

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, October 22, 2020**

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

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 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 August. Through the end of August, it was noted that the account with Rockland Trust has receipts in the amount of \$1,204,016.01 and a statement balance in the amount of \$31,812.45. She noted that the month-end fund balance is \$20,587.57 with outstanding checks for the month in the amount of \$11,224.88. In addition, it was noted that the check sequence for the month of August began with check #9955 and ended with check #9994. 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. Slivinski 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 September 24, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on September 24, 2020.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on September 24, 2020. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
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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 #33/2020	\$1,085,406.44	Warrant #34/2020	\$ 7,577.60
Warrant #35/2020	\$ 7,577.60	Warrant #36/2020	\$ 7,664.04

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #33/2020 through #36/2020.

Ms. Philbin moved to approve the payment, as noted, of warrants #33/2020 through #36/2020. 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:

- Wainwright Investment Counsel, Q3 2020 consultant fee \$ 27,500.00
- People's United Bank, August 2020 custodial fee \$ 3,820.87
- RhumbLine Advisers (Growth), Q3 2020 management fee \$ 1,121.00
- RhumbLine Advisers (S&P 400), Q3 2020 management fee \$ 500.00
- RhumbLine Advisers (Value), Q3 2020 management fee \$ 926.00
- RhumbLine Advisers (S&P 600), Q3 2020 management fee \$ 505.00

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 10/1/2020 in the amount of \$88,219.91
- PRIT Private Equity Fund VY 2020, a capital call payable on 10/1/2020 in the amount of \$14,702.10

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. 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

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

- Mesirow Financial Fund IV, a distribution received on 9/25/2020 in the amount of \$22,500.00
- Lexington Capital Fund VII, a distribution received on 9/29/2020 in the amount of \$18,236.00
- Siguler Guff and Company, a distribution received on 9/30/2020 in the amount of \$22,443.01
- PRIT Private Equity VY 2018, a distribution received on 10/1/2020 in the amount of \$194,730.13

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:

- Louise P. Teixeira; amount of refund is \$177.89; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Troy L. Marchbanks Jr.; amount of refund is \$1,652.52; termination from service with the Town of Falmouth, D.P.W. Water and Sewer Division

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

- Jose F. Aguiar; date of retirement is 8/26/2020 from the Town of Falmouth, Falmouth Public Schools; Group One
- Louise P. Teixeira; date of retirement is 8/26/2020 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Jared M. Silvia; Maintenance Mechanic/Laborer, Falmouth Housing Authority, Group One; DOM 8/31/2020, 9% + 2%
- Samuel Botelho; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Teresa A. Tumasian; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Florence M. DiFilippo; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Nicole L. Walsh; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Tiffany M. Lemmon; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/1/2020, 9% + 2%
- Thomas M. Quinn; Maintenance Mechanic/Laborer, Falmouth Housing Authority, Group One; DOM 9/4/2020, 9% + 2%
- Jacob T. Hupp; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/10/2020, 9% + 2%
- Jeanne E. Monaghan; Federal Housing Programs Specialist, Falmouth Housing Authority, Group One; DOM 9/14/2020, 9% + 2%
- Nicole E. Fusaro; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/14/2020, 9% + 2%
- Paula J. Hill; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/21/2020, 9% + 2%
- Paula K. Kapinos; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/21/2020, 9% + 2%
- Patricia Cosgrove; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/22/2020, 9% + 2%

- Lindsey D. Hupp; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/29/2020, 9% + 2%
- Priscilla A. Arnone; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/5/2020, 9% + 2%

Then, the board members considered the following request 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 \$28,880.69 (*upon completion of this service purchase, the Barnstable County Retirement System will accept 3 years and 5 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 request of the above-mentioned member to purchase his refunded service prior to membership with the Falmouth Retirement System.

