

BOARD OF EDUCATION RETIREMENT SYSTEM

Board Meeting Agenda

December 19, 2024

1. Calendar Item 1: Noting of the Minutes of the Meeting of the Board of Education Retirement System held on September 10, 2024 – **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: Resolution to Commend John Maderich for his Service to the New York City Board of Education Retirement System – **FOR CONSIDERATION AND ACTION.**
5. Calendar Item 19: Grant Thornton 2024 Annual Audit Presentation – **FOR DISCUSSION.**
6. Calendar Item 20: Actuarial Interest Rate – **FOR DISCUSSION.**
7. Calendar Item 21: Support of Legislation to Continue Certain Interest Rates – **FOR CONSIDERATION AND ACTION.**
8. Calendar Item 22: Unfunded Accrued Liabilities Re-Amortization Bill Analysis – **FOR DISCUSSION.**
9. Calendar Item 23: Unfunded Accrued Liabilities Re-Amortization Bill Executive Summary – **FOR DISCUSSION.**
10. Calendar Item 24: Adoption of the Disability Committee's Recommendations – **FOR CONSIDERATION AND ACTION.**
11. Calendar Item 25: 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.**
12. Calendar Item 26: Developed Market ex US – **FOR CONSIDERATION AND ACTION.**
13. Calendar Item 27: Authorization to the Comptroller of the City of New York to Restructure the Public Private Apartment Rehabilitation Program– **FOR CONSIDERATION AND ACTION.**

14. Calendar Item 28: Authorization to the Executive Committee to Approve Certain Transactions – **FOR CONSIDERATION AND ACTION.**
15. Calendar Item 29: Authorization to Extend an Agreement with Aksia CA LLC to Provide Private Markets Investment Consulting Services to the Board of Education Retirement System – **FOR CONSIDERATION AND ACTION.**
16. Calendar Item 30: STAR Report Review – **FOR DISCUSSION.**
17. Calendar Item 31: Amendment to the Administrative Budget for Fiscal Year 2025 for the Board of Education Retirement System of the City of New York - **FOR CONSIDERATION AND ACTION.**

Board of Education Retirement System
Meeting of the Board of Trustees
Summary Minutes
September 10, 2024

Appearances:

Adriana Alecia
Karine Apollon
Phoebe-Sade Arnold
Shirley Aubin
Marjorie Dienstag
John Dorsa*
Gregory Faulkner
Anthony Giordano
Angela Green

Naveed Hasan
Alice Ho
Jessamyn Lee
Donald Nesbit
Sharon Odwin
Maisha Sapp
Frank Sirabella*
Manny Tavaréz

*Denotes Alternate stepping in for Primary Trustee.

Meeting commenced at approximately 4:34pm.

Agenda Item 1 - Calendar Item 1: Noting the Minutes of the Meeting of the Board of Retirement held on June 27, 2024. On a motion by Mr. Giordano and a second by Ms. Apollon, this item was unanimously approved.

Agenda Item 2 - Calendar Items 2-17: Ordinary Business. On a motion by Ms. Apollon and a second by Mr. Giordano, these items were unanimously approved.

Agenda Item 3 – Calendar Item 18: Adoption of the Actuary's Recommendation Regarding the Tax Deferred Annuity Loan Insurance Premium Rate for Loans Originating On or After October 01, 2024. On a motion by Mr. Giordano and a second by Mr. Sirabella, this item was unanimously approved.

Agenda Item 4 – Calendar Item 19: Authorization for the Adoption of an Administrative Budget for Fiscal Year 2025 for the Board of Education Retirement System. On a motion by Ms. Aubin and a second by Ms. Sapp, this item was approved with an abstention from Mr. Dorsa.

Agenda Item 5 – Calendar Item 20: Election of Alternate Member of Audit Committee. On a motion by Ms. Apollon and a second by Mr. Giordano, Ms. Dienstag was unanimously elected to the Audit Committee with Mr. Hasan serving as Ms. Dienstag's alternate. On a nomination by Ms. Ho and a second by Mr. Giordano, Mr. Tavaréz was unanimously approved to serve as Ms. Ho's alternate.

Agenda Item 6 – Calendar Item 21: Internal Audit Semiannual Update. On a motion by Ms. Aubin and a second by Ms. Apollon, this item was discussed.

Agenda Item 7 – Calendar Item 22: 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 Ms. Apollon and a second by Ms. Aubin, this item was unanimously approved.

Agenda Item 8 – Calendar Item 23: Authorization to Enter into an Agreement with Aksia CA LLC to Provide Private Markets Investment Consulting Services to the Board of Education Retirement System. On a motion by Mr. Giordano and a second by Ms. Aubin, this item was considered. On a motion by Ms. Apollon and a second by Ms. Aubin, this item was tabled with an abstention from Mr. Faulkner.

Agenda Item 9 – Calendar Item 24: Bureau of Asset Management(BAM) Responsible Property Management Standards. On a motion by Ms. Aubin and a second by Ms. Apollon, this item was considered. On a motion by Mr. Giordano and a second by Mr. Tavarez, the motion to table failed with an opposition by Ms. Hirsh and abstentions from Ms. Aubin and Ms. Alecia. On a vote, this item failed with one opposition by Ms. Apollon and five abstentions by Ms. Alicea, Ms. Aubin, Mr. Faulkner, Mr. Giordano and Ms. Lee.

Agenda Item 10 – Calendar Item 25: STAR Report Review. On a motion by Mr. Dorsa and a second by Ms. Apollon, this item was unanimously tabled.

On a motion by Mr. Giordano and a second by Ms. Apollon, the meeting was adjourned at approximately 7:24pm.

2024 Annual Audit Presentation

New York City Board of Education Retirement System
December 2024

PRESENTATION TO THOSE CHARGED WITH GOVERNANCE

This communication is intended solely for the information and use of management and those charged with governance of New York City Board of Education Retirement System and is not intended to be and should not be used by anyone other than these specified parties.

