

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, August 22, 2019**

Board members in attendance: Russell R. Ferreira, Chairman (by telephone); Ellen K. Philbin, Vice Chairman; Jennifer P. Mullen; 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 he noted for all that his current geographic location makes his physical attendance at today's board meeting unreasonably difficult, and therefore, it has been determined that his remote participation is permissible. Also, he asked the Vice Chairman to conduct the board meeting. 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 \$1,069,228.86 and a statement balance in the amount of \$56,194.56. She noted that the month-end fund balance is \$52,213.55 with outstanding checks for the month in the amount of \$3,981.01. In addition, it was noted that the check sequence for the month of June began with check #9412 and ended with check #9450. 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 2019 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.

Mr. Slivinski 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. Mullen	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 18, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on July 18, 2019.

Mr. Ferreira moved to approve the meeting minutes of the open session meeting that was held on July 18, 2019. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	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 #25/2019	\$ 7,462.80	Warrant #26/2019	\$1,012,198.51
Warrant #27/2019	\$ 7,212.80	Warrant #28/2019	\$ 141,608.55

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #25/2019 through #28/2019.

Mr. Slivinski moved to approve the payments, as noted, of warrants #25/2019 through #28/2019. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	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:

- People's United Bank, June 2019 custodial fee \$ 3,573.69
- State Street Corporation, December 2018 custodial fee \$ 4,212.46
- Aristotle Capital (Small Cap), Q1 2019 management fee \$ 10,043.08
- Aristotle Capital (Small Cap), Q2 2019 management fee \$ 27,317.65
- LMCG Investments (Mid Cap), Q2 2019 management fee \$ 26,628.00
- DFA International Equity, Q2 2019 management fee \$ 6,137.08
- LMCG Investments (Small Cap), Q2 2019 management fee \$ 7,999.00
- Lexington Capital Fund VII, Q2 2019 management fee \$ 3,336.00
- Principal U.S. Property, Q2 2019 management fee \$ 17,847.54
- DFA Global Real Estate, Q2 2019 management fee \$ 2,719.66

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

Ms. Mullen 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. Mullen	YES
Craig B. O'Malley	YES

Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- PRIT Private Equity Fund VY 2018, a capital call payable on 8/1/2019 in the amount of \$40,390.42

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

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

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

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

- Mesirow Financial Fund IV, a distribution received on 7/30/2019 in the amount of \$22,500.00
- Siguler Guff & Company, a distribution received on 8/8/2019 in the amount of \$11,055.08

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

- Katarzyna A. Piasecka; amount of refund is \$372.44; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Rebecca L. Landers-Cauley; amount of refund is \$30.83; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Katrina M. Toran; amount of refund is \$113.73; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Scott G. Overton; amount of refund is \$1,233.64; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this refund, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis)*
- Katarzyna A. Piasecka; amount of transfer is \$17,300.13; resignation from service with the Town of Falmouth, Falmouth Public Library *(with this transfer, the Falmouth Retirement System will accept 3 years and 6 months of 3(8)(c) liability on a 12-month basis)*



- Rebecca L. Landers-Cauley; amount of transfer is \$1,516.51; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 7 months of 3(8)(c) liability on a 12-month basis*)
- Robert E. Arsenault; amount of transfer is \$97,345.49; resignation from service with the Falmouth Housing Authority (*with this transfer, the Falmouth Retirement System will accept 17 years and 10 months of 3(8)(c) liability on a 12-month basis*)
- Victoria E. Kyle; amount of transfer is \$406.84; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 months of 3(8)(c) liability on a 12-month basis*)
- Phoebe B. Rideout; amount of transfer is \$288.97; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 month 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. Mullen 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. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, the board members noted the following members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Donna Q. Domingos; date of retirement is 6/29/2019 from the Town of Falmouth, Falmouth Public Schools; Group One
- Katrina M. Toran; date of retirement is 6/29/2019 from the Town of Falmouth, Falmouth Public Schools; Group One
- Kimberly J. Pacheco; date of retirement is 7/4/2019 from the Town of Falmouth, Police Department; Group One

