

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, March 28, 2019

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Craig B. O'Malley; Jennifer P. Petit 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 January. Through the end of January, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$969,432.83 and disbursements in the amount of \$1,043,432.69. She noted that the fund balance in this cash account is \$15,829.59. Also, it was noted that the check sequence for the month of January began with check #9200 and ended with check #9237. There are no checks in this sequence that have not been accounted for through the month of January. In addition, the Director provided the board members with a review of the annual budget through Q4 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. Philbin moved to accept the report from the Office of the Treasurer. Mr. Slivinski 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 February 21, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on February 21, 2019.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on February 21, 2019. Ms. Philbin seconded the motion. Both, Mr. Slivinski and Ms. Petit abstained, all other board members present voted in the affirmative.

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

Warrant #06/2019	\$982,788.70	Warrant #07/2019	\$ 6,866.40
Warrant #08/2019	\$152,431.71		

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #06/2019 through #08/2019.

Mr. Slivinski moved to approve the payments, as noted, of warrants #06/2019 through #08/2019. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the payment of the following investment fee:

- People's United Bank, January 2019 custodial fee \$ 4,004.13

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

Ms. Philbin moved to approve the payment, as noted, of the above-mentioned investment fee. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following payments of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 3/1/2019 in the amount of \$73,087.29
- Hamilton Lane Secondary Fund IV, a capital call payable on 3/7/2019 in the amount of \$351,379.00

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

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

- Siguler Guff & Company DOF III, a distribution received on 2/22/2019 in the amount of \$39,904.14
- Mesirow Financial Partnership Fund IV, a distribution received on 2/27/2019 in the amount of \$30,000.00
- Lexington Capital Partners Fund VII, a distribution received on 2/28/2019 in the amount of \$14,755.00

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:

- Jeanne M. Botelho; amount of refund is \$34.27; deductions taken in error by the Town of Falmouth, Falmouth Public Schools

- Patricia O'Connell; amount of refund is \$177.81; over-payment of a service purchase with the Town of Falmouth, Finance Department
- Maren T. Plueddemann; amount of transfer is \$35,084.74; resignation from service with the Town of Falmouth, Falmouth Public Library (*with this transfer, the Falmouth Retirement System will accept 9 years and 3 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.

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

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

- James E. Richardson; date of retirement is 2/28/2019 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Miguel A. Braga; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/6/2017, 9% + 2%
- Diane M. Troccoli; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2018, 9% + 2%
- Melissa M. Melvoen; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2018, 9% + 2%
- Janet T. Martins; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2018, 9% + 2%
- Susan M. Forni; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2018, 9% + 2%
- Samantha Haywood; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/17/2018, 9% + 2%
- Camille M. Hamilton; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/17/2018, 9% + 2%
- Thalia K. Jimenez; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/13/2018, 9% + 2%
- Jeanne M. Botelho; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 1/28/2019, 9% + 2%
- Darion B. Bartibogue; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/4/2019, 9% + 2%

- Kristina M. Roderick; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/11/2019, 9% + 2%
- Raynaldo Narvaez; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/11/2019, 9% + 2%
- Carrie A. Leonard; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/25/2019, 9% + 2%
- Michael C. Solitro; Federal Housing Specialist, Town of Falmouth, Falmouth Housing Authority, Group One; DOM 3/11/2019, 9% + 2%
- Kelly A. DePina; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 3/18/2019, 9% + 2%

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

- Raynaldo Narvaez; 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 \$447.93
- Diane M. Troccoli; Food Service Worker, 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 \$23,069.24
- Susan M. Forni; Food Service Worker, 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 \$1,661.33
- Melissa M. Melvoen; Food Service Worker, 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 \$4,641.23
- Kristina M. Roderick; Food Service Worker, 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 \$916.11

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.

Mr. O'Malley moved 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 seconded the motion, all board members present voted in the affirmative.

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

- Theodore A. Silva; Electrician, Town of Falmouth, Falmouth Public Schools, Group Two; while going from Falmouth High School to North Falmouth Elementary, employee was involved in a motor vehicle accident and injured.
Date of Injury 11/8/2018

