

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

Board members in attendance: Russell R. Ferreira, Chairman (by Zoom); Ellen K. Philbin, Vice Chairman; and Paul J. Slivinski (by Zoom)

Board members in absence: Jennifer P. Mullen 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 Zoom)

At approximately 2:00 p.m., with a quorum being present, Vice Chairman Philbin called the meeting to order, and she 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 May. Through the end of May, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,481,867.39 and a statement balance in the amount of \$517,987.12. She noted that the month-end fund balance is \$396,226.44 with outstanding checks for the month in the amount of \$121,760.68. In addition, it was noted that the check sequence for the month of May began with check #10329 and ended with check #10361. 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. Ferreira moved to accept the report from the Office of the Treasurer. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	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 June 17, 2021. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on June 17, 2021.

Mr. Ferreira moved to approve the meeting minutes of the open session meeting that was held on June 17, 2021. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
---------------------------------	-----

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

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

Warrant #22/2021 \$1,106,865.71 Warrant #23/2021 \$ 8,578.85
Warrant #24/2021 \$ 153,285.33

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #22/2021 through #24/2021.

Mr. Slivinski moved to approve the payment, as noted, of warrants #22/2021 through #24/2021. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman YES
Paul J. Slivinski YES
Russell R. Ferreira, Chairman YES

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

- Wainwright Investment Counsel, Q2 2021 consultant fee \$ 27,500.00
- People's United Bank, May 2021 custodial fee \$ 4,359.08
- RhumbLine Advisers (Growth), Q2 2021 management fee \$ 1,361.00
- RhumbLine Advisers (S&P 400), Q2 2021 management fee \$ 728.00
- RhumbLine Advisers (Value), Q2 2021 management fee \$ 1,255.00
- RhumbLine Advisers (S&P 600), Q2 2021 management fee \$ 3,121.00

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

Mr. Ferreira moved to approve the payment, as noted, of the above-mentioned investment fees. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman 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 7/1/2021 in the amount of \$9,738.05
- PRIT Private Equity Fund VY2020, a capital call payable on 7/1/2021 in the amount of \$124,888.69

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. Mr. Ferreira seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- TerraCap Partners Fund IV, a distribution received on 6/25/2021 in the amount of \$322,150.81
- Mesirow Financial Fund IV, a distribution received on 6/28/2021 in the amount of \$19,500.00
- Lexington Capital Fund VII, a distribution received on 6/29/2021 in the amount of \$37,382.00
- Siguler Guff & Company Fund III, a distribution received on 6/29/2021 in the amount of \$17,430.60
- PRIT Private Equity Fund VY 2018, a distribution received on 7/1/2021 in the amount of \$74,749.21

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:

- Ryan P. Moore; amount of refund is \$58,368.04 (special legislation); termination from service by the Town of Falmouth, Police Department
- Donald G. DeMiranda; amount of refund is \$40,542.36 (special legislation); termination from service by the Town of Falmouth, Police Department
- Susan M. Miskovsky; amount of refund is \$152.49; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Jessica J. Salsman; amount of refund is \$12,606.16; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Matthew H. Flynn; amount of rollover is \$21,935.75; resignation from service with the Town of Falmouth, Recreation Department
- Olivia D. Rauss; amount of transfer is \$1,840.16; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 7 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 former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions.

Mr. Slivinski 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
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:

- Stephanie S. Legg; date of retirement is 5/10/2021 from the Town of Falmouth, Falmouth Public Library; Group One
- Ryan P. Moore; date of retirement is 5/10/2021 (special legislation) from the Town of Falmouth, Police Department; Group Four
- Donald G. DeMiranda; date of retirement is 5/12/2021 (special legislation) from the Town of Falmouth, Police Department; Group Four
- Wendy S. Silva; date of retirement is 6/1/2021 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Lori A. Lieberman; Library Assistant, Town of Falmouth, Falmouth Public Library, Group One; DOM 5/31/2021, 9% + 2%
- Hannah G. Ely; Personnel Assistant, Town of Falmouth, Personnel Department, Group One; DOM 6/28/2021, 9% + 2%
- Christine L. Garrison; Outreach Specialist, Town of Falmouth, Falmouth Public Schools, Group One; DOM 7/1/2021, 9% + 2%
- D. Scott Eustis; M.E.O. I, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 7/6/2021, 9% + 2%
- Jedediah C. Cornock; Assistant Town Planner, Town of Falmouth, Planning Department, Group One; DOM 7/12/2021, 9% + 2%
- Jennifer L. Lenau; Central Office Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 7/12/2021, 9% + 2%
- Brian J. Wells; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%
- Dallas D. O'Brien; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%
- Michael G. O'Connor; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%
- Nevin T. Esperian; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%
- Seamus P. Murray; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%

