

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, January 23, 2020

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Paul J. Slivinski and Craig B. O'Malley

Board members in absence: Jennifer P. Mullen

Staff members in attendance: Francis St. Germaine who recorded the minutes of the meeting

At approximately 12:00 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 November. Through the end of November, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$939,859.78 and a statement balance in the amount of \$57,183.45. She noted that the month-end fund balance is \$47,658.92 with outstanding checks for the month in the amount of \$9,524.53. In addition, it was noted that the check sequence for the month of November began with check #9601 and ended with check #9647. 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. Philbin moved to accept the report from the Office of the Treasurer. Mr. O'Malley 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 December 19, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on December 19, 2019.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on December 19, 2019. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

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

Warrant #43/2019	\$ 7,462.80	Warrant #44/2019	\$1,008,633.38
Warrant #01/2020	\$ 7,212.80	Warrant #02/2020	\$ 14,021.51

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #43/2019 through #44/2019 and warrants #01/2020 through #02/2020.

Ms. Philbin moved to approve the payments, as noted, of warrants #43/2019 through #44/2019 and warrants #01/2020 through #02/2020. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the payments of the following investment fees:

- Wainwright Investment Counsel, 4th QTR 2019 consultant fee \$27,500.00
- People's United Bank, November 2019 custodial fee \$ 3,747.81
- RhumbLine Advisers (Growth), 4th QTR 2019 management fee \$ 871.00
- RhumbLine Advisers (S&P 400), 4th QTR 2019 management fee \$ 527.00
- RhumbLine Advisers (Value), 4th QTR 2019 management fee \$ 1,014.00
- RhumbLine Advisers (S&P 600), 4th QTR 2019 management fee \$ 510.00

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

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

The board members then reviewed the following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY2018, a capital call payable on 1/2/2020 in the amount of \$61,774.45

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

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

- Lexington Capital Fund VII, a distribution received on 12/23/2019 in the amount of \$38,720.00
- Mesriow Financial Fund IV, a distribution received on 12/24/2019 in the amount of \$22,500.00
- TerraCap Partners Fund IV, a distribution received on 12/24/2019 in the amount of \$126,860.24
- Hamilton Lane Secondary Fund IV, a distribution received on 12/30/2019 in the amount of \$195,670.00

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

- Theodore C. Black; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/25/2019, 9% + 2%

- Charles T. Barengo; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 1/6/2020, 9% + 2%
- Justin S. Golden; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 1/6/2020, 9% + 2%
- Stephen W. Lawlor; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 1/6/2020, 9% + 2%
- Shane M. O'Brien; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 1/6/2020, 9% + 2%
- Mackenzie W. Wyman; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 1/6/2020, 9% + 2%
- William Sinclair; Electrical Inspector, Town of Falmouth, Inspectional Services Department, Group Two; DOM 1/6/2020, 9% + 2%
- Jonathan D. Dickinson; Assistant Zoning Compliance Agent, Town of Falmouth, Inspectional Services Department, Group One; DOM 1/6/2020, 9% + 2%

The board members then reviewed the following first reports of injury:

- Shawn M. Speroni; Field Supervisor, Town of Falmouth, D.P.W. Parks & Forestry Division, Group One; while installing the insert for the bucket on the bucket truck, employee was injured. Date of Injury 12/16/2019

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

- PERAC memo #26/2019 2019 Disability Data
- PERAC memo #1/2020 Tobacco Company List
- PERAC memo #2/2020 2018 Comparative Analysis Fee Report
- PERAC memo #3/2020 Mandatory Retirement Board Member Training – 1st Quarter 2020
- PERAC memo #4/2020 Investment Consultant RFP's
- PERAC memo #5/2020 2020 Limits under Chapter 46 of the Acts of 2002
- PERAC memo #6/2020 2020 Limits under Section 23 of Chapter 131 of the Acts of 2010
- PERAC memo #7/2020 COLA Notice

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 November, and he reviewed the plan results. Through the end of November, the plan's estimated market value was approximately \$154.3 million. Year-to-date, the plan is up 15.33% versus the policy benchmark which is up 15.46%. Compared to its policy benchmark (up 23.81%), the domestic equity sector (up 21.96%) is behind. Still, all of the funds in this sector are having a very solid year. The international equity sector (up 18.90%) is a bit ahead of its benchmark (up 18.49%) with HGK Trinity Street being the only fund in this sector to be ahead of its comparable benchmark. The domestic fixed income strategy (up 9.54%) is relatively on par with its

benchmark (up 9.20%) which is to be expected as these investments are indexed. Year-to-date, the performance of the real estate sector is up 12.67% versus a benchmark that is up 4.80%. At this time, Principal, TerraCap Partners, and P.R.I.T. are the largest real estate investments within the portfolio. Due to the nature of the investments within the private equity sector, these returns are stated with a lag; however, the private equity sector is estimated to be up 5.36% versus a benchmark that is at 10.48%. At this time, Hamilton Lane Secondary Fund IV is the largest investment for this sector within the portfolio. Additionally, both Mesirow Financial and Hamilton Lane have reported a respectable positive performance. For the year, the P.R.I.T. Absolute Return Fund is up 6.42% versus a benchmark that is up 6.22%. Lastly, the cash balance is approximately \$1.9 million. Wainwright Investment Counsel noted that “the performance of this portfolio has been pretty good, and to close this calendar year, they anticipate some strong positive returns.”

Mr. Dwyer then noted that, due to the expiration of contracts in the upcoming months, there is a need to issue R.F.P.’s for the large-cap growth equity asset class and the large-cap value equity asset class. After some discussion, the board members entertained a motion to issue R.F.P.’s for the large-cap growth asset class and the large-cap value asset class.

Ms. Philbin moved to issue R.F.P.’s for the large-cap growth asset class and the large-cap value asset class. 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 noted that, for 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 retirement system, and now, we are awaiting the decision from the magistrate. In a response to Attorney Poser’s inquiry regarding when a decision might be issued, the magistrate states, “I expect to be able to turn to this matter in April.”

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

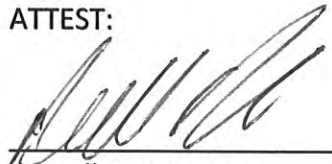
Ms. Philbin moved to adjourn the open session meeting. Mr. O’Malley seconded the motion, all board members present voted in the affirmative.

At approximately 12:30 p.m., the board members concluded the open session meeting.

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The next scheduled board meeting will begin at 2:00 p.m. on Thursday, February 20, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

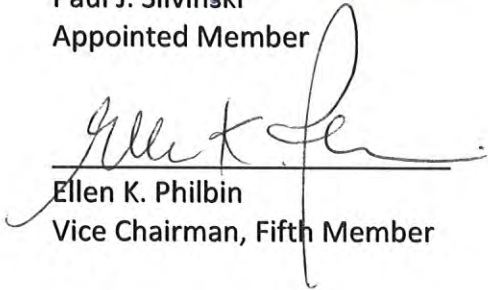
ATTEST:



Russell R. Ferreira
Chairman, Elected Member



Paul J. Slivinski
Appointed Member




Ellen K. Philbin
Vice Chairman, Fifth Member

ABSENT

Jennifer P. Mullen
Ex-Officio Member



Craig B. O'Malley
Elected Member



Francis X. St. Germaine III
Director