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Engagement Team

Core Engagement Team

Sharon Campbell – Managing Director
Will Richardson – Director
Patrizia Iacono – Manager
Krystal Czapek – Manager

Information Technology Specialists

Kevin Morris – Managing Director
Eugene Brizo – Manager

Investment Specialists

Cecille Publico – Managing Director
Bryan Abanilla – Manager

Actuarial Specialists

Phil Bonanno – Managing Director
Andy Zmich – Director





Agenda

- 01 Executive summary
- 02 Audit scope and results
- 03 Required communications





Executive summary

October 29, 2024

Delivered audited financial statements

Industry Insights

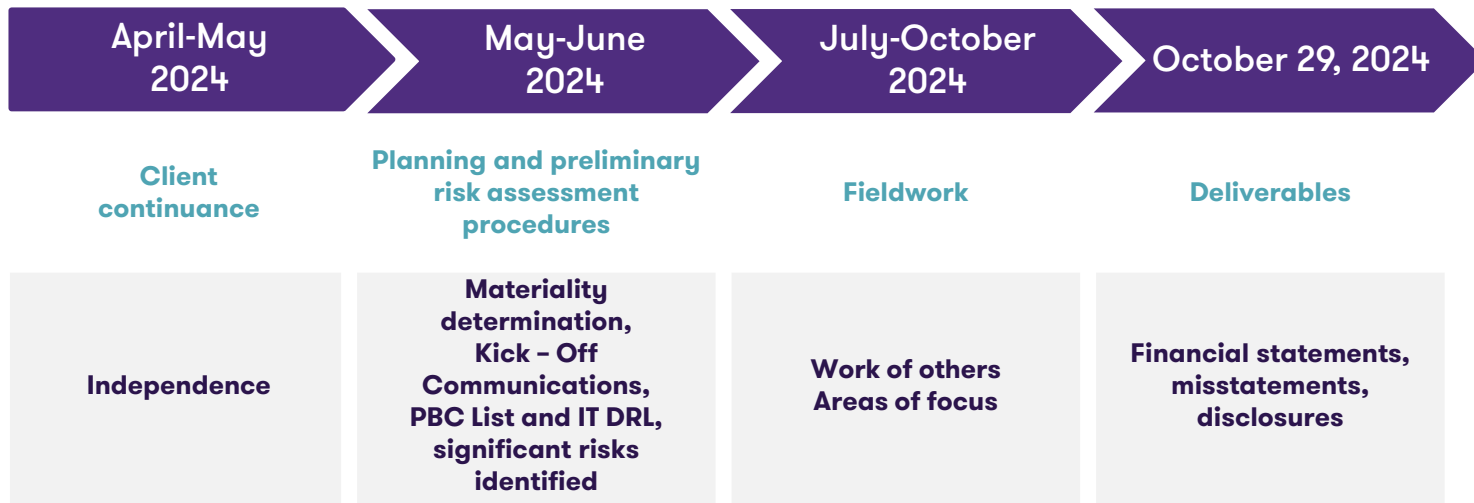
Providing industry insights on accounting and auditing developments as well as areas of risk

Key takeaways from the audit

- The BERS team was collaborative and responsive.
- The only significant risks identified were management override of internal controls, which is inherent in all audits, and valuation of alternative investments.



Audit timeline & scope





Responsibilities in a benefit plan audit

Those charged with governance

- Overseeing the financial reporting process
- Setting a positive tone at the top and challenging the plan's activities in the financial arena
- Discussing significant accounting and internal control matters with management
- Informing us about fraud or suspected fraud, including its views about fraud risks
- Informing us about other matters that are relevant to our audit

Management

- Preparing and fairly presenting the financial statements and any required supplementary information
- Designing, implementing, and maintaining internal controls relevant to the preparation of financial statements
- Maintaining a current plan instrument, including all plan amendments, and administering the plan
- Maintaining sufficient records with respect to participants
- For a full list of responsibilities, refer to our engagement letter

Independent auditors

- Obtaining reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error
- Issuing an auditor's report that includes our opinion



Significant risks

The following provides an overview of significant risks based on our risk assessments

Significant risk area	Results
<p>Management override of Internal Controls</p> <p>Based on the presumed risk in professional standards, manipulating the financial reporting process by recording inappropriate or unauthorized journal entries or making adjustments to amounts reported in the financial statements, omitting, obscuring, or otherwise misstating disclosures by manipulating the financial reporting process, intentional management bias in making accounting estimates, or significant unusual transactions to engage in fraudulent financial reporting or conceal misappropriation of assets.</p>	<p>We obtained an understanding of the financial reporting process and controls over journal entries and other adjustments, and the suitability of design and implementation of such controls;</p> <p>We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;</p> <p>We considered any fraud risk indicators, the nature and complexity of accounts, and entries processed outside the normal course of Plan operations.</p> <p>Based on procedures performed, controls appear to be designed and implemented appropriately, and individuals appear to have the appropriate authorization rights. No significant exceptions were identified.</p>



Significant risks

The following provides an overview of significant risks based on our risk assessments

Significant risk area	Results
Valuation of Investments – Alternative Investments The System's alternative investments consist of investments in investee funds with non-coterminous year-ends. Most of the investee funds have accounting period of December 31 whereas the System's accounting year ends on June 30. Because of non-coterminous year-ends of the System and its investee funds, there is a risk of potential fair value adjustments that may call into question the appropriate application of net asset value, including the application of fair value.	<p>1 uncorrected audit adjustment was identified. Management represented that the effects of the uncorrected adjustments, including omitted, inaccurate, or incomplete disclosures, are immaterial, both individually and in the aggregate, to the combining financial statements as a whole.</p> <p>No other significant exceptions noted.</p>



Areas of audit focus

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Investments and Investment Income	<p>Confirmed investment positions.</p> <p>Evaluated reasonableness of fair value disclosures.</p> <p>Tested a sample of investments held at year-end to determine the reasonableness of the reported fair values.</p> <p>Tested a sample of purchases and sales throughout the year to determine the reasonableness of the reported fair values.</p> <p>Tested reasonableness of investment-related income, including net appreciation/(depreciation) in fair values.</p> <p>Evaluated reasonableness of investment expenses.</p> <p>Audit adjustments (corrected and uncorrected) were identified. No other significant exceptions noted.</p>
Employer Contributions	<p>Evaluated the skills of the individuals who oversee the processes for capturing the contribution information, and the controls over the calculation of employer contributions</p> <p>Tested the completeness of employer contributions and traced selected amounts to bank statements</p> <p>No significant exceptions noted.</p>



Areas of audit focus

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Benefit Payments	<p>Tested the completeness of the population of benefit payments</p> <p>Selected a sample of benefit payments and reviewed supporting calculations and documentation and determined: (1) Member was eligible for the type of withdrawal requested; (2) Benefit payments were appropriately authorized; (3) Benefit payments are calculated based upon Plan provisions.</p> <p>No significant exceptions noted.</p>
Total Pension Liability	<p>Tested the completeness of the population of member contributions.</p> <p>Selected a sample of members and determined: (1) Eligibility to contribute to the Plan; (2) Whether member contribution amounts were appropriately calculated and withheld in accordance with Plan provisions.</p> <p>No significant exceptions noted.</p>

Other Areas of Audit Focus:

- Member Contributions
- Member Loans
- Information technology general controls



Whole Ledger Analytics

The following provides an overview of our response to the presumed fraud risk of management override of controls.