- Steven A. Laraia; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/25/2021, 9% + 2%

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

- Robert E. Leavenworth; Staff Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while stepping off the edge of a ramp, employee was injured. Date of Injury 6/2/2021
- Taylor J. Marques; Utility Maintenance Worker, Town of Falmouth, D.P.W. Water and Wastewater Division, Group One; while shoveling dirt, employee fell and was injured. Date of Injury 6/16/2021

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

- PERAC memo #17/2021 Follow-Up: Certain Coronavirus Emergency Measures Extended
- PERAC memo #18/2021 Updated Member and Beneficiary Application for Distribution of Accumulated Total Deductions Forms
- PERAC memo #19/2021 Mandatory Retirement Board Member Training – 3rd Quarter 2021
- PERAC memo #20/2021 Tobacco Company List

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 May, and Mr. Fabrizio reviewed the plan results. Through the end of May, the plan's estimated market value was approximately \$184.6 million. Year-to-date, the plan is up 10.67% versus the policy benchmark which is up 7.60%. Compared to its policy benchmark (up 15.85%), the domestic equity sector (up 14.79%) is behind. The international equity sector (up 12.99%) is ahead of its benchmark (up 10.23%). The equity managers have driven the portfolio's returns with some very strong performance. The domestic fixed income strategy (down 1.14%) is slightly ahead of its benchmark (down 1.75%). As interest rates rise, fixed income will decline, and 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 7.05% 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 their benchmark. Due to the nature of the investments 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 15.88% 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, Mesirov Financial Fund IV and P.R.I.T. Private Equity VY2018 are the funds that have demonstrated double digit positive returns for the year. For the year, the P.R.I.T. Absolute Return Fund is up 7.93% versus a benchmark that is up 4.40%. Lastly, the cash balance

is approximately \$1.7 million. Wainwright Investment Counsel noted that they continue to be “very happy with the performance of the portfolio”.

Also, Mr. Dwyer noted for the board members that an R.F.P. for the U.S. Small Cap Core Equity asset class has been issued and responses are due by 2:00 p.m. on July 27, 2021.

Mr. Dwyer and Mr. Fabrizio then discussed with the board members a proposed rebalance of the investment portfolio which would liquidate the following:

- \$6.0 million from cash
- \$2.5 million from the RhumbLine Advisers Russell 1000 Growth Pooled Index Fund
- \$2.5 million from the LMCg Investments Mid Cap Core Growth Fund
- \$24.5 million from the RhumbLine Advisers S&P 600 Pooled Index Fund

and invest the funds in the following:

- \$4.0 million to the RhumbLine Advisers MSCI EAFE Pooled Index Fund
- \$5.0 million to the S.S.g.A. Passive Bond Index Fund
- \$4.0 million to the P.R.I.T. Core Real Estate Fund
- \$2.5 million to the P.R.I.T. Absolute Return Fund
- \$20.0 million to the TBD small cap core manager (issued R.F.P. pending)

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. Ferreira moved to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	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.

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 Vice Chairman asked for a motion to adjourn the open session meeting.


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

At approximately 2:40 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, August 19, 2021 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

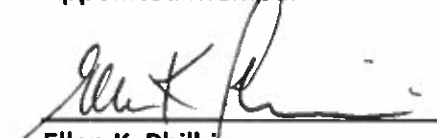
ATTEST:




Russell R. Ferreira
Chairman, Elected Member



Paul J. Slivinski
Appointed Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Jennifer P. Mullen
Ex-Officio Member

ABSENT

Craig B. O'Malley
Elected Member



Francis X. St. Germaine III
Director