

MINUTES

**Quincy Retirement Board
Quincy Retirement Board
Monthly Meeting
Thursday, June 20, 2024, 9:00 am - 12:00 pm
1305 Hancock St., Old City Hall - Lower Level
Quincy, MA 02169**

I. Call to Order

Chair O'Connor called the meeting to order at 9:00 a.m. Member Brown, Member Mason, Member Moody & Chair O'Connor were present. Member Fitzpatrick was absent.

II. Approval of Meeting Minutes from 4/18/24

Motion to approve the April 18, 2024 meeting minutes by Member Brown second by Member Moody. All present members voting in favor.

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

III. Approval of Meeting Minutes from 5/16/24

Approval of meeting minutes from May 16, 2024 by Member Mason second by Member Moody. All present members voted in favor.

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

IV. Approval of Executive Meeting Minutes from 5/16/24

Motion to approve the Executive Session Meeting Minutes from 5.16.24 by Member Brown second by Member Mason. All present members voted in favor.

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

V. Approval of Special Meeting Minutes from 5/16/24

Approval of special meeting minutes from May 16, 2024 by Member Brown second by Member Moody. All present members voted in favor.

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

VI. Approval of Superannuation Retirements

<u>Name</u>	<u>Dept</u>	<u>Date</u>	<u>Option</u>
Stephen Burgio	QPD	7/22/2024	C
Christine Flaherty	IT	7/26/2024	B
Karl Olson	QPS	7/5/2024	C
Maureen Decelle	COA	7/31/2024	A

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

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

VII. Approval of Calculations

<u>Name</u>	<u>Retirement Date</u>	<u>Allowance</u>
Kevin Donelin	April 19, 2024	\$78,017.76
Judith A. Kelley	May 15, 2024	\$19,800.72
Steven Lukeman	April 5, 2023	\$47,448.12**

**Subject to Workers' Comp. Offset

Philip Prioli	April 30, 2024	\$26,056.44
Joan Riordan	April 3, 2024	\$6,000.00

Widow of Paul Section 101

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

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

VIII. New Members

Cameron Taylor	DPW	No	1	\$46,665
Melissa Deady	QPS	No	1	\$50,221
Anthony Paceior	QPS	No	1	\$19,288
Radia Mihoubi	QPS	No	1	\$19,475
Donata Coletti	Clerk	No	1	\$48,376
Zhan Zhang rehire	LIB	No	1	\$47,073
D'onna Roche	QPS	No	1	\$26,122
Xiao Hua Ruan	QPS	No	1	\$26,122

Andrew Brock	PARK	No	1	\$125,000
Eileen Ryan	COL	No	1	\$62,000
Jennifer Brillo	QHA	No	1	\$55,163
Xiaojing Li	QPS	No	1	\$53,133
Frank Fleming	CEM	No	1	\$62,872
Mary Beth Duff	QPD	No	1	\$46,217
Thomas Ridge	QPD	Yes	4	\$58,773
Sean O'Brien	QPD	Yes	4	\$58,773
Thomas Lester	QPD	Yes	4	\$58,773
Kate Armstrong	SCCD	No	1	\$64,800
Shinnel Toppin	SCCD	No	1	\$60,499
Bruno Borges	QPD	Yes	4	\$58,773
Christian DeGrandis	QPD	Yes	4	\$58,773
Patrick Ward	QPD	No	4	\$58,773
Mark Gibbons	QPD	No	4	\$58,773

Motion to approve the new members by Member Mason second by Member Brown. All present members voting in favor.

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

IX. Request for Creditable Service

Joseph Bellotti 8 years 2 months \$174,481.70

Kevin Yang 4 years \$20,764.90

Motion to approve the creditable service by Member Moody second by Member Brown. All present members voting in favor.

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

**X. 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 at 9:10 a.m. by Member Brown second by Member Mason. All present members members voting in favor.

Motion to come out of executive session and go back into regular session at 9:25 a.m. by Member Brown second by Member Moody. All members voting in favor.

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

XI. Meketa Investment Update

The board welcomed Frank Benham from Meketa Investments at 9:47 a.m. Frank stated that April was not a great month for anything aside from commodities. Frank also mentioned that Nvidia passed Microsoft as the largest market cap company. Frank said that the market has been very concentrated over the past few years with respect to the Magnificent 7. Frank mentioned that they are advising clients as to the technology profits. There is a lot of excitement around artificial intelligence. Mr. Mason asked about the regulatory risk around some of these semiconductor companies. Frank said that is always something that they're always watching and considering.

Frank covered the idea of the QRB real estate portfolio, which has been a drag as an asset class. 5 year performance for core real estate has been 3% our portfolio has been up 2% mainly due to UBS Property Fund drastically underperformance.

Frank covered the target number of 14%. Frank further explained how pacing and monies are being called in private equity work. Frank gave an overview of Freeman Spigoli and Searchlight. These are "follow-on" funds, or re-allocations to new funds. Frank said that they're recommending two commitments of \$8M each. Mr. Mason asked why we are giving funds to two managers. Is it diversification, standard deviation. Frank said that it's mainly diversification with above average managers.