- **Whole Ledger Analytics** was performed on all journal entries (manual and automated) to pinpoint transactions that appeared to have a higher risk of management override of controls based on the cumulative risk score.
- **The cumulative risk score** is generated based on how the individual transaction performs against 38 routines, which have been designed to identify unusual transactions or those that could indicate fraud (e.g., abnormal size, abnormal volume, unusual account combinations).
- **High risk:** we subjected entries with high cumulative risk scores to further analysis and isolated a subset of these entries for testing.
- **Testing:** for entries tested, we obtained underlying support, evaluated for validity in the normal course of business, and obtained evidence of approval.

No significant exceptions noted.



Information Technology General Controls Review

- In Scope Systems & Areas of focus

In-Scope Systems:

- Comprehensive Pension Management System (CPMS)
- PMS (Payroll Management, FISA)
- NYCAPS (PeopleSoft - New York City Automated Personnel System, FISA)

Areas of focus:

- Security Administration
- Program Maintenance
- Program Execution
- Technology Operations
- Cybersecurity



Results of Basic Financial Statement Audit

Basic Financial Statements

- Unmodified "clean" opinion
- No scope limitations
- Open and effective communication with management
- Internal Control and Best Practices recommendations discussed with management

Annual Comprehensive Financial Report (ACFR)

- Expected to be issued in third week of December 2024
- Will include GFOA Certificate of Achievement for the 2023 ACFR



Results of Basic Financial Statement Audit (continued)

Summary of audit adjustments:

We are required to accumulate and communicate financial statement misstatements (which may be factual, judgmental, or projected) identified during the audit that are greater than a clearly trivial amount.

Refer to the attachment to the management representation letter for details on the unrecorded misstatements and recorded reclassifications.

Management believes that the effects of the uncorrected adjustments, are immaterial, both individually and in the aggregate, to the financial statements as a whole.



Required communications

Professional standards
require that we
communicate the
following matters to you,
as applicable

- Going concern matters
- Fraud and noncompliance with laws and regulations
- Significant deficiencies and material weaknesses in internal control over financial reporting
- Use of other auditors
- Use of internal audit
- Related parties and related party transactions, and parties in interest and transactions with parties in interest, including prohibited transactions
- Significant unusual transactions
- Disagreements with management
- Management's consultations with other accountants
- Significant issues discussed with management
- Significant difficulties encountered during the audit
- Difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgment, significant and relevant to you and your oversight responsibilities
- Other significant findings or issues that are relevant to you and your oversight responsibilities
- Modifications to the auditor's report
- Other information in documents containing audited financial statements
- Material inconsistencies between required supplementary information and the plan financial statements that management did not revise



Quality of accounting practices

Topic	Discussion
Accounting policies	The System's significant accounting policies are detailed in notes to the basic financial statements and are considered appropriate in all material respects and consistent with the prior year.
Accounting estimates	<p>The following were identified as significant estimates:</p> <ul style="list-style-type: none">• Fair value of investments• Total pension liability and related disclosures
Disclosures	<p>We have assessed the financial statements and disclosures for clarity and completeness. Footnote disclosures to the financial statements appear to be informative, consistent, and clear.</p>
Other related matters	None noted.



Auditor independence

Our firm maintains a robust quality control system supported by comprehensive policies and procedures that meets or exceeds regulatory requirements. Our system enables us to evaluate and maintain our independence and serve audit clients with requisite integrity, objectivity, and independence. As you exercise your oversight responsibilities, you should understand the more significant aspects of this system:

Accumulating and communicating relevant information, including a restricted-entity list and use of a tracking system to monitor the financial interests of our worldwide personnel

.....

Obtaining annual written confirmations of compliance from personnel and member firms

.....

Monitoring individual compliance, including periodic audits and disciplinary mechanisms

.....

Conducting a domestic or international relationship check through a robust Relationship Checking System

.....

Evaluating relationships and circumstances that create threats to independence, including relationships identified through a domestic or international check

Monitoring independence for new opportunities

Only permitted nonaudit services or business relationships are cleared, and such services or relationships are monitored for scope creep. As necessary, our firm applies appropriate safeguards to eliminate or mitigate independence threat(s) to an acceptable level. As necessary, or as required by a regulator, the engagement partner will discuss with management and/or those charged with governance any potential independence threats or where additional input is needed in relation to our firm's independence evaluation.



Audit Innovation

- Cross collaboration between Retirement System audit and CoNY audit teams
- Convene
 - PBC lists
 - Questions related to substantive testing
 - Open items
- DB Census Automation Tool
- IDEA
 - Audit sampling
 - Census testing
 - Journal entry completeness
- TBEAM
 - Journal entry completeness
- Whole Ledger Analytics
 - Journal entries testing
- DataSnipper
 - Financial statement proofreading and tie-outs
 - GASB 67/68 and 74/75 report proofreading and tie-outs



Use of the work of others

Other individuals or entities	Description of the use of others and relevant area(s) of audit
Grant Thornton Specialist	<div>✓</div> <ul style="list-style-type: none">• Wealth and Human Capital Services – Review of the reasonableness of the actuarial assumptions and methods used by the NYC Office of the Actuary to determine the System’s total pension liability.• New York Pricing Group – Investment Valuation
Internal audit	
M/WBE Subcontractors	<div>✓</div> <ul style="list-style-type: none">• Galleros Robinson, Certified Public Accountants, LLP
Third parties working at the direction of the plan	
Other GTUS offices or locations	<div>✓</div> <ul style="list-style-type: none">• Personnel, technology, and resources of Grant Thornton Advisors LLC• Technology and resources of our shared services center located in India



Additional information on relevant required communications

Topic	Description of matter(s)
Difficult or contentious matters for which we consulted	
Management's consultation with other accountants	
Disagreements with management	
Difficulties encountered during the audit	
Circumstances that affect the form and content of the auditor's report	
Other findings or issues	
Written representations requested from management	✓ A copy of the management representation letter was provided to the appropriate members of management for review prior to FS issuance



