

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, April 22, 2021

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 February. Through the end of February, it was noted that the account with Rockland Trust has receipts in the amount of \$1,433,489.08 and a statement balance in the amount of \$253,394.71. She noted that the month-end fund balance is \$75,170.39 with outstanding checks for the month in the amount of \$178,224.32. In addition, it was noted that the check sequence for the month of February began with check #10194 and ended with check #10244. 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. 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 meeting minutes of both the open session meeting and the executive session meeting that was held on March 18, 2021. After some discussion, the board members entertained a motion to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on March 18, 2021.

Mr. O'Malley moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on March 18, 2021. 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 payment of the following warrants:

Warrant #09/2021	\$1,083,391.62	Warrant #10/2021	\$ 7,577.60
Warrant #11/2021	\$ 7,577.60	Warrant #12/2021	\$ 88,608.64

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #09/2021 through #12/2021.

Mr. Slivinski moved to approve the payment, as noted, of warrants #09/2021 through #12/2021. 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:

- Wainwright Investment Counsel, Q1 2021 consultant fee \$ 27,500.00
- People's United Bank, February 2021 custodial fee \$ 4,169.35
- RhumbLine Advisers (Growth), Q1 2021 management fee \$ 1,246.00
- RhumbLine Advisers (S&P 400), Q1 2021 management fee \$ 663.00
- RhumbLine Advisers (Value), Q1 2021 management fee \$ 1,127.00
- RhumbLine Advisers (S&P 600), Q1 2021 management fee \$ 1,612.00

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

Ms. Mullen 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 4/1/2021 in the amount of \$100,646.93
- PRIT Private Equity Fund VY 2020, a capital call payable on 4/1/2021 in the amount of \$33,751.32
- TA Realty Fund XII, a capital call payable on 5/13/2021 in the amount of \$1,000,000.00

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

Ms. Mullen moved to approve the payment, as noted, of the above-mentioned capital calls. 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 cash distributions from investment managers:

- Hamilton Lane Secondary Fund IV, a distribution received on 3/22/2021 in the amount of \$76,926.00
- Mesriow Financial Fund IV, a distribution received on 3/29/2020 in the amount of \$49,500.00
- Principal U.S. Property Account, a distribution received on 3/30/2021 in the amount of \$2,899,650.87
- Lexington Capital Fund VII, a distribution received on 3/30/2021 in the amount of \$49,188.00
- Hamilton Lane Secondary Fund IV, a distribution received on 4/20/2021 in the amount of \$1,001,149.00

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/her accumulated deductions:

- Ernest Santos Jr.; amount of refund is \$72.08; deductions taken in error by the Town of Falmouth, D.P.W. Waste Management Division

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.

Mr. O'Malley 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. 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:

- Ernest Santos Jr.; date of retirement is 3/1/2021 from the Town of Falmouth, D.P.W. Waste Management Division; Group One
- Christopher M. Hamilton; date of retirement is 3/2/2021 from the Town of Falmouth, Police Department; Group Four

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

- Kathleen A. English; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/22/2021, 9% + 2%
- Jacalyn Jepsen; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 3/15/2021, 9% + 2%
- Christopher G. Conn; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 3/21/2021, 9% + 2%
- Jessica L. O'Connor; Reference Librarian, Town of Falmouth, Falmouth Public Library, Group One; DOM 4/20/2021, 9% + 2%

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

- Paul G. Aslanian; Assistant to the Branch Librarian, Town of Falmouth, Falmouth Public Library; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$3,757.63 (*upon completion of this service purchase, the Falmouth Retirement System will accept 11 months of 3(8)(c) liability on a 12-month basis*)
- James F. Porter II; Police Officer, Town of Falmouth, Police Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$17,705.34 (*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*)

After some discussion, the board members entertained a motion to approve, as noted, the requests of the above-mentioned members to purchase his/her service prior to membership with the Falmouth Retirement System.

Mr. O'Malley moved to approve, as noted, the requests of the above-mentioned members to purchase his/her service prior to membership with the Falmouth Retirement System. 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 noted the following first reports of injury:

- Napoleon McCall Jr.; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while sitting on a stool, employee fell and was injured.
Date of Injury 2/25/2021
- Terrence A. Rogers; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while ascending a flight of stairs, employee was injured.
Date of Injury 3/18/2021
- Martin R. Potter; Crew Leader, Town of Falmouth, D.P.W. Parks Division, Group One; while working around a woodchipper, employee was injured.
Date of Injury 3/25/2021

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

- PERAC memo #12/2021 Tobacco Company List
- PERAC memo #13/2021 2020 Annual Statement of Earned Income Filing (91A)
- PERAC memo #14/2021 Mandatory Retirement Board Member Training – 2nd Quarter 2021
- PERAC memo #15/2021 Implementation of Paid Family Medical Leave ("PFML")

Also, the board members reviewed other relative correspondence.

