roll call of Board members
 - b) Noting of the minutes of the prior meeting
 - c) Executive Director's update

- d) Ordinary business of BERS
- e) Previously tabled business
- f) New business
- g) Adjournment

Section IX – Financial Matters

1. Member Contributions

- a. The employee contributions of Tier 1 and 2 members, other than contributions required as a consequence of participation in early retirement programs, are deposited into the Annuity Savings Fund (ASF), and administered in accordance with BERS Rules and Regulations § 8 and all other applicable state and federal laws.
- b. The employee contributions of Tier 4 and 6 members, other than contributions required as a consequence of participation in early retirement programs, are deposited into the Member Contributions Accumulation Fund (MCAF), and administered in accordance with Retirement and Social Security Law § 613 and all other applicable state and federal laws.
- c. The employee contributions of members required as a consequence of participation in early retirement programs are deposited into the Additional Member Contributions Fund (AMCF), and administered in accordance with the various provisions of Article 11 and Article 15 of the Retirement and Social Security Law that established these programs and all other applicable state and federal laws.
- d. BERS shall certify the balances of these and all other funds to the Board, and publish the same its Annual Comprehensive Financial Report.

2. Administration of Benefits

- a. BERS administers all Qualified Pension Plan (QPP) benefits in accordance with Internal Revenue Code § 401(a).
- b. Service Retirement
 - i. BERS administers the service retirement benefits of Tier 1 and 2 members in accordance with BERS Rules and Regulations §§ 11 through 14-a and all other applicable state and federal laws.
 - ii. BERS administers the service retirement benefits of Tier 4 and 6 members in accordance with Retirement and Social Security Law §§ 602 through 604 and all other applicable state and federal laws.

- iii. BERS administers the service retirement benefits of members retiring under early retirement programs in accordance with the various provisions of Article 11 and Article 15 of the Retirement and Social Security Law that established these programs and all other applicable state and federal laws.

c. Disability Retirement

- i. BERS administers the disability retirement benefits of Tier 1 and 2 members in accordance with BERS Rules and Regulations §§ 15 through 19 and all other applicable state and federal laws.
- ii. BERS administers the disability retirement benefits of Tier 4 and 6 members in accordance with Retirement and Social Security Law § 605 and all other applicable state and federal laws.

d. Deferred Vested Benefits

- i. BERS administers the deferred vested benefits of Tier 1 and 2 members in accordance with BERS Rules and Regulations §§ 15 through 19 and all other applicable state and federal laws.
- ii. BERS administers the deferred vested benefits of Tier 4 and 6 members in accordance with Retirement and Social Security Law § 612 and all other applicable state and federal laws.
- iii. BERS administers the deferred vested benefits of members retiring under early retirement programs in accordance with the various provisions of Article 11 and Article 15 of the Retirement and Social Security Law that established these programs and all other applicable state and federal laws.

e. Death benefits

- i. BERS administers the death benefits of Tier 1 and 2 members in accordance with BERS Rules and Regulations §§ 20 and 21 and all other applicable state and federal laws.
- ii. BERS administers the death benefits of Tier 4 and 6 members in accordance with Retirement and Social Security Law §§ 606, 606-a, 607, and 607-i and all other applicable state and federal laws.

f. TDA Program benefits

- a. BERS administers all Tax Deferred Annuity (TDA) Program benefits in accordance with Internal Revenue Code § 403(b), BERS Rules and Regulations § 33, and all other applicable state and federal laws.

3. Loans to Members

- a. BERS administers all loan payments and policies in accordance with Internal Revenue Code § 72(p). BERS shall report to the Board the total number and aggregate amount of loans made to members monthly.
- b. BERS administers loans from the ASF in accordance with BERS Rules and Regulations § 10(5) and all other applicable state and federal laws.
- c. BERS administers loans from the MCAF in accordance with Retirement and Social Security Law § 613-b and all other applicable state and federal laws.
- d. BERS administers loans from the AMCF in accordance with Retirement and Social Security Law § 613-b, the various provisions of Article 11 and Article 15 of the Retirement and Social Security Law that established these programs, and all other applicable state and federal laws.
- e. BERS administers loans from the TDA Program in accordance with BERS Rules and Regulations Appendix A and all other applicable state and federal laws.