New Mountain Capital (NMC) investment and APS independence considerations



ALTERNATIVE PRACTICE STRUCTURE (APS)

Grant Thornton LLP

- Licensed CPA firm that will continue to provide audit and attest services

Grant Thornton Advisors LLC

- Advisory and non-attest entity, which is receiving NMC's investment

Independence considerations

- The APS does not change independence or ethical requirements for either firm or their professionals
- Grant Thornton LLP has established ongoing monitoring procedures to protect independence of audit clients under the new structure



COORDINATION

Relationships with NMC or GT Advisors LLC

- Identify and evaluate existing or potential business or financial relationships that the Company or its affiliates may have with NMC (e.g., a lending relationship from a NMC credit fund) to allow for timely independence evaluations and discussions
- Identify and evaluate other types of relationships that the Company or its affiliates may have with GT Advisors LLC (e.g., an investment or participation in the debt of GT Advisors LLC) to allow for timely independence evaluations and discussions



AUDIT PROCEDURES GOING FORWARD

The engagement team will:

- Inquire of management regarding any business or financial relationships with NMC or investments in or participation in the debt of GT Advisors LLC
- Evaluate relationships for independence purposes and discuss with national office or subject matter experts, as appropriate
- Obtain new written representations from management that, to the best of their knowledge, they have disclosed any relationships with NMC or GT Advisors LLC that may exist or are being considered
- Follow applicable communication requirements for relationships that may bear on the firm's independence



Commitment to promote ethical and professional excellence

We are committed to promoting ethical and professional excellence. To advance this commitment, we have put in place a phone and internet-based hotline system.

The Ethics Hotline

(1.866.739.4134) provides individuals a means to call and report ethical concerns.

The EthicsPoint URL

link can be accessed from our external website or through this link:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191

Disclaimer: EthicsPoint is not intended to act as a substitute for a plan's "whistleblower" obligations.



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executive committee authorization 🤝

November 2024

Portfolio and CF review

- Asset class break-down [\$9.7b]:
 - US Equity \$2.9b [-\$340m underallocated]
 - World ex US Equity \$0.8b
 - EM equity \$0.4b
 - Fixed income \$2.7b
 - Private markets \$2.9b [+\$430m overallocated]
- Liability changes:
 - TAL \$7.1b [versus \$6.8b FY2023]
 - UAL \$0.39b [versus \$0.37b FY2023]
- Major CF changes:
 - Reserve cash in \$300m [3.4% of MY2024 assets]
 - Fund private markets from US equities >\$300m
 - Payment cash out -\$360m [-4.1% of MY2024 assets]
- SAA and other developments:
 - Last SAA performed early 2023
 - Last liability risk model performed ongoing
- Highlighted changes in portfolio:
 - Firing Wellington US Midcap equities
 - Approved 6 OFI investments CY2024 YTD totaling \$178m [1 was BIPOC totaling \$40m]
 - Approved 6 PE investments CY2024 YTD totaling \$67m [2 were BIPOC totaling \$30m]
- FY2024 performance vs benchmarks:
 - 1 year 10.6% [-3.1% underperformance]
 - 3 year 3.0% [-1.1% annual underperformance]
 - 5 year 8.1% [-0.3% annual underperformance]

Benefits

- Allows for quicker resolution of time sensitive investment matters whereas requiring the full quorum of the entire Board of Trustees is oft times difficult:
 - We often don't get quorum
 - It would require all trustees to work for the entire additional length of time the investment committee meetings are
- Allows for capacity to approve procurement/contract items that also at times face challenges being met at the full Board of Trustees

Authorization

- i. Approve new index fund managers for inclusion in the BERS Investment Portfolio (the “Portfolio”);
- ii. Approve new active public market managers and programs for inclusion in the Portfolio (up to \$250 million per manager or program);
- iii. Approve new private market managers and programs for inclusion in the Portfolio (up to \$50 million per manager or program);
- iv. Approve additional investments in funds previously approved by the Board, or their successor funds, on substantively identical terms; and
- v. Reauthorize BERS participation in previously approved strategic initiatives of the Office of the Comptroller, in instances where the prior time limit has expired or the prior dollar threshold has been surpassed.

REQUEST MEMO

To: Sharon Koppula, Director, Contracts and Procurement

Cc: Sanford Rich, Executive Director; Lisvett Jaen, Deputy Director, Contracts and Procurement

From: Salil Mehta, Deputy Director Investment Strategy

Date: November 7, 2024

Re: Updated Negotiated Services (NS) Request

*All questions appearing below must be **thoroughly** addressed. If approved, the below information will be used by the to determine whether it is not practicable and/or advantageous to award a contract by competitive sealed bidding or competitive sealed proposals. When submitting the completed Request Memo, you must also attach the vendor's Statement of Work and the expected cost to BERS associated with this request (Vendor's Cost Proposal). If the space provided is insufficient to provide complete responses, please attach additional sheets of paper to provide a complete response.*

I am writing to request an exception to competitive procurement to contract with **Aksia LLC**. Please find the justification for this request below.

1. Provide a description of the goods/services being procured.

This is mostly a monthly extension of current services from Aksia. Specifically:

Advisory/Research

- BERS & BAM Monthly Pipeline Calls
- **Support Memos (instead of Recommendation Memos) following a review of BAM's due diligence.**
- Discuss proposed investments and DEI memos at Executive Committee meetings
- Annual Plan: this will be addressed either in October, as previously discussed, or in December as part of a month-to-month contract arrangement.
- MAX Access
- Monthly/Quarterly Private Markets and ESG Update Emails
- IPS Review (if required)

Operations/Risk

- Input cash flows and NAVs into MAX
- Monthly cash flow reconciliation (but not cash flow authorization)
- Quarterly cash flow, unfunded commitment and IRR reconciliation with GPs (subject to the GP's provision of data to Aksia)

- Generate and distribute one standard quarterly report from MAX at a consistent time (property level real estate reports and customize real asset classification are not considered “standard” reports)
- Amendment and LPAC consent
- Underlying portfolio company data collection into MAX (subject to the GP’s provision of data to Aksia)

2. What are the benefits of this service?

BERS has engaged with Aksia as a specialty consultant to diligence and advise on alternative assets in the pension. This third-party and independent review is helpful for Trustees to fulfil their fiduciary responsibilities of understanding and choosing investments for the portfolio.

