

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Tuesday, December 22, 2020

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

Board members in absence: 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 (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 October. Through the end of October, it was noted that the account with Rockland Trust has receipts in the amount of \$1,171,870.16 and a statement balance in the amount of \$123,497.81. She noted that the month-end fund balance is \$113,879.33 with outstanding checks for the month in the amount of \$9,618.48. In addition, it was noted that the check sequence for the month of October began with check #10038 and ended with check #10079. There are no checks in this sequence that have not been accounted for through the end of the month. 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
Russell R. Ferreira, Chairman	YES

The board members then reviewed the meeting minutes of the open session meeting that was held on November 19, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on November 19, 2020.

Ms. Mullen moved to approve the meeting minutes of the open session meeting that was held on November 19, 2020. 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
Russell R. Ferreira, Chairman	YES

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

Warrant #41/2020	\$7,827.60	Warrant #42/2020	\$1,087,731.21
Warrant #43/2020	\$7,577.60	Warrant #44/2020	\$ 25,293.43

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #41/2020 through #44/2020.

Ms. Philbin moved to approve the payment, as noted, of warrants #41/2020 through #44/2020. 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
Russell R. Ferreira, Chairman	YES

Then, the board members reviewed the payment of the following investment management fee:

- People's United Bank, October 2020 custodial fee \$ 3,755.41

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

Ms. Mullen moved to approve the payment, as noted, of the above-mentioned investment management fee. 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
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 12/1/2020 in the amount of \$11,124.65
- PRIT Private Equity Fund VY 2020, a capital call payable on 12/1/2020 in the amount of \$4,018.58

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
Russell R. Ferreira, Chairman	YES

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

- TerraCap Partners Fund IV, a distribution received on 11/13/2020 in the amount of \$281,725.66
- TA Realty Fund XII, a distribution received on 11/18/2020 in the amount of \$40,953.00
- Lexington Capital Fund VII, a distribution received on 11/24/2020 in the amount of \$16,006.00
- Hamilton Lane Secondary Fund IV, a distribution received on 12/18/2020 in the amount of \$257,449.00

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:

- Robin J. Provost; amount of refund is \$69.86; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Teresa A. Tumasian; amount of refund is \$52.24; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Ernest Santos Jr.; amount of refund is \$1,823.71; deductions taken in error by the Town of Falmouth, D.P.W. Highway Division
- Amy M. Santos; amount of refund is \$2,843.35; termination from service with the Town of Falmouth, Falmouth Public Schools
- Michael C. Solitro; amount of rollover is \$4,748.13; resignation from service with the Falmouth Housing Authority

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. O'Malley 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
Russell R. Ferreira, Chairman	YES

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

- Tyrone E. Reine III; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 9/28/2020, 9% + 2%
- Ryan B. Murphy; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 9/28/2020, 9% + 2%
- Susan M. Miskovsky; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/26/2020, 9% + 2%
- Stephanie S. Legg; Reference Librarian, Town of Falmouth, Falmouth Public Library, Group One; DOM 11/19/2020, 9% + 2%
- Taylor J. Marques; Utility Maintenance Worker, Town of Falmouth, D.P.W. Water Distribution Division, Group One; DOM 11/30/2020, 9% + 2%
- Joseph A. Nereu; Payroll Coordinator, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/30/2020, 9% + 2%
- Gregory J. Endicott; Facilities Manager, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 11/30/2020, 9% + 2%
- Orainey Corniffe; Utility Maintenance Worker, Town of Falmouth, D.P.W. Water Distribution Division, Group One; DOM 11/30/2020, 9% + 2%
- Karen E. Rixman; 1:1 Teacher Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 12/4/2020, 9% + 2%
- Colleen B. Stone; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 12/10/2020, 9% + 2%
- Katherine D. Richardson; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 12/10/2020, 9% + 2%

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

- Bruce C. Cabral; Assistant Assessor, Town of Falmouth, Finance Department; request to purchase refunded service, prior to membership with the Falmouth Retirement System; principle amount due is \$9,264.24 (*upon completion of this service purchase, the Barnstable County Retirement System will accept 2 years and 1 month of 3(8)(c) liability on a 12-month basis*)
- Jeffry H. Waggett; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$13,123.29 (*upon completion of this military service purchase, the Falmouth Retirement System will accept 4 years 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 members to purchase his/her service prior to membership with the Falmouth Retirement System.

