

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, May 19, 2022

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

Board members in absence: Jennifer P. Mullen 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 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 March. Through the end of March, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,485,246.01 and a statement balance in the amount of \$210,814.16. She noted that the month-end fund balance is \$165,327.36 with outstanding checks for the month in the amount of \$45,486.80. In addition, it was noted that the check sequence for the month of March began with check #10651 and ended with check #10706. 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 Q1 2022 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.

Ms. Philbin 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
Craig B. O'Malley	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 April 21, 2022. 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 April 21, 2022.

Mr. O'Malley moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on April 21, 2022. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

Warrant #15/2022	\$ 19,649.62	Warrant #16/2022	\$1,162,620.26
Warrant #17/2022	\$ 7,962.40	Warrant #18/2022	\$ 34,609.55
Warrant #18/2022DD	\$ 5,740.27		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #15/2022 through #18/2022.

Ms. Philbin moved to approve the payment, as noted, of warrants #15/2022 through #18/2022. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

- People's United Bank, March 2022 custodial fee \$ 5,000.45
- S.S.g.A. (CM3Y), Q1 2022 management fee \$ 1,358.00
- S.S.g.A. (CME7), Q1 2022 management fee \$ 1,794.17
- LMCG Investments (Mid Cap Core), Q1 2022 management fee \$ 28,044.00
- DFA International Equity, Q1 2022 management fee \$ 7,205.87
- Lord Abbett High Yield Core; Q1 2022 management fee \$ 4,092.48
- Lexington Capital Fund VII, Q1 2022 management fee \$ 733.00

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. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the following payment of capital calls to investment managers:

- Lexington Capital Fund VII, a capital call payable on 4/28/2022 in the amount of \$928.00

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

Mr. O'Malley moved to approve the payment, as noted, of the above-mentioned capital call. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

- Lexington Capital Fund VII, a distribution received on 4/28/2022 in the amount of \$19,278.00
- Hamilton Lane Secondary Fund IV, a distribution received on 5/17/2022 in the amount of \$43,754.00

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:

- Paul W. Stefanelli Jr.; amount of refund is \$34.03; deductions taken in error by the Town of Falmouth, Police Department
- Michael C. Zuniga; amount of refund is \$312.06; deductions taken in error by the Town of Falmouth, Fire Rescue Department
- Eileen Craffey; amount of refund is \$6,864.67; resignation from service with the Falmouth Housing Authority (*with this refund, the Falmouth Retirement System will accept 2 years of 3(8)(c) liability on a 12-month basis*)
- William Sinclair; amount of transfer is \$15,359.07; resignation from service with the Town of Falmouth, Inspectional Services Department (*with this transfer, the Falmouth Retirement System will accept 2 years and 3 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.

Ms. Philbin 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
Craig B. O'Malley	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:

- Michael C. Zuniga; date of retirement is 4/15/2022 from the Town of Falmouth, Fire Rescue Department; Group Four

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

- Aiden T. Molloy; Transportation Director, Town of Falmouth, Falmouth Public Schools, Group One; DOM 4/11/2022, 9% + 2%
- Isabella G. Collentro; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 4/25/2022, 9% + 2%
- Mattie R. Long; Animal Control Officer, Town of Falmouth, Marine and Environmental Services Department, Group One; DOM 4/25/2022, 9% + 2%
- Amy L. Sullivan; Human Resources Administrative Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 5/2/2022, 9% + 2%
- Paul J. Dart; Business Office Administrative Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 5/2/2022, 9% + 2%
- Alexander N. Larsen; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One DOM 5/9/2022, 9% + 2%

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

- Alysia N. Davies; Teacher Assistant, 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 \$1,907.76 (*upon completion of this service purchase, the Falmouth Retirement System will accept 5 months of 3(8)(c) liability on a 12-month basis*)
- Daniel J. Desmarais; Police Officer, Town of Falmouth, Police Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$24,372.95 (*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*)
- Laura M. Moore; Teacher Assistant, 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 \$1,955.82 (*upon completion*)

of this service purchase, the Falmouth Retirement System will accept 4 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. Philbin 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. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

