

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, August 23, 2018**

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman (by telephone); Jennifer P. Petit, Craig B. O'Malley and Paul J. Slivinski

Staff members in attendance: Francis St. Germaine who recorded the minutes of the meeting

Others in attendance: Nicholas Poser, Legal Counsel for the Falmouth Retirement Board

At approximately 9:30 a.m., with a quorum being present, 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. Then, the Town Treasurer, Patricia O'Connell, joined the meeting, and she reviewed for the board members the monthly reconciliation of the cash account for the month of June. Through the end of June, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,273,091.32 and disbursements in the amount of \$1,193,929.66. She noted that the fund balance in this cash account is \$113,369.69. Also, it was noted that the check sequence for the month of June began with check #8874 and ended with check #8920 which included voided checks #8889 and #8893. There are no checks in this sequence that have not been accounted for through the month of June. In addition, the Director provided the board members with a review of the annual budget through Q2 2018 including the cash receipts, the cash disbursements, the adjusting entries and the trial balance. 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. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the meeting minutes of the open session meeting that was held on July 19, 2018. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on July 19, 2018.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on July 19, 2018. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
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Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

Warrant #28/2018	\$ 83,666.91	Warrant #29/2018	\$968,990.27
Warrant #30/2018	\$ 6,866.40	Warrant #31/2018	\$114,173.18

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #28/2018 through #31/2018.

Mr. Slivinski moved to approve the payments, as noted, of warrants #28/2018 through #31/2018. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Seizert Capital Partners, 2<sup>nd</sup> QTR 2018 management fee \$ 11,110.00
- S.S.g.A. (CM3Y), 2<sup>nd</sup> QTR 2018 management fee \$ 1,103.48
- S.S.g.A. (CME7), 2<sup>nd</sup> QTR 2018 management fee \$ 301.94
- State Street Corporation, March 2018 custodial fee \$ 5,787.36
- State Street Corporation, April 2018 custodial fee \$ 5,690.68
- State Street Corporation, May 2018 custodial fee \$ 5,740.40
- State Street Corporation, June 2018 custodial fee \$ 5,571.60

After some discussion, the board members entertained a motion to approve the payments, as noted, of the above-mentioned investment fees.

Mr. O'Malley moved to approve the payments, as noted, of the above-mentioned investment fees. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the following payments of capital calls to investment managers:

- Hamilton Lane Secondary Fund IV, a capital call payable on 6/29/2018 in the amount of \$65,252.00
- PRIT Private Equity Fund VY 2018, a capital call payable on 8/1/2018 in the amount of \$112,970.95

After some discussion, the board members entertained a motion to approve the payments, as noted, of the above-mentioned capital calls.

Mr. O'Malley moved to approve the payments, as noted, of the above-mentioned capital calls. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Hamilton Lane Secondary Fund IV, a distribution received on 6/29/2018 in the amount of \$65,252.00
- Lexington Capital Fund V, a distribution received on 7/31/2018 in the amount of \$20,162.00
- Lexington Capital Fund VII, a distribution received on 7/31/2018 in the amount of \$29,859.00

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

- Beverly Burwell; amount of refund is \$36,593.40; resignation from service with the Town of Falmouth, Human Services Department
- Brent A. Taft; amount of refund is \$1,750.19; resignation from service with the Town of Falmouth, D.P.W. Facilities Maintenance Division
- Debra A. Anderson; amount of refund is \$38,103.12; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Ryan B. Webb; amount of refund is \$18,810.39; resignation from service with the Town of Falmouth, Fire Rescue Department
- Timothy M. Mello; amount of refund is \$3,494.98; resignation from service with the Town of Falmouth, D.P.W. Water Division
- Holli L. Ayres; amount of refund is \$34.84; deductions taken in error by the Town of Falmouth, Falmouth Public Schools

- Holli L. Ayres; amount of transfer is \$5,415.06; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 years and 9 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 requests of the above-mentioned former or current 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 or current members of the Falmouth Retirement System for a return or transfer of their accumulated deductions. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, the board members noted the following member retiring from service with the Town of Falmouth:

- Daniel J. Murphy; date of retirement is 7/17/2018 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Alberto J. Santiago-Melendez; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 7/9/2018, 9% + 2%
- Allison V. Van de Graaf; Administrative Clerk, Town of Falmouth, Inspectional Services Department, Group One; DOM 7/30/2018, 9% + 2%
- Samantha Soares; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 7/30/2018, 9% + 2%
- Joshua O. Tipton; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 7/30/2018, 9% + 2%
- Debra S. Morrell; Communications Officer, Town of Falmouth, Communications Department, Group One; DOM 8/6/2018, 9% + 2%
- Samantha A. Moir; Business Systems Analyst, Town of Falmouth, D.P.W. Administration, Group One; DOM 8/6/2018, 9% + 2%
- Amy J. McKenzie; Student Activities/Athletic Secretary, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/7/2018, 9% + 2%
- Nicholas R. Devonis; Housing Program Specialist, Falmouth Housing Authority, Group One; DOM 8/13/2018, 9% + 2%

