

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, June 20, 2019

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 April. Through the end of April, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,077,113.02 and disbursements in the amount of \$1,247,754.27. She noted that the fund balance in this cash account is \$119,174.66. Also, it was noted that the check sequence for the month of April began with check #9326 and ended with check #9365. There are no checks in this sequence that have not been accounted for through the month of April. 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. Ms. Petit seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on May 23, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on May 23, 2019.

Ms. Philbin moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on May 23, 2019. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

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

Warrant #17/2019	\$ 7,116.40	Warrant #18/2019	\$1,026,832.70
Warrant #19/2019	\$ 6,866.40	Warrant #20/2019	\$ 21,542.17

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #17/2019 through #20/2019.

Ms. Philbin moved to approve the payments, as noted, of warrants #17/2019 through #20/2019. 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:

- People's United Bank, March 2019 custodial fee \$ 3,562.94
- People's United Bank, April 2019 custodial fee \$ 3,566.29

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

Mr. Slivinski 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.

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

- Hamilton Lane Secondary Fund IV, a capital call payable on 5/13/2019 in the amount of \$3,073.00
- PRIT Private Equity Fund VY 2018, a capital call payable on 6/3/2019 in the amount of \$66,571.50

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

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned capital calls. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

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

- Hamilton Lane Secondary Fund IV, a distribution on 5/13/2019 in the amount of \$3,073.00
- Mesriow Financial Fund IV, a distribution on 5/30/2019 in the amount of \$22,500.00
- Lexington Capital Fund VII, a distribution on 5/31/2019 in the amount of \$92,155.00
- Siguler Guff & Company, a distribution on 6/13/2019 in the amount of \$59,605.68
- Hamilton Lane Secondary Fund IV, a distribution on 6/17/2019 in the amount of \$143,491.00

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:

- Stephanie J. Henry; amount of rollover is \$4,374.92; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this rollover, the Falmouth Retirement System will accept 2 years of 3(8)(c) liability on a 12-month basis*)

- Zona M. Anderson; amount of refund is \$1,497.69; termination from service with the Town of Falmouth, Falmouth Public Schools *(with this refund, the Falmouth Retirement System will accept 6 months of 3(8)(c) liability on a 12-month basis)*
- Patricia A. Harris; amount of refund is \$10,259.42; deductions taken in error by the Town of Falmouth, Office of the Town Counsel

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.

The board members then noted the following member retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Patricia A. Harris; date of retirement is 5/1/2019 from the Town of Falmouth, Office of the Town Counsel; Group One

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

- Andrew S. Mendonca; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 5/6/2019, 9% + 2%
- Beverlee Flint; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 5/13/2019, 9% + 2%
- Michaela M. Shoemaker; Community Development Planner, Town of Falmouth, Planning Department, Group One; DOM 6/3/2019, 9% + 2%

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

- Andrew S. Mendonca; Custodian, 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 \$280.80 *(with this service purchase, 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 request of the above-mentioned member to purchase his service prior to membership with the Falmouth Retirement System.

Mr. Slivinski 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. Philbin seconded the motion, all board members present voted in the affirmative.

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

- Chad E. Absten; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while stepping onto a step stool in a crawl space, employee was injured. Date of Injury 5/17/2019
- Linda M. Moniz; Bus Driver, Town of Falmouth, Council on Aging, Group One; while escorting a passenger through the door of the physical therapist office, employee was injured. Date of Injury 5/22/2019

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

- PERAC memo #17/2019 Tobacco Company List

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 April, and Mr. Fabrizio reviewed the plan results. Through the end of April, the plan's estimated market value was approximately \$145.0 million. Year-to-date, the plan is up 10.96% versus the policy benchmark which is up 10.35%. Compared to its policy benchmark (up 18.66%), the domestic equity sector (up 17.23%) is behind. All of the funds in this sector are having a solid year. The international equity sector (up 14.33%) is ahead of its benchmark (up 13.26%) with LMCG Investments being the only fund in this sector to be a bit behind its benchmark. The domestic fixed income strategy (up 3.94%) is relatively on par with its benchmark (up 3.27%) which is to be expected as these investments are indexed. The performance of the real estate sector, year-to-date, is up 7.47% versus a benchmark that is up 1.80%. At the moment, Principal, Dimensional Fund Advisors, and P.R.I.T. are the largest real estate investments within the portfolio with Dimensional Fund Advisors producing very 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 2.14% versus a benchmark that is at 0.00%. At this time, Lexington Capital Fund VII and Hamilton Lane Secondary Fund IV are the two largest investments for this sector within the portfolio. Additionally, both of these investments have reported a positive performance. For the year, the P.R.I.T. Absolute Return Fund is up 4.56% versus a benchmark that is up 5.66%. Lastly, the cash balance is approximately \$627K. Wainwright Investment Counsel noted that "it has been a good month with equities providing very strong, double digit returns, and at this time, they are very pleased with the portfolio."

It was then noted that, within the next week or so, TerraCap Partners Fund IV will be issuing a capital call for our full commitment. So, although the existing contract with D.F.A. Global Real Estate was just extended for another two years, we will need to liquidate this investment to cover the expected capital call. After some discussion, the board members entertained a motion to liquidate the investment with D.F.A. Global Real Estate to cover the expected capital call from TerraCap Partners Fund IV.

Ms. Philbin moved to liquidate the investment with D.F.A. Global Real Estate to cover the expected capital call from TerraCap Partners Fund IV. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

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 PERAC memo #05/2019 regarding the FY 2020 C.O.L.A. increase. This memo indicates that the C.O.L.A. that any system may grant for FY 2020 will be up to 3.0%. After some discussion, the board members entertained a motion to approve for FY 2020 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$14,000.00 base.

Ms. Petit moved to approve for FY 2020 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$14,000.00 base. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Then, the board members discussed the need to hold an election for the 1st Elected Member to the Falmouth Retirement Board. The current term of the 1st Elected Member is set to expire on October 30, 2019. After some discussion, the board members entertained a motion to designate Craig B. O'Malley to serve as the Election Officer for the election of the 1st Elected Member to the Falmouth Retirement Board.

Ms. Philbin moved to designate Craig B. O'Malley to serve as the Election Officer for the election of the 1st Elected Member to the Falmouth Retirement Board. Ms. Petit seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the proposed timeline for the election of the 1st 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 1st Elected Member to the Falmouth Retirement Board

Mr. Slivinski moved to approve the proposed timeline for the election of the 1st Elected Member to the Falmouth Retirement Board. Ms. Petit seconded the motion, all board members present voted in the affirmative.

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.

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

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

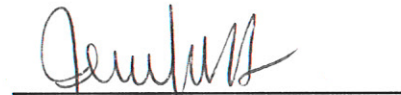
At approximately 2:25 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, July 18, 2019 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



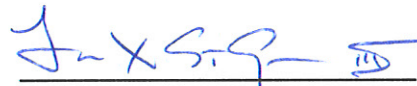
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director