

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, July 19, 2018

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; 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 2:00 p.m., with a quorum being present, 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 account for the month of May. Through the end of May, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,043,858.20 and disbursements in the amount of \$1,051,207.66. She noted that the fund balance in this cash account is \$34,208.03. Also, it was noted that the check sequence for the month of May began with check #8832 and ended with check #8873 which included voided check #8835. There are no checks in this sequence that have not been accounted for through the month of May. 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. Ms. Petit 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 June 21, 2018. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on June 21, 2018.

Ms. Petit moved to approve the meeting minutes of the open session meeting that was held on June 21, 2018. Ms. Philbin seconded the motion. Mr. Slivinski abstained, and all other board members present voted in the affirmative.

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

Warrant #25/2018	\$240,855.62	Warrant #26/2018	\$946,289.64
Warrant #27/2018	\$ 6,700.40		

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #25/2018 through #27/2018.

Ms. Philbin moved to approve the payments, as noted, of warrants #25/2018 through #27/2018. Ms. Petit seconded the motion, all board members present voted in the affirmative.

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

- Wainwright Investment Counsel, 2nd QTR 2018 consultant fee \$ 25,000.00
- RhumbLine Advisers (Growth), 2nd QTR 2018 management fee \$ 978.00
- RhumbLine Advisers (Value), 2nd QTR 2018 management fee \$ 1,145.00
- Earnest Partners, 2nd QTR 2018 management fee \$ 46,034.44

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

Ms. Petit moved to approve the payments, as noted, of the above-mentioned investment fees. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

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

- INVESCO U.S. Buyout, a distribution received on 6/19/2018 in the amount of \$2,147.00
- INVESCO Venture, a distribution received on 6/19/2018 in the amount of \$5,212.00
- INVESCO Non-U.S. Buyout, a distribution received on 6/19/2018 in the amount of \$3,191.00
- Lexington Capital Fund VII, a distribution received on 6/28/2018 in the amount of \$42,035.00
- Mesirow Financial, a distribution received on 6/29/2018 in the amount of \$45,000.00

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:

- Alexander D. Connolly Jr.; amount of refund is \$20,754.43; resignation from service with the Town of Falmouth, Finance Department
- Drew A. DeMello; amount of refund is \$9,957.28; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Erin Burns-Holman; amount of refund is \$5,851.78; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Cheri L. Carlino; amount of refund is \$3,365.46; resignation from service with the Town of Falmouth, D.P.W. Facilities Maintenance Division
- Sandra J. Gault; amount of refund is \$13,195.13; resignation from service with the Town of Falmouth, Inspectional Services Department
- Maren T. Plueddemann; amount of refund is \$319.94; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Elizabeth C. Rainnie; amount of refund is \$10.54; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Sharon A. O'Connor; amount of transfer is \$7,997.96; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth*

Retirement System will accept 2 years and 7 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. Slivinski seconded the motion, all board members present voted in the affirmative.

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

- Gabrielle G. Osborn; deny 3(8)(c) liability request from the Barnstable County Retirement System; non-membership service with the Town of Falmouth
- Sharon A. O'Connor; accept 3(8)(c) liability request from the MA Teachers Retirement System (*upon repayment of this refunded service, the Falmouth Retirement System will accept 2 years and 9 months of 3(8)(c) liability on a 12-month basis*)
- Steven D. Grady; accept revised 3(8)(c) liability request from the State Board of Retirement (*with this prior transfer, the Falmouth Retirement System will accept 13 years and 5 months of revised 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. Slivinski seconded the motion, all board members present voted in the affirmative.

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

- Lynne M. Lee; date of retirement is 6/23/2018 from the Town of Falmouth, Falmouth Public Schools
- Elizabeth C. Rainnie; date of retirement is 6/26/2018 from the Town of Falmouth, Falmouth Public Schools
- Lynn A. Richardson; date of retirement is 6/29/2018 from the Town of Falmouth, Falmouth Public Schools
- Josephine M. Gomes; date of retirement is 6/30/2018 from the Town of Falmouth, Falmouth Public Schools

The board members then noted the following new member of the Falmouth Retirement System:

- **Jacqueline M. Keaney; Program Director, Town of Falmouth, Recreation Department, Group One; DOM 7/9/2018, 9% + 2%**

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

- **Paul W. Stefanelli; Police Officer, Town of Falmouth, Police Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$4,555.86**

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

Ms. Philbin moved to approve, as noted, the request of the above-mentioned member to purchase his service prior to membership with the Falmouth Retirement System. Ms. Petit seconded the motion, all board members present voted in the affirmative.

