

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, May 23, 2019

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 2:00 p.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 March. Through the end of March, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,220,890.59 and disbursements in the amount of \$1,036,635.60. She noted that the fund balance in this cash account is \$129,697.05. Also, it was noted that the check sequence for the month of March began with check #9286 and ended with check #9325. There are no checks in this sequence that have not been accounted for through the month of March. In addition, the Director provided the board members with a review of the annual budget through Q1 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. O'Malley moved to accept the report from the Office of the Treasurer. 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 meeting minutes of the open session meeting that was held on April 25, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on April 25, 2019.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on April 25, 2019. 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 #13/2019	\$993,796.22	Warrant #14/2019	\$ 6,866.40
Warrant #15/2019	\$ 6,866.40	Warrant #16/2019	\$173,649.08

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #13/2019 through #16/2019.

Ms. Petit moved to approve the payments, as noted, of warrants #13/2019 through #16/2019. 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 reviewed the payments of the following investment fees:

- S.S.g.A. (CM3Y), 1st QTR 2019 management fee \$ 1,154.94
- S.S.g.A. (CME7), 1st QTR 2019 management fee \$ 971.86
- LMCG Investments (Mid Cap), 1st QTR 2019 management fee \$ 22,587.00
- DFA International Equity, 1st QTR 2019 management fee \$ 6,053.41
- LMCG Investments (Small Cap), 1st QTR 2019 management fee \$ 7,762.00
- Lexington Capital Fund VII, 1st QTR 2019 management fee \$ 3,435.00
- Principal U.S. Property, 1st QTR 2019 management fee \$ 17,413.35
- DFA Global Real Estate, 1st QTR 2019 management fee \$ 4,289.24

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. 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

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 5/1/2019 in the amount of \$62,799.75

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. 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

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

- Lexington Capital Fund VII, a distribution on 4/30/2019 in the amount of \$26,910.00

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:

- Diane M. Troccoli; amount of refund is \$234.31; over-payment of service purchase by the Town of Falmouth, Falmouth Public Schools
- David J. Frye; amount of refund is \$6,605.60; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 1 year and 8 months of 3(8)(c) liability on a 12-month basis*)
- Paul C. Whiting; amount of transfer is \$39,944.50; resignation from service with the Town of Falmouth, Police Department (*with this transfer, the Falmouth Retirement System will accept 1 year and 3 months of 3(8)(c) liability on a 12-month basis*)
- Sean J. Bergman; amount of transfer is \$17,492.73; resignation from service with the Town of Falmouth, D.P.W. Water Division (*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. 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 considered the following request for 3(8)(c) liability:

- Thomas M. Bolton; accept 3(8)(c) liability request from the Barnstable County Retirement System (*upon repayment of this refunded service, the Falmouth Retirement System will accept 7 years and 2 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 above-mentioned request for 3(8)(c) liability.

Mr. Slivinski moved to approve, as noted, the above-mentioned request for 3(8)(c) liability. 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 noted the following members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Donna F. Blanchette; date of retirement is 4/2/2019 from the Falmouth Housing Authority; Group One
- George P. Cabral III; date of retirement is 4/6/2019 from the Town of Falmouth, Police Department; Group Four

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

- Paul J. Benvie; I.T. Support Specialist, Town of Falmouth, Information Technology Department, Group One; DOM 4/22/2019, 9% + 2%
- Joseph A. Maurer; Circulation Assistant, Town of Falmouth, Falmouth Public Library, Group One; DOM 4/22/2019, 9% + 2%

- Carlos S. Oliveira; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/12/2019, 9% + 2%
- Domenic M. DeGregorio; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Tyler M. Silva; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Richard M. Walls; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Andrew J. Terenzio; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Jonah L. Olsen; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Christopher P. McEntee; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- Kevin J. Cahill; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/13/2019, 9% + 2%
- John R. Boncek; Communications Officer, Town of Falmouth, Communications Department, Group One; DOM 5/13/2019, 9% + 2%
- Nadine M. Sullivan; Maintenance Laborer, Falmouth Housing Authority, Group One; DOM 5/13/2019, 9% + 2%

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

- Janet T. Martins; 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 \$5,490.95
- Jeanne M. Botelho; 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 \$4,792.46
- Caitlin E. Sterner; 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 \$477.03
- Michael J. Andrews; Laborer, Town of Falmouth, D.P.W. Parks Division; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,600.12
- Joseph A. Maurer; Circulation Assistant, Town of Falmouth, Falmouth Public Library; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$6,250.65

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. Petit 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:

- Ruben Ferrer; Police Officer, Town of Falmouth, Police Department, Group Four; while attempting to subdue a subject, employee was injured. Date of Injury 4/15/2019
- James M. Craven Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while reaching into the ambulance for a first aid bag, employee was injured. Date of Injury 5/8/2019
- Gregory P. Powers; Utilities Supervisor, Town of Falmouth, D.P.W. Water Division, Group One; while lining up a bolt hole on a fire hydrant, employee was injured. Date of Injury 5/10/2019

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #16/2019 Cash Book Submissions

Also, the board members reviewed other relative correspondence.

