

MINUTES

**Quincy Retirement Board
Monthly Meeting
Thursday, March 21, 2024, 9:00 am - 12:00 pm
1305 Hancock St., Old City Hall - Lower level
Quincy, MA 02169**

I. Call to Order

Chairperson O'Connor called the meeting to order at 9:03 A.M.

II. Approval of Meeting Minutes from 2.15.24

The Board reviewed the meeting minutes from February 15, 2024.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board voted to approve the Meeting Minutes from February 15, 2024.

Yes: 3 No: 0 Absent: 2

III. Approval of Executive Session Meeting Minutes from 2.15.24

The Board reviewed the Executive Session minutes from February 15, 2024.

On a motion by Mr. Brown and seconded by Mr. McFarland, the Board voted to table the Executive Session minutes from February 15, 2024.

Yes: 3 No: 0 Absent: 2

IV. Executive Session Pursuant to M.G.L. c. 30A s.21 (a)(1) Executive Session pursuant to MGL 21 (a)(3)

The Board entered into Executive Session at 9:05 A.M. to discuss medical records for Mr. Lukeman and Mr. Silcox's retirement calculation.

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

Yes: 3 No: 0 Absent: 2

V. Approval of S. Lukeman

The Board reviewed the PERAC medical panels for Mr. Lukeman.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board voted to approve the accidental disability of Mr. Lukeman.

Yes: 3 No: 0 Absent: 2

VI. J. Silcox Overpayment

The Board reviewed the overpayment of Mr. Silcox.

On a motion by Mr. Brown and seconded by Mr. McFarland, the Board voted to let Mr. Silcox repay the retirement system.

Yes: 3 No: 0 Absent: 2

VII. Request for Creditable Service

James McNeil	3 months	\$1,782.56
Terrance Downing	2 months	\$549.32
Maryellen Collyer	6 months	\$1,372.24

The Board reviewed the requests for creditable service.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board voted to approve the requests for creditable service.

Yes: 3 No: 0 Absent: 2

VIII. Approval of Superannuation Retirements

<u>Name</u>	<u>Dept.</u>	<u>Date</u>	<u>Option</u>
William Carney	QPS	2/13/2024	C
Laura Kubit	QPD	3/27/2024	A

The Board reviewed the applications for superannuation retirement.

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

Yes: 3 No: 0 Absent: 2

IX. Approval of Calculations

<u>Name</u>	<u>Retirement Date</u>	<u>Amount of Allowance</u>
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William McBirney 12/5/2022	\$65,714.28**	**Subject to Workers' Comp.
Offset		
Katherine Lynch 1/12/2024	\$8,656.56	
Choi Ng 12/29/2023	\$17,799.96	
Kathleen Noonan 2/29/2024	\$14,507.28	
William Carney Jr. 2/13/2024	\$33,339.60	

The Board reviewed the calculations for retirement.

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

Yes: 3 No: 0 Absent: 2

X. New Members

Olivia Johnston	QPS	No	1	\$30,141
Ming Xia Yang	QPS	No	1	\$18,962
Kari Zeller	QPS	No	1	\$25,630
Grace Ransford	QPS	No	1	\$33,018
Radha Velamuru	QPS	No	1	\$26,122
Michael Burman	QHA	No	1	\$79,999
Julie Collins	QHA	No	1	\$40,040
Sydney Anderson	LIB	No	1	\$64,391
Charles Tryon	QPS	No	1	\$31,967
Grace Connerty	QPS	No	1	\$26,122
Julie Healy	QPS	No	1	\$53,289
April McGann	QHA	No	1	\$48,972
Donovan Uhlman	QPS	No	1	\$40,699
Mitch O'Brien	DPW	No	1	\$51,885
Jennifer Scott	QPS	No	1	\$31,540
Ritu Patel	COL	No	1	\$52,999
Yi Ni	COL	No	1	\$119,999
Cailyn Folan	QPS	No	1	\$38,828

The Board reviewed the new members.

On a motion by Mr. Brown and seconded by Mr. McFarland, the Board approved the new members.

Yes: 3 No: 0 Absent: 2

XI. Public hearing date for 2024 COLA

The Board scheduled the FY25 COLA vote for May 16, 2024, at 9 A.M. The regular meeting will be moved to 9:05 A.M.

On a motion by Mr. Brown and seconded by Mr. McFarland, the Board voted to schedule the FY25 COLA Meeting for May 16, 2024.

Yes: 3 No: 0 Absent: 2

XII. 2022 Audit Report

The Board reviewed the 2022 Audit Report from Powers & Sullivan. They shared their appreciation of the staff's hard work to complete this audit.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board voted to approve the 2022 Audit Report.

Yes: 3 No: 0 Absent: 2

XIII. Meketa Investment Update

Frank Benham joined the meeting from Meketa at 9:59 AM.

