

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, August 19, 2021

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Jennifer P. Mullen; Craig B. O'Malley (by Zoom) and Paul J. Slivinski (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 physically present, Chairman Ferreira called the meeting to order, and he noted for all that, in accordance with Chapter 20 of the Acts of 2021, relating to 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 June. Through the end of June, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$824,384.18 and a statement balance in the amount of \$66,027.46. She noted that the month-end fund balance is \$55,236.22 with outstanding checks for the month in the amount of \$9,789.99 and a stopped check in the amount of \$1,001.25. In addition, it was noted that the check sequence for the month of June began with check #10362 and ended with check #10402. There are no checks in this sequence that have not been accounted for through the end of the month. Also, the board members were provided with the annual budget through Q2 2021 including the cash receipts, the cash disbursements, the adjusting entries, the general ledger and the trial balance. 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 July 22, 2021. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on July 22, 2021.

Mr. Slivinski moved to approve the meeting minutes of the open session meeting that was held on July 22, 2021. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

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

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

Warrant #25/2021	\$1,150,971.21	Warrant #26/2021	\$ 7,962.40
Warrant #27/2021	\$ 90,223.20		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #25/2021 through #27/2021.

Ms. Mullen moved to approve the payment, as noted, of warrants #25/2021 through #27/2021. 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 fees:

- People's United Bank, June 2021 custodial fee \$ 4,366.07
- S.S.g.A. (CM3Y), Q2 2021 management fee \$ 1,368.02
- S.S.g.A. (CME7), Q2 2021 management fee \$ 1,669.77
- LMCG Investments (Mid Cap), Q2 2021 management fee \$ 31,573.00
- DFA International Equity, Q2 2021 management fee \$ 7,578.65
- Lord Abbett High Yield Core; Q2 2021 management fee \$ 4,162.76
- Lexington Capital Fund VII, Q2 2021 management fee \$ 1,209.00
- Principal U.S. Property, Q2 2021 management fee \$ 1,415.23

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

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

- PRIT Private Equity Fund VY2018, a capital call payable on 8/2/2021 in the amount of \$169,588.51
- PRIT Private Equity Fund VY2020, a capital call payable on 8/2/2021 in the amount of \$138,148.62
- TA Realty Fund XII, a capital call payable on 9/9/2021 in the amount of \$1,500,000.00

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

Mr. Slivinski 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 distributions from investment managers:

- Siguler Guff & Company Fund III, a distribution received on 7/26/2021 in the amount of \$42,896.87
- Lexington Capital Fund VII, a distribution received on 7/29/2021 in the amount of \$26,232.00
- Hamilton Lane Secondary Fund IV, a distribution received on 8/9/2021 in the amount of \$249,249.00
- TA Realty Fund XII, a distribution received on 8/26/2021 in the amount of \$14,273.00

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:

- Donna J. Skinner; amount of refund is \$72,425.15; termination from service by the Town of Falmouth, Falmouth Public Library

- Leah M. Higgins; amount of refund is \$2,019.76; termination from service by the Town of Falmouth, Falmouth Public Schools

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

- Venera A. Cocks; date of retirement is 6/23/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Mary R. Thompson; date of retirement is 6/23/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Patricia A. Heywood; date of retirement is 6/23/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Debra H. Lynch; date of retirement is 6/30/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Deborah J. Adams; date of retirement is 6/30/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Deborah L. Watson; date of retirement is 6/30/2021 from the Town of Falmouth, Falmouth Public Schools; Group One
- Karen A. Godino; date of retirement is 7/12/2021 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Katherine M. May-Waite; Payroll Accountant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 7/13/2021, 9% + 2%
- Terrance E. Quinn, Local Inspector, Town of Falmouth, Inspectional Services Department, Group One; DOM 7/22/2021, 9% + 2%
- Sean S. Johnson; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/9/2021, 9% + 2%

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

- Francis L. Rose; Custodian, 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 \$2,002.81 (*upon completion of this service purchase, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis*)
- Lori A. Lieberman; Library Assistant, Town of Falmouth, Falmouth Public Library; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,410.84 (*upon completion of this service purchase, the Falmouth Retirement System will accept 9 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 his/her 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 his/her 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 reviewed the following first reports of injury:

