

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, June 18, 2020

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

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

At approximately 2:00 p.m., with a quorum being physically present, Chairman Ferreira called the meeting to order, and he 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 telephone. She reviewed for the board members the monthly reconciliation of the cash account for the month of April. Through the end of April, it was noted that the account with Rockland Trust has receipts in the amount of \$1,075,232.22 and a statement balance in the amount of \$235,855.02. She noted that the month-end fund balance is \$168,803.43 with outstanding checks for the month in the amount of \$67,051.59. In addition, it was noted that the check sequence for the month of April began with check #9806 and ended with check #9842. 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. 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 meeting minutes of the open session meeting that was held on May 21, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on May 21, 2020.

Mr. Slivinski moved to approve the meeting minutes of the open session meeting that was held on May 21, 2020. 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 payment of the following warrants:

Warrant #17/2019	\$7,462.80	Warrant #18/2019	\$1,034,785.48
Warrant #19/2020	\$7,212.80	Warrant #20/2020	\$ 91,638.70

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #17/2020 through #20/2020.

Ms. Philbin moved to approve the payment, as noted, of warrants #17/2020 through #20/2020. 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

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

- People's United Bank, April 2020 custodial fee \$ 3,425.74

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

Ms. Philbin moved to approve the payment, as noted, of the above-mentioned investment management fees. 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 following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 6/1/2020 in the amount of \$18,241.30
- PRIT Private Equity Fund VY 2020, a capital call payable on 6/1/2020 in the amount of \$3,004.61

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

Ms. Philbin 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 distribution from investment managers:

- Lexington Capital Fund VII, a distribution received on 3/30/2020 in the amount of \$25,090.00

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:

- Clifford T. Harris; amount of refund is \$34.98; deductions taken in error with the Town of Falmouth, Police Department
- Mallory R. Langler; amount of transfer is \$24,404.12; resignation from service with the Town of Falmouth, Health Department (*with this transfer, the Falmouth Retirement System will accept 3 years and 1 month of 3(8)(c) liability on a 12-month basis*)
- Scott R. Melanson; amount of transfer is \$61,682.62; resignation from service with the Town of Falmouth, Fire Rescue Department (*with this transfer, the Falmouth Retirement System will accept 9 years and 4 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 his/her 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 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:

- Clifford T. Harris; date of retirement is 2/20/2020 from the Town of Falmouth, Police Department; Group Four
- Patrick R. Gonsalves; date of retirement is 4/28/2020 from the Town of Falmouth, Fire Rescue Department; Group Four

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

- Dale A. Baker; Laborer, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 5/26/2020, 9% + 2%
- Blake P. Wilson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 5/31/2020, 9% + 2%

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

- Eryn N. Lokerson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure. Date of Injury 4/27/2020
- Kevin J. Cahill; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure. Date of Injury 5/10/2020
- Christopher E. Hamblin; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure. Date of Injury 5/13/2020
- James E. Martin; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure. Date of Injury 5/16/2020
- Ann M. Bartos; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on duty, employee presented with possible exposure. Date of Injury 6/3/2020

Then, Jeffrey Fabrizio (by telephone) and Michael Dwyer of Wainwright Investment Counsel joined the meeting. To begin, Mr. Dwyer distributed to the board members the performance summary report for the month of April, and Mr. Fabrizio reviewed the plan results. Through the end of April, the plan's estimated market value was approximately \$137.5 million. Year-to-date, the plan is down 10.19% versus the policy benchmark which is down 9.26%. Compared to its policy benchmark (down 17.76%), the domestic equity sector (down 16.71%) is slightly ahead with all of the funds in this sector, other than RhumbLine Large Cap Growth, trending negative with declines of 15% or more. The international equity sector (down 20.23%) is behind its benchmark (down 18.25%) with all of the funds in this sector trailing their respective benchmarks. The domestic fixed income strategy (up 1.50%) is slightly behind its benchmark (up 3.31%). This is to be expected as the majority of these investments, with the exception of Lord Abbett High Yield, are indexed. The performance of the real estate sector, year-to-date, is up 1.96% versus a benchmark that is 0.71%. 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 any real 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 2.88% versus a benchmark that is 0.00%. At this time, Hamilton Lane Secondary Fund IV is the largest investment for the private equity sleeve of the portfolio. Siguler Guff & Company and Hamilton Lane are the two private equity funds within the portfolio with any material positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 9.50% versus a benchmark that is down 5.47%. Lastly, the cash balance is approximately \$3.3 million. Wainwright Investment Counsel noted that "April showed a bit of a rebound in the financial markets, so hopefully, we have seen the bottom of the negative reaction within the markets due to the COVID-19 pandemic."

Mr. Dwyer then discussed with the board members the proposed amendments by TA Realty to their Limited Partnership Agreement. Attorney Poser has reviewed the proposed amendments and recommends that the Falmouth Retirement Board vote to accept them. After some discussion, the board members entertained a motion to accept the proposed amendments by TA Realty to their Limited Partnership Agreement.

Mr. O'Malley moved to accept the proposed amendments by TA Realty to their Limited Partnership Agreement. 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

After some additional discussion with the board members, Mr. Fabrizio ended his telephone call and Mr. Dwyer exited the board meeting.

The Director 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.

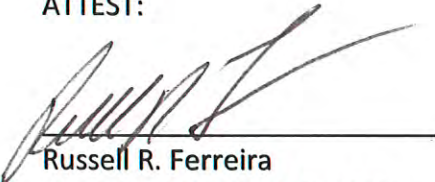
Mr. O'Malley moved to adjourn the open session meeting. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

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

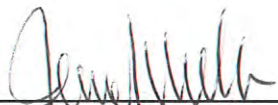
At approximately 2:25 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, July 23, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

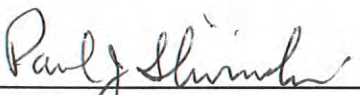
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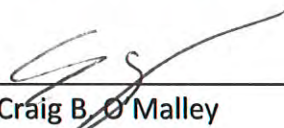
Russell R. Ferreira
Chairman, Elected Member



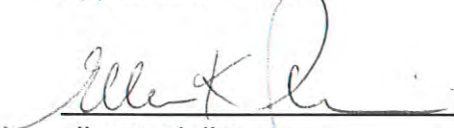
Jennifer P. Mullen
Ex-Officio Member



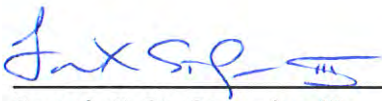
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director