

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, August 20, 2020

Board members in attendance: Russell R. Ferreira, Chairman (by zoom); Ellen K. Philbin, Vice Chairman; Jennifer P. Mullen (by zoom); Paul J. Slivinski (by zoom) and Craig B. O'Malley

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 (by zoom)

At approximately 2:00 p.m., with a quorum being present, Chairman Ferreira called the meeting to order, and he asked the Vice Chairman to conduct the board meeting. The Vice Chairman noted for all that, due to the Governor's current state of emergency declared for the COVID-19 pandemic, it has been determined that remote participation is permissible for those that choose to teleconference.

Then, the Town Treasurer, Patricia O'Connell, joined the meeting by zoom, and she reviewed for the board members the monthly reconciliation of the cash account for the month of June. Through the end of June, it was noted that the account with Rockland Trust has receipts in the amount of \$1,182,927.05 and a statement balance in the amount of \$81,813.52. She noted that the month-end fund balance is \$78,540.07 with outstanding checks for the month in the amount of \$3,273.45. In addition, it was noted that the check sequence for the month of June began with check #9882 and ended with check #9912. There are no checks in this sequence that have not been accounted for through the end of the month. In addition, the Director provided the board members with a review of the annual budget through Q2 2020 including the cash receipts, the cash disbursements, the adjusting entries and the trial balance. After some discussion, the board members entertained a motion to accept the report from the Office of the Treasurer.

Ms. Mullen 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 both the open session meeting and the executive session meeting that was held on July 23, 2020. 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 July 23, 2020.

Mr. Slivinski moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on July 23, 2020. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

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

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

Warrant #25/2020	\$1,055,547.46	Warrant #26/2020	\$ 7,577.60
Warrant #27/2020	\$ 36,750.94		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #25/2020 through #27/2020.

Mr. O'Malley moved to approve the payment, as noted, of warrants #25/2020 through #27/2020. 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 payment of the following investment management fees:

- People's United Bank, June 2020 custodial fee \$ 3,553.22
- S.S.g.A. (CM3Y), 2nd QTR 2020 management fee \$ 1,171.63
- S.S.g.A. (CME7), 2nd QTR 2020 management fee \$ (371.84)
- LMCG Investments (Mid Cap), Q2 2020 management fee \$ 25,203.00
- Aristotle Capital (Small Cap), Q2 2020 management fee \$ 23,662.41
- DFA International Equity, Q2 2020 management fee \$ 5,197.65
- LMCG Investments (Small Cap), Q2 2020 management fee \$ 6,865.00
- Lord Abbett High Yield Core; Q2 2020 management fee \$ 3,447.77
- Lexington Capital Fund VII, Q2 2020 management fee \$ 2,632.00
- Principal U.S. Property, Q2 2020 management fee \$ 18,433.60

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

Mr. O'Malley moved to approve the payment, 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

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 8/3/2020 in the amount of \$106,177.49
- PRIT Private Equity Fund VY 2020, a capital call payable on 8/3/2020 in the amount of \$16,619.77

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

Mr. O'Malley moved to approve the payment, as noted, of the above-mentioned capital calls. 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 following cash distributions from investment managers:

- Mesirow Financial Fund IV, a distribution received on 7/28/2020 in the amount of \$15,000.00
- Lexington Capital Fund VII, a distribution received on 7/30/2020 in the amount of \$14,972.00

Then, the board members considered the requests of the following former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions:

- Wayne E. Fisher; amount of refund is \$723.64; resignation from service with the Falmouth Housing Authority, Maintenance Department
- Robert J. Tomaino; amount of refund is \$5,380.08; resignation from service with the Town of Falmouth, Communications Center

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 his/her 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 his/her accumulated deductions. 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