Alternatives is a unique asset class where we assemble many private investments, hence the more routine diligence and advisory needs of the specialty consultant is needed versus the general consultant which is more complementary to existing Investment department.

3. What is the term of this contract, including any extensions, if any? Indicate dates.

Requesting that the Executive Committee approve up to \$100,000 under this agreement, which would take BERS through February 2024. BERS staff plan to take this matter to the full Board for additional funding \$82,500, which would take this agreement through April 2025. BERS plans to have a replacement private markets consultant in place by that time.

Term is monthly, with cost escalations every two months, through April 2025:

November 18, 2024 - November 30, 2024:	\$12,500
December 2024:	\$25,000
January 2025:	\$25,000
February 2025:	\$35,000
March 2025:	\$35,000
April 2025:	\$50,000

4. Is this request retroactive (is the vendor already provided services)? If the answer is “yes,” please explain why.
No
5. The three main circumstances in which a Negotiated Services procurement method may be used are provided below. Select the applicable circumstance(s) **and** provide a statement describing how the circumstance is applicable to this request.
- A. BERS’ requirements are such that only one vendor can satisfactorily meet the requirements and it is not practical to alter the agency’s requirements to enable competition.
- B. A time-sensitive situation where a vendor must be retained quickly for one of the following reasons:
- i. To fulfill or comply with a time-sensitive legal mandate/requirement;

- ii. an existing vendor has been terminated, has defaulted, has withdrawn from, or has repudiated a contract, or has become otherwise unavailable, or BERS has decided not to renew or extend an existing contract in the best interest of the City and BERS requires a substitute or successor vendor;
- iii. **a compelling need for goods, services, construction, and/or construction-related services exists that cannot be timely met through a competitive procurement process;**

BERS is seeking a temporary contract pending award of an RFP so as to avoid disruption in specialty consulting service.

C. Such other circumstances determined to be in the best interest of BERS, please explain in detail.

6. What research was done to determine that this company is the best provider of this service?

BERS has worked with Aksia currently for their existing multi-year contract.

7. What is the annual and total contract amount? \$182,500

November 18, 2024 - November 30, 2024:	\$12,500
December 2024:	\$25,000
January 2025:	\$25,000
February 2025:	\$35,000
Total:	\$97,500 (Executive Committee Request)
March 2025:	\$35,000
April 2025:	\$50,000
Total:	\$182,500 (\$82,500 Request to the Board for a contract total of \$182,500)

8. Has the vendor provided a detailed Scope of Work describing all the goods/services/deliverables to be provided during the term of the requested contract (including any extension term, if applicable), along with a corresponding Cost Proposal. Have you reviewed Work Plan and Cost Proposal for completeness and accuracy?

E-mail on May 31, which both Investment Deputy Director, Salil Mehta, and Executive Director, Sanford Rich, have reviewed.

9. Is the pricing offered fair and reasonable? If so, how was this substantiated?

Aksia's scope of work has been more complex than expected in their original contract and there has been considerable inflation since. The ending point in the pricing escalator reflects an approximate mark-to-mark of what Aksia would have requested for a new service contract with BERS whereas the starting point reflects a substantial discount to the mark-to-market cost. This is based on a verbal discussion with former Director Antonio Rodriguez and current Executive Director Sanford Rich as well as e-mail communication with Aksia.

10. Has the vendor provided assurance that BERS is receiving the lowest price(s) offered for the services we are receiving? If so, in what form was that assurance provided?

No

11. How will future requests for the goods/services/deliverables described here be addressed?

There is a current RFP for these services, beginning in 2025.



