

## MINUTES

### Quincy Retirement Board Monthly Meeting

Thursday, February 17, 2022, 9:30 am - 11:30 am

1212 Hancock St. Suite 210A

Quincy, MA 02169

In attendance via Zoom: Michael McFarland, Susan O'Connor, Ernie Arienti, Leo Coppens, Rick Fitzpatrick, Brigid Gaughan, Brad Croall

This meeting will be held via Zoom:

Meeting ID: 872 0514 8840

Passcode: 2LJdX1

One tap mobile

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+19292056099,,87205148840#,,,,\*424011# US (New York)

<https://us06web.zoom.us/j/87205148840?pwd=YkpuUUFOa05DdXkwNUFta3A3WXhCZz09>

#### I. Call to Order

Chairperson O'Connor called the meeting to order at 9:40 A.M.

#### II. Approval of Meeting Minutes from January 20, 2022

The Board reviewed the minutes from January 20, 2022.

On a motion by Mr. McFarland and seconded by Mr. Coppens, the Board approved the minutes from January 20, 2022.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No:0

#### III. Approval of Executive Session Minutes from January 20, 2022

On a motion by Mr. Arienti and seconded by Mr. Fitzpatrick, the Board tabled the Executive Session minutes from January 20, 2022.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### IV. Approval of Calculations

Name	Date	Allowance
John Jones	6/16/2019	\$50,874.12



Marianne McCormack	1/20/2022	\$35,111.16
Paul Smith	1/8/2022	\$60,868.80
Lisa J Stack	11/20/2021	\$29,227.08

The Board reviewed the retirement calculations.

On a motion by Mr. McFarland and seconded by Mr. Fitzpatrick, the Board approved the calculations for retirement.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### V. Approval of Superannuation Applications

Kathryn L McAlduff	SWD	4/29/2022
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The Board reviewed the application for superannuation applications.

On a motion by Mr. Coppens and seconded by Mr. Fitzpatrick, the Board approved applications for superannuation retirement.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### VI. Requests for Creditable Service

Gerald Connolly	1 year 1 month	\$10,881.73
Kevin Tobin	6 months	\$5,915.76
Keith J. Dionne	3 years	\$9,348.61
Ryan Callanan	1 year 5 months	\$7,619.71
Paul Kearns	1 month	\$3,038.88

The Board reviewed the requests for creditable service.

On a motion by Mr. Coppens and seconded by Mr. Fitzpatrick, the Board approved the requests for creditable service.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### VII. New Members

Name	Dept	Vet	Group	Salary
John Cain	AUDIT	N	1	\$75,000
Shannon Rowland	COL	N	1	\$49,000



Thad LaVallee	COL	N	1	\$58,000
Venera Kojoheli	TREAS	N	1	\$44,699
Thomas Ellis	PARKS	N	1	\$85,000
Noreen Lyons	QPD	N	1	\$52,967
Jonathan Plant	QPD	Y	1	\$51,683
Minquix Sun	SCCD	N	1	\$52,999
Andrea Tran	SCCD	N	1	\$54,999
John Ferrera	SCCD	N	1	\$63,000
Danne Burnett	SCCD	N	1	\$54,999
K Cullinane <i>Re-enroll</i>	COL	N	1	\$62,560
Kara Zimmerman	COL	N	1	\$53,999
Shawn Bulman	QPD	N	1	\$51,683
Jae Young Cho	HEALTH	N	1	\$60,000
Paul Nimeskern	QPS	N	1	\$21,431
Christine Lopez	QPS	N	1	\$20,989
Fnu Sushmita	QPS	N	1	\$21,431
Ryan MacDonald	COL	N	1	\$36,400

The Board reviewed the new members for the Quincy Retirement System. Chairperson O'Connor noted that John Cain should be under the department of municipal finance instead of auditors.

On a motion by Mr. Coppens and seconded by Mr. Fitzpatrick, the Board approved the new members of the Quincy Retirement System.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### VIII. Anthony Priscella

##### QPS Buyback

Mr. Anthony Priscella was contributing to the Quincy Retirement Board from 9/13/2002 to 12/30/2011. Mr. Priscella did not terminate his position. He lowered his working hours to 20 hours per week. Quincy Public Schools stopped taking retirement deductions from his weekly pay. Because this was no fault of the member, the Board can determine if interest should be owed or not.

Once an employee qualifies for membership, that employee will continue as a member for so long as the member remains employed. The reduction in hours may result in a reduction of creditable service but will not affect the employee's membership status. (*Retirement Board of Stoneham v. CRAB*, 476 Mass. 130, 2016). This member would be eligible to purchase 4 years and 1 month of prorated service.

On a motion by Mr. Coppens and seconded by Mr. McFarland, the Board approved the request from Mr. Priscella to buyback his time without interest due an error by payroll.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0



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

John Greene

On a motion by Mr. McFarland and seconded by Mr. Fitzpatrick, the Board voted to enter Executive Session to discuss medical records.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### X. Return to Regular Session

On a motion by Mr. McFarland and seconded by Mr. Fitzpatrick, the Board voted to return to regular session.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### XI. Involuntary Disability

On a motion by Mr. Arienti and seconded by Mr. Fitzpatrick, the Board voted to table Mr. Greene's involuntary application until the March Board meeting to speak with Mr. Greene in person.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti

Yes: 5 No: 0

#### XII. Meketa Update

Frank Benham and Greg Price from Meketa joined the meeting at 10:17 A.M. Mr. Benham discussed the markets and stated that global equity markets posted negative returns for the month of November as persistently higher prices threatened growth outlooks. US equities returned -0.7% but outperformed international markets which experienced larger losses given uncertainties related to COVID-19 cases rebounding and potential new restrictions. Very high natural gas prices remain a threat to the economic recovery in Europe, while weak results in China continue to weigh on broader emerging markets. Acadian Emerging Markets Small Cap outperformed its benchmark for the month, returning 6.8% vs 4.2% for the MSCI Emerging Markets Small Cap Index. Key sources of positive active return included stock selection in Taiwan, a combination of stock selection and an overweight position in South Korea, and a combination of stock selection and an underweight position in China. Since inception, the strategy has returned 8.7%, beating the benchmark by 2.8% over that same period. Brown Small Cap Fundamental Value outperformed the Russell 2000 Value index by 1.7% in December, posting a return of 5.8% vs the benchmark's 4.1%.





Stock selection drove the positive performance in December. Since inception, Brown has returned 10.7%, trailing the benchmark, which has returned 12.6% over that same period. Axiom International Small Cap lagged its benchmark in December by 2.7%, returning 1.9% vs. the benchmark return of 4.6%. Stock selection in the Industrials and Consumer Discretionary sectors along with stock selection within Japanese equities were the biggest headwinds to relative performance. Since inception, the strategy has returned 39.9%, well above the benchmark's return of 30.1% over that same period. Driehaus Emerging Markets Growth underperformed its benchmark in December by 1.4%, returning 0.5% vs the benchmark's 1.9% monthly return. Stock selection in the Communication Services sector as well as exposure to Brazilian and Uruguayan stocks detracted from performance for the month. Since inception, the strategy has returned 14.8%, well outpacing the benchmark return of 8.3% over that same period 1-year 16.8% return net of fees. Meketa left the meeting at 12:00 P.M.

#### Beach Point 10:19-10:37 AM

Joel Karsch from Beach Point joined the meeting. As of 12/31/2021, Beach Point holds \$17.5 billion AUM. Mr. Karsch spoke about the expected hikes from the Fed. Originally, it was assumed there would be 3 hikes, but now it is believed there will be about 7 hikes for a 50-bps raise. Inflation is no longer transitory. Estimates for US growth this year remain well ahead of the longer-term average growth rate of 3.1%. Conditions in the labor market have continued to improve with 6.4 million new non-farms added in 202 and the unemployment rate is less than half a percent away from pre-pandemic level. The top three industries that Beach Point continues to invest in are technology, healthcare, and consumer cyclical services.

#### Hancock Timber 10:38-11:00 AM

Cooper Hellmann and Jonathan Aggett joined the meeting from Hancock Timber. Currently, there are \$14.7 billion assets under management. The main investment objective is to achieve long-term asset appreciation, capital preservation and moderate income through the purchase and active management of a timber and timberland real estate portfolio diversified by geography, species, product, and maturity. Hancock Timber has set performance guidelines to maximize total return incentive of 7% real IRR. Investment is made in no less than two domestic regions with up to 25% of market value outside of the U.S. There are \$307.3 million deployed into four timberland investments across core timberland markets of the U.S. South and Pacific Northwest, and Brazil. The fund appraised up 14.5% from prior year, mostly due to robust timber prices, a lower discount rate, and strong comparable sales drove the value. At a date of 12/31/2021, there has been a 1.3% return since inception and a 20.6% 1-year return. Hancock Timber generally responds positively correlated with inflation. The housing market has been a key driver that showed a surge in investments in new lumber demand. There continues to be a strong demand for wood products, and this is expected to continue in the future.

#### Goldman Sachs 11:05-11:20 A.M.

Michael Husson, Emily Nathan, Dylan Troy, and Kyla Petropoulos joined the meeting from Goldman Sachs. As of September 30, 2022, PEP 2005 Direct returned a net IRR of 5.3% and has returned 139.8% distributions of the total commitment. and PEP 2005



Manager returned a net IRR of 6.7% has returned 126.1% distributions of the total commitment.

IFM 11:21-11:37 AM

David Greenberg and Alex Morales joined the meeting from IFM. IFM Investors is a truly aligned global fund manager investing across multiple asset classes. There is currently 1\$30 billion assets under management. Since 2015, IFM has executed 18 acquisitions and follow-ons, representing \$20 billion. The Quincy Retirement Board originally committed \$6 million to IFM in 2017, which has been fully called. Since then, the QRB has received \$614,959 in distributions with a net IRR of 11.17% since inception.

### XIII. Aberdeen Management Invoices

The Board reviewed the invoices from Aberdeen Management. Mr. McFarland suggested to hold the invoices until the Board received advice from Attorney Sacco.

On a motion by Mr. Coppens and seconded by Mr. McFarland, the Board voted to table paying the Aberdeen invoices.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti  
Yes: 5 No: 0

### XIV. Correspondence

The Board reviewed the NCPERS Delegate form that was received by Mr. Croall. Ms. Gaughan will provide more information for the March meeting.  
The Board reviewed the memo from Michael Sacco regarding 3 8 c's.

The Board will meet in person for the March 2022 Board meeting.

### XV. Adjourn

On a motion by Mr. McFarland and seconded by Mr. Coppens, the Board voted to adjourn the meeting.

Yes: Richard D. Fitzpatrick, Susan O'Connor, Leo Coppens, Michael E. McFarland, Ernest Arienti  
Yes: 5 No: 0

