

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, May 21, 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

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 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 March. Through the end of March, it was noted that the account with Rockland Trust has receipts in the amount of \$1,395,196.02 and a statement balance in the amount of \$229,479.39. She noted that the month-end fund balance is \$223,709.91 with outstanding checks for the month in the amount of \$5,769.48. In addition, it was noted that the check sequence for the month of March began with check #9770 and ended with check #9805. 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 Q1 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.

Mr. O'Malley 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 April 23, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on April 23, 2020.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on April 23, 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 payment of the following warrants:

Warrant #13/2020	\$7,462.80	Warrant #14/2020	\$1,020,585.74
Warrant #15/2020	\$7,212.80	Warrant #16/2020	\$ 48,647.90

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #13/2020 through #16/2020.

Mr. Slivinski moved to approve the payment, as noted, of warrants #13/2020 through #16/2020. 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
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, March 2020 custodial fee \$ 3,323.05
- S.S.g.A. (CM3Y), 1<sup>st</sup> QTR 2020 management fee \$ 1,171.43
- S.S.g.A. (CME7), 1<sup>st</sup> QTR 2020 management fee \$ (209.20)
- LMCG Investments (Mid Cap), Q1 2020 management fee \$ 26,914.00
- Aristotle Capital (Small Cap), Q1 2020 management fee \$ 24,048.61
- DFA International Equity, Q1 2020 management fee \$ 5,528.27
- LMCG Investments (Small Cap), Q1 2020 management fee \$ 7,890.00
- Lord Abbett High Yield Core; Q1 2020 management fee \$ 3,526.96
- Lexington Capital Fund VII, Q1 2020 management fee \$ 1,368.00
- Principal U.S. Property, Q1 2020 management fee \$ 18,530.52

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. 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 following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 5/1/2020 in the amount of \$315,685.39
- PRIT Private Equity Fund VY 2020, a capital call payable on 5/1/2020 in the amount of \$56,127.94
- Hamilton Lane Secondary Fund IV, a capital call payable on 5/13/2020 in the amount of \$202,039.00

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 considered the request of the following former or current member of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions:

- Blade R. Leavenworth; amount of refund is \$684.76; termination from service (death) with the Town of Falmouth, Falmouth Public Schools

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/her accumulated deductions.

Ms. Philbin 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/her accumulated deductions. 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

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

- Jose M. Rosado; date of retirement is 4/8/2020 from the Town of Falmouth, Falmouth Public Schools; Group One
- Charles D. Marken; date of retirement is 4/11/2020 from the Town of Falmouth, Police Department; Group Four

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

- Mary Sylvia; Communications Officer, Town of Falmouth, Communications Center, Group One; DOM 4/13/2020, 9% + 2%
- Tara M. Way; Payroll Coordinator, Town of Falmouth, Falmouth Public Schools, Group One; DOM 4/27/2020, 9% + 2%
- Thomas A. Sejkora; Public Support I.T. Specialist, Town of Falmouth, Information Technology Department, Group One; DOM 4/27/2020, 9% + 2%

The board members then considered the following requests to purchase prior service:

- Elson P. Costa; Police Officer, Town of Falmouth, Police Department; request to purchase refunded service with the State Board of Retirement, prior to membership with the Falmouth Retirement System; principle amount due is \$10,829.08 (*upon completion of this service purchase, the State Board of Retirement will accept 2 years and 4 months of 3(8)(c) liability on a 12-month basis*)
- Tara M. Way; Payroll Coordinator, Town of Falmouth, Falmouth Public Schools; request to purchase refunded service with the Barnstable County Retirement System, prior to membership with the Falmouth Retirement System; principle amount due is \$59,919.67 (*upon completion of this service purchase, the Barnstable County Retirement System will accept 13 years and 7 months of 3(8)(c) liability on a 12-month basis*)
- Jorge M. Mendes; M.E.O. II, Town of Falmouth, D.P.W. Highway Division; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$3,341.33 (*upon completion of this service purchase, the Falmouth Retirement System will accept 3 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 members to purchase their service prior to membership with the Falmouth Retirement System.