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



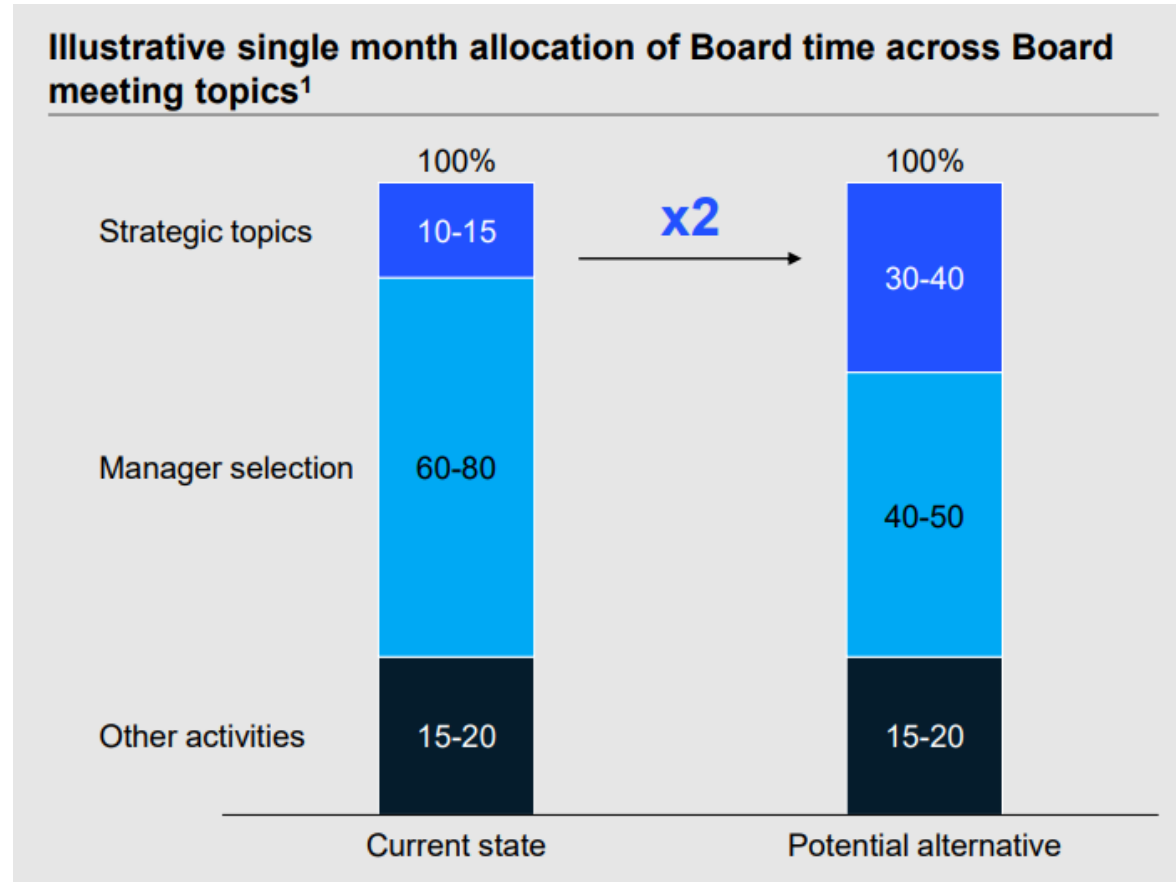
Joint Manager Meeting Proposal

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



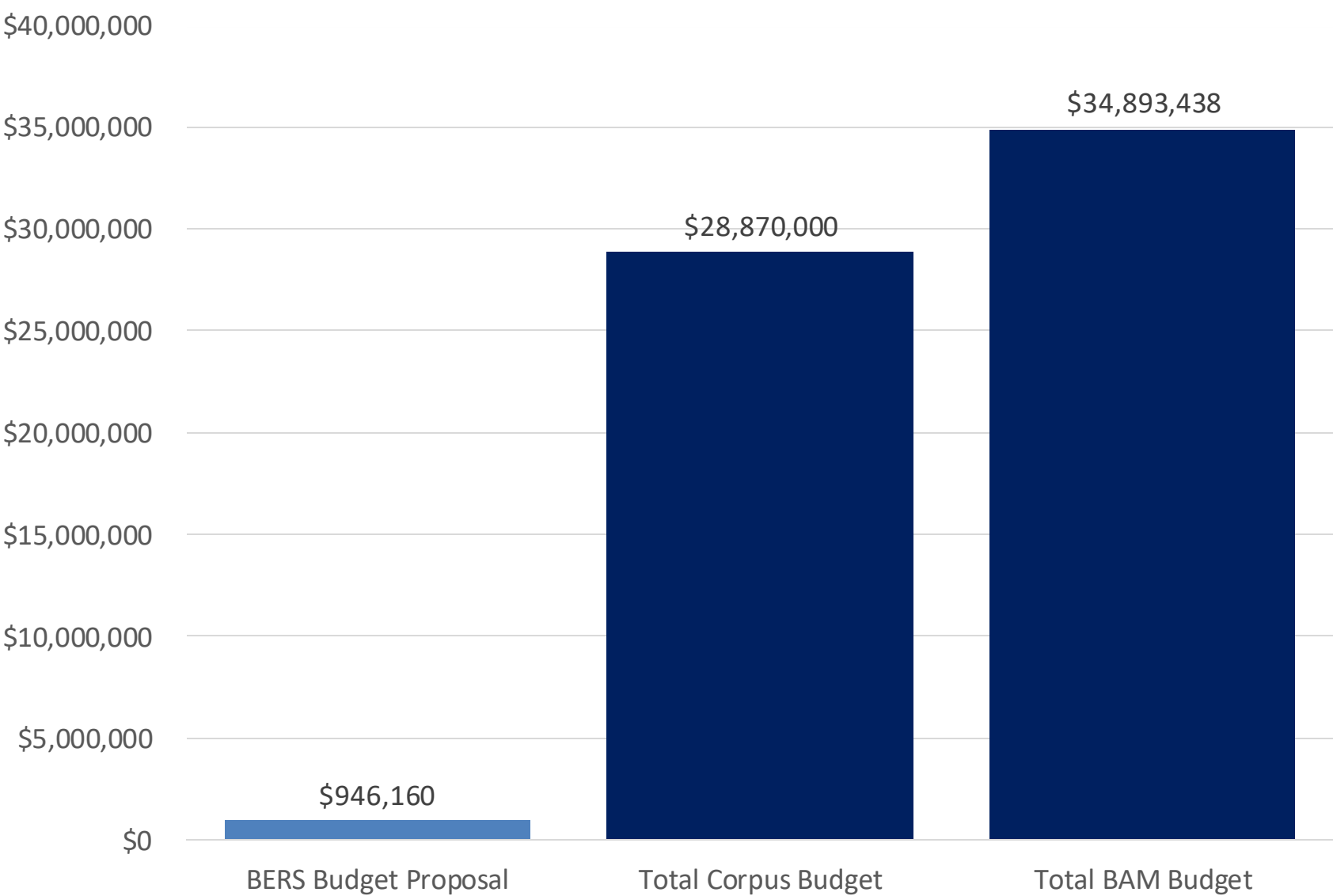
This resourcing proposal would

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

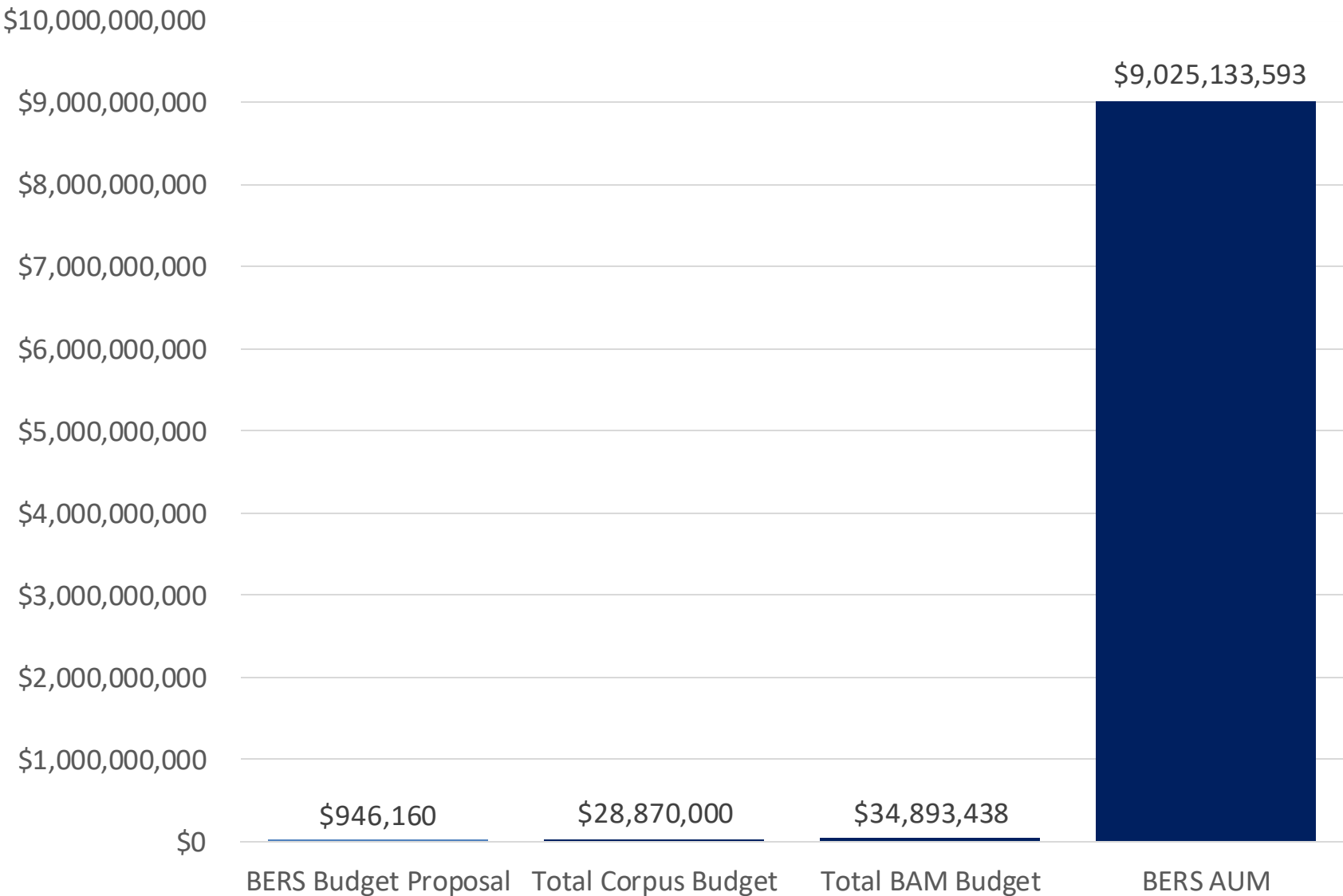
BAM corpus funding would be approximately one basis point (0.01%) of the AUM of the five combined systems



