

## **MINUTES**

**Quincy Retirement Board**

**Quincy Retirement Board**

**Monthly Meeting**

**Thursday, January 20, 2022, 9:30 am - 11:30 am**

**1212 Hancock St. Suite 210A, Quincy, MA 02169**

**This meeting is being held via Zoom**

**Meeting ID: 869 3550 6807**

**Passcode: 1212**

**One tap mobile**

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**+13126266799,,86935506807#,,,,\*1212# US (Chicago)**

### **I. Call to Order**

Chair O'Connor called the meeting to order at 9:32 a.m.

### **II. Approval of Meeting Minutes from 11/22/21**

Motion by McFarland second by Rick Fitzpatrick to accept the 11/22/21 minutes.

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor

### **III. Approval of Meeting Minutes from 12/16/21**

Motion by Member Coppens second by Member Arienti to accept the 12/16/21 minutes

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor

### **IV. Approval of Superannuation Applications**

Carolyn Crossley QHA February 25, 2022

Motion to approve superannuation application made by Member Coppens second by Member Arienti.

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor



#### V. Approval of Warrants

Warrant 2021-72

Warrant 2021-71

Warrant 2021-70

Warrant 2021-69

Warrant 2021-68

Warrant 2021-67

Warrant 2021-66

Warrant 2021-65

Warrant 2021-64

Warrant 2021-63

Warrant 2021-62

Warrants remain tabled until Board meets in person. Motion made by Member McFarland second by Member Fitzpatrick

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor

#### VI. Approval of Calculations

<u>Name</u>	<u>Ret Date</u>	<u>Allowance</u>
George Nicholson	12/31/21	\$20,799.00
William Hall	12/31/21	\$59,335.56
Catherine Folan	12/3/21	\$24,792.60

Motion by Member Coppens second by Member Arienti to approve the calculations.

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor

#### VII. Requests for Creditable Service

Michael P. McNeil	1 year	\$4,666.17
Terry Champion	4 years 8 months	\$29,675.31
Robert E. Bina	8 months	\$2,400.67
Kevin Segalla	1 year 6 months	\$2,253.76



Julie Carthas 2 years 11 months \$13,931.73

Patrick McNamara 4 years 9 months \$62,705.36 (interest update)

Member Fitzpatrick had some questions around the dollar amount for Mr.McNamara. Director Croall verified with Associate Director Gaughan the amount. Mr McNamara had time dating back to 2001 in the City of Boston system. Motion by Member McFarland second by Member Arienti to approve the requests for creditable service.

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor

#### VIII. New Members

<u>Name</u>	<u>Dept</u>	<u>Vet</u>	<u>Group</u>	<u>Salary</u>
Weijie Dong	INSPEC	No	1	\$80,533.96
Sopheaksoksandy So	HEALTH	No	1	\$75,000.12
Gail Flynn	QCOL	No	1	\$104,000.00
James Smith	BLDGS	No	1	\$106,682.16
Joseph Bellotti	PLAN	No	1	\$85,000.24
Karen Buzzelle	QCOL	No	1	\$43,680.00
Kathleen Quirk	QPD	No	1	\$43,563.52
Dyan Bauman	PARK	No	1	\$56,240.08
Justin Bousquet	PARK	No	1	\$43,990.96
Richards Brooks	PARK	No	1	\$82,999.80
Bin Wu	QPS	No	1	\$70,761.60
Tina Cahill	QPS	No	1	\$9,000.00
Laura Tung	QPS	No	1	\$70,761.60
Irma Maxhari	QPS	No	1	\$25,036.44
Carrie Hancock	SCC	No	1	\$52,999.96
Eileen Cardoso	QPS	No	1	\$21,431.28
Darby Kindley	QPS	No	1	\$21,431.28

Motion made by Member Coppens second by McFarland to approve the new members.

