

MINUTES

**Quincy Retirement Board
Quincy Retirement Board
Monthly Meeting
Wednesday, October 23, 2024, 9:00 am - 12:00 pm
1212 Hancock Street, Ste.210A
Quincy, MA 02169**

I. Call to Order

Chair O'Connor called the meeting to order at 9:00 a.m. Members Moody, Mason, Fitzpatrick, Brown & Chair O'Connor were all in attendance.

II. Approval of Executive Session Meeting Minutes from 9.25.24

Motion to approve the executive session meeting minutes from 9.25.24 by Member Mason second by Member Brown. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

III. Approval of Meeting Minutes from 9.25.24

Motion to approve the meeting minutes from 9.25.24 by Member Moody second by Member Fitzpatrick. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

IV. Executive Session Pursuant to M.G.L. c. 30A s.21 (a)(1)

Executive Session pursuant to MGL 21 (a)(3)

Motion to go into Executive Session by Member Mason second by Member Brown at 9:02 a.m. All present members voted in favor

YES-Brown YES-Mason YES-Fitzpatrick YES-Moody YES-O'Connor

Motion to come out of executive session at 9:53 a.m. by Member Mason second by Member Brown. All members voted in favor.

YES-Brown YES-Moody YES-Fitzpatrick YES-Mason YES-O'Connor

V. Approval of Calculations

| <u>Name</u> | <u>Ret. Dt.</u> | <u>Yr. Amt.</u> |
|----------------|-----------------|-----------------|
| Laura Barrett | 8/30/2024 | \$31,784.64 |
| Mark W Folan | 8/9/2024 | \$95,592.60 |
| Daniel C Myers | 9/3/2024 | \$13,406.76 |
| Kent Yee | 9/27/2024 | \$83,443.68 |
| Robert S Young | 8/30/2024 | \$33,857.52 |

Motion to approve the calculations by Member Moody second by Member Brown. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

VI. Request for Creditable Service

| | | |
|-----------------------|----------------------|-------------|
| Celeste Coletti | 3 years 5 months | \$46,859.78 |
| Steven Chencharik (V) | 4 years | \$15,321.07 |
| Daniel Bythrow | 10 months (Reserves) | \$2,634.75 |
| Daniel Bythrow (V) | 2 year 11 months | \$9,221.63 |
| Edward Walsh Jr (V) | 4 years | \$20,764.85 |
| Diane Doherty | 1 year 5 months | \$4,135.17 |
| Brian Coen (V) | 3 years | \$9,901.20 |
| Eric Mason | 8 months | \$3,592.11 |
| James Mullaney (V) | 4 years | \$13,189.20 |

Motion to approve the creditable service by Member Brown second by Member Moody. The motion was approved..

Member Mason recused himself because he had a creditable service item related to the purchase of prior time on the agenda.

YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

VII. New Members

| | | | | |
|---------------------|--------|--------|---|-----------|
| Linda Shirley | QHA | No | 1 | \$56,456 |
| Erica Ruscio | LIB | No | 1 | \$66,322 |
| Ann Mei Li | QCOL | No | 1 | \$42,671 |
| Kevin Nesti | AGING | No | 1 | \$69,999 |
| Andrew Engren | DPW | No | 1 | \$48,065 |
| Erin Bryan | SWD | No | 1 | \$49,827 |
| John Cristiani, Jr. | QFD1 | Yes | 1 | \$66,836 |
| Elcio DosSantos | QCOL | No | 1 | \$85,000 |
| Tamara Rabinovich | QCOL | No | 1 | \$69,000 |
| Kristen Paluzzi | QPS | No | 1 | \$36,819 |
| Daniel Dragicevic | Mayors | No | 1 | \$57,500 |
| Martin Dunham | QPS | No | 1 | \$53,045 |
| Shae Aiguier | QPS | No | 1 | \$29,637 |
| Benjamin Lane | QPS | No | 1 | \$49,500 |
| Elizabeth Boyd | TPAL | No | 1 | \$50,277 |
| Richard Mahoney | Mayors | Rehire | 1 | \$140,688 |
| Cheryl Scibilio | AGING | No | 1 | \$53,904 |
| Alissa Sayers | QPD | No | 4 | \$60,536 |
| Rosa Sabio | QPS | No | 1 | \$20,059 |
| Wanka Wu | QPS | No | 1 | \$26,906 |
| Molly Makrogianis | LIB | No | 1 | \$57,033 |
| Joseph Canavan | QPD | Rehire | 4 | \$60,536 |
| Nita Desai | QCOL | No | 1 | \$39,138 |
| Solange De Medeiros | QPS | No | 1 | \$64,329 |

Motion to approve the new members by Member Mason second by Member Moody. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

VIII. Vacation Buyback Update

Director Croall referred to the PERAC memo regarding the definition of “consistency” as it relates to the impacted group. Member Brown acknowledged the hard work done by the Director and attorneys. Motion to accept the draft regulation by Member Brown second by Member Moody. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