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%





■ **FY2025 Budget
Amendment Request**

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► Executive Summary

- New Auto-enrollment legislation went into effect July 1, 2024.
 - Provides for certain employees eligible for BERS membership to be automatically enrolled.
- Increase of 20K new members post auto-enrollment.
- Request for 80 additional “Full-Time Equivalents” (FTEs) to scale BERS to challenges of Auto-enrollment.

Key Considerations for the request

- 61% increase in membership due to auto-enrollment
- 121% increase in transaction volume
- BERS processes 18% more transactions per 1000 members, 175% more calls/emails and 232% more counseling sessions than peers.
- 13-24% engagement rate of members requiring staff intervention
- 58% increase in workload per staff member without additional resources.



Number of Active members

Pre – Autoenrollment: 31,973

Post- Autoenrollment: 51,513

61% increase

► Proposed additional budget request

	Approved FY 2025	FTE Request: 80
Personal Services (PS)*	\$24,726,410	\$33,539,552
Other than Personal Services (OTPS)	\$11,150,547	\$11,824,403
Total Budget	\$35,876,957	\$45,363,955
% increase in budget		26%
<u>Headcount</u>		
Full time employees	169	249
% increase in Headcount request		47%

* PS includes Fringe benefit cost
@44.62%



▸ *Thank you*

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December 2024

RESOLUTION TO COMMEND JOHN MADERICH FOR HIS SERVICE TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

- WHEREAS,** John Maderich has served as a Trustee of the New York City Board of Education Retirement System; and
- WHEREAS,** Mr. Maderich has served with dignity and distinction since January 2017; and
- WHEREAS,** Mr. Maderich has provided invaluable participation and leadership during his tenure on the Board of Trustees of the New York City Board of Education Retirement System; and
- WHEREAS,** his current term as Employee-Member on the Board of Trustees will expire in December 2024; and
- WHEREAS,** Mr. Maderich's performance as a Trustee of the New York City Board of Education Retirement System exemplifies the highest tradition of public trust and responsibility; and
- WHEREAS,** the New York City Board of Education Retirement System wishes to extend its gratitude and well wishes; now therefore be it
- RESOLVED,** that in special recognition of his distinguished service to the New York City Board of Education Retirement System, the Board of Trustees wishes to recognize John Maderich for his commitment to, support of and distinguished leadership on the Board of Trustees of the New York City Board of Education Retirement System.

Respectfully Submitted,

Sanford R. Rich
Executive Director

DECEMBER 2024

SUPPORT OF LEGISLATION TO CONTINUE CERTAIN INTEREST RATES

- WHEREAS,** the Actuarial Interest Rate (AIR) and the rates of special interest, additional interest, and supplementary interest used to determine employer contributions to BERS, the amount of interest to be paid into certain constituent funds of BERS, and the amount of interest to be credited on accumulated member contributions and increased-take-home-pay reserves of Tier 1 and 2 BERS members, which are enacted by the New York State Legislature and codified in section 13-638.2 of Administrative Code of the City of New York are scheduled to expire as of July 1, 2025; and
- WHEREAS,** the BERS Board, upon recommendation of the Actuary, supports proposed legislation providing for a four-year extension of the current AIR and the rates of special interest, additional interest, and supplementary interest; now therefore, be it
- RESOLVED,** that the Board requests that the Corporation Counsel develop, with the review and assistance of the Actuary, and that the New York State Legislature and Governor enact, legislation providing for a four-year extension of the current AIR and the rates of special interest, additional interest, and supplementary interest.

Respectfully Submitted,

Sanford R. Rich
Executive Director

December 2024

ADOPTION OF THE DISABILITY COMMITTEE'S RECOMMENDATIONS

- WHEREAS,** the Disability Committee of the Board of Trustees ("Disability Committee") held a meeting on September 24, 2024; and
- WHEREAS,** the Disability Committee reviewed 7 applications for disability retirement; and
- WHEREAS,** the Disability Committee has made recommendations to the Board of Trustees regarding 7 applications; now therefore be it
- RESOLVED,** that the Board of Trustees hereby adopts the recommendations of the Disability Committee with regard to the applications reviewed on September 24, 2024.