Markets were mixed in January after posting strong returns in 2023. Major central banks have paused interest rate hikes with expectations for many to cut rates this year. During the month there were signs though that many central banks, including the US, might not cut rates as soon as expected given strong economic data. In general inflation pressures have receded in most countries, but some uncertainty remains. Headline inflation fell in January in the US, but core inflation remained unchanged and elevated. China moved further into deflationary territory (-0.8%) in January. The 1-month return for the Quincy Retirement System was flat for the month of January at 0.0%.

Driehaus outperformed its benchmark by 4.1% in the month of January, posting a return of -0.5% vs the benchmark's -4.6%. Since inception, Driehaus has returned 5.3%, well outpacing the benchmark's return of 1.0%, net of fees, over that period. Brown outperformed its benchmark by 3.1% in January, posting a return of -1.4% vs. the benchmark's -4.5%. Outperformance was driven by stock selection in the Financials, Consumer Discretionary, and Health Care sectors. Since inception, Brown has returned 8.3%, slightly ahead of the 8.0% return for the Russell 2000 Value index, net of fees over that period. Loomis trailed its benchmark slightly by 0.4% in the month of January, posting a return of -0.4% vs the benchmark's flat return. Underperformance was driven primarily by security selection while yield curve positioning weighed on performance slightly throughout the month. High yield credit and equity sectors were the main detractors. Since inception, Loomis has returned 4.7%, trailing the benchmark's return of 5.5%, net of fees, over that period.

Mr. Benham discussed the System's asset allocation, as it is reviewed every year. Meketa focused on options that add exposure to private credit based on recent discussions with the Board on private credit. The first option would add private credit which would be funded by reducing emerging market bonds and high yield bonds. The second option would add private debt as well as increasing US equity, infrastructure,

and opportunistic. The third option would add private debt with less risk. This would increase investment grade bonds, infrastructure, and opportunistic, while decreasing non-US equity, emerging markets, and emerging market bonds. Chairperson O'Connor and Mr. McFarland favor adding private debt with less risk. The Board would like to have a vote regarding this matter at the April Board meeting. Ms. Gaughan will send information packets to Mr. Fitzpatrick and Mr. Moody.

Mr. Benham reviewed the proposed due diligence meeting schedule for the rest of 2024.

Chairperson O'Connor asked Mr. Benham to discuss the compliance letter from PERAC regarding four investments. Mr. Benham stated that due to the delay in investing, they were behind in searched. Two high-yield searches were issued in March to rectify this issue and a non-core real estate search will be issued as well. Mr. Benham also stated that the cyber security language will be added to all future RFPs. Mr. Benham suggested issuing three RFPs: private equity, non-core real estate, and core real estate.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board voted to issue three RFPs: private equity, non-core real estate, and core real estate.

Yes: 3 No: 0 Absent: 2

XIV. PERAC Communication

The Board reviewed the PERAC letter and discussed the issue with Frank Benham from Meketa and Ms. Gaughan.

XV. Office Update

Ms. Gaughan updated the Board on the police buyback issue. The office staff gathered all the requested information, and it has been sent to PERAC and Attorney Hynes.

Director Croall is in discussions with the landlord regarding extra space for the office. He is waiting for a proposal.

XVI. Approval of Warrants

Warrant 2024-12
Warrant 2024-11
Warrant 2024-10
Warrant 2024-09
Warrant 2024-08
Warrant 2024-07

Breakdown by Account	
Mgmt. Fees	\$97,201.98
Custodial Fees	\$6,048.72
Investment Consult Fees	\$30,333.34
Legal Expense	\$11,767.50
Service Contract Fees	\$234.02
Rent Expense	\$5,224.13
Actuarial Services	\$1,000.00
Accounting Services	\$20,000.00
Admin Expenses	\$1,693.36
Travel Expense	\$6,454.36
3(8)(c)	\$94,099.60
Transfers Out	\$38,616.75
Refunds	\$99,873.98

The Board reviewed the warrants.

On a motion by Mr. McFarland and seconded by Mr. Brown, the Board approved the warrants.

Yes: 3 No: 0 Absent: 2

XVII. Other Business

Update from TerraCap Conference

Chairperson O'Connor, Mr. McFarland, and Mr. Brown went to the TerraCap conference for due diligence on the investment manager. The manager presented an outlook in real estate for the next several years. Chairperson O'Connor noted the real estate speaker's presentation was fantastic and sent materials to all Board members.

XVIII. Adjourn

Chairperson O'Connor adjourned the meeting at 10:43 A.M.

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

Yes: 3 No: 0 Absent: 2

On a motion from Mr. McFarland, seconded by Mr. Brown, the Board voted to come out of Executive Session at 9:13 A.M.

Mr. Brown voted yes. Mr. McFarland voted yes. Chairperson O'Connor voted yes. The vote was 3-0-2.

Respectfully Submitted,

Associate Executive Director

Approved

Susan O'Connor

Paul Brown

Paul Brown

Respectfully Submitted,

Brid Baughan
Associate Executive Director

Approved

Simon O'Connor

Paul F. Maddy

Paul Burns

E. J. M. [unclear]