Then, Jeffrey Fabrizio and Michael Dwyer of Wainwright Investment Counsel both joined the meeting via Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of February, and Mr. Fabrizio reviewed the plan results. Through the end of February, the plan's estimated market value was approximately \$175.6 million. Year-to-date, the plan is up 3.88% versus the policy benchmark which is up 2.96%. Compared to its policy benchmark (up 7.83%), the domestic equity sector (up 5.70%) is behind. Still, it seems that value is beginning to make a comeback. The international equity sector (up 2.36%) is ahead

of its benchmark (up 1.38%) with both Dimensional Fund Advisors and HGK Trinity Street outperforming their respective benchmarks. The domestic fixed income strategy (down 1.42%) is slightly ahead of its benchmark (down 2.10%). This is not unexpected as most of these investments, apart from Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is up 2.38% versus a benchmark that is 0.00%. At present, 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. Yet, this sector is estimated to be up 3.89% versus a benchmark that is presently at 0.00%. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio, and Hamilton Lane Secondary Fund IV as well as Lexington Capital Fund VII are the two funds able to demonstrate a solid positive return for the period. For the year, the P.R.I.T. Absolute Return Fund is up 4.54% versus a benchmark that is up 2.24%. Lastly, the cash balance is approximately \$4.6 million. Wainwright Investment Counsel noted that they are “pleased with this performance report” and “as more people receive the vaccination and with pent-up consumer spending, the markets are hopeful for an improved economy.”

Mr. Dwyer and Mr. Fabrizio then discussed with the board members a proposed rebalance of the investment portfolio which would invest approximately \$2.0 million of available cash to the P.R.I.T. Core Real Estate account. 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. Slivinski moved to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above. 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

With regards to the issued R.F.P. for the International Equity asset class, it was noted that the Foreign Developed Market Equity R.F.P. has generated quite a few responses, and that Wainwright Investment Counsel has completed their analysis of the submitted proposals. Each of the 54 responses have been reviewed and categorized as either “highly advantageous”, “advantageous”, or “not advantageous”. Of the responses received, thirteen were categorized as “highly advantageous”. After reviewing with the board members, Wainwright Investment Counsel would recommend that the board members consider, for further due diligence, the following four investment managers: Dimensional Fund Advisors, HGK Asset Management, MFS Investment Management, and RhumbLine Advisers. Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to accept the recommendation of Wainwright Investment Counsel and to consider for further due

diligence the above-mentioned investment managers to call into the May and/or June board meetings to present their proposed international equity fund.

Ms. Philbin moved to accept the recommendation of Wainwright Investment Counsel and to consider for further due diligence the above-mentioned investment managers to call into the May and/or June board meetings to present their proposed international equity fund. 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 further discussion with the board members, Mr. Fabrizio and Mr. Dwyer ended their meeting with the board members.

Next, the Director noted for the board members PERAC memo #04/2021 regarding the FY 2022 C.O.L.A. increase. This memo indicates that the C.O.L.A. that any system may grant for FY 2022 will be up to 3.0%. After some discussion, the board members entertained a motion to approve for FY 2022 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$14,000.00 base.

Ms. Philbin moved to approve for FY 2022 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$14,000.00 base. 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 Director then noted for the board members that the current term for the Fifth Member position will expire on June 30, 2021. Notice has been posted that the Fifth Member will be chosen by the other four members of the retirement board for a three-year term which is to begin on July 1, 2021 and will expire on June 30, 2024. The Fifth Member shall not be an employee, a retiree or an official of the Town of Falmouth or the Falmouth Housing Authority. Interested applicants will need to respond by 2:00 p.m. on Wednesday, May 12, 2021.

Then, Attorney Poser noted that there is no new information to report in either of the pending legal matters....*Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453 or *Daniel Donahue v. Falmouth Retirement Board*, CR-21-0048.

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. 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 3:05 p.m., the board members concluded the open session meeting.

The next board meeting is scheduled to begin at 2:00 p.m. on Thursday, May 20, 2021 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