

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, November 21, 2019**

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Jennifer P. Mullen; Craig B. O'Malley (by telephone) 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 Mr. O'Malley's 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. 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 September. Through the end of September, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$963,599.80 and a statement balance in the amount of \$27,095.86. She noted that the month-end fund balance is \$23,214.03 with outstanding checks for the month in the amount of \$3,881.83. In addition, it was noted that the check sequence for the month of September began with check #9531 and ended with check #9567. There are no checks in this sequence that have not been accounted for through the month of September. In addition, the Director provided the board members with a review of the annual budget through Q3 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.

Ms. Philbin 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. 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 both the open session meeting and the executive session meeting that was held on September 19, 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 September 19, 2019.

Ms. Philbin moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on September 19, 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 meeting minutes of the open session meeting that was held on October 17, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on October 17, 2019.

Ms. Mullen moved to approve the meeting minutes of the open session meeting that was held on October 17, 2019. Ms. Philbin 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 warrants:

Warrant #35/2019	\$ 7,212.80	Warrant #36/2019	\$1,014,358.36
Warrant #37/2019	\$ 7,212.80	Warrant #38/2019	\$ 12,153.03

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #35/2019 through #38/2019.

Ms. Philbin moved to approve the payments, as noted, of warrants #35/2019 through #38/2019. 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

Next, the board members reviewed the payments of the following investment management fees:

- People's United Bank, September 2019 custodial fee \$ 3,695.79
- S.S.g.A. (CM3Y), 3<sup>rd</sup> QTR 2019 management fee \$ 1,202.66
- S.S.g.A. (CME7), 3<sup>rd</sup> QTR 2019 management fee \$ 1,477.18

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

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned investment management fees. 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

In addition, the Director noted for the board members the following investment management fees that have been withdrawn directly from their respective investment fund.

- Aristotle Capital (Small Cap), Q3 2019 management fee \$ 27,500.48
- LMCG Investments (Mid Cap), Q3 2019 management fee \$ 27,058.00
- DFA International Equity, Q3 2019 management fee \$ 6,068.75
- LMCG International Small Cap, Q3 2019 management fee \$ 8,005.00
- Lexington Capital Fund VII, Q3 2019 management fee \$ 2,984.00
- Principal U.S. Property, Q3 2019 management fee \$ 18,339.92
- DFA Global Real Estate, Q3 2019 management fee \$ 589.05

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

Mr. Slivinski moved to approve the payments, as noted, of the above-mentioned investment management fees. Ms. Philbin 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 11/1/2019 in the amount of \$27,586.72

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

Ms. Philbin moved to approve the payment, as noted, of the above-mentioned capital call. 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 following cash distributions from investment managers:

- Lexington Capital Fund VII, a distribution received on 9/27/2019 in the amount of \$23,610.00
- TerraCap Partners Fund IV, a distribution received on 10/23/2019 in the amount of \$64,308.67
- Mesirow Financial Fund IV, a distribution received on 10/29/2019 in the amount of \$22,500.00
- Lexington Capital Fund VII, a distribution received on 10/31/2019 in the amount of \$18,094.00
- Siguler Guff & Company, a distribution received on 11/6/2019 in the amount of \$19,312.81
- TerraCap Partners Fund IV, a distribution received on 11/13/2019 in the amount of \$14,913.63

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:

- Casey F. Staggs; amount of transfer is \$14.41; retro-payment received (no additional service), Town of Falmouth, Fire Rescue Department
- Brandon A. DeLuca; amount of transfer is \$73.29; retro-payment received (no additional service), Town of Falmouth, Fire Rescue Department
- Alyssa A. Marcoux; amount of transfer is \$50.08; retro-payment received (no additional service), Town of Falmouth, Fire Rescue Department
- Mitchell J. Gauvin; amount of transfer is \$6.27; retro-payment received (no additional service), Town of Falmouth, Fire Rescue Department
- Ryan B. Webb; amount of refund is \$4.46; retro-payment received (no additional service), Town of Falmouth, Fire Rescue Department
- Gail E. Rose; amount of refund is \$111.41; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Laurie A. McNee; amount of refund is \$8.88; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Paul J. Benvie; amount of refund is \$2,673.45; resignation from service with the Town of Falmouth, Information Technology Department (*with this refund, the Falmouth Retirement System will accept 5 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. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Kathleen M. Reese; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/15/2019, 9% + 2%
- Amanda A. Santos; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/15/2019, 9% + 2%
- Kimberly Ferreira; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/7/2019, 9% + 2%
- Joshua W. Clark; M.E.O. I, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 11/18/2019, 9% + 2%

