

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, November 18, 2021

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

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, 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 September. Through the end of September, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,172,366.48 and a statement balance in the amount of \$248,783.53. She noted that the month-end fund balance is \$5,003.67 with outstanding checks for the month in the amount of \$243,779.86. In addition, it was noted that the check sequence for the month of September began with check #10484 and ended with check #10496. 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 Q3 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 monthly reconciliation submitted by the Town Treasurer.

Mr. Slivinski moved to accept the monthly reconciliation submitted by the Town Treasurer. 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 meeting minutes of the open session meeting that was held on October 21, 2021. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on October 21, 2021.

Ms. Mullen moved to approve the meeting minutes of the open session meeting that was held on October 21, 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

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

Warrant #36/2021	\$ 8,212.40	Warrant #37/2021	\$1,302,868.24
Warrant #38/2021	\$ 7,962.40	Warrant #39/2021	\$ 100,631.38

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #36/2021 through #39/2021.

Ms. Mullen moved to approve the payment, as noted, of warrants #36/2021 through #39/2021. 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 fees:

- People's United Bank, September 2021 custodial fee \$ 4,522.27
- S.S.g.A. (CM3Y), Q3 2021 management fee \$ 1,384.62
- S.S.g.A. (CME7), Q3 2021 management fee \$ 2,226.10
- LMCG Investments (Mid Cap), Q3 2021 management fee \$ 28,961.00
- DFA International Equity, Q3 2021 management fee \$ 7,653.17
- Lord Abbett High Yield Core; Q3 2021 management fee \$ 4,234.14
- Lexington Capital Fund VII, Q3 2021 management fee \$ 1,061.00

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

Ms. Mullen 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
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 11/1/2021 in the amount of \$120,576.52
- PRIT Private Equity Fund VY2020, a capital call payable on 11/1/2021 in the amount of \$204,184.31

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:

- Mesirow Financial Fund IV, a distribution received on 10/27/2021 in the amount of \$22,500.00
- Siguler Guff & Company Fund III, a distribution received on 10/27/2021 in the amount of \$42,721.90
- Lexington Capital Fund VII, a distribution received on 10/28/2021 in the amount of \$57,714.00
- Hamilton Lane Secondary Fund IV, a distribution received on 11/8/2021 in the amount of \$243,455.00
- TA Realty Fund XI, a distribution received on 11/18/2021 in the amount of \$14,726.00

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:

- Laura E.S. Ford; amount of refund is \$140.37; deductions taken in error by the Town of Falmouth, Falmouth Public Library
- Julie A. Cadogan; amount of refund is \$146.78; deductions taken in error by the Town of Falmouth, Department of Veterans' Services

- Samuel A. Botelho; amount of transfer is \$2,420.48; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this transfer, the Falmouth Retirement System will accept 10 months of 3(8)(c) liability on a 12-month basis)*
- Laura E.S. Ford; amount of transfer is \$73,018.15; resignation from service with the Town of Falmouth, Falmouth Public Library *(with this transfer, the Falmouth Retirement System will accept 13 years and 3 months of 3(8)(c) liability on a 12-month basis)*
- Daniela C. Pinto; amount of rollover is \$693.82; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this rollover, the Falmouth Retirement System will accept 3 months of 3(8)(c) liability on a 12-month basis)*
- Sharon F. Sodekson; amount of rollover is \$13,302.30; termination from service with the Town of Falmouth, Human Services Department *(with this rollover, the Falmouth Retirement System will accept 2 years and 11 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. 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 new members of the Falmouth Retirement System:

- Cykka A. Lovett; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Robert F. Murray; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Senitra D. Bogan; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/31/2021, 9% + 2%
- Rebecca L. Gray; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/8/2021, 9% + 2%
- Trevor W. Reid; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/14/2021, 9% + 2%
- Bryant P. Smith; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/14/2021, 9% + 2%