Mr. Slivinski moved to approve, as noted, the request of the above-mentioned member to purchase his refunded service prior to membership with the Falmouth Retirement System. 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 first reports of injury:

- Blake P. Wilson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while transferring the care of a patient to the hospital staff, employee was injured. Date of Injury 8/6/2020
- Joshua R. Oliver; Police Officer, Town of Falmouth, Police Department, Group Four; while providing assistance at the scene of a motor vehicle accident, employee was injured. Date of Injury 9/26/2020
- Sean F. Walker; Police Officer, Town of Falmouth, Police Department, Group Four; while attempting to remove the handcuffs from a combative subject, employee was injured. Date of Injury 10/2/2020

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

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|-----------------------|---|
| • PERAC memo #29/2020 | Mandatory Retirement Board Member Training – 4 <sup>th</sup> Quarter 2020 |
| • PERAC memo #30/2020 | Compliance with the 2019 91A Process                                      |
| • PERAC memo #31/2020 | Appropriation Data Due October 31, 2020                                   |

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 August, and Mr. Fabrizio reviewed the plan results. Through the end of August, the plan's estimated market value was approximately \$157.8 million. Year-to-date, the plan is down 0.79% versus the policy benchmark which is up 0.11%. Compared to its policy benchmark (down 1.95%), the domestic equity sector (down 1.99%) 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 4.69%) is behind its benchmark (down 4.35%) with all of the funds in this sector, other than HGK Trinity Street, trailing their respective benchmarks. The domestic fixed income strategy (up 5.94%) is slightly behind its benchmark (up 6.32%). This is not unexpected 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 1.40% versus a benchmark that is down 0.29%. 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 3.03% versus a benchmark that is down 8.14%. 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. Mesirow Financial, Siguler Guff & Company and Hamilton Lane are the private equity funds within the portfolio that are able to demonstrate any positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 4.61% versus a benchmark that is up 2.81%. Lastly, the cash balance is approximately \$3.1 million. Wainwright Investment Counsel noted that "August continues to signal small degrees of improvement in the financial markets. But, while the COVID-19 pandemic continues to be very serious and coupled with the U.S. political environment, we should expect that there will be continued wide swings, up and down, within the markets."

Next, Mr. Dwyer discussed with the board members the proposed structure changes to the Principal U.S. Property Separate Account as well as the withdrawal limitations that Principal has implemented due to the COVID-19 pandemic. After some discussion, the board members determined that the proposed structure changes would be considered at the November board meeting; however, in light of the withdrawal limitations, the board members entertained a motion to have the Director submit a request for a liquidation to cash of their full investment in the Principal U.S. Property Separate Account.

Mr. Slivinski moved to have the Director submit a request for a liquidation to cash of their full investment in the Principal U.S. Property Separate Account. 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

Mr. Dwyer then noted for the board members that there would be brief presentations from three investment managers on their particular fund(s) as part of P.E.R.A.C.'s annual investment manager review. All presentations will be via Zoom.

Patrick Hearne and Arman Palian of State Street Global Advisors then joined the board meeting. To begin, Mr. Hearne provided the board members with a current overview of their firm. S.S.g.A. is the investment management arm of State Street Corporation which is a global leader in financial services with a heritage dating back over two centuries. S.S.g.A. is entrusted with over \$3.05 trillion assets worldwide. Their investment team seeks to offer broad-based market exposure in highly specialized active and passive strategies across the risk-return spectrum. He discussed the current economic environment and the concerns around the COVID-19 pandemic. Mr. Palian then discussed with the board members the current market value of our two fixed income strategies. As of September 30, 2020, the High Yield Bond Index Fund had a market value of approximately \$3.1 million and the Passive Bond Market Index Fund had a market value of approximately \$22.2 million. Year-to-date, the High Yield Bond Index Fund was up approximately 0.53% gross of fees and the Passive Bond Market Index Fund was up 6.84% gross of fees. Also, he provided the board members with an overview of the global fixed income arena including their investment philosophy, their investment process, and their risk management. After some additional discussion with the board members, Mr. Hearne and Mr. Palian exited the board meeting.