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

- William C. Connor; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 7/22/2019, 9% + 2%
- Irie E. Mullin; Associate Town Counsel, Town of Falmouth, Office of the Town Counsel, Group One; DOM 8/5/2019, 9% + 2%

- Michael J. Gervasi II; Water Plant Operator, Town of Falmouth, D.P.W. Water Division, Group One; DOM 8/5/2019, 9% + 2%
- Kathryn M. Moran; Secretary, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/6/2019, 9% + 2%
- Leanne M. Peterson; Administrative Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/19/2019, 9% + 2%

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

- William G. Kosky Jr.; Police Officer, Town of Falmouth, Police Department, Group Four; while arresting a combative subject, employee was injured.  
Date of Injury 7/4/2019
- Douglas M. DeCosta; Police Officer, Town of Falmouth, Police Department, Group Four; while assisting another police officer with a combative group, employee was injured. Date of Injury 7/4/2019
- Daniel J. O'Brien Jr.; Laborer, Town of Falmouth, D.P.W. Parks Division, Group One; while throwing logs into the wood chipper, employee was injured.  
Date of Injury 7/18/2019
- Ryan W. Hergt; Police Officer, Town of Falmouth, Police Department, Group Four; while conducting the search of a motor vehicle, employee was injured.  
Date of Injury 7/20/2019
- Ann M. Bartos; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while battling a structure fire, employee was injured.  
Date of Injury 7/26/2019
- John A. Netto Jr.; Maintenance Supervisor, Town of Falmouth, Falmouth Public Schools, Group One; while moving a vending machine, employee was injured.  
Date of Injury 7/26/2019

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #20/2019 Reinstatement to Service under G.L. c. 32 §105
- PERAC memo #21/2019 Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors

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 \$143.9 million. Year-to-date, the plan is up 11.21% versus the policy benchmark which is up 10.97%. Compared to its policy benchmark (up 17.81%), the domestic equity sector (up 16.26%) is behind. Still, all of the funds in this sector are having a very solid year. The international equity sector (up 12.70%) is trailing its benchmark (up 13.73%) with all of the funds in this sector struggling to keep pace with the benchmark. The domestic



fixed income strategy (up 6.80%) is relatively on par with its benchmark (up 6.58%) which is to be expected as the majority of these investments are indexed. The performance of the real estate sector, year-to-date, is up 8.92% versus a benchmark that is up 1.80%. At the moment, Principal and P.R.I.T. are the two largest real estate investments within the portfolio while Dimensional Fund Advisors and P.R.I.T. are two investments that seem to be producing really positive returns. Due to the nature of the investments within the private equity sector, the returns are stated with a lag; however, the private equity sector is estimated to be up 2.26% versus a benchmark that is up 5.54%. At this time, Lexington Capital Fund VII and Hamilton Lane Secondary Fund IV are the two largest investments for this sector within the portfolio. But, Mesirow Financial and Hamilton Lane are the only two private equity funds within the portfolio with positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is up 6.06% versus a benchmark that is up 6.38%. Lastly, the cash balance is approximately \$5.9 million. Wainwright Investment Counsel noted that "it has been a solid month for performance, and we are all hoping that we will see a strong run through the second half of the year."

Mr. Dwyer and Mr. Fabrizio then discussed with the board members a proposed rebalance of the portfolio. Their recommendation is to use \$5.0 million of the cash from the recent appropriation payment and invest these funds in the S.S.g.A. Passive Bond Fund. After some discussion, the board members entertained a motion to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined.

Mr. Ferreira moved to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

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

Then, Mr. Dwyer reviewed with the board members a draft of the updated Investment Policy Statement. Mr. Fabrizio noted some minor edits to the document. After some discussion, the board members entertained a motion to accept the draft of the updated Investment Policy Statement.