- Mary E. McCarthy; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 10/14/2021, 9% + 2%
- Deirdre A. Detjens; Assistant to the Children’s Librarian, Town of Falmouth, Falmouth Public Library, Group One; DOM 10/25/2021, 9% + 2%
- Aryana L. Weathers; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/4/2021, 9% + 2%
- Lindsey N. Mahoney; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/4/2021, 9% + 2%

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

- Katherine M. May-Waite; Payroll Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase refunded service, prior to membership with the Falmouth Retirement System; principle amount due is \$20,377.44 (*upon completion of this service purchase, the Dukes County Retirement System will accept 4 years and 5 months of 3(8)(c) liability on a 12-month basis*)
- Brian J. Wells; Firefighter, Town of Falmouth, Fire Rescue Department; request to purchase refunded service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,502.24 (*upon completion of this service purchase, the Plymouth County Retirement System will accept 8 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.

Ms. Mullen 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 reviewed the following first reports of injury:

- James M. Woodward; M.E.O. II, Town of Falmouth, D.P.W. Highway Division, Group One; while clearing debris on the bike path, employee was injured.
Date of Injury 9/13/2021
- Jessica H. Gow; Senior Animal Control Officer, Town of Falmouth, Marine and Environmental Services Department, Group One; while walking through the kennel to check on dogs, employee fell and was injured.
Date of Injury 9/17/2021

- Melissa M. Martin; Police Officer, Town of Falmouth, Police Department, Group Four; while restraining a combative subject, employee was injured.
Date of Injury 11/2/2021
- Tyler J. Narbonne; Police Officer, Town of Falmouth, Police Department, Group Four; while restraining a combative subject, employee was injured.
Date of Injury 11/2/2021
- Samantha Espinoza; Police Officer, Town of Falmouth, Police Department, Group Four; while arresting a combative subject, employee was injured.
Date of Injury 11/2/2021
- Robert A. Martino Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while attending to a patient, employee was injured.
Date of Injury 11/2/2021

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

- PERAC memo #28/2021 Buying Back Elected Official Service Time
- PERAC memo #29/2021 Expansion of Post-Retirement Work in the Public Sector
- PERAC memo #30/2021 Investment Fraud Alert
- PERAC memo #31/2021 2021 Pension Fraud Prevention Campaign

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting both via Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of September, and Mr. Fabrizio reviewed the plan results. Through the end of September, the plan's estimated market value was approximately \$194.1 million. Year-to-date, the plan is up 12.40% versus the policy benchmark which is up 9.99%. Compared to its policy benchmark (up 14.47%), the domestic equity sector (up 14.01%) is a bit behind. The international equity sector (up 11.16%) is ahead of its benchmark (up 8.68%). The equity managers continue to drive the portfolio's returns with some very strong performance. The domestic fixed income strategy (down 0.11%) is slightly ahead of its benchmark (down 1.79%). As interest rates rise, the fixed income performance will decline. Yet, 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 15.96% versus a benchmark that is up 10.88%. At present, the real estate funds, except for Metropolitan Real Estate and TerraCap Partners, 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. Still, this sector is estimated to be up 42.86% versus a benchmark that is presently at 25.28%. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio. Siguler Guff Fund III, although positive, is the one fund within the private equity sector that is not providing double digit positive returns for the year. For the year, the P.R.I.T. Absolute Return Fund is up 8.01% versus a benchmark that is up 5.73%. Lastly, the cash balance is approximately \$3.4 million at the end of September.

Wainwright Investment Counsel noted that they are “extremely pleased with the incredible performance this year from the various funds within the portfolio”.

To follow-up, Mr. Dwyer then reminded the board members that Siguler Guff & Company has conducted a competitive auction process to seek a potential purchaser of the limited partner interests in the Siguler Guff Distressed Opportunities Fund III. Currently, the fund’s term is set to expire on December 31, 2021; however, the fund’s portfolio will require more time to maximize and monetize its value. For those investors that opt to not sell their interest, their term will be extended to December 31, 2024. For those investors that prefer to achieve accelerated liquidity, the proposed transaction will provide them with an accelerated liquidity option at a price equal to 81.6% of the net asset value of their interest. It is anticipated that the transaction closing will occur on or around December 31, 2021. Thus, it is the recommendation of Wainwright Investment Counsel that the retirement system elect to sell our remaining interest in the Siguler Guff Distressed Opportunities Fund III in consideration for cash. After some additional discussion, the board members entertained a motion to accept the recommendation of Wainwright Investment Counsel and elect to sell our remaining interest in the Siguler Guff Distressed Opportunities Fund III in consideration for cash.