Frank was bringing in Freeman Spigoli at 10:08 a.m. John Roth and Chris Johnson joined the meeting with Freeman Spigoli. P.5 shows the background of the firm. The only thing FS has done for 40 years is this type of mid-market PE investing. They're generating returns with a consistent team.

The firm works intensively with the portfolios very intensely. FS wants to be very well informed when investing in there companies of selection. FS has worked through two major market corrective cycles and performed well. Thoughtful, balanced approach to portfolio construction. FS focuses' on services consumers have to have not need to have. They're big cash investors. FS does not receive any carried interest until the capital has been returned. Every investment is cross staffed. Part of adding value is showing different ways as to how they can work with their partners. P.9 covers performance, very consistent returns. As it relates to Fund VIII, they do have a business

that is in market right now. Relative to other PE firms, Chris states solid performance across the asset class in volatile times.

YTD they've returned \$300M to investors. Portfolio Construction is very important and they take a balanced approach. Most of the returns are via EBIDA growth. Member Mason asked about how the companies they're investing in are evaluating wages.

The board thanked Freeman Spigoli for joining our meeting.

The next presenter was Searchlight Arron Lusemayer from Searchlight. The firm has been in existence for 14 years. Searchlight has a very flexible mandate. Arron gave a background on the firm. 16 partners at the firm. Searchlight is a value investor. Buying companies below intrinsic value. This has been the hallmark of the strategy. Generating a 26% net IRR. Looking to raise \$1B additional to the fund. Searchlight is one of the biggest investors in the fund. Searchlight added a value creation team. P. 5 highlights investment philosophy. 38 out of 42 deals have been done outside of an options process. P.7 shows the market opportunities for Fund IV. Searchlight is looking at green energy opportunity. One of the unique things about Searchlight is it is not a blind pool around the investments but rather investors can see what they own. Arron opened it up for questions. Member Mason asked around how their exit strategy works. Arron walked through the process on how they deal with this item.

Frank Benham recapped Freeman Spigoli and Searchlight. Meketa believes that the two strategies are complementary to one another. Member Mason said that he likes them both Chair O'Connor agreed.

Motion to invest \$8M in Freeman Spigoli and \$8M in Searchlight by Member Mason second by Member Moody. All present members voted in favor.

YES- Mason YES-Moody YES-O'Connor

Frank then transitioned to the core real estate search. You would invite the two incumbents JPM & UBS and also invite Invesco and Stockbridge. & TA.

Motion to bring in all 5 managers for interviews by Member Mason second by Member Moody.

YES-Moody YES-Mason YES-O'Connor

The last search was for non-core real estate. The motion was made to bring in and interview Berkshire Hathaway, Intercontinental and Transwestern by Member Mason second by Member Moody.

YES-Moody YES-Mason YES-O'Connor

Director Croall also gave an update on the private credit search and how the RFP is out to bid now, per Meketa, to June. Frank also mentioned that several clients who have Entrust are looking to possible transition out of Special Opportunities to Blue Ocean.

XII. Approval of Cash Books

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

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

XIII. Office Update

Need meeting date for July.

Director Croall gave his update on attending MACRS on behalf of the office. He mentioned that there is a new policy of implementing COLA increases across the retirement systems, so he is glad he attended. Croall also spoke about the proposed office expansion and how folks are beginning to start the project. Croall updated the board of his continuous follow up relating to the vacation buyback submission. He shared that he anticipated hearing something by early July. Finally, Director Croall asked for confirmation around the notion of the Executive Director having discretion of office/administrative functions with the staff. The board agreed.

XIV. Electronic Proposals for RFP's

Director Croall went over the idea of going to e-proposal vs. hard copy when it comes to RFP submissions. Meketa informed Croall that most all of their clients work through e-proposals versus hard copies. . Director Croall cites ease of proposals via electronic. Chair O'Connor said that she defers to Director Croall on this matter to come up with a policy.

XV.PERAC Memo

The board accepted the PERAC Memos.

XVI. Approval of Warrants

Warrant 2024-35

Warrant 2024-34

Warrant 2024-33

Warrant 2024-32

Warrant 2024-31

Warrant 2024-30

Warrant 2024-29

Warrant 2024-28

Breakdown by Account

Mgmt. Fees	\$18,774.00
Custodial Fees	\$7,650.06
Investment Consult Fees	\$15,166.67
Legal Expense	\$445.00
Service Contract Fees	\$234.02
Rent Expense	\$5,224.13
Actuarial Services	\$2,500.00
Education & Training	\$1,569.14
Admin Expenses	\$1,931.45
3(8)(c)	\$712,165.12
Transfers Out	\$75,520.97
Refunds	\$260,431.99

Motion to approve the warrants by Member Brown second by Member Moody. All members voting in favor.

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

XVII. Adjourn

Motion to adjourn by Member Mason second by Member Moody. The board adjourned at 11:32 a.m.

YES-Mason YES-Moody YES-O'Connor



Brad Croall, Executive Director




Chair, Susan O'Connor



Member Brown



Member Mason



Member Moody

Member F. Kottick