YES-Coppens YES-Arienti YES-Fitzpatrick YES- McFarland YES-O'Connor



#### IX. Colin Edgar from Stone Consulting Group

Board welcomed Colin Edgar/Larry Stone & Joan from Stone Consulting. Colin asked for feedback on GASB report from Board. Board was ok for Colin to send a signed copy over. He said he would do that today. Colin moved into a presentation on the initiatives for the year. He spoke about the POB and its impact on the funding valuation. He asked about Dollar Cost Averaging into PRIM. Director Croall stated that the POB was not dollar cost averaged. He also asked about how benefit payments would work. The Board stated that the benefit payments would be pulled from PRIM. Colin mentioned to the Board do we create a "funding holiday" which would allow them to reduce funding payments. Larry Stone asked for whether we had the option from the city to have a "funding holiday" due to the full funding. Colin stated that they could present some results on what several scenarios looked like as a result of being fully funded. Member Arienti asked about the scheduled contribution and whether this contribution was coming from the employee's or employer. Colin stated that it was from the employer. Member Arienti asked about 38(c) payments. Colin explained that 38(c) payments are when an employee is with the City of Quincy leaves and goes to another system, these are the payments we're responsible for. Member McFarland asked about FY 23' and how the unfunded liability for this year will be zero. Colin stated he believed that it could even be negative. Member McFarland also asked about our target rate of 7.25% return on the portfolio being a shade too high and should we consider tweaking it. Colin said that it is a worthwhile exercise for the Board to go through. Member Fitzpatrick asked about when you're in a position that you're negative funded can you take the profits and put them in a rainy day fund. He wanted to know if Chapter 32 allowed for the creation of such a mechanism. Larry Stone said that there was nothing in Chapter 32 stating this. Larry said that you could do this and keep it on the side. Joan from Stone asked if a stabilization fund would remain segregated from the portfolio. Larry thought that the City of Quincy had mentioned this through the POB process and a fund like this may rest at the city level. Colin spoke about salary and how it plays into benefit payments. He asked if there were any retro payments. Chair O'Connor mentioned that the City of Quincy paid out a one time payment to everyone for working through COVID. Member Arienti asked if that one time payment was pensionable. Chair O'Connor stated that retirement did not come out of the payment. Colin walked through some of the COVID impacts and he stated that data is still evolving. They're trying to determine if COVID was just an interruption to the discount rate or something greater. Colin also stated that inflation is an important consideration for COLA increases. Larry asked about whether there were any layoffs due to COVID. Chair O'Connor stated that there have been no layoffs. Colin asked about whether benefit payments coming from the PRIM fund would cover Quincy College & Quincy Housing Authority. Chair O'Connor shared that we were still discussing the matter. Chair O'Connor asked when the valuation could be completed, aiming for things to happen in a timely basis. Colin said that the sooner we can get the information over to him they will be able to turn around a final copy rather quickly. Colin asked if there are any provisions being contemplated. Member McFarland stated that they're considering a COLA.

#### X. Draft Audit Report, O'Connor & Drew

Board welcomed Kevin Carnes from O'Connor & Drew. Kevin stated that the audit went better in 2020. Kevin stated that when the appropriation was paid in 2020, Quincy College had an outstanding bill of about \$220k. Kevin said he would send over the backup. Chair O'Connor asked that a letter be sent requesting payments. Kevin also asked that a letter be sent to him showing that the POB went through.





Director Croall stated that he would take care of it. Kevin stated that the statements he was getting from Brigid were from Peoples and he had some questions around whether there are any differences between those statements and the statements from the investment managers were off. Kevin also said that the firm contract with the city has expired. O'Connor & Drew will be getting out of the business of auditing public retirement systems. Kevin stated that they would be willing to do calendar year 2021. Chair O'Connor mentioned that she would like to keep them on for the 2021 audit.

Member McFarland said that he agreed.

Member Fitzpatrick made a motion that we put out an RFP for auditing services and a second by Member Arienti.

YES- Coppens YES-Arienti YES-Fitzpatrick YES-McFarland YES-O'Connor

#### XI. Furnace Brook Golf Course Acquisition

The Board examined the opinion letter written by Attorney Michael Sacco regarding the Furnace Brook Golf Course and the City of Quincy. Director Croall pointed out a few specific sentences in the e-mail which outlined the fact that employees of FBGC were not eligible for a pension before the City of Quincy purchased the golf course earlier this year. Member Fitzpatrick inquired if anyone had read the prior lease that FBGC had with the City of Quincy. Member McFarland shared that he had read it and that there was no mention of being a city employee.

