

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 28, 2017

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Jennifer P. Petit; Gary W. Anderson and Craig B. O'Malley

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

At approximately 9:15 a.m., Chairman Ferreira called the meeting to order, and 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 July. Through the end of July, the Treasurer noted that the retirement system had receipts in the amount of \$1,073,206.17 and disbursements in the amount of \$1,068,166.64. She noted that the fund balance in the cash account is \$41,805.84. Also, it was noted that the check sequence for the month of July began with check #7967 and ended with check #8011, and there are no checks that are unaccounted for in the sequence for the month. Additionally, check #7948 from the June sequence was cleared in the month of July. 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. Philbin moved to accept the report from the Office of the Treasurer. Mr. Anderson seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the meeting minutes of the open session meeting that was held on August 17, 2017. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on August 17, 2017.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on August 17, 2017. Ms. Petit seconded the motion. Mr. Anderson abstained, and all other board members present voted in the affirmative.

Then, the board members reviewed the payments of the following warrants:

Warrant #42/2017	\$ 3,267.40	Warrant #43/2017	\$940,720.13
Warrant #44/2017	\$ 3,267.00	Warrant #45/2017	\$ 3,267.20
Warrant #46/2017	\$ 3,267.20	Warrant #47/2017	\$144,615.07

After some discussion, the board members entertained a motion to approve the payments, as noted, of the following warrants, #42/2017 through #47/2017.

Mr. Anderson moved to approve the payments, as noted, of the above-mentioned warrants, #42/2017 through #47/2017. Ms. Petit seconded the motion, all board members present voted in the affirmative.

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

- State Street Corporation, June 2017 custodial fee \$ 5,446.42
- S.S.g.A. (CM3Y), 2nd QTR 2017 management fee \$ 1,684.93
- S.S.g.A. (CME7), 2nd QTR 2017 management fee \$ 1,205.27

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. Ms. Petit seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the following cash distributions from investment managers:

- Mesirow Financial, a distribution in the amount of \$22,500.00 on 8/25/2017
- Lexington Capital Fund V, a distribution in the amount of \$2,016.00 on 8/30/2017
- Lexington Capital Fund VII, a distribution in the amount of \$25,704.00 on 8/30/2017

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

- Kristin A. Lilly; amount of transfer is \$17,760.78; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 year and 9 months of 3(8)(c) liability on a 12-month basis*)
- Marybeth G. Deasy; amount of transfer is \$7,434.53; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 3 years and 10 months of 3(8)(c) liability on a 12-month basis*)
- Susan E. O'Brien; amount of transfer is \$30,872.92; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 12 years and 10 months of 3(8)(c) liability on a 12-month basis*)
- Susan E. Kelleher; amount of transfer is \$39,677.03; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 19 years and 4 months of 3(8)(c) liability on a 12-month basis*)
- Rory C. Morse; amount of transfer is \$6,441.77; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 years and 10 months of 3(8)(c) liability on a 12-month basis*)
- Conor T. Markham; amount of transfer is \$3,191.24; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 year and 10 months of 3(8)(c) liability on a 12-month basis*)

- Beckey A. Randazzo; amount of refund is \$1,410.01; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Nancy M. Walsh; amount of rollover is \$22,008.69; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Catherine M. DeMoranville; amount of rollover is \$3,792.42; resignation from service with the Town of Falmouth, Falmouth Public Schools

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

Ms. Philbin moved to approve, as noted, the requests of the above-mentioned former members of the Falmouth Retirement System for a return or transfer of their accumulated deductions. Mr. Anderson seconded the motion, all board members present voted in the affirmative.

The board members then noted the following members retiring from service with the Town of Falmouth:

- Gary M. Forbes; date of retirement is 8/17/2017 from the Town of Falmouth, Inspectional Services Department
- Jose P. Cabral; date of retirement is 8/26/2017 from the Town of Falmouth, Falmouth Public Schools

Next, the board members considered the following requests for 3(8)(c) liability:

- James A. Deasy; deny 3(8)(c) liability request from the MA Teachers Retirement System; non-membership service with the Town of Falmouth
- Susan E. Kelleher; accept 3(8)(c) liability request from the MA Teachers Retirement System (*upon repayment of this refunded service, the Falmouth Retirement System will accept 8 months of 3(8)(c) liability on a 12-month basis*)

After some discussion, the board members entertained a motion to approve, as noted, the above-mentioned requests for 3(8)(c) liability.

Ms. Philbin moved to approve, as noted, the above-mentioned requests for 3(8)(c) liability. Mr. Anderson seconded the motion, all board members present voted in the affirmative.