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

- **Troy L. Marchbanks; Laborer, Town of Falmouth, D.P.W. Water Division, Group One; while installing a water service, employee injured his right eye. Date of Injury 3/21/2018**
- **James M. Medeiros; Laborer, Town of Falmouth, D.P.W. Highway Division, Group One; while working at the Sandwich Road ball field, employee had stone dust accidentally blown into his left eye. Date of Injury 6/11/2018**
- **Chad A. Leighton; Police Officer, Town of Falmouth, Police Department, Group Four; while placing a combative subject into custody, employee injured his right elbow. Date of Injury 6/20/2018**
- **David M. Massi; Police Officer, Town of Falmouth, Police Department, Group Four; while bagging confiscated evidence from an investigation, employee was exposed to narcotics. Date of Injury 7/3/2018**
- **Igol F. Campbell; Laborer, Town of Falmouth, D.P.W. Highway Division, Group One; while cleaning up after the fireworks display, employee injured his left ankle, his left leg and his left hip. Date of Injury 7/5/2018**
- **Sean F. Walker; Police Officer, Town of Falmouth, Police Department, Group Four; while lifting a wheelchair into the back of the police car, employee experienced pain to his left side and his middle back. Date of Injury 7/7/2018**

The board members then reviewed the following correspondence from PERAC:

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| • PERAC memo #19/2018 | Tobacco Company List |
| • PERAC memo #20/2018 | PROSPER and Compliance with the 91A Process |
| • PERAC memo #21/2018 | Mandatory Retirement Board Member Training – 3 rd Quarter 2018 |

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 May, and Mr. Fabrizio reviewed the plan results. Through the end of May, the plan's estimated market value was approximately \$142.1 million. Year-to-date, the plan is up 1.34% versus a total plan policy that is up 1.84%. Compared to its policy benchmark, the domestic equity sector (up 2.80%) is doing fair. RhumbLine Growth, Earnest Partners and LMCG Mid Cap Core are the three funds in this sector with positive returns for the year. The international equity sector (up 0.19%) is ahead of its benchmark (down 1.11%) with HGK Trinity Street and LMCG International Small Cap both on the positive side. The domestic fixed income strategy (down 1.37%) is on par with its benchmark (down 1.39%) which is to be expected as these investments are indexed. The performance of the real estate sector, year-to-date, is up 0.95% versus a benchmark that is up 1.70%. 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 currently with a positive return. 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 6.25% versus a benchmark that is up 4.78%. 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 1.17% versus a benchmark that is up 1.18%. Lastly, the cash balance is approximately \$2.0 million. Wainwright Investment Counsel noted that "this monthly performance report reflects a lackluster year for the markets."

With regards to the need to issue R.F.P.'s for many of the investment managers this year, Wainwright Investment Counsel noted that R.F.P.'s have been issued 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. They are evaluating the responses received, and currently, there is a "quiet period" for these R.F.P.'s.

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

Next, 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.

Then, the Director noted for the board members that the P.E.R.A.C. Emerging Issues Forum will be held on Thursday, September 13, 2018 and that the M.A.C.R.S. Fall Conference is scheduled for Sunday, September 30, 2018 through Wednesday, October 3, 2018. In addition, it was noted that the annual P.E.R.A.C. investment manager review is tentatively scheduled to be held on Thursday, September 20, 2018.

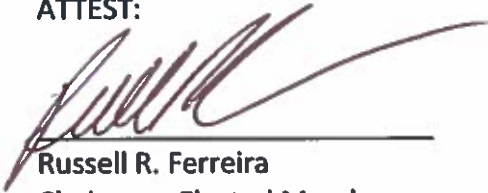
Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open session meeting.

Ms. Petit moved to adjourn the open session meeting. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

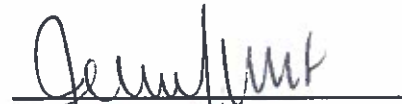
At approximately 2:45 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, August 23, 2018 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



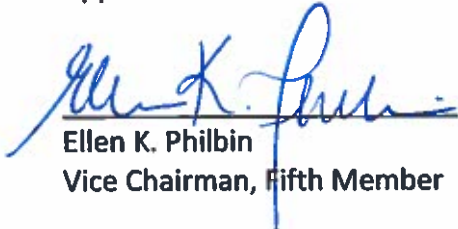
Jennifer P. Petit
Ex-Officio Member



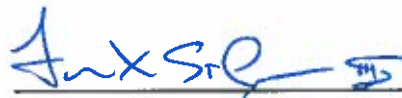
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director