- Katherine E. Snyder; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while removing graffiti from the playground equipment, employee was injured.
Date of Injury 4/19/2022
- Ronald J. MacLaughlin Sr.; Utility Maintenance Worker, Town of Falmouth, D.P.W. Water and Wastewater Division, Group One; while working with a high-pressure washer, employee was injured.
Date of Injury 5/5/2022
- Gregory S. Geggatt; M.E.O.II, Town of Falmouth, D.P.W. Parks and Forestry Division, Group One; while pulling up the brake to the mower, employee was injured.
Date of Injury 5/9/2022
- James F. Porter II; Police Officer, Town of Falmouth, Police Department, Group Four; while clearing a residence due to an unsecured door, employee was injured.
Date of Injury 5/9/2022

Next, 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 March, and Mr. Fabrizio reviewed the plan results. Through the end of March, the plan's estimated market value was approximately \$194.3 million. Year-to-date, the plan is down 1.60% versus the policy benchmark which is down 4.06%. Compared to its policy benchmark (down 5.72%), the domestic equity sector (down 3.67%) is a little bit ahead. The international equity sector (down 4.07%) is ahead of its benchmark (down 6.44%). In the current environment of rising interest rates, value will outperform growth. However, the equity managers continue to experience negative returns which is a primary driver for this portfolio's decline in value. The domestic fixed income strategy (down 5.73%) is slightly ahead of its benchmark (down 5.80%). As interest rates rise, the fixed income performance will decline. Still,

the performance of these fixed income funds is expected as most of these investments, apart from Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is estimated to be up 9.56% versus a benchmark that is up 5.33%. Due to the nature of the investments held within the private equity sector, these performance returns are stated with as much as a two-quarter lag. At present, this sector is estimated to be up 4.97% versus a benchmark that is presently even. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio. Year-to-date, the P.R.I.T. Absolute Return Fund is up 0.88% versus a benchmark that is down 2.89%. Lastly, the cash balance is approximately \$3.4 million as of the end of March. Wainwright Investment Counsel noted that "it has been a rough first quarter to the new calendar year" but they are "comfortable with the composition of this portfolio and the performance is what we would expect given all that is happening in the world at this time. Mostly, the markets are sensitive to the actions and/or inactions of the federal reserve."

Then, Mr. Dwyer reviewed with the board members a draft of the updated Investment Policy Statement. Mr. Fabrizio noted some minor edits or additions to the document. After some discussion, the board members entertained a motion to accept the draft of the updated Investment Policy Statement.

Ms. Philbin moved to accept the draft of the updated Investment Policy Statement.
Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

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. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

At approximately 2:20 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 2:30 p.m., the board members reconvened their open session meeting, and the Chairman noted the following actions taken during the executive session meeting.

CASEY D. FERREIRA – 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. Ms. Philbin moved to accept the voluntary accidental disability retirement application submitted by Casey D. Ferreira and to request that P.E.R.A.C. convene an 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
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, the Director updated the board members with regards to the solicitation of proposals to either lease or purchase real property within the Town of Falmouth. At present, a solicitation is being drafted so that it can be posted, hopefully, in early June. Chairman Ferreira reminded the board members that the availability of suitable office space is extremely limited. Also, he noted that either a lease or purchase will take time to negotiate an agreement and to do a proper build out of the space. As is the situation with many of the economic markets, the building trades are dealing with supply shortages as well as labor issues. So, he reiterated that "time is of the essence."

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. The motion has been denied, and a hearing on this matter will be held at D.A.L.A. on Wednesday, July 13, 2022.

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

Mr. O'Malley moved to adjourn the open session meeting. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Craig B. O'Malley	YES

Russell R. Ferreira, Chairman YES

At approximately 2:35 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, June 23, 2022 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

ABSENT

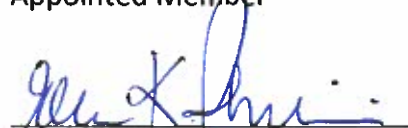
Jennifer P. Mullen
Ex-Officio Member

ABSENT


Paul J. Slivinski
Appointed Member



Craig B. O'Malley
Elected Member



Ellen K. Philbin
Vice Chairman, Fifth Member



Francis X. St. Germaine III
Director