

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, January 21, 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 November. Through the end of November, it was noted that the account with Rockland Trust has receipts in the amount of \$1,067,703.20 and a statement balance in the amount of \$256,740.64. She noted that the month-end fund balance is \$47,622.02 with outstanding checks for the month in the amount of \$209,114.16. In addition, it was noted that the check sequence for the month of November began with check #10080 and ended with check #10119. 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 the open session meetings that were held on December 10, 2020 and December 22, 2020. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meetings that were held on December 10, 2020 and December 22, 2020.

Mr. O'Malley moved to approve the meeting minutes of the open session meetings that were held on December 10, 2020 and December 22, 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

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

Warrant #45/2020	\$1,079,518.01	Warrant #01/2021	\$ 7,577.60
Warrant #02/2021	\$ 17,090.62		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #45/2020 and #01/2021 through #02/2021.

Ms. Philbin moved to approve the payment, as noted, of warrants #45/2020 and #01/2021 through #02/2021. 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

Then, the board members reviewed the payment of the following investment management fees:

- Wainwright Investment Counsel, Q4 2020 consultant fee \$ 27,500.00
- People's United Bank, November 2020 custodial fee \$ 3,967.17
- RhumbLine Advisers (Growth), Q4 2020 management fee \$ 1,175.00
- RhumbLine Advisers (S&P 400), Q4 2020 management fee \$ 567.00
- RhumbLine Advisers (Value), Q4 2020 management fee \$ 1,005.00
- RhumbLine Advisers (S&P 600), Q4 2020 management fee \$ 586.00

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. 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 following payment of capital calls to investment managers:

- Mesirow Financial Fund IV, a capital call payable on 12/24/2020 in the amount of \$15,000.00
- PRIT Private Equity Fund VY 2018, a capital call payable on 1/4/2021 in the amount of \$79,361.67
- PRIT Private Equity Fund VY 2020, a capital call payable on 1/4/2021 in the amount of \$50,976.52

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. 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, a distribution received on 12/21/2020 in the amount of \$12,970.06
- Mesirow Financial Fund IV, a distribution received on 12/24/2020 in the amount of \$72,000.00
- Lexington Capital Fund VII, a distribution received on 12/28/2020 in the amount of \$27,671.00

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

- Lorna F. Fretschl; date of retirement is 12/2/2020 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Jill M. Kelly; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/26/2020, 9% + 2%
- Anna K. Irwin; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/29/2020, 9% + 2%
- Kathleen M. Hawthorne; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/2/2020, 9% + 2%

- Frank J. Zuccarello Jr.; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 12/21/2020, 9% + 2%
- Michael J. Barry Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 12/28/2020, 9% + 2%
- Nicholas D. Deiuliis; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 12/28/2020, 9% + 2%
- Christian A. Moses; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 12/28/2020, 9% + 2%
- Adam M. Nawoichik; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 12/28/2020, 9% + 2%
- Devin T. Lawler; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 1/2/2021, 9% + 2%
- Kyle W. Moy; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 1/3/2021, 9% + 2%
- Daniel J. Desmarais; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 1/4/2021, 9% + 2%
- Cathal D. O'Brien; Superintendent, Town of Falmouth, D.P.W. Water Division, Group One; DOM 1/5/2021, 9% + 2%

The board members then noted the following first reports of injury:

- Timothy J. Brandt; Police Officer, Town of Falmouth, Police Department, Group Four; while attending S.R.T. training, employee was injured.
Date of Injury 11/2/2020
- James B. Rogers; Police Officer, Town of Falmouth, Police Department, Group Four; while attending S.R.T. training, employee was injured.
Date of Injury 11/2/2020
- Cody R. Murray; Police Officer, Town of Falmouth, Police Department, Group Four; while attending S.R.T. training, employee was injured.
Date of Injury 11/2/2020
- Newton J. Cardoso; Police Officer, Town of Falmouth, Police Department, Group Four; while attending S.R.T. training, employee was injured.
Date of Injury 11/2/2020
- James F. Porter II; Police Officer, Town of Falmouth, Police Department, Group Four; while attending S.R.T. training, employee was injured.
Date of Injury 11/2/2020
- Florence M. DiFilippo; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while watching students during a mask break, employee was injured. Date of Injury 12/10/2020
- Timothy J. Brandt; Police Officer, Town of Falmouth, Police Department, Group Four; while breaking a window to gain entry into a residence, employee was injured. Date of Injury 12/15/2020
- Eryn N. Lokerson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while on an ambulance call, employee was injured.
Date of Injury 12/15/2020