- Craig R. Norton; M.E.O. I, Town of Falmouth, D.P.W. Highway Division, Group One; while removing the trailer from the truck, employee was injured.
Date of Injury 6/29/2021
- Brian D. Kinsella; Police Officer, Town of Falmouth, Police Department, Group Four; while sprinting to assist other officers, employee was injured.
Date of Injury 7/23/2021
- Terrence A. Rogers; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while lifting a stretcher out of the pick-up truck, employee fell and was injured. Date of Injury 7/26/2021

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

- PERAC memo #21/2021 Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors
- PERAC memo #22/2021 Reinstatement to Service under G.L. c. 32 §105

- PERAC memo #23/2021 91A PROSPER Tasks

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer and Jeffrey Fabrizio 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 June, and Mr. Fabrizio reviewed the plan results. Through the end of June, the plan's estimated market value was approximately \$185.7 million. Year-to-date, the plan is up 11.64% versus the policy benchmark which is up 7.95%. Compared to its policy benchmark (up 17.01%), the domestic equity sector (up 15.47%) is behind. The international equity sector (up 11.27%) is ahead of its benchmark (up 8.88%). The equity managers continue to drive the portfolio's returns with some very strong performance. The domestic fixed income strategy (down 0.28%) is slightly ahead of its benchmark (down 0.99%). As interest rates rise, fixed income will decline. The performance of the fixed income funds 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 9.13% versus a benchmark that is up 1.72%. At present, the real estate funds, except for Metropolitan Real Estate which is in the process of winding down their fund, are ahead of the benchmark. Due to the nature of the investments held within the private equity sector, their performance returns are stated with as much as a two-quarter lag. Yet, this sector is estimated to be up 27.20% 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. Hamilton Lane Secondary Fund IV, Lexington Capital Fund VII, Mesirow Financial Fund IV and both P.R.I.T. Private Equity funds are providing double digit positive returns for the year. For the year, the P.R.I.T. Absolute Return Fund is up 7.75% versus a benchmark that is up 4.97%. Lastly, the cash balance is approximately \$1.4 million. Wainwright Investment Counsel noted that they are "very pleased with the performance of this portfolio through the first six months of the year".

With regards to the issued R.F.P. for the U.S. Small Cap Core Equity asset class, it was noted that the U.S. Small Cap Core Equity R.F.P. has generated thirteen responses, and that Wainwright Investment Counsel has completed their analysis of the submitted proposals. Each of the responses have been reviewed and categorized as either "highly advantageous", "advantageous", "not advantageous" or "not acceptable". Of the responses received, four were categorized as "highly advantageous" and Wainwright Investment Counsel would recommend that the board members consider, for further due diligence, any of the four "highly advantageous" investment managers. Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to consider for further due diligence Earnest Partners, Penn Capital and Segall Bryant & Hamill to call into the October board meeting to present their proposed U.S. small cap core equity fund.

Ms. Mullen moved to consider for further due diligence Earnest Partners, Penn Capital and Segall Bryant & Hamill to call into the October board meeting to present their proposed U.S. small cap core equity fund. Mr. Slivinski 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.

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. 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 2:30 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 2:40 p.m., the board members reconvened their open session meeting, and the Chairman noted the following actions that were taken during the executive session meeting.

CHAD A. LEIGHTON – ACCIDENTAL DISABILITY RETIREMENT

The board members reviewed the *Member's Application for Disability Retirement*, *Employer's Statement Pertaining to Member's Application for Disability Retirement*, *Treating Physician's Statement Pertaining to Member's Application for Disability Retirement* and other supporting documentation. Mr. Slivinski moved to accept the voluntary accidental disability retirement application submitted by Chad A. Leighton and to request that P.E.R.A.C. convene an examination by a regional medical panel. 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, Attorney Poser noted the following activity in the pending legal matters:

- *Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453; no new information
- *Daniel Donahue v. Falmouth Retirement Board*, CR-21-0048; a joint pre-hearing memorandum is to be filed with D.A.L.A. on or before September 14, 2021

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. 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 2:45 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 9:30 a.m. on Thursday, September 23, 2021 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



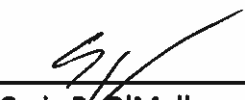
Russell R. Ferreira
Chairman, Elected Member



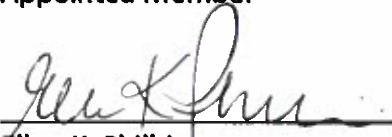
Jennifer P. Mullen
Ex-Officio Member



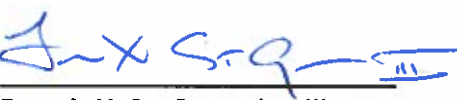
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director