- John T. Damiano; Maintenance Mechanic/Laborer, Falmouth Housing Authority, Group One; DOM 8/13/2018, 9% + 2%
- Michael T. Bell; M.E.O. I, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 8/13/2018, 9% + 2%
- Amy E. Coughlin; Administrative Clerk, Town of Falmouth, Conservation Department, Group One; DOM 8/13/2018, 9% + 2%

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

- Jenna L. Correia; Animal Control Officer, Town of Falmouth, Marine & Environmental Services Department; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$351.41
- Deanne M. Rockwood; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,013.95

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. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Jenna L. Correia; Animal Control Officer, Town of Falmouth, Marine & Environmental Services Department, Group One; while euthanizing a sick raccoon, employee sustained a needle stick to her finger. Date of Injury 4/7/2018
- Tyler J. Narbonne; Police Officer, Town of Falmouth, Police Department, Group Four; while operating the police vehicle on routine patrol, employee experienced swelling to his left eye. Date of Injury 7/22/2018
- Christopher J. Livingston; Police Officer, Town of Falmouth, Police Department, Group Four; while securing a backyard during a disturbance call, employee fell and injured his left hip and lower back. Date of Injury 7/27/2018
- David M. Massi; Police Officer, Town of Falmouth, Police Department, Group Four; while assisting at a disturbance call, employee injured his right calf muscle. Date of Injury 7/27/2018

- Ryan P. Moore; Police Officer, Town of Falmouth, Police Department, Group Four; while responding to a disturbance call, employee sustained a gunshot wound to the back of his head. Date of Injury 7/27/2018
- Donald G. DiMiranda; Police Officer, Town of Falmouth, Police Department, Group Four; while responding to a disturbance call, employee sustained a gunshot wound to his left shoulder and his chest. Date of Injury 7/27/2018
- Jeffrey P. Smith; Police Officer, Town of Falmouth, Police Department, Group Four; while executing a search warrant, employee sustained to his left forearm a topical skin reaction from an unknown source. Date of Injury 8/7/2018

The board members then reviewed the following correspondence from PERAC:

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|-----------------------|---|
| • PERAC memo #22/2018 | Public Records Law Side Letter Provisions   |
| • PERAC memo #23/2018 | Reinstatement to Service under G.L. c.32 §105   |
| • PERAC memo #24/2018 | Cost of Living Increase for Supplemental<br>Dependent Allowance Paid to Accidental<br>Disability Retirees and Accidental Death<br>Survivors |
| • PERAC Report        | 2017 – PERAC Annual Report  |

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting. To start, Mr. Dwyer distributed to the board members the performance summary report for the month of June, and Mr. Fabrizio reviewed the plan results. Through the end of June, the plan's estimated market value was approximately \$141.3 million. Year-to-date, the plan is up 1.50% versus a total plan policy that is up 2.18%. Compared to its policy benchmark, the domestic equity sector (up 3.59%) is doing fair. RhumbLine Growth and LMCG Mid Cap Core are the two funds in this sector to equal or beat their benchmark for the year. The international equity sector (down 2.27%) is slightly ahead of its benchmark (down 2.46%) with HGK Trinity Street being the only fund to equal or beat its benchmark. The domestic fixed income strategy (down 1.45%) is on par with its benchmark (down 1.46%) which is to be expected as these investments are indexed. The performance of the real estate sector, year-to-date, is up 2.71% versus a benchmark that is up 3.54%. At the moment, Principal, Dimensional Fund Advisors, and P.R.I.T. are the largest real estate investments within the portfolio and Principal and P.R.I.T. are the two real estate investments to currently outperform their respective benchmarks. Due to the nature of the investments within the private equity sector which are stated with a lag, this sector is estimated to be up 7.08% versus a benchmark that is up 7.34%. At this time, the Lexington Capital Fund VII and the Hamilton Lane Secondary Fund IV are the two largest investments for the private equity sector within this portfolio with the Hamilton Lane Secondary Fund IV solidly ahead of its benchmark. For the year, the P.R.I.T. Absolute Return Fund is up 1.57% versus a benchmark that is up 1.02%. Lastly, the cash balance is approximately \$0.5 million. Wainwright Investment Counsel noted that "this monthly performance report reflects a stagnant first six months for the markets."