#### XII. Introduction to PRIM

The Board welcomed Francesco Daniele. Francesco gave a brief background on himself. Francesco said that he wasn't going to go through a slide deck but he would forward it out to the Board. Francesco mentioned benefit payments and that the Board could work with Jennifer Cole from his team to setup an automatic redemption. Francesco spoke about PRIM's core philosophy: return, risk & cost. PRIM engineered a portfolio designed for the long term. PRIM's private equity portfolio has been performing strong. Francesco stated that PRIM uses size/scope to benefit its clients. PRIM is very focused on diversity, equity & inclusion. Francesco also made mention of the frequent updates that PRIM puts out there and invited the Board to join the webcasts. Francesco mentioned that they take funds on the first business day of the week. He thanked the Board for their time and said that he looks forward to working with him. The Board thanked him for his time.

#### XIII. Meketa Update

The Board welcomed Frank Benham from Meketa. Frank spoke about inflation growth, highest numbers in 20 years. He also spoke about the effects of Omnicron on the markets. Frank spoke about the Aberdeen liquidation on 12/1/21. He mentioned that Meketa received the \$27M from the POB.



The Board welcomed Joe Dougherty and Chris Jorel from Columbia Investments. Joe said in Q4' of 2021, Columbia completed transaction of Bank of Montreal. Joe also mentioned that the firm will be experiencing a change in the CIO. Joe then introduced Chris Jorel from Columbia's high yield strategy. Chris said that there was no change to Portfolio Managers on the team in 2021. The High Yield Fund performed about .30bps ahead, net of fees. The fund is overweight cable & utilities. Defensively, they're positioned in oil services. Focusing on credit and security selection. They feel confident that they can create a "clip your coupon" situation for the year. The fund is positioned rather neutral.

The Board welcomed Safraz Lalani from Oppenheimer. The Oppenheimer team is still the same and many team members were back in the office until Thanksgiving. They transitioned to remote but hopefully will be back in the office come February. The fund focuses on companies focused on farming, lumber and other specialized services. The fund offered cumulative distribution of \$11M. This year they're anticipating approximately \$24M in distributions. The distribution this year will be mainly from farmland operations where the fund has invested, particularly in Olgar.

The Board thanked Meketa and the investment managers for attending the meeting.

#### XIV. General Office Update

Director Croall spoke about how he was working with Meketa & PRIM to create a centralized report for the Board that would show both of the managers in one place. He also mentioned that the Finance Department had joined him at the meeting and asked the Board how they would like him to proceed. The Board unanimously expressed the fact that they didn't want the Finance Department involved with retirement system and that all items pertaining to the POB going forward fall within the jurisdiction of the Board. Director Croall said that he would operate in the manner that the Board deemed appropriate.

Director Croall notified the Board of an idea that one of the team members, Antonetta Fopiano, had with respect to beneficiary designations. The idea is to move around to various payroll entities of the City of Quincy to provide a refresher on selecting your beneficiary. The Board agreed that it was a good idea. Member McFarland pointed out that HR does a benefit fair each year and it would also be helpful for the office to participate in that.

The Board voted to go into Executive Session at 12:07 p.m. Motion was made by Member McFarland & second by Member Arienti.

YES-Coppens YES-Arienti YES-McFarland YES- Fitzpatrick YES- O'Connor

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

Motion to come out of Executive Session by Member Coppens second by Member McFarland at 12:50 p.m.

YES - McFarland, YES- Coppens, YES-Fitzpatrick, YES- O'Connor



XVI. PERAC Memos

Member McFarland asked the Board, regarding the PERAC memo on COLA, if the minded ifhe inform the Mayor about the Board taking up a COLA. He also mentioned that he'd notify the Council President. The Board said that it was fine.

XVII. Correspondence

Chair O'Connor read the memo from Stone Consulting & Jaunite Escobar from Public Pension Alliance.

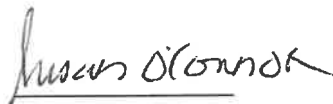
XVIII. Adjourn

Motion to adjourn by Member Coppens second by Member McFarland.

YES-Coppens YES - McFarland YES-Arienti YES-Fitzpatrick YES-O'Connor

The meeting ended at 12:58 p.m.

  
Brad Croall, Executive Director



Chair, Susan O'Connor



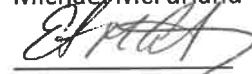
Rick Fitzpatrick



Leo Coppens



Michael McFarland



\_Ernie Arienti