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

- Jeffrey P. Smith; Police Officer, Town of Falmouth, Police Department; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,678.14 (*upon full payment of this service purchase, the Falmouth Retirement System will accept 1 month of 3(8)(c) liability on a 12-month basis*)
- Matthew P. Gately; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase refunded service, prior to membership with the Falmouth Retirement System; principle amount due is \$4,739.21 (*upon full payment of this service purchase, the Norfolk County Retirement System will accept 10 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 members to purchase their service prior to membership with the Falmouth Retirement System.



Ms. Philbin 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. 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

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

- Karen M. Martin; Bus Driver, Town of Falmouth, Falmouth Public Schools, Group One; while transporting a student, employee was involved in a motor vehicle accident and injured. Date of Injury 10/7/2019
- Andrew H. Ellis; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; while attending to a high school student, employee was injured. Date of Injury 10/10/2019
- Anthony R. DeVito; Police Officer, Town of Falmouth, Police Department, Group Four; while conducting a search warrant, employee was injured. Date of Injury 10/11/2019
- Cody R. Murray; Police Officer, Town of Falmouth, Police Department, Group Four; while conducting a search warrant, employee was injured. Date of Injury 10/11/2019

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 September, and Mr. Fabrizio reviewed the plan results. Through the end of September, the plan's estimated market value was approximately \$150.7 million. Year-to-date, the plan is up 11.75% versus the policy benchmark which is up 11.54%. Compared to its policy benchmark (up 17.21%), the domestic equity sector (up 15.94%) is behind. Still, all of the funds in this sector are having a very solid year of performance. The international equity sector (up 11.90%) is trailing its benchmark (up 12.66%) with HGK Trinity being the only fund in this sector to outperform its respective benchmark. The domestic fixed income strategy (up 9.11%) is relatively on par with its benchmark (up 8.88%) 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 15.51% versus a benchmark that is up 4.80%. At the moment, Principal, P.R.I.T. and TerraCap Partners are the largest real estate investments within the portfolio while Dimensional Fund Advisors is the one investment that seems to be providing the greatest positive return. Due to the nature of the investments within the private equity sector, these returns are stated with as much as a two quarter lag; however, the private equity sector is estimated to be up 4.33% versus a benchmark that is up 10.48%. At this time, Hamilton Lane Secondary Fund IV is the largest investment for this sector within the portfolio. Mesirow Financial, Lexington Capital Fund VII and Hamilton Lane are the three 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 5.88% versus a benchmark that is up 5.21%. Lastly, the cash balance

is approximately \$1.2 million. Wainwright Investment Counsel noted that “all sectors of the portfolio seem to be performing well and they do not foresee a need to recommend any changes to the portfolio for the remainder of the year.”

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

Ms. Philbin 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. 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

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 2:30 p.m., the board members reconvened their open session meeting, and Attorney Poser then noted that there is nothing new to report in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677. The written closing argument has 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. Ms. Philbin 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



At approximately 2:35 p.m., the board members concluded the open session meeting.

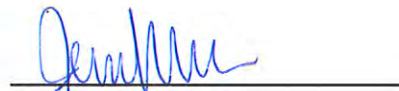
The next scheduled board meeting will begin at 11:00 a.m. on Thursday, December 19, 2019 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



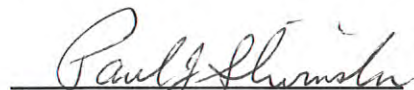
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Russell R. Ferreira  
Chairman, Elected Member



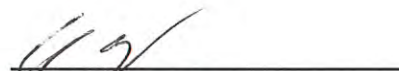
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Jennifer P. Mullen  
Ex-Officio Member



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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