Mr. Slivinski moved to accept the recommendation of Wainwright Investment Counsel and elect to sell our remaining interest in the Siguler Guff Distressed Opportunities Fund III in consideration for cash. 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, Mr. Dwyer and Mr. Fabrizio discussed with the board members a proposed rebalance of the investment portfolio which would liquidate the following:

- \$1.0 million from the RhumbLine Advisers Russell 1000 Value Pooled Index Fund
- \$2.0 million from the RhumbLine Advisers Russell 1000 Growth Pooled Index Fund
- \$19.5 million from the RhumbLine Advisers S&P 600 Pooled Index Fund
- \$3.0 million from the S.S.g.A. Passive Bond Index Fund
- \$1.5 million from the P.R.I.T. Core Real Estate Fund

and move the funds to the following:

- \$5.0 million to cash
- \$2.0 million to the RhumbLine Advisers MSCI EAFE Pooled Index Fund
- \$20.0 million to the EARNEST Partners U.S. Small Cap Core Equity Fund

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. 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

Mr. Dwyer and Mr. Fabrizio then noted that the private equity sector of the retirement system's portfolio is currently funded below its stated target policy weight. Thus, it is the recommendation of Wainwright Investment Counsel to commit \$5.0 million to the P.R.I.M. Board Private Equity Vintage Year 2022 portfolio. It was noted that an R.F.P. is not required to invest in P.R.I.M. and that the deadline for a retirement system to notify P.R.I.M. of their intention to participate in this program is December 15, 2021. After some discussion, the board members entertained a motion to accept the recommendation of Wainwright Investment Counsel to commit \$5.0 million to the P.R.I.M. Board Private Equity Vintage Year 2022 portfolio.

Mr. Slivinski moved to commit \$5.0 million to the P.R.I.M. Board Private Equity Vintage Year 2022 portfolio. 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

After some additional discussion with the board members, Mr. Dwyer and Mr. Fabrizio exited the board meeting.

Next, the Vice 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.

Mr. O'Malley 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. Slivinski 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

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 Vice 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 Vice Chairman noted the following actions taken during the executive session meeting.

CHAD A. LEIGHTON – ACCIDENTAL DISABILITY RETIREMENT

The board members reviewed the Regional Medical Panel certificates with narratives and found all to be in order. Ms. Mullen moved to approve the voluntary accidental disability retirement application that has been submitted by Chad A. Leighton and to transmit to P.E.R.A.C. their findings of facts. 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, Attorney Poser noted the following activity in the pending legal matters:

- *Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453; a joint pre-hearing memorandum has been filed with D.A.L.A. with no hearing date scheduled yet.
- *Daniel Donahue v. Falmouth Retirement Board*, CR-21-0048; a joint pre-hearing memorandum has been filed with D.A.L.A. and Attorney Poser has filed a Motion for Summary Decision with no response yet.

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

Mr. O'Malley 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

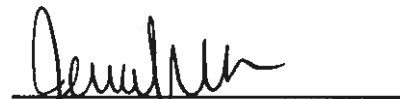
At approximately 2:45 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, December 16, 2021 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



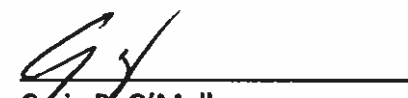
Russell R. Ferreira
Chairman, Elected Member




Jennifer P. Mullen
Ex-Officio Member



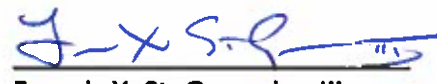
Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director