- Damian D. Boyar; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while exiting a wet basement, employee was injured.
Date of Injury 1/4/2019
- Newton J. Cardoso; Police Officer, Town of Falmouth, Police Department, Group Four; while placing under arrest a combative subject, employee was injured.
Date of Injury 2/16/2019
- John L. DePonte; Police Officer, Town of Falmouth, Police Department, Group Four; while placing under arrest a combative subject, employee was injured.
Date of Injury 2/16/2019
- Chad A. Leighton; Police Officer, Town of Falmouth, Police Department, Group Four; while placing under arrest a combative subject in the lobby of the police station, employee was injured. Date of Injury 2/17/2019
- Julia E. Massi; Police Officer, Town of Falmouth, Police Department, Group Four; while placing into custody a subject, employee was injured.
Date of Injury 2/17/2019
- Timothy J. Brandt; Police Officer, Town of Falmouth, Police Department, Group Four; while searching a subject placed in custody, employee was injured.
Date of Injury 2/24/2019
- Andrew T. Loewen; Police Officer, Town of Falmouth, Police Department, Group Four; while serving an arrest warrant, employee was injured.
Date of Injury 2/25/2019
- Paul T. DiAngelis; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while transporting 5-gallon buckets of wax down a ramp, employee was injured. Date of Injury 2/26/2019
- Katherine E. Snyder; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while moving cafeteria tables, employee was injured.
Date of Injury 2/27/2019
- Stephen T. McGovern; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while performing a daily check on Ladder 26, employee was injured.
Date of Injury 3/5/2019
- Lucia A. Conlon; Secretary, Town of Falmouth, Falmouth Public Schools, Group One; while performing ALICE training, employee was injured.
Date of Injury 3/5/2019
- Christopher H. Brown; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while climbing into the back of the ambulance, employee was injured.
Date of Injury 3/10/2019

Then, Michael Dwyer of Wainwright Investment Counsel joined the meeting. To start, Mr. Dwyer distributed to the board members the performance summary report for the month of January, and he reviewed the plan results. Through the end of January, the plan's estimated market value was approximately \$141.2 million. Year-to-date, the plan is up 6.27% versus a total plan policy that is up 5.44%. Compared to its policy benchmark, the domestic equity sector (up 9.94%) has rebounded nicely. At the moment, LMCG Mid Cap Core and Earnest Partners seem to be the strength of this sector. The international equity sector (up 8.54%) is ahead of its sector benchmark (up 6.87%) with both HGK Trinity and Dimensional Fund Advisors providing a better

performance than their benchmark. The domestic fixed income strategy (up 1.52%) is on par with its sector benchmark (up 1.52%) which is to be expected as these investments are indexed. The year-to-date performance of the real estate sector is up 4.81% versus a benchmark that is 0.00%. At the moment, Principal, Dimensional Fund Advisors, and P.R.I.T. are the largest real estate investments within the portfolio and Dimensional Fund Advisors is the only real estate investment that is well ahead of its benchmark. 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 3.21% versus a benchmark that is 0.00%. 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. Both investments appear to be fairly well ahead of their benchmark. For the year, the P.R.I.T. Absolute Return Fund is up 2.18% versus a benchmark that is up 2.60%. Lastly, the cash balance is approximately \$2.9 million. Wainwright Investment Counsel noted that "this has been a very good performing month which has wiped away nearly all of the losses of December and the indications are that it will be a good Q1 2019."

Mr. Dwyer then provided to the board members an update with regards to our proposed investment in the two Clarion Partners real estate funds. Attorney Poser noted that, in the course of a lengthy contract negotiation, it was determined that Clarion Partners would not be able to include in their investment contract the mandatory language from M.G.L. Chapter 32 §23B as had been indicated in the R.F.P. process. Thus, Clarion Partners has decided to "walk away" from the transaction. Additionally, it was noted that the funds to be used for these two real estate investments had not been liquidated and are still invested.

Lastly, the Director noted that the 5-year contract with both HGK Trinity Street International Equity and DFA International Equity are set to expire soon. So, rather than rush into another R.F.P. search, the conversation focused on extending for another two years both of the existing contracts which will provide the flexibility to conduct an R.F.P. search at a later date. After some discussion, the board members entertained a motion to extend for another two years the existing contract with both HGK Trinity Street International Equity and DFA International Equity which will provide the flexibility to conduct an R.F.P. search within that time frame.

Ms. Philbin moved to extend for another two years the existing contract with both HGK Trinity Street International Equity and DFA International Equity which will provide the flexibility to conduct an R.F.P. search within that time frame. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

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

Next, the Director reviewed with the board members the 2018 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. After some discussion, the board members entertained a motion to approve the 2018 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C.

Ms. Philbin moved to approve the 2018 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

The board members then reviewed a letter from Chief Edward Dunne regarding proposed special legislation. The proposed special legislation is to be submitted by the Office of the Governor with support by the Town of Falmouth and would provide disability retirement for Ryan P. Moore. After some discussion, the board members determined that M.G.L. Chapter 32 provides a process for disability retirement and, at this time, no action would be taken with regards to this letter.

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 were submitted and a hearing was held on October 16, 2018. Attorney Poser 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. O'Malley moved to adjourn the open session meeting. Ms. Petit seconded the motion, all board members present voted in the affirmative.

At approximately 3:05 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, April 25, 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