

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, March 19, 2020

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

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 current 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 January. Through the end of January, it was noted that the account with Rockland Trust has receipts in the amount of \$994,452.63 and a statement balance in the amount of \$41,212.21. She noted that the month-end fund balance is \$36,454.63 with outstanding checks for the month in the amount of \$4,757.58. In addition, it was noted that the check sequence for the month of January began with check #9689 and ended with check #9720. 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.

Mr. O'Malley 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 the open session meeting that was held on February 20, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on February 20, 2020.

Mr. Slivinski moved to approve the meeting minutes of the open session meeting that was held on February 20, 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
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

Warrant #06/2020	\$1,042,747.38	Warrant #07/2020	\$7,212.80
Warrant #08/2020	\$ 166,902.02		

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #06/2020 through #08/2020.

Mr. O'Malley moved to approve the payments, as noted, of warrants #06/2020 through #08/2020. 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, January 2020 custodial fee \$ 3,756.50
- Lord Abbett High Yield Core; 2019 management fee \$ 11,948.40

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

Mr. Slivinski moved to approve the payment, 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 3/2/2020 in the amount of \$100,207.58

- PRIT Private Equity Fund VY 2020, a capital call payable on 3/2/2020 in the amount of \$24,036.84
- TA Realty Fund XII, a capital call payable on 3/27/2020 in the amount of \$500,000.00

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. 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

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

- Hamilton Lane Secondary Fund IV, a distribution received on 2/19/2020 in the amount of \$143,458.00
- Mesiraw Financial Fund IV, a distribution received on 2/26/2020 in the amount of \$15,000.00
- Lexington Capital Fund VII, a distribution received on 2/28/2020 in the amount of \$15,171.00

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

- Brendan K. Lynch; amount of transfer is \$59.10 (retro-payment, no additional service); resignation from service with the Town of Falmouth, Conservation Department

After some discussion, the board members entertained a motion to approve, as noted, the request of the above-mentioned former or current member of the Falmouth Retirement System for a return or transfer of his accumulated deductions.

Mr. Slivinski moved to approve, as noted, the request of the above-mentioned former or current member of the Falmouth Retirement System for a return or transfer of his 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 members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Raymond A. Jack; date of retirement is 12/30/2019 from the Town of Falmouth, D.P.W. Administration; Group One
- Laurie A. McNee; date of retirement is 1/4/2020 from the Town of Falmouth, Falmouth Public Library; Group One
- Jeffrey P. Smith; date of retirement is 1/4/2020 from the Town of Falmouth, Police Department; Group Four
- Linda M. Moniz; date of retirement is 1/11/2020 from the Town of Falmouth, Senior Center; Group One

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

- Heather L. Emerson; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/10/2020, 9% + 2%
- Amy Keefe; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/10/2020, 9% + 2%
- Connor N. Bowers; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Elson P. Costa; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Eric L. Garrison; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Craig M. Jones; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Kurt S. Ruta; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Shawn M. Silvia; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 2/17/2020, 9% + 2%
- Christopher R. Franklin; Utility Worker, Town of Falmouth, D.P.W. Water and Wastewater Division, Group One; DOM 2/18/2020, 9% + 2%
- Rachel P. White; Program Coordinator, Town of Falmouth, Senior Center, Group One; DOM 2/24/2020, 9% + 2%
- Karen M. O'Loughlin; Mini Bus Driver, Town of Falmouth, Senior Center, Group One; DOM 3/2/2020, 9% + 2%
- Megan S. Krohn; Reference Librarian, Town of Falmouth, Falmouth Public Library, Group One; DOM 3/2/2020, 9% + 2%
- Eileen Craffey; Maintenance Administrative Assistant, Falmouth Housing Authority, Group One; DOM 3/3/2020, 9% + 2%

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

- Christopher G. Cowan; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase additional military service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,694.71 (*upon completion of his military service purchases, the Falmouth Retirement System will accept 3 years and 9 months of 3(8)(c) liability on a 12-month basis*)
- Terrence A. Rogers; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$14,597.56 (*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*)
- Keith G. Batchelder; Police Officer, Town of Falmouth, Police Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$6,162.72 (*upon completion of this military service purchase, the Falmouth Retirement System will accept 1 year and 7 months of 3(8)(c) liability on a 12-month basis*)
- Elson P. Costa; 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 \$4,134.64 (*upon completion of this service purchase, the Falmouth Retirement System will accept 1 year and 7 months of 3(8)(c) liability on a 12-month basis*)
- Tamra L. Cunniff; Bus Aide, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$376.81 (*upon completion of this service purchase, the Falmouth Retirement System will accept 2 months of 3(8)(c) liability on a 12-month basis*)
- Heather L. Emerson; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$229.35 (*upon completion of this service purchase, the Falmouth Retirement System will accept 1 month of 3(8)(c) liability on a 12-month basis*)
- Mary M. Colon; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$603.97 (*upon completion of this service purchase, the Falmouth Retirement System will accept 1 month of 3(8)(c) liability on a 12-month basis*)
- Kyle B. Swanstrom; Engineering Technician, Town of Falmouth, D.P.W. Water and Wastewater Division; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$17,047.87 (*upon completion of this 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 requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Mr. Slivinski 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. 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 following first reports of injury:

- Carrie A. Leonard; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while seated on the rug with a child, employee was injured.
Date of Injury 2/12/2020
- Meghan E. Andrade; Police Officer, Town of Falmouth, Police Department, Group Four; while simulating defensive tactics at training, employee was injured.
Date of Injury 2/14/2020

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #12/2020 IRS Determination Letters
- PERAC memo #13/2020 Updated Forms on the PERAC Website
- PERAC memo #14/2020 Required Minimum Distribution: Still Age 70½ For This Year's Notifications
- PERAC memo #15/2020 Coronavirus: Contingency Planning
- PERAC memo #16/2020 Coronavirus Update

Also, the board members reviewed other relative correspondence.

Next, 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 January, and Mr. Fabrizio reviewed the plan results. Through the end of January, the plan's estimated market value was approximately \$154.4 million. Year-to-date, the plan is down 0.90% versus the policy benchmark which is down 0.80%. Compared to its policy benchmark (down 2.13%), the domestic equity sector (down 2.05%) is barely ahead, and all of the funds, other than RhumbLine Large Cap Growth, are trending in the negative. The international equity sector (down 3.25%) is behind its benchmark (down 2.25%) with all of the funds in this sector trailing their respective benchmarks. The domestic fixed income strategy (up 1.56%) is relatively on par with its benchmark (up 1.63%) 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 0.19% versus a benchmark that is 0.00%. At the moment, Principal, P.R.I.T. and TerraCap Partners 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 as much as a two quarter lag; however, the private equity sector is estimated to be up 2.66% versus a benchmark that is 0.00%.

At this time, Hamilton Lane Secondary Fund IV is the largest investment for this sector within the portfolio. Also, Siguler Guff & Company and Hamilton Lane are the two private equity funds within the portfolio with positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 0.07% versus a benchmark that is up 0.31%. Lastly, the cash balance is approximately \$0.9 million. Wainwright Investment Counsel noted that "January experienced a very mild downturn in comparison to the reaction we will see in the markets over the next few months due to the COVID-19 pandemic."

Mr. Dwyer and Mr. Fabrizio then discussed with the board members a proposed rebalance of the investment portfolio which would provide approximately \$3.0 million in cash to cover the retiree payroll and anticipated expenses through the end of Q2 2020. The recommendation is that the Falmouth Retirement System rebalance the portfolio by liquidating to cash from the following:

- \$3.0 million from the S.S.g.A. Passive Bond Index Fund

After some discussion, the board members entertained a motion to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above.

Mr. O'Malley moved to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above. 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

With regards to the issued R.F.P.'s for the Passive Large Cap Growth and the Passive Large Cap Value asset classes, it was noted that each R.F.P. received responses from the same respondents. The respondents were S.S.g.A., RhumbLine Advisers and Mellon Investment Corporation. All of the responses are considered to be "highly advantageous". Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to invite the three respondents to call into the April board meeting so that they can present their proposed Passive Large Cap Growth and their Passive Large Cap Value funds.

Mr. Slivinski moved to invite the three respondents to call into the April board meeting so that they can present their proposed Passive Large Cap Growth and their Passive Large Cap Value funds. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

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

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

Then, the Director reviewed with the board members the 2019 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. After some discussion, the board members entertained a motion to approve the 2019 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C.

Mr. O'Malley moved to approve the 2019 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. 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 Director then noted for the board members PERAC memo #07/2020 regarding the FY 2021 C.O.L.A. increase. After some discussion, the board members entertained a motion to send to the Board of Selectmen a letter notifying them of the Falmouth Retirement Board's intention to consider, at the April board meeting, increasing to 3.0% the FY 2021 cost-of-living adjustment on a retirement allowance.

Ms. Mullen moved to send to the Board of Selectmen a letter notifying them of the Falmouth Retirement Board's intention to consider, at the April board meeting, increasing to 3.0% the FY 2021 cost-of-living adjustment on a retirement allowance. 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, Attorney Poser 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.

In closing, the Director reminded the board members that their completed Statement of Financial Interests are due to P.E.R.A.C. by May 1st.

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. 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

At approximately 2:50 p.m., the board members concluded the open session meeting.

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

ATTEST:



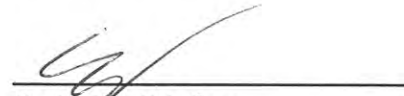
Russell R. Ferreira
Chairman, Elected Member



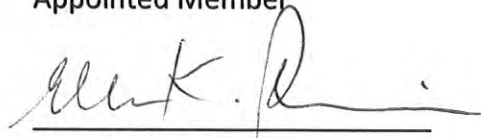
Jennifer P. Mullen
Ex-Officio Member



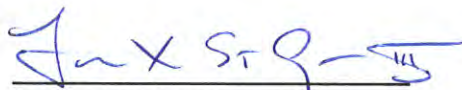
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director