IX.PRIM Update

The board welcomed Francesco Daniele from Mass PRIM. Francesco gave an overview of PRIM. \$100B in AUM. Francesco moved to slide 6 which are their core beliefs. PRIM likes to manage based on risk vs returns vs cost. Francesco said that it is a fiscal year review and 40% of alternative assets. PRIM has 4 to 5 meetings per quarter and the meetings are public. PRIM has a very robust governance structure. They have 100 clients in PRIM and almost 100 clients in OPEB. PRIM is a leader in private equity. It is nationally ranked. 70 consultants with no turnover and they're in the office 5 days per week. Francesco said that they're always trying to get better. PRIM manages to a range not a midpoint. PRIM gives the opportunity to take liquidity. The net returns show less distributions. Francesco asked if anyone had questions. Member Mason asked about moving out of 1 asset class into another and how does the process work. Francesco said that the change is done over 1 year timeframe. Member Fitzpatrick asked about what falls under portfolio completion strategies. Francesco said that it's essential assets that don't have a home (ex-hedge funds). Francesco said that a lot of clients use them strictly for hedge funds. Francesco went to real estate and the underperformance. Real estate has been a down market but they outperformed the benchmark. Chair O'Connor asked how they think that real estate has done. Francesco said that it was not good but hopefully it sets the table for a positive environment going forward. Francesco said that they own a large timer portfolio. PRIM was early adopters. PRIM since inception goes back to March 1990 is 8% net of fees. Francesco shared that he would be happy to bring an asset class manager next time. Alli Stone asked about what the target return was for the portfolio and Francesco answered 7%. She also asked about what the target duration was for bonds. Francesco said that he would have to investigate that and share it back. Francesco thanked the board for coming in.

X. Meketa Investment Update

* Set date for Manager Due Diligence Calls

Private Credit

10:00 AM - EnTrust

10:25 AM - HarbourVest

10:50 AM- Neuberger

11:15 AM - PennantPark

The board welcomed Alli Stone from Meketa Investment Group. Alli introduced Kristen Zama who handles the private credit piece for Meketa Investment Group.

The board welcomed Josephine Shea and George Fikaris from Entrust. Josephine introduced the Blue Ocean and George Fikaris to present. George moved to slide 2 which was the firm overview. Entrust lifted out a team from CIT to start the private credit team. The team issued senior secured loans to shipowners. They do not use leverage and the target IRR is 10-14%. George said that is a base case event. Greg said that the returns have been in low double digits.

Member Mason asked about systematic risk and how they deal with that at canals. Greg said that when a ship owner faces a canal issue they have to take longer routes, therefore less ships at seas. This allows the ships who are out delivering can actually charge more. Eric asked about how Entrust is underwriting nations that are trending towards cleaner energy. Entrust looks at pre-established contracts. Member Brown asked if the ships going into receivership are they still operational. The answer was yes. Member Fitzpatrick asked why the board would want to consider such a specialized private credit offering versus a manager that is a little more broad. Member Fitzpatrick asked about the fee, George pointed out Page 6. 1% on committed capital and 1.50% management fee on uncommitted capital. There has been \$3B raised so far. They're targeting another \$1B in 2025.

The next presenter was Harbourvest. Chair O'Connor recused herself from the presentation. Fran Peters and Bill Cole joined the team. Frank said that they have a very different deal sourcing strategy, if they see a deal they typically get it & they set up fees and economics cheaper. Frank covered the return on the existing PE investment that the board has. Bill Cole covered credit. Bill said that they get access to 90% of the deals in the market, this allows them to be super selective. They diversify credit up and

down and inside out of the credit structure. Look for contract-based revenue uncertainty. Member Mason asked about the idea of have a strong binomial EBIDA. .65 bps on fees. Target returns for 10-12% returns levered and 8-9% on the levered program. The board thanked Fran and Bill for coming to the meeting.

The next presenter was Neuberger Berman. The board welcomed Bob Croke and Josh Demario from the private debt team. Bob said the few things to remember when considering Neuberger is a conservative private credit manager, top of the credit structure. I levered yield 12.2% and a levered sleeve of about 15%. Meketa clients get access to the portfolio for .50bps. Neuberger makes loans to mid-market companies. They have a quality preference and nothing cyclical. The platform was founded 30 years ago.

This funds target fundraising is \$3B and they're about halfway there. Net IRR was 10.5%. Neuberger has a very stable management team. Bob opened it up to questions and the board had no questions and thanked everyone for coming.

The last presenter was Pennant Park. Joining the meeting was Tommy Kelly, Pete Mitchell & Jose Brionis. Pennant Park is an independent middle market company. Headquarters in Miami. They target PE back companies. Jose Brionas is one of the senior partners at the firm. They're a core middle market firm. They manage loans at the top of the capital structure. They look at smaller companies. The focus on preservation of capital. Leverage on portfolio is 4.1x. P.9 highlights the 5 core sectors = #1 is healthcare. Jose asked if the board had questions after and the board did not. The fund has approximately 180 companies in the portfolio.