Mr. O'Malley moved to accept the draft of the updated Investment Policy Statement. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	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 noted for the board members that the upcoming P.E.R.A.C. Emerging Issues Forum will be held on Thursday, September 12, 2019 on the campus of The College of the Holy Cross in Worcester, MA. In addition, the board members considered the upcoming fall M.A.C.R.S. conference to be held in Springfield, MA from September 29, 2019 through October 2, 2019. 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 about \$1,100.00. 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.

Mr. Ferreira 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. Mullen	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. He noted that the written closing argument had been submitted on behalf of the Falmouth Retirement Board, and now, we are awaiting the decision from the magistrate.

Attorney Poser then revisited with the board members the possibility of a section 9 benefit for the surviving spouse of Paul D. Brodeur. He noted that he had written to Mr. Brodeur's treating physician on multiple occasions without a response. Attorney Poser suggested that the board members authorize him to seek a specialist to review the medical records and provide an expert opinion on causation; however, based on his experience, he noted that a specialist would likely charge a fee within the range of \$5,000 to \$10,000 to provide this service. After some discussion, the board members entertained a motion to allow Attorney Poser, in consultation with the Director, to find a specialist to review the medical records and provide an expert opinion on causation with regards to a possible section 9 benefit for the surviving spouse of Paul D. Brodeur.

Mr. Ferreira moved to allow Attorney Poser, in consultation with the Director, to find a specialist to review the medical records and provide an expert opinion on causation with regards to a possible section 9 benefit for the surviving spouse of Paul D. Brodeur. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES



Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Next, the Director noted for the board members that pending legislation had been filed with the General Court by the Governor.... House #3973 *An Act relative to the disability retirement of Ryan Moore and Donald Demiranda, police officers in the town of Falmouth.*

Then, the board members discussed the Election of the First Elected Member. As the nominee in this election, Mr. Ferreira recused himself from participation in this board matter and concluded his remote participation. The other board members then determined that Russell R. Ferreira was the only candidate to be nominated for the position of the First Elected Member to the Falmouth Retirement Board. Thus, the board members entertained a motion to declare Russell R. Ferreira to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on October 31, 2019 and run through the date of expiration which will be on October 30, 2022.

Mr. Slivinski moved to declare Russell R. Ferreira to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on October 31, 2019 and run through the date of expiration on October 30, 2022. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES

Then, the board members discussed the position of Chairman of the Falmouth Retirement Board. After some discussion, the board members entertained a motion to reappoint Russell R. Ferreira as Chairman of the Falmouth Retirement Board through the conclusion of his newly declared term as the First Elected Member.

Mr. O'Malley moved to appoint Russell R. Ferreira as Chairman of the Falmouth Retirement Board through the conclusion of his newly declared term as the First Elected Member. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES

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



Mr. O'Malley moved to adjourn the open session meeting. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

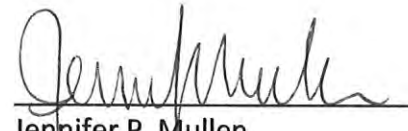
Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES

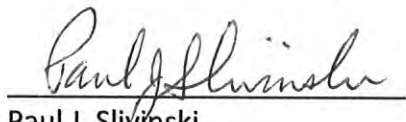
At approximately 2:40 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 9:30 a.m. on Thursday, September 19, 2019 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

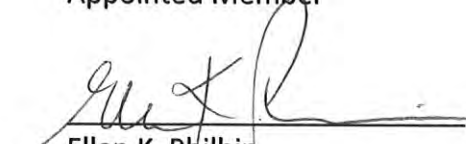
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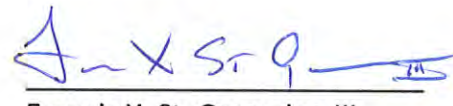
  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Mullen  
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