Ms. Mullen moved to approve, as noted, the request of the above-mentioned members to purchase his/her service prior to membership with the Falmouth Retirement System. 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
Russell R. Ferreira, Chairman	YES

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

- Wilfer Gomez; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; while buffing the kitchen floor at the public library, employee was injured. Date of Injury 10/27/2020
- John J. Elliott; Assistant Master Mechanic, Town of Falmouth, Fire Rescue Department, Group One; while inflating a tire on the ambulance, employee was injured. Date of Injury 10/28/2020
- Samantha Espinoza; Police Officer, Town of Falmouth, Police Department, Group Four; while on patrol in a marked police vehicle, employee was injured. Date of Injury 11/19/2020
- Robert P. Flynn; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while treating a patient, employee was injured. Date of Injury 11/19/2020
- Aaron M. Bannish; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while moving a patient, employee was injured. Date of Injury 11/25/2020

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

- PERAC memo #34/2020 Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors
- PERAC memo #35/2020 Post Retirement Work Waiver During the State of Emergency Extended to 2021
- PERAC Pension News #56

Also, the board members reviewed other relative correspondence.

Then, Jeffrey Fabrizio and Michael Dwyer of Wainwright Investment Counsel both joined the meeting by Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of October, and Mr. Fabrizio reviewed the plan results. Through the end of October, the plan's estimated market value was approximately \$153.9 million.

Year-to-date, the plan is down 2.23% versus the policy benchmark which is down 0.99%. Compared to its policy benchmark (down 4.42%), the domestic equity sector (down 4.58%) is slightly behind with all of the funds in this sector, other than RhumbLine Large Cap Growth, showing negative returns. The international equity sector (down 9.98%) is behind its benchmark (down 10.12%) with all of the funds in this sector, other than HGK Trinity Street, trailing their respective benchmarks. The domestic fixed income strategy (up 5.39%) is slightly behind its benchmark (up 5.78%). This is not unexpected as the majority of these investments, with the exception of Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is up 1.65% versus a benchmark that is up 0.45%. 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 10.47% versus a benchmark that is up 1.62%. At the moment, 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. All of the private equity funds within the portfolio, other than the two funds with Lexington Capital, are able to demonstrate positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 3.91% versus a benchmark that is up 2.80%. Lastly, the cash balance is approximately \$4.4 million. Wainwright Investment Counsel noted that "growth continues to outperform value, the real estate sector surprisingly seems to be doing OK, and they are hopeful that the markets will have a strong finish to the year."

Next, Mr. Dwyer reviewed the proposed structure changes to the Principal U.S. Property Separate Account as well as the withdrawal limitations to be implemented. Attorney Poser noted that, with regards to the proposed structure changes to the Principal U.S. Property Separate Account, an understanding had been reached and he is of the opinion that the proposed language is in compliance with M.G.L. Chapter 32. Principal will prepare the side letter document for signatures, and it will be up to the board members to make a determination on whether or not to execute the document with Principal.

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

Next, the board members reviewed a schedule of potential dates for board meetings in CY 2021. After some discussion, the board members entertained a motion to approve the schedule of proposed board meeting dates for CY 2021.

Mr. O'Malley moved to approve the schedule of proposed board meeting dates for CY 2021. 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
Russell R. Ferreira, Chairman	YES

Then, the Director outlined for the board members a proposed CY 2021 budget in the amount of \$1,489,200.00. The board members reviewed the budget, and after some discussion, they entertained a motion to approve a CY 2021 budget in the amount of \$1,489,200.00.

Ms. Philbin moved to approve the CY 2021 budget in the amount of \$1,489,200.00.
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
Russell R. Ferreira, Chairman	YES

The board members then discussed House Bill #4440: *An Act authorizing independent retirement systems to divest from fossil fuel companies*. Ms. Mullen noted that some town citizens might seek support by the Select Board on this proposed legislation. In keeping with the past practice of the Falmouth Retirement Board, this item has been placed on today's agenda to provide the board members with an awareness of this pending legislation; however, no action is needed by the board members.

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

Mr. O'Malley moved to adjourn the open session meeting. 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
Russell R. Ferreira, Chairman	YES

At approximately 2:55 p.m., the board members concluded the open session meeting.

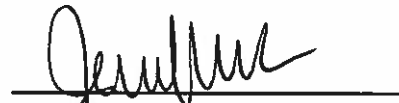
**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
[PLEASE TURN TO NEXT PAGE FOR SIGNATURES]**

The next board meeting is scheduled to begin at 2:00 p.m. on Thursday, January 21, 2021 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



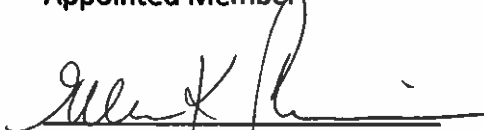
Jennifer P. Mullen
Ex-Officio Member

ABSENT

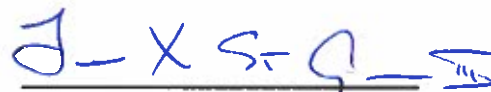
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director