With regards to the recently issued R.F.P.'s, Wainwright Investment Counsel noted that they have evaluated the R.F.P. responses for the small-cap equity asset class, the mid-cap equity asset class, the income oriented real estate asset class, and the value added real estate asset class. It was noted that, currently, there is a "quiet period" for these R.F.P.'s. First for discussion, Mr. Fabrizio reviewed with the board members the responses received to the R.F.P. for up to \$20.0 million in the small-cap equity asset class. It was noted that there are a number of "highly advantageous" funds from which to choose. After some additional discussion and at the suggestion of Wainwright Investment Counsel, the board members entertained a motion to invite to the September board meeting RhumbLine Advisers, Aristotle Capital and Copeland Capital Management so that each of them could present their proposed small-cap equity funds.

Mr. O'Malley moved to invite to the September board meeting RhumbLine Advisers, Aristotle Capital and Copeland Capital Management so that each of them could present their proposed small-cap equity funds. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Second for discussion, Mr. Fabrizio reviewed with the board members the responses received to the R.F.P. for up to \$18.0 million in the mid-cap equity asset class. It was noted that there are four proposals from which to choose that have been deemed "highly advantageous." After some additional discussion and at the suggestion of Wainwright Investment Counsel, the board members entertained a motion to invite to the September board meeting both LMCG Investments and RhumbLine Advisers so that each of them could present their proposed mid-cap equity funds.

Ms. Petit moved to invite to the September board meeting both LMCG Investments and RhumbLine Advisers so that each of them could present their proposed mid-cap equity funds. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Third for discussion, Mr. Fabrizio reviewed with the board members the responses received to the R.F.P. for up to \$6.5 million in the income oriented real estate asset class. It was noted that there are three proposals from which to choose that have been deemed "highly advantageous." After some additional discussion and at the suggestion of Wainwright Investment Counsel, the board members entertained a motion to invite to the September board meeting both Clarion Partners

and Principal Real Estate Investors so that each of them could present their proposed income oriented real estate funds.

Mr. O'Malley moved to invite to the September board meeting both Clarion Partners and Principal Real Estate Investors so that each of them could present their proposed income oriented real estate funds. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Fourth for discussion, Mr. Fabrizio reviewed with the board members the responses received to the R.F.P. for up to \$5.0 million in the value added real estate asset class. It was noted that there are three proposals from which to choose that have been deemed "highly advantageous." After some additional discussion and at the suggestion of Wainwright Investment Counsel, the board members entertained a motion to invite to the September board meeting both TA Realty and TerraCap Management so that each of them could present their proposed value added real estate funds.

Ms. Petit moved to invite to the September board meeting both TA Realty and TerraCap Management so that each of them could present their proposed value added real estate funds. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

Next, the Director provided each board member with a draft of the proposed article to be submitted for consideration at the Fall Town Meeting. The proposed article would petition town meeting to accept the provisions of Chapter 139 of the Acts of 2012 to increase from \$6,000 per year to \$12,000 per year the benefit payable to surviving spouses of disabled public employees pursuant to M.G.L. Chapter 32 §101. After some discussion, the board members entertained a motion to submit for consideration at the Fall Town Meeting the draft of a proposed article to increase from \$6,000 per year to \$12,000 per year the benefit payable to surviving spouses of disabled public employees pursuant to M.G.L. Chapter 32 §101.



Ms. Petit moved to submit for consideration at the Fall Town Meeting the draft of a proposed article to increase from \$6,000 per year to \$12,000 per year the benefit payable to surviving spouses of disabled public employees pursuant to M.G.L. Chapter 32 §101. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, Attorney Poser provided the board members with an update in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677. In this case, a joint pre-hearing memorandum and exhibits have been submitted and a hearing is scheduled for October 16, 2018.

The Director then noted for the board members that the P.E.R.A.C. Emerging Issues Forum will be held on Thursday, September 13, 2018. In addition, the board members considered the upcoming fall M.A.C.R.S. conference to be held in Springfield, MA from September 30, 2018 through October 3, 2018. It is anticipated that certain sessions will be approved by P.E.R.A.C. for board member C.E.U. training credits. 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 board members and 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 board members and by the two staff members. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Also, the Director had two items of note for the board members. First, he noted that the window to respond to the custodial banking R.F.P. has closed and that three proposals have been received. Currently, there is a "quiet period" for this R.F.P. and the responses will be reviewed and evaluated. Second, the property manager has been made aware that the air conditioning system is not working properly. The HVAC contractor has been and will be on-site to work through the problem, but due to this issue, the office has experienced some very uncomfortably hot days during the month of August.

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

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


Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

At approximately 10:50 a.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 9:30 a.m. on Thursday, September 20, 2018 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.


ATTEST:

  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Petit  
Ex-Officio Member

  
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Paul J. Slivinski  
Appointed Member

  
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Craig B. O'Malley  
Elected Member

  
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Ellen K. Philbin  
Vice Chairman, Fifth Member

  
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Francis X. St. Germaine III  
Director