Ms. Philbin 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:

- Roy C. Martinsen III; Natural Resources Officer, Town of Falmouth, Marine and Environmental Services Department, Group One; while working with inmates within the jail setting, employee was injured.  
Date of Injury 3/3/2020
- Mark R. Moitoza; Plant Operator, Town of Falmouth, D.P.W. Water Division, Group One; while working in the treatment plant, employee was injured.  
Date of Injury 4/7/2020
- Stephen F. DeMatos; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while assisting a patient onto a stair chair, employee was injured.  
Date of Injury 4/21/2020
- John L. DePonte; Police Officer, Town of Falmouth, Police Department, Group Four; while securing a combative subject, employee was injured.  
Date of Injury 4/21/2020
- Daniel L. Lopes Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while advancing a fire hose at a structure fire, employee was injured.  
Date of Injury 4/22/2020
- Aaron M. Bannish; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while lifting a patient during a medical call, employee was injured.  
Date of Injury 4/28/2020
- Eric M. Swartz; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while stepping from the back of the ambulance, employee was injured.  
Date of Injury 5/1/2020

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

- PERAC memo #22/2020                      Delayed FY21 Appropriations

Also, the board members reviewed other relative correspondence.

Next, Jeffrey Fabrizio and Michael Dwyer (both by telephone) of Wainwright Investment Counsel joined the meeting. To begin, Mr. Fabrizio reviewed the portfolio performance. Through the end of March, the plan's estimated market value was approximately \$129.7 million. Year-to-date, the plan is down 15.61% versus the policy benchmark which is down 15.25%. Compared to its policy benchmark (down 27.62%), the domestic equity sector (down 27.13%) is slightly ahead with all of the funds in this sector trending negative with declines of 25% or more, other than RhumbLine Large Cap Growth. The international equity sector (down 26.33%) is behind its benchmark (down 23.78%) with all of the funds in this sector, with exception of HGK Trinity Street, trailing their

respective benchmarks. The domestic fixed income strategy (down 0.99%) is relatively on par with its benchmark (up 1.18%); however, this is to be expected as the majority of these investments are indexed. The performance of the real estate sector, year-to-date, is up 2.12% 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, 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 3.23% 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. P.R.I.T. Private Equity VY2018, Siguler Guff & Company and Hamilton Lane are the three 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 8.79% versus a benchmark that is down 8.41%. Lastly, the cash balance is approximately \$4.0 million. Wainwright Investment Counsel noted that "due to the COVID-19 pandemic, March experienced a dramatic negative reaction within the markets."

Mr. Dwyer then reminded the board members about the presentations at the last meeting from the three "highly advantageous" respondents to the R.F.P.'s for the Passive Large Cap Growth and the Passive Large Cap Value asset classes. After some discussion, the board members entertained a motion to renew the existing relationship with RhumbLine Advisers for their Russell 1000 Growth Pooled Index Fund and their Russell 1000 Value Pooled Index Fund.

Mr. Slivinski moved to renew the existing relationship with RhumbLine Advisers for their Russell 1000 Growth Pooled Index Fund and their Russell 1000 Value Pooled Index Fund. 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, 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.

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

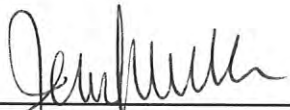
Paul J. Slivinski YES  
Russell R. Ferreira, Chairman YES

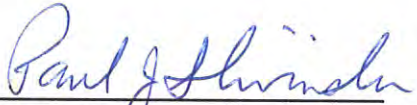
At approximately 2:25 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, June 18, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

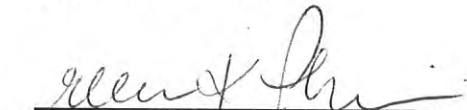
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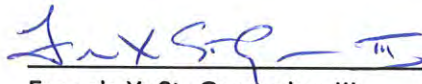
  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Mullen  
Ex-Officio Member

  
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Paul J. Slivinski  
Appointed Member

  
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Craig B. O'Malley  
Elected Member

  
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Ellen K. Philbin  
Vice Chairman, Fifth Member

  
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Francis X. St. Germaine III  
Director