- William G. Kosky Jr.; Police Officer, Town of Falmouth, Police Department, Group Four; while rendering medical assistance to a citizen, employee was attacked and injured. Date of Injury 12/24/2020
- Julia E. Massi; Police Officer, Town of Falmouth, Police Department, Group Four; while interviewing a crime victim, employee was injured. Date of Injury 12/25/2020
- Nicholas J. Zimmerman; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while attempting to secure a patient to a backboard, employee was injured. Date of Injury 12/26/2020
- Wilfer Gomez; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; while pulling a recycle bin filled with books, employee was injured. Date of Injury 1/4/2021

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

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| • PERAC memo #36/2020 | 2020 Disability Data |
| • PERAC memo #37/2020 | Mandatory Retirement Board Member Training – 1 st Quarter 2021 |
| • PERAC memo #38/2020 | Questions arising in wake of the <i>Gomes</i> decision |
| • PERAC memo #39/2020 | Tobacco Company List |
| • PERAC memo #01/2021 | CMR 10:13(3) & 10:15(1)(c) – Annual Review of Medical Testing Fee |
| • PERAC memo #02/2021 | 2021 Limits under Chapter 46 of the Acts of 2002 |
| • PERAC memo #03/2021 | 2021 Limits under Section 23 of Chapter 131 of the Acts of 2010 |
| • PERAC memo #04/2021 | COLA Notice |

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 November, and Mr. Fabrizio reviewed the plan results. Through the end of November, the plan's estimated market value was approximately \$165.2 million. Year-to-date, the plan is up 5.49% versus the policy benchmark which is up 7.61%. Compared to its policy benchmark (up 10.07%), the domestic equity sector (up 8.66%) is behind with all of the funds in this sector, other than RhumbLine Large Cap Value, showing positive returns. The other exception being that Aristotle Small Cap seems to be exceedingly under-performing its benchmark. The international equity sector (up 2.57%) is behind its benchmark (up 3.50%) with HGK Trinity Street being the only fund in this sector to outperform its respective benchmark. The domestic fixed income strategy (up 7.19%) is slightly behind its benchmark (up 7.36%). This is not unexpected as the majority of these investments, with the exception of Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is up 2.96% versus a benchmark that is up 0.45%. 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 11.05% versus a benchmark that is up 1.62%. 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. All of the private equity funds within the portfolio, other than the two funds with Lexington Capital, are able to demonstrate positive returns for the period. For the year, the P.R.I.T. Absolute Return Fund is down 1.93% versus a benchmark that is up 6.74%. Lastly, the cash balance is approximately \$3.7 million. Wainwright Investment Counsel noted that “despite the COVID-19 pandemic, the markets seem to be showing some resiliency and it would appear that the portfolio is going to bounce back with a positive performance for the year.”

To circle back, Mr. Dwyer indicated some items of note. First, the Aristotle Small Cap Equity fund has been struggling and their lack of performance has become a concern. In light of this performance, it is the recommendation of Wainwright Investment Counsel that the Falmouth Retirement Board place Aristotle Capital on the “watch list”. After some discussion, the board members entertained a motion to send to Aristotle Capital a letter as notification that they have been placed on the “watch list”.

Mr. Slivinski moved to send to Aristotle Capital a letter as notification that they have been placed on the “watch list”. 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

Second, Mr. Dwyer noted that the Principal U.S. Property Separate Account continues to have in place a queue; however in the coming week, we should be receiving a partial distribution. After some discussion, the board members entertained a motion to formally terminate the relationship with Principal, and again, to request a full redemption of the investment in the Principal U.S. Property Separate Account.

Mr. Ferreira moved to formally terminate the relationship with Principal, and again, to request a full redemption of the investment in the Principal U.S. Property Separate Account. 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

Third, Mr. Dwyer noted the need to issue an R.F.P. due to the expiration of contracts for both HGK Trinity Street International Equity and DFA International Equity. After some discussion, the board members entertained a motion to issue an R.F.P. for the international equity asset class.

Mr. O'Malley moved to issue an R.F.P. for the international equity asset class. 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

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 2:25 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 2:50 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.

DANIEL J. DONAHUE – 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. O'Malley moved to deny the

voluntary accidental disability retirement application submitted by Daniel J. Donahue and to not request that P.E.R.A.C. convene an examination by a regional medical panel. 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

DONALD G. DEMIRANDA – 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. O'Malley moved to accept the voluntary accidental disability retirement application submitted by Donald G. DeMiranda and to request that P.E.R.A.C. convene a teleconference examination by a regional medical panel. 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

RYAN P. MOORE – 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 Ryan P. Moore and to request that P.E.R.A.C. convene a teleconference examination by a regional medical panel. 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

Then, the Director noted that he would be emailing to the board members a memo regarding the on-line training program about the Conflict of Interest law.

In addition, the Director noted that he has engaged StratusPointIT to address the information technology support and service needs for the retirement system.

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 2:55 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, February 18, 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