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

- Janet B. Uttaro; Senior Office Assistant, Town of Falmouth, Finance Department, Group One; DOM 8/21/2017, 9% + 2%
- Cory J. Melemed; Wastewater Operator, Town of Falmouth, D.P.W. Wastewater Division, Group One; DOM 8/28/2017, 9% + 2%

- Joseph P. Gomes; Utilities Maintenance Worker, Town of Falmouth, D.P.W. Water Division, Group One; DOM 8/28/2017, 9% + 2%
- Andrew H. Ellis; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/29/2017, 9% + 2%
- Jeanine M. Watson; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2017, 9% + 2%
- Andrea H. Norris; Food Services Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2017, 9% + 2%
- Stephanie M. Carreiro; Teacher's Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2017, 9% + 2%
- Bobbi J. Richards; Executive Director, Town of Falmouth, Falmouth Housing Authority, Group One; DOM 9/1/2017, 9% + 2%
- Melissa S. Purdy; Special Education Bus Driver, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/5/2017, 9% + 2%
- Tracey A. Duffy; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/5/2017, 9% + 2%
- Kristin A. Frias; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/5/2017, 9% + 2%
- Jenna G. Reilly; Systems Analyst, Town of Falmouth, Information Technology Department, Group One; DOM 9/11/2017, 9% + 2%
- John T. Dacey; Communications Officer, Town of Falmouth, Communications Department, Group One; DOM 9/11/2017, 9% + 2%
- Jennifer A. Woodward; Assistant Director, Town of Falmouth, Falmouth Public Library, Group One; DOM 9/18/2017, 9% + 2%

The board members then considered the following requests to purchase prior service:

- Andrea H. Norris; Food Services Worker, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,180.42
- Tracey A. Duffy; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,042.98
- Kristin A. Frias; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$690.40
- Stephanie M. Carreiro; Teacher's Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$903.03

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

Ms. Philbin moved to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the following first reports of injury:

- Patrick W. Friel; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while packing hose on E-23, employee experienced heat exhaustion and chest pain. Date of Injury 8/4/2017
- Christopher G. Cowan; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while moving a patient from the stretcher to a hospital bed, employee injured his back. Date of Injury 8/11/2017
- Melissa M. Martin; Police Officer, Town of Falmouth, Police Department, Group Four; while on a K-9 track, employee fell and injured her left knee. Date of Injury 8/25/2017
- Lucia A. Conlon; Office Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while putting boxes on a shelf, employee was hit by the boxes and injured the top of her head and her face. Date of Injury 8/31/2017
- Ryan B. Webb; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while moving a patient, employee suffered a lumbar strain. Date of Injury 9/3/2017

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

- PERAC memo #28/2017 Selection of Fifth Member and Board Employees
- PERAC memo #29/2017 Vendor Disclosures

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer of Wainwright Investment Counsel joined the meeting. To begin, he distributed to the board members the performance summary report for the month of July, and he reviewed the plan results. Through the end of July, the plan's estimated market value was approximately \$140.4 million. Year-to-date, the plan is up 8.86% versus the policy benchmark which is up 7.46%. Compared to its policy benchmark, the domestic equity sector (up 8.93%) is doing very well. RhumbLine Growth is having a very good year and the other investment managers in this sector are having a very solid year as well. The international equity sector (up 21.73%) is ahead of its benchmark (up 17.86%) with all of the portfolio's international equity managers doing very well. The domestic fixed income strategy (up 3.03%) is on par with its benchmark (up 2.99%) which is to be expected as these investments are indexed. At this time, Baring Asset Management, the international fixed income strategy, is having a positive year. This sector is up 9.25% versus its benchmark which is up 6.43%. The performance of the real estate sector, year-to-date, is up 5.25% versus a benchmark that is up 3.32%. At the moment, Principal and Dimensional Fund Advisors are the two largest investments for this sector within the portfolio and they are providing positive returns. 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 is estimated to be up 6.54% versus a benchmark that is up 6.63%. At the moment, the Lexington Capital Fund VII and the Siguler Guff Distressed Opportunities Fund III are the two largest investments for this sector within the portfolio. For the year, the P.R.I.T. absolute return fund is up 4.13% versus a benchmark that is up 4.30%. Lastly, the cash balance is approximately \$7.8 million. Once again, Wainwright Investment Counsel noted that this portfolio is "firing on all cylinders" and that "they are very happy with the performance of this portfolio."

Lastly, Mr. Dwyer and the Director noted that, other than the additional funds to Principal, the rebalance of the portfolio has been completed. Currently, the Principal U.S. Property Fund has a queue set-up, and when they are able to invest the \$1.0 million which has been allocated to them, they will notify the retirement system. The latest indications are that this queue will take several months to resolve.

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

Next, the board members considered the upcoming fall M.A.C.R.S. conference to be held in Springfield, MA from October 1, 2017 through October 4, 2017. It was noted that certain sessions will be approved by P.E.R.A.C. for board member C.E.U. training credits. Also, the approximate total cost per person to attend this fall conference is estimated to be \$1,000.00. After some discussion, the board members entertained a motion to approve the estimated conference fees with travel as well as to approve the attendance to the fall conference by the two staff members.

Ms. Philbin moved to approve the estimated conference fees with travel as well as to approve the attendance to the fall conference by the two staff members. Mr. Anderson seconded the motion, all board members present voted in the affirmative.

The Director then provided each board member with a copy of House Bill #3281: *An Act relative to public investment in fossil fuels*. It was noted that there will be a petitioner's article in support of this proposed legislation at the upcoming Fall Town Meeting. This item has been placed on today's agenda so that the board members would have an awareness of the article; however, no action is needed by the board members.

Then, it was noted by the Director that there will be no legal update and that there are no office issues to discuss.

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

Mr. Anderson moved to adjourn the open session meeting. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

At approximately 9:35 a.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, October 19, 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




Jennifer P. Petit
Ex-Officio Member



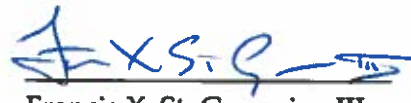
Gary W. Anderson
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director