Target net returns non-levered - 8% net non-levered - 11-13%

The management Fee is 1.00% however it is tiered with Meketa based on firm AUM.

Pete asked the board if there were any questions. Member Fitzpatrick asked about the funds ability to limit loss and what protections were in place.

Alli Stone from Meketa Investment Group transitioned into the recap. Chair O'Connor opened it up to the board about Q&A. Member Mason said that he really liked Entrust mainly because of their concentration. Member Fitzpatrick asked if their fee was negotiable. Kristen said that they were higher in terms of fees and that she could press them on the fee structure. Alli went over the

distribution schedule for the Special Opportunities Fund and possibly liquidating the position and think it needs to be revisited. Kristen asked if they were looking to make private credit commitments each year. Member Fitzpatrick said that he thought Harbourvest was a good presentation.

Motion to commit \$6M to Entrust Blue Ocean by Member Fitzpatrick second by Member Brown. All members voted in favor, subject to negotiating fees and operational distribution from Meketa.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

The last item was the October meeting materials. Alli said that Meketa is the consultant on PRIM's public markets side. P. 26 are the market values. P.27 is the investment performance QTD up 3.4% and trailing 1 year 11%. P.40 shows the real estate and private markets track record. Alli opened it up for questions. Chair O'Connor asked if there are any managers we should be watching. Alli said it's the Entrust Special Opportunities Fund.

Directors Croall asked about a date for due diligence meeting. Alli said that we have to do it. on December 5th at 9:00 a.m. Alli said that we have about 15 meetings to go before year end. Chair O'Connor asked to keep the meeting on 11/21 light.

XI. Approval of 2024 Valuation Report

Chair O'Connor recapped that the valuation report got resolved last meeting.

Motion to approve by Member Mason second by Member Fitzpatrick. All members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

XII. Approval of 2023 Draft Audit Report

The board reviewed the audit from Marcum. Director Croall pointed out that there were not deficiencies and no management letters which is a great thing.

Motion to approve the audit by Member Fitzpatrick second by Member Brown. All members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

XIII. Correspondence

Motion by Member Moody second by Member Brown to allow board members to go to the TerraCap due diligence meeting. All members voted in favor.

The next item was a correspondence by Deborah Riley. Deborah asked about the update as it relates to cyber theft. Chair O'Connor stated that there wasn't a formal response and then recognized Director Croall. Director Croall said that we cannot get into the issues. Chair O'Connor asked Mrs. Riley if she'd like to expand on anything. Mrs. Riley cited the investigative report produced by PERAC. Mrs. Riley said that the report is public information. She went on to say that a certain employee of the retirement office was in the report and that certain employee was granted additional work privileges as she saw through the special meeting minutes back in August. She said that she doesn't understand the special treatment given the circumstances. The Chair thanked Mrs. Riley for her feedback. Director Croall said that the two items were not mutually exclusive.

XIV. Office Update

Not office update to give currently. Member Fitzpatrick brought up the fact that an employee's e-mail was compromised. Director Croall said that he reacted immediately with the employee to notify IT as well as the investment managers. The employee has since received a new e-mail.

XV. Supplemental Regulation – Public Hearing

Motion to approve the supplemental regulation regarding payback period for Veteran's buyback by Member Moody seconded by Member Mason. All members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

XVI. Approval of Warrants

Warrant 2024-52

Warrant 2024-51

Warrant 2024-50

Warrant 2024-49

Warrant 2024-48

Breakdown by Account

| | |
|----------------------------|-------------|
| Mgmt. Fees | \$72,111.96 |
| Custodial Fees | \$7,335.90 |
| Investment Consultant Fees | \$15,166.67 |
| Legal Expense | \$2,610.00 |
| Medical Expense | \$25.00 |
| Service Contracts | \$234.02 |
| Rent Expense | \$7,000.50 |
| Admin Expenses | \$4,434.17 |
| Travel Expense | \$162.85 |
| Transfers | \$32,480.31 |
| Refunds | \$14,857.38 |

Motion to approve the warrants by Member Mason second by Member Moody. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

XVII. Approval of Cash Books

Motion to approve the cash books by Member Mason second by Member Moody. All present members voted in favor.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor

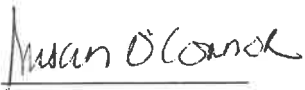
XVIII. Adjourn

Motion to adjourn by Member Brown second by Member Fitzpatrick. All members voted in favor. The meeting ended at 12:44 p.m.

YES-Mason YES-Brown YES-Moody YES-Fitzpatrick YES-O'Connor



Brad Croall, Executive Director

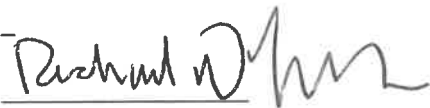


Susan O'Connor, Chair



Member Moody

Member Brown



Member Fitzpatrick



Member Mason