Next, Radhika Cobb of Metropolitan Real Estate Partners joined the meeting so that she could give a brief presentation on their Distressed Co-Investment Fund. Ms. Cobb began by reminding the board members that now they are part of the Carlyle Solutions Group, a segment of the Carlyle Group, which is a multi-manager platform of different alternative asset classes. Her firm is the private real estate component of that platform. Metropolitan Real Estate Partners is able to make independent investment decisions with the benefit of access to the many resources of the Carlyle Group. She noted for the board members that their team has a deep bench of investment professionals that continue to act autonomously. She noted their consistent track record of outperforming the benchmarks across all strategies. In terms of their Distressed Co-Investment Fund, 97% of the capital has been called while, through the end of Q2 2020, 139.9% in cumulative distributions have been returned to their investors. She provided the board members with a partnership summary of the fund including the performance and the projected net cash flow timing. In closing, it was noted that the fund seems to be doing well, but the COVID-19 pandemic has slowed the transactions. Minor exposures still remain, and this fund is nearing the end of its program. They anticipate a full liquidation of the fund sometime during the first half of CY 2021. After some additional discussion with the board members, Ms. Cobb ended her meeting with the board members.

For the final presentation of the afternoon, Brad Bennett of Siguler Guff & Company joined the meeting. He began with a quick reminder of their firm....a multi-strategy private equity investment firm with a specialization of investing in distressed opportunities. The firm has a dedicated team of investment professionals that is deep with experience. He reminded the board

members that the Falmouth Retirement System had committed \$5.0 million to their Distressed Opportunities Fund III, a fund that buys all things distressed. As of June 30, 2020, \$4.85 million of the total commitment has been called, and they have distributed back to the retirement system about \$7.06 million. The Falmouth Retirement System's share of this portfolio has a remaining value of approximately \$0.95 million. He provided an overview of the fund including its cash flow to the limited partners. He discussed with the board members the fund's track record, the performance drivers and highlighted some of the remaining positions. Lastly, it was noted that there is no true index to benchmark this particular fund. After some additional discussion with the board members, Mr. Bennett ended his meeting with the board members.

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

Next, the Chairman asked for a motion to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual.

Ms. Philbin moved to leave the open session meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. 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

At approximately 2:50 p.m., the board members left the open session meeting and moved into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. At the conclusion of the executive session meeting, as noted by the Chairman, the board members would reconvene their open session meeting.

At approximately 3:10 p.m., the board members reconvened their open session meeting, and the Director then provided each of the board members with a hard copy of the Summary of the Conflict of Interest Law for Municipal Employees. The Director had each of them provide written acknowledgement that this document had been received.

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

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



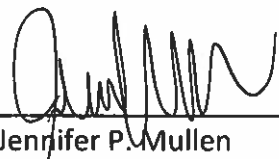
Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

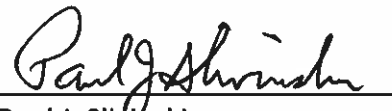
At approximately 3:15 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, November 19, 2020 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

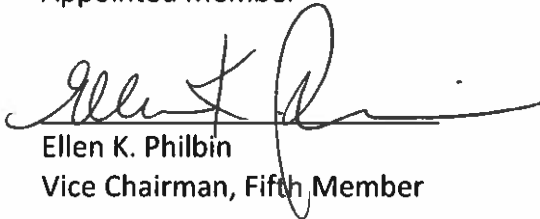
ATTEST:


  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Mullen  
Ex-Officio Member

  
\_\_\_\_\_  
Paul J. Slivinski  
Appointed Member

  
\_\_\_\_\_  
Craig B. O'Malley  
Elected Member

  
\_\_\_\_\_  
Ellen K. Philbin  
Vice Chairman, Fifth Member

  
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Francis X. St. Germaine III  
Director