

FALMOUTH RETIREMENT BOARD

Open Session Meeting Minutes

Wednesday, February 8, 2017

Board members in attendance: Russell R. Ferreira, Chairman; Gary W. Anderson; Jennifer P. Petit; and Ellen K. Philbin (by telephone)

Board members in absence: 2nd Elected Member (vacant)

Staff members in attendance: Francis St. Germaine and Dommonique Domino both of whom recorded the minutes of the meeting

At approximately 11:00 a.m., Chairman Ferreira called the meeting to order, and he noted for all that Ms. Philbin's current geographic location makes her physical attendance at today's board meeting unreasonably difficult, and therefore, it has been determined that her remote participation is permissible.

Next, the Chairman noted that long-time elected board member, Paul D. Brodeur, had passed peacefully in January.

Then, the Town Treasurer, Patricia O'Connell, joined the meeting. She reviewed for the board members the monthly reconciliation of the cash accounts for the month of December. Through the end of December, the Treasurer noted that the retirement system had receipts in the amount of \$969,625.23 and disbursements in the amount of \$959,789.09. She noted that the fund balance in the cash account is \$62,482.17. Also, it was noted that the check sequence for the month of December began with check #7691 and ended with check #7726, and there are no checks that were unaccounted for in the sequence for the month. After some discussion, Ms. O'Connell exited the board meeting and the board members entertained a motion to accept the report from the Office of the Treasurer.

Ms. Petit moved to accept the report from the Office of the Treasurer. Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the meeting minutes of the open session meeting that was held on January 19, 2017. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on January 19, 2017.

Ms. Petit moved to approve the meeting minutes of the open session meeting that was held on January 19, 2017. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	ABSTAIN
Russell R. Ferreira, Chairman	YES

The board members then reviewed the payments of the following warrants:

Warrant #04/2017	\$ 22,907.20	Warrant #05/2017	\$914,577.74
Warrant #06/2017	\$ 3,111.20	Warrant #07/2017	\$ 34,210.24

The Chairman noted for the board members a change to the amount on Warrant #07/2017. The revised amount is \$34,210.24. After some discussion, the board members entertained a motion to approve the payments, as noted, of the following warrants, #04/2017 through #07/2017.

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned warrants, #04/2017 through #07/2017. Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the payments of the following investment fees:

- Seizert Capital Partners, 4th QTR 2016 management fee \$ 10,152.00
- Baring Asset Management, 4th QTR 2016 management fee \$ 3,960.73
- Earnest Partners, 4th QTR 2016 management fee \$ 43,208.02
- Wainwright Investment Counsel, 4th QTR 2016 consultant fee \$ 25,000.00
- State Street Corporation, December 2016 custodial fee \$ 5,467.75
- S.S.g.A. (CM3Y), 4th QTR 2016 management fee \$ 1,613.00

The Chairman noted for the board members the two additional payments of investment fees (both S.S.g.A. and State Street Corporation) which had been added to this agenda category. After some discussion, the board members entertained a motion to approve the payments, as noted, of the above-mentioned investment fees.

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned investment fees. Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES

Russell R. Ferreira, Chairman YES

Then, the board members reviewed the following cash distributions from investment managers:

- Metropolitan Real Estate, a distribution in the amount of \$32,135.26 on 1/20/2017
- Siguler Guff & Company, a distribution in the amount of \$169,822.09 on 1/24/2017
- Lexington Capital Fund V, a distribution in the amount of \$4,031.00 on 1/31/2017
- Lexington Capital Fund VII, a distribution in the amount of \$59,027.00 on 1/31/2017

Next, the board members considered the requests of the following former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions:

- Deborah A. Gibson; amount of refund is \$9.78 (additional interest to be refunded), termination from service with the Town of Falmouth, Falmouth Public Schools
- Reid M. Austin; amount of rollover is \$10,381.65; resignation from service with the Town of Falmouth, Falmouth Public Schools

After some discussion, the board members entertained a motion to approve the requests of the above-mentioned former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions.

Mr. Anderson moved to approve the requests of the above-mentioned former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions.

Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

Then, the board members noted the following new members of the Falmouth Retirement System:

- Matthew H. Flynn; Program Director, Town of Falmouth, Recreation Department, Group One, DOM 1/31/2017; 9% + 2%
- Kathleen A. Pierias; Senior Office Assistant, Town of Falmouth, Recreation Department; Group One, DOM 2/1/2017; 9% + 2%

Next, the board members considered the following requests to purchase prior service:

- Frank K. Halstead; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,620.89

- Frank K. Halstead; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$12,134.48
- Christopher R. Hieber; Computer Lab Technician, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$35,443.69

After some discussion, the board members entertained a motion to approve, as recommended, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Ms. Petit moved to approve, as recommended, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the following first reports of injury:

- Julia E. Massi; Police Officer, Town of Falmouth, Police Department; Group Four; while attempting to place a combative female subject under arrest, employee injured her right forearm. Date of Injury 12/22/2016
- Chad A. Leighton; Police Officer, Town of Falmouth, Police Department; Group Four; while placing an intoxicated driver under arrest, employee injured his right shoulder. Date of Injury 12/23/2016
- Gregory D. Clements; Firefighter, Town of Falmouth, Fire Rescue Department; Group Four; employee experienced a cardiac event. Date of Injury 12/28/2016
- Chad A. Leighton; Police Officer, Town of Falmouth, Police Department; Group Four; while attempting to arrest a combative subject, employee injured his right hand and right shoulder. Date of Injury 1/4/2017
- Tariesa A. Reine; Cafeteria Worker, Town of Falmouth, Falmouth Public Schools; Group One; while preventing a case of water from falling, employee injured her left arm and hand. Date of Injury 1/12/2017

Next, the board members reviewed the following correspondence from PERAC:

- PERAC memo #07/2017 Actuarial Data
- PERAC memo #08/2017 Continuing Membership of "Non-Full-Time Employees"
- PERAC memo #09/2017 Buyback and Make-up Repayment Worksheets

- PERAC memo #10/2017
 - PERAC memo #11/2017
 - PERAC memo #12/2017
 - PERAC memo #13/2017
- Domestic Relations Orders
 2017 Annuity Savings Account
 2017 Interest Rate set at 0.1%
 Administrators are Encouraged to Attend
 PERAC Training

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting. To begin, Mr. Dwyer distributed to the board members the performance summary report for the month of December, and Mr. Fabrizio reviewed the plan results. Through the end of December, the plan's estimated market value was approximately \$123.4 million. Year-to-date, the plan is up 9.52% which is on par with the policy benchmark. Compared to its policy benchmark, the domestic equity sector (up 18.99%) is doing very well with both Earnest Partners and Seizert Capital Partners well ahead of their benchmarks for the year. The international equity sector (up 1.66%) is just ahead of its benchmark (up 1.25%) as Dimensional Fund Advisors continues to be the strength of this sector. The domestic fixed income strategy (up 3.88%) is on par with its benchmark (up 3.92%) which is to be expected as these investments are indexed. At this time, Baring Asset Management, the international fixed income strategy, is having a fairly subdued year. This sector is up 0.18% versus its benchmark which is up 1.60%. Year-to-date, the performance of the real estate sector is up 6.16% versus a benchmark that is up 7.97%. At the moment, Principal and Dimensional Fund Advisors seem to be the strength of the portfolio within the real estate sector as Intercontinental Real Estate is nearing its close. Due to the nature of the investments within the private equity sector, the returns are stated with a lag; however, year-to-date, the private equity sector are estimated to be up 1.69% versus a benchmark that is up 8.49%. For the year, the P.R.I.T. fund is up 4.32% versus a benchmark that is up 0.71%. Lastly, the cash balance is approximately \$1.1 million. Wainwright Investment Counsel is "very pleased with the current performance of this portfolio...this year, Falmouth is one of their top performing systems."

After some additional discussion with the board members, Mr. Dwyer and Mr. Fabrizio exited the board meeting.

With the recent passing of Paul D. Brodeur, the Director next discussed with the board members the need to hold an election for the vacant position of the 2nd Elected Member to the Falmouth Retirement Board. First, the board members would need to designate someone to serve as the Election Officer for the upcoming election. After some discussion, the board members entertained a motion to designate Jennifer P. Petit to serve as the Election Officer for the election of the 2nd Elected Member to the Falmouth Retirement Board.

Ms. Philbin moved to designate Jennifer P. Petit to serve as the Election Officer for the election of the 2nd Elected Member to the Falmouth Retirement Board. Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

The board members then discussed whether this election would be to serve for the remainder of the currently vacant term or to establish and serve for a new three-year term. After some discussion, the board members entertained a motion to establish a new three-year term beginning May 26, 2017 and running through May 25, 2020.

Mr. Anderson moved to establish a new three-year term beginning May 26, 2017 and running through May 25, 2020. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

Then, the board members reviewed the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board. After some discussion, the board members entertained a motion to approve the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board

Ms. Petit moved to approve the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board. Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

Next, the Director reviewed with the board members the quarterly education statement from P.E.R.A.C. for the period ending December 31, 2016.

Then, the Director noted for the board members that there is no new information to report in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677 or in the pending legal matter of *Karen Kraus v. Falmouth Retirement System*, CR-16-288.

Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open meeting.

Mr. Anderson moved to adjourn the open meeting. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira, Chairman	YES

At approximately 11:35 a.m., the board members concluded the open meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, March 16, 2017 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



Russell R. Ferreira
Chairman, Elected Member



Gary W. Anderson
Appointed Member



Ellen K. Philbin
Fifth Member



Jennifer P. Petit
Ex-Officio Member

VACANT

Elected Member



Francis X. St. Germaine III
Director