Respectfully Submitted,

Sanford R. Rich
Executive Director

December 2024

**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 January 1, 2025 to March 31, 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

December 2024

**AUTHORIZATION TO THE COMPTROLLER OF THE CITY OF NEW YORK TO
RESTRUCTURE THE PUBLIC PRIVATE APARTMENT REHABILITATION PROGRAM**

- WHEREAS,** the Public Private Apartment Rehabilitation (PPAR) Program is an Economically Targeted Investment (ETI) that provides forward commitments for permanent takeout financing for affordable multifamily housing in New York State; and
- WHEREAS,** the PPAR Program has been a part of BERS' Economically Targeted Investment (ETI) portfolio since 1983; and
- WHEREAS,** in a Memorandum dated December 3, 2024, the Comptroller of the City of New York has recommended that the Board restructure the PPAR Program; and
- WHEREAS,** Segal Marco Advisors, BERS investment consultant (the "Consultant"), has reviewed and concurs with the Comptroller's recommendation dated December 3, 2024; and
- WHEREAS,** after review and discussion of the analyses and recommendations of the Comptroller and the Consultant, the administrative staff of the Board of Education Retirement System recommend a restructuring of the PPAR Program as indicated in the Comptroller's recommendation; and
- WHEREAS,** the Board accepts the recommendations from the Comptroller, the Consultant, and the administrative staff regarding the recommendation to restructure the PPAR Program; now therefore be it
- RESOLVED,** that the Board authorizes a restructuring of the PPAR Program as follows:
1. delegate administration of the ETI PPAR program to the Community Preservation Corporation;
 2. transition from a lender-specific allocation to a pooled allocation;
 3. extend the Maximum Rate Lock Term from 24 Months to 36 Months with a 12-month as-of-right extension;
 4. accept loan amortizations of up to 40 years; and
 5. increase BERS' aggregate commitment from \$29 million to \$70 million, consistent with BERS' pro-rata share of the overall corpus of the NYCERS.

Respectfully Submitted,

Sanford R. Rich
Executive Director

December 2024

**AUTHORIZATION TO THE EXECUTIVE COMMITTEE
TO APPROVE CERTAIN TRANSACTIONS**

WHEREAS, the Board of Trustees (“the Board”) adopted the Authority and Procedure of the Executive Committee of the Board of Education Retirement System (BERS) in January 2017 to more efficiently and effectively manage its duties; and

WHEREAS, the Board thereafter amended the Authority and Procedure of the Executive Committee in February 2020, December 2021, June 2022, September 2022, and October 2022; and

WHEREAS, the Board, as head of BERS, is vested by law with the authority to approve all investment transactions on behalf of BERS; and

WHEREAS, in December 2021, recognizing that investment transactions must often be executed on relatively short notice, according to a calendar which does not necessarily align with scheduled Board meetings, the Board amended the Authority and Procedure of the Executive Committee to authorize the Executive Committee to approve certain investment transactions through December 31, 2022; and that authority was extended through December 31, 2023; and that authority was extended through December 31, 2024; and

WHEREAS, in considering whether to extend the grant of such authority, the Board has reviewed the following:

- i. the present holdings in the Portfolio;
- ii. any marked changes in the Portfolio during the preceding period;
- iii. the reasons for such changes and the results achieved thereby;
- iv. the investment activity in the Portfolio, including the rate of turnover; and
- v. other factors the Board considers pertinent to an analysis of the financial performance and planning, consistent with its obligation as a fiduciary;

and;

WHEREAS, having reviewed the foregoing, the Board wishes to extend the authority of the Executive Committee to approve certain investment transactions through December 31, 2025; now therefore be it

RESOLVED, that the Board hereby delegates its investment authority to the Executive Committee to the extent set forth herein through December 31, 2025:

the Executive Committee will have the power to:

- i. Approve new index fund managers for inclusion in the BERS Investment Portfolio (the "Portfolio");
- ii. Approve new active public market managers and programs for inclusion in the Portfolio (up to \$250 million per manager or program);
- iii. Approve new private market managers and programs for inclusion in the Portfolio (up to \$50 million per manager or program);
- iv. Approve additional investments in funds previously approved by the Board, or their successor funds, on substantively identical terms; and
- v. Reauthorize BERS participation in previously approved strategic initiatives of the Office of the Comptroller, in instances where the prior time limit has expired or the prior dollar threshold has been surpassed.

Respectfully Submitted,

Sanford R. Rich
Executive Director

December 2024

**AUTHORIZATION TO EXTEND AN AGREEMENT WITH AKSIA CA LLC TO
PROVIDE PRIVATE MARKETS INVESTMENT CONSULTING SERVICES**

- WHEREAS,** BERS requires private markets investment consulting services; and
- WHEREAS,** BERS is in the midst of the procurement process for a replacement vendor to provide private markets investment consulting services; and
- WHEREAS,** in order to bridge the gap between the expiration of the existing agreement with BERS' current private markets investment consultant, Aksia CA (Aksia), and an agreement with a replacement vendor, the Executive Committee authorized an the agreement with Aksia based upon the Statement of Work provided by Aksia beginning on November 18, 2024 and extending through February 28, 2025, at a cost not to exceed \$97,500 based upon the price schedule provided by Aksia; and
- WHEREAS,** the administrative staff of BERS recommend that the Board extend the Agreement with Aksia through April 30, 2025 to ensure continuity of services; and
- WHEREAS,** the Board accepts the recommendation of the administrative staff; now therefore be it
- RESOLVED,** that the Board authorizes the Executive Director of BERS to extend an agreement with Aksia CA to provide private markets investment consulting services through April 30, 2025, at an additional cost not to exceed \$85,000 such that the total amount of the agreement is not to exceed \$182,500, and subject to agreement by Aksia. If any of the foregoing terms are not agreed upon by the parties to the contract, the proposed amendment will be brought back to the Board for further review and action before such contract extension 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 this agreement.

Respectfully Submitted,

Sanford R. Rich
Executive Director

AMENDMENT TO THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2025 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, 2022 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,** on September 10, 2024 the Retirement Board previously authorized as a budget for Fiscal Year 2025, a personnel services budget of \$ 24,726,410 that includes a fringe benefit cost of \$ 7,628,906 and an other than personnel services budget of \$ 11,150,548; and
- WHEREAS,** the Executive Director and the administrative staff recommend an amendment to the budget for Fiscal Year 2025 to include an additional personnel service budget of \$8,813,143 that includes a fringe benefit cost of \$2,719,143 and an additional other than personnel services budget of \$673,855; 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 as an amended Fiscal Year 2025 administrative budget, a personnel services budget of \$33,539,553 that includes a fringe benefit cost of \$10,348,049, and an other than personnel services budget of \$11,824,403 and delegates to the Executive Director its powers within the authorized appropriation

Respectfully Submitted,

Sanford R. Rich
Executive Director