Section X – Conflicts of Interest

- 1. Chapter 68 of the New York City Charter governs conflicts of interest for all Board members and BERS employees.
- 2. All Board members are officers of the City of New York with substantial policy discretion within the meaning of Section 2604 of the New York City Charter (“the Charter”), and are therefore required to file annual financial disclosures with the New York City Conflicts of Interest Board per Section 2603(d) of the Charter.

JUNE 2025

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH SEGAL MARCO ADVISORS TO PROVIDE INVESTMENT CONSULTING SERVICES TO THE BOARD OF EDUCATION RETIREMENT SYSTEM

WHEREAS, the Board of Education Retirement System (“BERS”) has determined a need for general investment consulting services; and

WHEREAS, BERS released Request for Proposals (“RFP”) 2024—003 Investment Consulting Services;

WHEREAS, having reviewed the proposals submitted in response to the above referenced RFP, the evaluation committee has recommended Segal Marco Advisors (“Segal”) to provide such services;

WHEREAS, it is the desire of the Board of Trustees to contract with Segal for a period of three years commencing January 4, 2026, with an option to renew for two additional one-year periods; now therefore be it

RESOLVED, that the Board does hereby authorize the Executive Director to enter into a contract with Segal Marco Advisors to provide investment consulting services to the Board for the period of January 4, 2026 to January 3, 2029, with an option to renew for two additional one-year periods, at a cost not to exceed \$792,825 for the initial three years, and a cost not to exceed \$590,782.50 for the optional two year extension, such that the total contract cost does not exceed \$1,383,607.50 and subject to agreement by Segal, and if any of the foregoing terms are not agreed upon by the parties, the contract will be brought back to the Board for further review and action before such a contract is executed; 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 the agreement with Segal Marco Advisors.

Respectfully Submitted,

Sanford R. Rich
Executive Director

JUNE 2025

**AUTHORIZATION TO THE COMPTROLLER OF THE CITY OF NEW YORK TO APPROVE
THE 2024 PRIVATE EQUITY EMERGING MANAGER PROGRAM**

- WHEREAS,** after review and discussion of the analyses and recommendations of the Comptroller of the City of New York (“the Comptroller”), the administrative staff of the Board of Education Retirement System recommend that the full Board of Trustees (“the Board”) approve the 2024 Private Equity Emerging Manager Program in accordance with the recommendations of the Comptroller; and
- WHEREAS,** the Board accepts the recommendations from its investment advisor, the Comptroller, and the administrative staff regarding the 2024 Private Equity Emerging Manager Program; now therefore be it
- RESOLVED,** that the Board hereby directs the Comptroller to effectuate the foregoing process in accordance with his recommendation of March 28, 2024; and be it further
- RESOLVED,** that the Board directs that such process shall be completed within a reasonable period of time and in a manner consistent with the Comptroller’s guidelines for such actions; and be it further
- RESOLVED,** that the Board hereby directs the Comptroller to report to the Board on the progress of such action and to make such recommendations to the Board as the Comptroller shall deem appropriate with respect to such action.

Respectfully Submitted,

Sanford R. Rich
Executive Director

AUTHORIZATION TO THE COMPTROLLER OF THE CITY OF NEW YORK TO COMMIT A PORTION OF THE PRIVATE EQUITY PORTFOLIO OF THE BOARD OF EDUCATION RETIREMENT SYSTEM

- WHEREAS,** after review and discussion of the analyses and recommendations of BERS' investment advisor, the Comptroller of the City of New York ("the Comptroller"), the administrative staff of BERS recommend that the Board of Trustees ("the Board") allocate a commitment of \$8 million of the private equity portfolio to an investment management fund and \$4.077 million to a co-investment vehicle for a total commitment of \$12.077 million in accordance with the recommendations of the Comptroller; and
- WHEREAS,** the Board accepts the recommendations of the Comptroller and the administrative staff regarding the selection of an investment manager and has determined that funds should be committed accordingly; now therefore be it
- RESOLVED,** that the Board hereby directs the Comptroller to effectuate the foregoing process by allocating a total commitment of \$12.077 million of the private equity portfolio consistent with the Comptroller's recommendation dated May 21, 2025; and be it further
- RESOLVED,** that the Board directs that such allocation process shall be completed within a reasonable period of time and in a manner consistent with the Comptroller's guidelines for such transactions; and be it further
- RESOLVED,** that the Board hereby directs the Comptroller to report to the Board on the progress of such allocation and to make such recommendations to the Board as the Comptroller shall deem appropriate with respect to such allocation.

Respectfully Submitted,

Sanford R. Rich
Executive Director