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 March, and he reviewed the plan results. Through the end of March, the plan's estimated market value was approximately \$142.2 million. Year-to-date, the plan is up 8.30% versus the policy benchmark which is up 8.21%. Compared to its policy benchmark, the domestic equity sector (up 12.36%) is behind. All of the funds in this sector are having a solid year. The international equity sector (up 10.47%) is ahead of its benchmark (up 10.11%) with LMCG Investments being the only fund in this sector struggling to keep pace with its benchmark. The domestic fixed income strategy (up 3.57%) is relatively on par with its benchmark (up 3.46%) which is to be expected as these investments are indexed. The performance of the real estate sector, year-to-date, is up 7.56% 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 while Dimensional Fund Advisors and P.R.I.T. are two investments that seem to be producing 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 2.45% 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 3.10% versus a benchmark that is up 4.63%. Lastly, the cash balance is approximately \$1.2 million. Wainwright Investment Counsel noted that "it has been a good month for performance, and at this time, they are happy with the portfolio."

It was then noted that that the 5-year contract with D.F.A. Global Real Estate is set to expire soon. So, rather than rush into another R.F.P. search while we gradually draw down funds from this investment, the conversation focused on extending for another two years the existing contract. After some discussion, the board members entertained a motion to extend for another two years the existing contract with D.F.A. Global Real Estate.

Ms. Petit moved to extend for another two years the existing contract with D.F.A. Global Real Estate. 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

In closing, Mr. Dwyer discussed with the board members the response to P.E.R.A.C. from Wainwright Investment Counsel with regards to the P.E.R.A.C. letter dated April 22, 2019.

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

Next, the Chairman asked for a motion to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual.

Mr. O'Malley moved to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. 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 2:20 p.m., the board members left the open session meeting and moved into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. At the conclusion of the executive session meeting, as noted by the Chairman, the board members would reconvene their open session meeting.

At approximately 2:35 p.m., the board members reconvened their open session meeting, and Ms. Petit exited the board meeting.

Then, the Director reviewed with the board members the R.F.P. response to provide financial audit / accounting services on behalf of the Falmouth Retirement Board. It was noted that, currently, there is a "quiet period" for this R.F.P. and that there is one respondent from which to choose. The only response received was from Roselli, Clark and Associates. The response was determined to be "highly advantageous". After some discussion, the board members entertained a motion to renew the existing relationship with Roselli, Clark and Associates to provide their financial audit / accounting services on behalf of the Falmouth Retirement Board.

Mr. O'Malley moved to renew the existing relationship with Roselli, Clark and Associates to provide their financial audit / accounting services on behalf of the Falmouth Retirement Board. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

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

Next, the Director outlined for the board members pending legislation that he noticed had been filed with the General Court.... House #2248 *An Act relative to disability pensions for violent crimes*.

The Director then reminded the board members of the upcoming spring M.A.C.R.S. conference and seminar to be held in Hyannis, MA from June 1, 2019 through June 5, 2019. It was noted that, at this time, a draft agenda was available, and that certain sessions have been approved by P.E.R.A.C. for board member C.E.U. training credits.

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.

Next, the Assistant Director, Dommonique Domino, noted for the board members that she is expecting another baby. Her maternity leave is tentatively planned to begin in mid-August 2019. She asked that, this time, the board members support a planned maternity leave which is slightly different to the plan that she had received during her prior maternity leaves. After some discussion, the board members entertained a motion to approve twelve-weeks, at 20 hours per week, of paid maternity leave for Ms. Domino.

Ms. Philbin moved to approve twelve-weeks, at 20 hours per week, of paid maternity leave for Ms. Domino. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

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

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

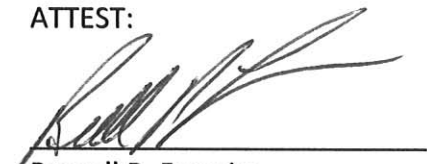
Mr. Slivinski moved to adjourn the open session meeting. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

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

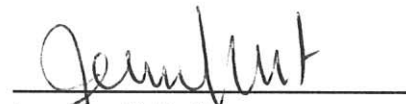
At approximately 2:45 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, June 20, 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