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

- Deborah M. Pettengill; date of retirement is 6/27/2020 from the Town of Falmouth, Falmouth Public Schools; Group One
- Joan A. Holman; date of retirement is 6/27/2020 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Kelsey M. O'Connor; Laborer, Town of Falmouth, D.P.W. Highway Division, Group One; while trimming branches with hedge trimmer, employee was injured. Date of Injury 7/22/2020
- Jeffery J. Silveira; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while stripping the hallway floor, employee fell and was injured. Date of Injury 7/23/2020

Then, Jeffrey Fabrizio and Michael Dwyer (both by zoom) of Wainwright Investment Counsel joined the meeting. To begin, Mr. Dwyer directed the board members to 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 \$142.0 million. Year-to-date, the plan is down 6.17% versus the policy benchmark which is down 5.28%. Compared to its policy benchmark (down 10.65%), the domestic equity sector (down 10.49%) is slightly ahead with all of the funds in this sector, other than RhumbLine Large Cap Growth, trending negative. The international equity sector (down 12.84%) is behind its benchmark (down 11.67%) with all of the funds in this sector, other than HGK Trinity Street, trailing their respective benchmarks. The domestic fixed income strategy (up 3.79%) is slightly behind its benchmark (up 4.98%). This is not unexpected as the majority of these investments, with the exception of Lord Abbett High Yield, are indexed; however, high yield has had some decline in performance for the period. The performance of the real estate sector, year-to-date, is up 0.44% versus a benchmark that is down

0.29%. At the moment, Principal, P.R.I.T. and TerraCap Partners are the largest real estate investments within the portfolio, but only TerraCap Partners is showing a positive return for the year. Due to the nature of the investments within the private equity sector, the returns are stated with as much as a two quarter lag. Still, this sector is estimated to be up 1.13% versus a benchmark that is down 8.14%. At this time, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest investments for the private equity sleeve of the portfolio. Siguler Guff & Company and Hamilton Lane are the two private equity funds within the portfolio that are able to demonstrate any positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 6.95% versus a benchmark that is down 1.55%. Lastly, the cash balance is approximately \$1.2 million. Wainwright Investment Counsel noted that "June provided a little more rebound in the financial markets. But, while the COVID-19 pandemic continues to be very serious and coupled with other U.S. and world issues, we should expect that there will be continuing pressures placed on the markets."

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

Next, the Director noted for the board members that Chapter 155 of the Acts of 2020 has recently been signed by the Governor.

The Director then reminded the board members that the magistrate had rendered a decision in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677. In summary, the Board's decision to deny Mr. Murphy's request to re-establish active membership is reversed, and the Falmouth Retirement Board shall correct its errors in accordance with this decision. Due to the timing of the receipt of the decision, Attorney Poser had filed an appeal to preserve the option. At today's board meeting, after some additional discussion and upon the recommendation of Attorney Poser, the board members entertained a motion to accept the findings of the D.A.L.A decision and to withdraw its appeal in this matter.

Ms. Mullen moved to accept the findings of the D.A.L.A decision and to withdraw its appeal in this matter. 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

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

Ms. Mullen 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
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

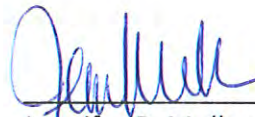
At approximately 2:45 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 9:30 a.m. on Thursday, September 24, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

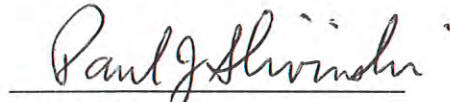
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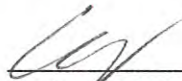
Russell R. Ferreira
Chairman, Elected Member



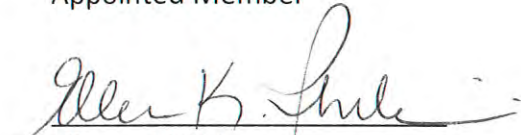
Jennifer P. Mullen
Ex-Officio Member



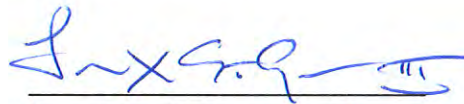
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director